



COMMITTEE REPORT INFORMATION ONLY

Organizational Span of Control Review

Date:	September 28, 2015 Referred to October 28, 2015 for receipt of a presentation
To:	TTC Board
From:	Chief Executive Officer

Summary

The attached report entitled “Organizational Span of Control Review” was before the Human Resources and Labour Relations Committee at its meeting on August 5, 2015. The Committee referred the item to the TTC Board for information.

Contact

Brent Morrison
Director, Compensation Services
Human Resources Department
brent.morrison@ttc.ca
T: (416) 393-4377
C: (416) 389-0680

Attachment

Human Resources and Labour Relations Committee Report -
“Organizational Span of Control Review”



STAFF REPORT INFORMATION ONLY

Organizational Span of Control Review

Date:	August 5, 2015
To:	Human Resources & Labour Relations Committee
From:	Chief Executive Officer

Summary

WMC Consultants were procured by the TTC in September 2014, at the request of the CEO, to review Span of Control amongst supervisory / managerial positions, analyze all job titles, and identify job families / disciplines that would support upward growth, or lateral cross-training opportunities for TTC employees. This Consultant group also did a similar study for the City of Toronto in 2013.

Overall, the TTC's span of control was found to be comparable to similar public sector organizations and in-line with benchmark standards. However, at a micro level, a number of positions were identified where span may be too great, or too little. These will be reviewed and addressed on a case-by-case basis, with spans being revised as necessary, or positions being eliminated when supported by turnover, restructurings, and retirements.

The study of TTC's job titles revealed many more opportunities for improvement. Titles were found to vary widely and inconsistently across all levels. While titles that are very similar are used across many levels, watering-down their value, and confusing their meaning, there is also a significant population of titles that are extremely specific when a more generic title would be better applied. In addition, it was found that titles that implied supervisory status were often assigned to positions that had no direct reports, while others that did directly supervise other staff were not indicative of such status.

The Consultant's final report recommended a full review of TTC job titles and levels, aiming for an overall rationalization initially based on salary level and organizational layer, ultimately linking to organizational units and discipline. With a new foundation of titles established, both succession planning and lateral learning opportunities will become apparent, as will further opportunities to streamline reporting structures and spans.

A Request for Bid will be issued shortly to acquire a vendor to conduct this review in 2016.

Financial Impact

The cost of the original Span of Control review was \$166,788. Sufficient funding of approximately \$200,000 will be incorporated into the 2016 TTC Operating Budget to cover the cost of the recommended review of job titles and levels. The Chief Financial & Administration Officer has reviewed this report and agrees with the financial impact.

Decision History

The Consultant's presented their findings and recommendations to the TTC's Monthly Executive (MX) meeting on June 8, 2015. From there it was requested that it be presented to the TTC's People Committee (PX) on July 9th, 2015 for further consideration and final recommendations. It was determined that ultimate managerial responsibility for the organization's job titles and evaluations was that of the Chief Executive Officer, and that the Human Resources & Labour Relations Committee should be advised of the matter, for information purposes.

Issue Background

In light of a similar review having been conducted by the City previously, this study was engaged in at the request of TTC Executive Staff.

Accessibility/Equity Matters

The information and recommendations provided herein this report have no impact on accessibility or equity issues.

Contact

Brent Morrison
Director, Compensation Services
Human Resources Department
Brent.Morrison@ttc.ca
T: (416) 393-4377
C: (416) 389-0680

Attachments

WMC Consultants:
Toronto Transit Commission – Organization Review – Final Report – July 2015



Toronto Transit Commission Organization Review Final Report

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Terms of Reference

1. Benchmark Standards for Span of Control
2. Analysis of TTC's Span of Control
3. Analysis of Job Titles

Conduct of Study

- Conduct research on span benchmarks and job titles
- Seek comparators
- Create master spreadsheet of span and layer data from organization charts
- Develop criteria for outliers (spans <5)
- Meet with senior managers to understand their organization and reasons for outliers
- Apply the outlier criteria and follow up as required
- Perform selected tabulations and analyses of spans, organizational layers and titles

Background

Definitions

- **Span of Control” refers to the number of direct reports to a managerial or supervisory position**
 - There is not always agreement on what is a “management position”, that is, whether an employee who oversees reports has true management responsibility
 - Ideally, the distinction should be unambiguous, e.g., a manager is one who signs the performance appraisal, and/or has “hire & fire authority”, and/or can represent management at grievance hearings
 - In many TTC job descriptions, managerial responsibilities are not always articulated as definitively as above – there is certainly a degree of supervision but the extent of authority of subordinates is not clear. In some cases, information was conflicting
 - For this study, we used a definition closer to the Ontario Employment Standards act, combined with what was in job descriptions and related to us by senior managers interviews – **if an employee directly supervises one or more reports and provides input to performance management, then that employee is considered “management”, or a “manager”,** and his or her reports are counted for span purposes.

Background

Span of Control - Factors

- **How span is defined can be significant**

- The application of a more inclusive interpretation of management as described above will result in spans that would be somewhat less than if a stricter definition were used – this is because it increases the number of staff considered management. However we considered it more prudent to be conservative, that is, risk understating the span rather than exaggerating it
- The span spreadsheet that was tabulated has, for each position, an indicator of whether or not it has reports. The spreadsheet can thus be extended to analysis of sole contributors.
- Span is also affected by how part-time staff are addressed – if they are included, the span is greater but the challenge is to accurately determine how much time they are present
- For this study, part time/temporary and coop staff were excluded as there is no reliable way to determine the contribution to supervision for span purposes, and because we do not believe the level of oversight is the same as for full-time staff.

Background

Span of Control - Calculation

- **Span of Control – Entire Organization**
 - The span for an entire organization can be calculated as $(\text{Total \# of Employees}) / (\text{Total Managers})$
 - Sometimes the span is reported as $(\text{Total number of staff without reports}) / (\text{Total number of managers})$
 - This latter formula is inaccurate as ignores the supervision that occurs at each organization layer; as a result, it understates the actual span
 - For this reason, it is important to understand which method has been used when comparisons are being made with other organizations.

Background

Span of Control - Tabulation and Reporting

- **The reports of spans and layers were created as follows**
 - From the printed organizational charts, we created a spreadsheet that includes the number of direct reports (span) and the organization layer (levels below the CEO, with the CEO at layer 1)
 - With the span available for each manager, we were then able to use spreadsheet functions to calculate average spans for various groupings, e.g., by organizational unit, by organizational layer, by type of manager
 - For the TTC as a whole, the weighted average as calculated with the spreadsheet results in the proper span as described above.
 - The next slide show some rows from this spreadsheet

Background

Extract from Span Tabulation Spreadsheet

Group	Position Title	Discipline/ Speciality	Staff	Salary / Position Level	Level (from CEO)	Span	Has Reports?	Report has Reports?	Possible Opportunity	Page	Rating	Dept	Comments	Explanation of Outliers (Spans of less than 5)	Nature of Opportunity
Eng. Const. & Exp	DIRECTOR-PROPERTY		D.Garisto	13	4	5	YES			new 116		Property Planning & Development			
Eng. Const. & Exp	ADMINISTRATIVE ASST.		Vacant	7	5	2	YES		Yes	new 116	Exp1	Property Planning & Development			Are 1 Head, 2 Directo
Eng. Const. & Exp	DIRECTOR THIRD PARTY		no name	consultant	4	5	YES			119		Strategic Partnerships			
Eng. Const. & Exp	CHIEF PROJECT MANAGER		R.Thompson	tbd	3	3	YES		No	120	Exp6	Scarborough Subway	Have permission t	Mgr and Deputy work as team overseen	
Operations	CHIEF OPERATING OFFICER-OPERATIONS GR		G.Shortt	17	2	7	YES			121		Operations			
Operations	HEAD-OPERATIONS CONTROL		A.Creazzo	13	3	6	YES			122		Operations Control			
Operations	HEAD-BUS MTCE		R.Wong	14	3	16	YES			123		Bus Maintenance & Shops			
Operations	SENIOR MANAGER-SHOPS		A.Prichard	13	4	8	YES			124		Bus Maintenance & Shops			
Operations	SUPERVISOR-SHOPS		B.Hodder	10	5	7	YES			125		Bus Maintenance & Shops			

Background

Span of Control - Theory

- There is no standard for span of control. This is emphasized repeatedly in the literature and in particular by jurisdictions that have visited or re-visited the question
- The concept of an ideal range (often stated as 5-7, or 6-8) originates in the pioneering span of control research that took place in the 1930's. At the time, it was suggested that managers could not handle many more than five direct reports, given the potential number of relationships and the fact that controlling and directing staff was considered to be a major component of management activity.
- As management thinking evolved in the 1950's, arguments emerged for flatter organizations and higher spans of control.
- Experts today generally agree that spans of control should be higher than the classic 5-8 range but beyond that, opinions vary.

Background

Span of Control - Evolution

- Flattening organizations was a popular management topic in the 1980's and 1990's, both in the private and public sectors
- In the private sector, some companies reported considerable increases in spans of control as a result (General Electric, from 6:1 to 12:1; Xerox from 3.5:1 to 7:1; Phillips Petroleum from 6.8:1 to 8.1:1)
- The Clinton-Gore National Performance Review recommended that the span of control (by which they meant supervisor to employee ratio) in the US federal government be increased from 1:6.5 to 1:15 by 1999. A modest increase to 7.4 was achieved by 1996 but lack of recent follow-up reporting suggests that 1999 target was not met.
- In 1993, Texas enacted legislation prescribing a span of 1:11 for state agencies. This was likely prompted by survey of private sector companies by the State Comptroller that found an average span of 1:11
- Since the above, a more nuanced view of span has developed, with benchmarks being proposed for different types of functions,

Background

Span of Control – Current Thinking

- The following is from a recent Australian government report

The Boston Consulting Group has developed best practice span of control target ranges for different public sector functions. These ranges are based on organisational de-layering analysis and projects conducted with various public sector organisations around the world, including a number of Australian government departments and agencies at both the Commonwealth and State levels. Best practice spans of control target ranges are set out below for different public sector functions:

- 5-8 staff for policy and research functions;
- 8-10 staff for service delivery functions;
- 7-9 staff for regulation and compliance functions; and
- 6-12 staff for specialist functions

(Australia National Commission of Audit Report, March 2014, Volume 3, p. 21)

- The recommendation by Accenture (in the 2011 Service Efficiency Study) that spans in corporate and project areas be 8-6 while those in operations be 1:15 is another example of current thinking

Span of Control at the TTC

Group	Average of Span
CEO	5.2
Corporate	6.7
Eng. Const. & Expansion	6.1
Operations	10.2
Service Delivery	18.7
Strategy & Customer Experience	5.2
TTC Overall	11.7

} 13.4

Accenture SES
6
6
6=>8
15
No equivalent

Span by Group

	Overall	Audit	CEO's Office	Chief of Staff	Corporate Communications	Human Resources	Safety & Environment
CEO	5.2	3.0	6.5	4.0	3.5	5.6	5.3

	Overall	Commission Services	Corporate Services	Finance	Human Rights	Information Technology	Legal	Materials & Procurement	Pensions	Training & Development
Corporate	6.7	3.0	11.0	3.6	7.0	6.4	4.5	8.1	2.6	20.9

	Overall	Capital Programming	Chief Capital Officer Office	Construction Engineering	Property Planning & Development	Scarborough Subway	Spadina Subway Ext. (SSE)	Strategic Partnerships	
Eng. Const. & Exp	6.1	5.4	4.5	7.1	7.6	2.5	3.0	5.2	5.0

Span of Control at the TTC

Span by Group – cont'd

	Grand Total	Bus Maintenance & Shops	Deputy COO's Office	COO's Office	Operations Control	Plant Maintenance
Operations	10.2	12.1	3.8	7.0	6.0	10.2
		Revenue Operations	Streetcar	Subway - Rail Cars & Shops	Subway Infrastructure	Subway Transportation
		11.1	9.8	10.9	7.7	14.9

	Overall	Bus Transportation	Chief	Service Delivery Control	Stations	Streetcar Transportation	Transit Enforcement
Service Delivery	18.7	24.2	5.0	5.0	10.1	14.0	7.2

	Overall	Chief Customer Officer	Customer Communications	Customer Development	Customer Service Centre	Farecard Team	Strategy & Service Planning
Strategy & Cust. Experience	5.2	5.0	4.8	5.0	9.0	2.4	4.8

Span of Control Comparisons

Overall Organization

Organization	Average of Span	Max Layers
TTC	11.7	9 (10?)
London Transport	11.4	10
Southwest Airlines	12	-
City of Toronto	8 (16)	8
TTC OP/SD/S&CE	13	-
Calgary Transit	15	-

Span of Control

How TTC Compares – Selected Operational

Toronto Division	Span	Staff
Fleet	8.6	171
Solid Waste Mgmt	13.7	1223
Technical Services	10.6	613
Transportation	7.9	1,104
Water	11.1	1,737
Average of above	10.5	4,848

TTC Technical & Operational	Span	Staff
Eng. Const. & Expansion	6.1	545
Operations	10.2	5,792
Service Delivery	18.7	6,373
Average of above	12.7	12,710

Span of Control

How TTC Compares – Selected Corporate

Toronto Division	Span	Staff
Accounting	5.8	128
Corporate Finance	3.8	34
Human Resources	10.4	301
Purchasing & Mat'l Management	7.5	113
I & IT	6.5	680
Average of above	7	1,256

TTC Comparable	Span	Staff
Finance	3.6	80
Human Resources	5.6	96
Purchasing & Mat'l Management	8.1	226
I & IT	6.4	224
Average of above	6.1	626

Organizational Layers

Staffing at each Organizational Layer

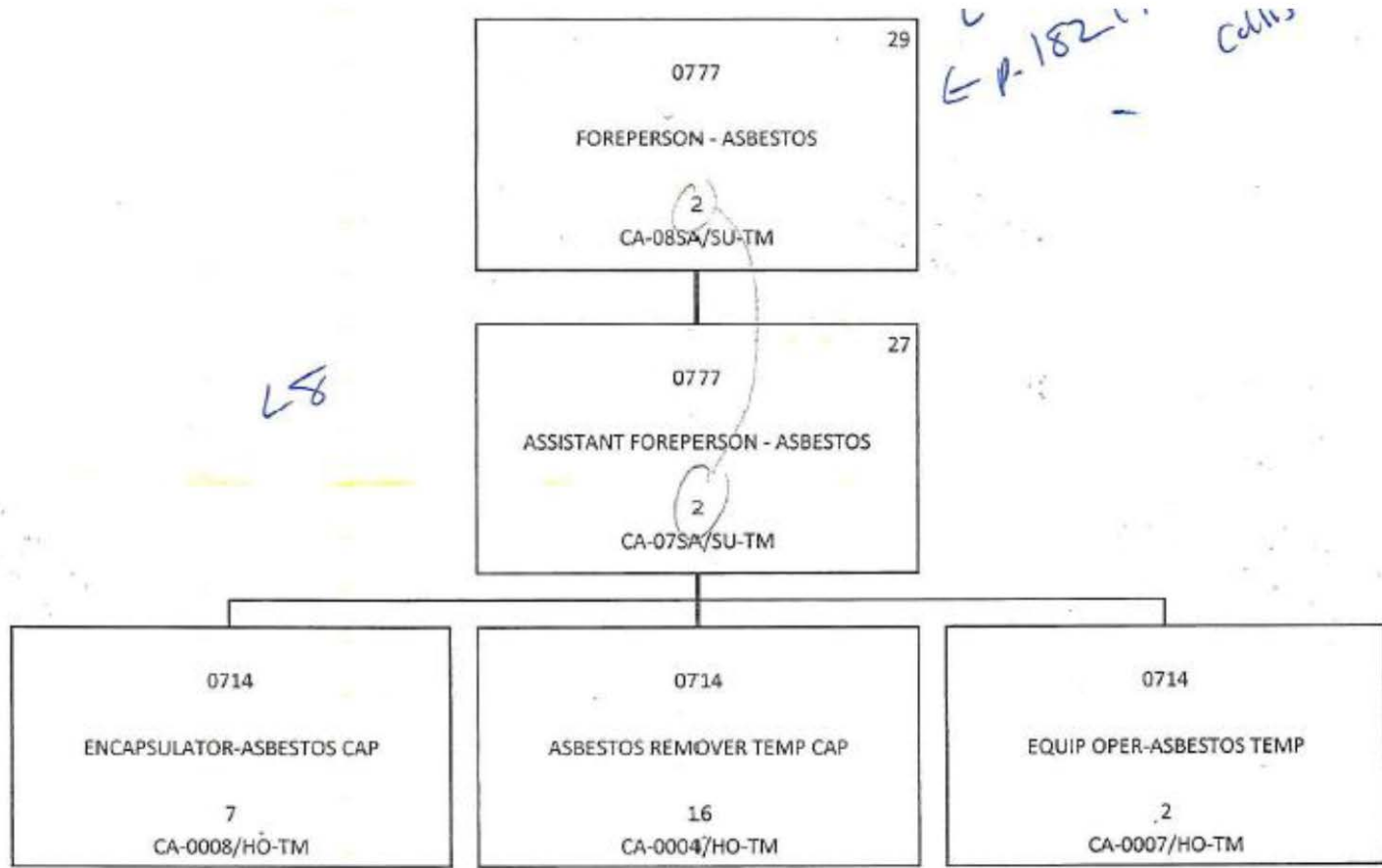
Layers (CEO=1)	Total	CEO	Corporate	Eng. Const. & Exp	Operati ons	Service Delivery	Strategy & Cust. Exp.
1	1	1					
2	11	6	1	1	1	1	1
3	59	23	11	8	7	5	5
4	297	79	51	36	60	39	32
5	971	52	218	136	268	187	110
6	2413		204	260	752	1131	66
7	7566		283	105	2166	5011	1
8	1824		9		1815		
9	723				723		
Total	13865	161	777	546	5792	6374	215

Organizational Layers - Operations

Layer (CEO=1)	Total	Bus Maintenance & Shops	Deputy COO's Office	COO's Office	Operations Control
2	1			1	
3	7	1	1	1	1
4	60	16	4		6
5	268	40	7		
6	752	151	16		
7	2166	1083	23		
8	1815		11		
9	723				
Total	5792	1291	62	2	7

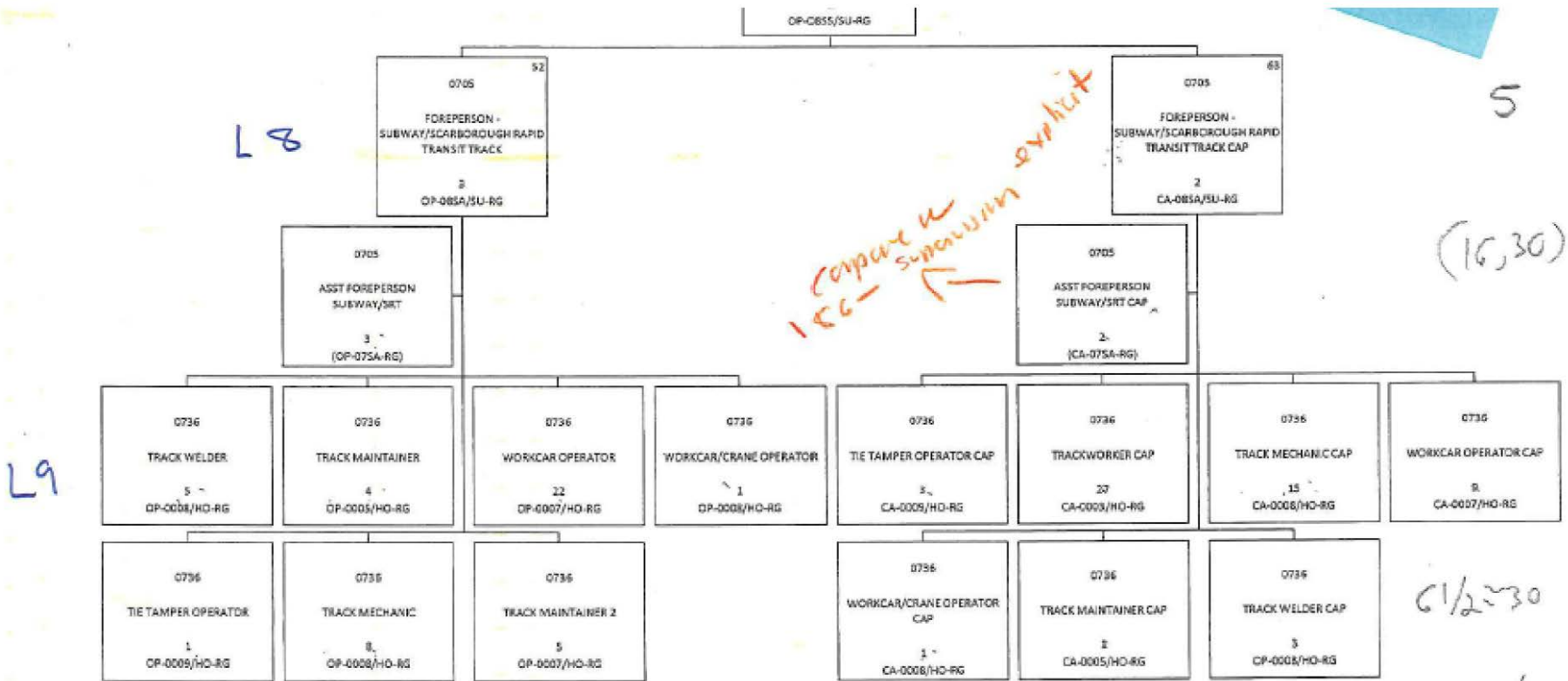
Layer (CEO=1)	Plant Maintenance	Revenue Operations	Streetcar	Subway - Rail Cars & Shops	Subway Infrastructure	Subway Transportation
3	1	1	1			
4	11	11	9	1	1	1
5	53	109	22	13	17	7
6	217	58	204	16	53	37
7	480		293	67	114	106
8	33			558	546	667
9				194	529	
Total	795	179	529	849	1260	818

Foreperson at Layer 8 – with reports



[Signature] Approved *[Signature]* Dated June 3/14

Foreperson at Layer 8 – no reports



DATED: MARCH 2014



49/3 ~ 16

189

Keith Wilby
 Approved _____ Dated June 3/14

Opportunities – Spans & Layers

- Two basic strategies
 - Identify outliers– where spans are low (<5) – and explain
 - Look for patterns that add layers

- Patterns that add layers



Hourglass

- Where span is broad, then narrow, then broad again



Funnel

- Where span is broad, then narrows for several levels



Imbalance

- Number of managers seems large compared with the number overseen

Opportunities – Span s & Layers

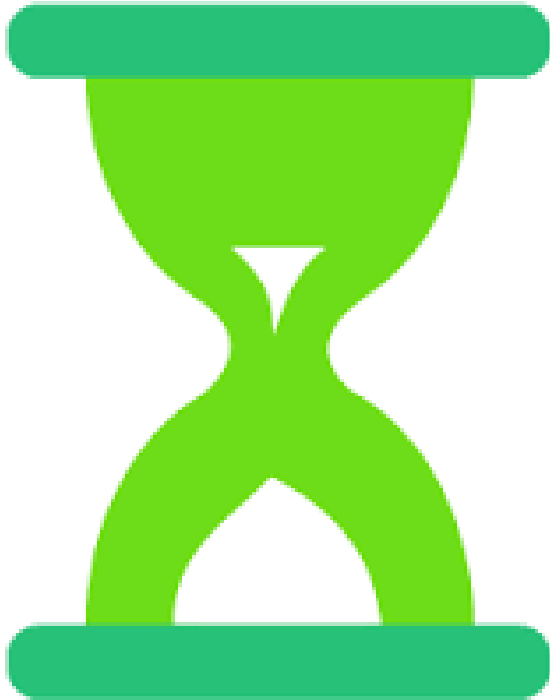
Outliers (Span below 5)

Group	Total Outliers	Span 1	Span 2	Span 3	Span 4	% of Mgrs
CEO	17	3	3	10	1	53%
Corporate	57	11	10	21	15	50%
Eng. Const. & Expansion	38	6	13	9	10	43%
Operations	119	34	29	24	32	21%
Service Delivery	25	1	10	10	4	7%
Strategy & Cust. Exp.	23	5	8	8	2	56%
Total	279	60	73	82	64	24%

Explanations for Low Spans

- The manager performing complex work in addition to managing a few individuals.
- There being large spans below the position being reviewed and other managers cannot absorb these large spans
- The location / time / nature of the work requires a manager be present even if there are few reporting (remote locations, late hours, etc.)
- The manager is made more efficient / effective by have one or more junior staff taking on administrative or less technical functions.
- The manager has significant responsibilities overseeing contracts or providers (in addition to or in lieu of overseeing staff)
- There is a management team sharing responsibilities for a large number of staff to cover hours and locations.

Examples of Hour Glass Structure



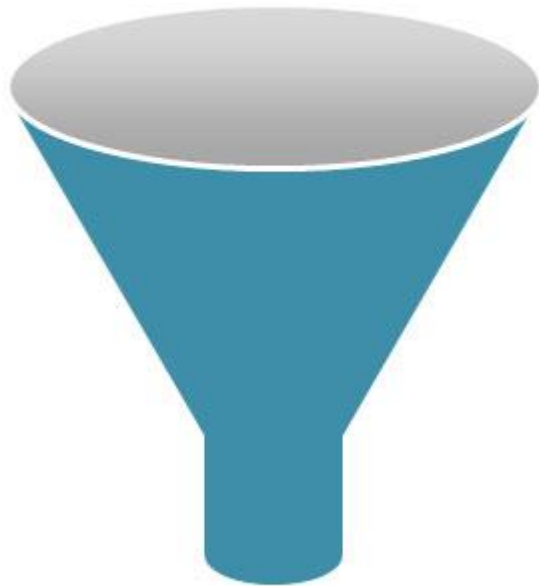
Level / Title	Span
1 – CEO	10
2 – Chief ECE	8
3 – Head Capital Programming	8
4 – Manager Estimating	2
5 – Supervisor Estimating	12

Level / Title	Span
1 – CEO	10
2 – Chief Operations	7
3 – Head Bus Maint & Shops	16
4 – Manager Fleet Reliab. & QA	2
5 – Supervisor Procedures	6

Explanation for Hour Glass

- A useful structure when there are many people to be managed and where they work shifts and / or multiple locations. Need management for the staff, but not always at the manager level.
- The manager and assistant managers (or similar titles) work as a “triumvirate” to cover all the times and locations.
- Other instances are not so easy to explain.

Examples of Funnel Structure



Level / Title	Span
1 – CEO	10
2 – Chief Financial & Admin.	11
3 – Head Finance & Treasurer	6
4 – Director Payments & Syst.	5
5 – Supervisor Accounts Pay	2
6 – Asst Sup Accts Payable	3
7 – Sr Acct Pay Clerk	3

Level / Title	Span
1 – CEO	10
2 – Chief Customer Officer	5
3 – Head Strategy & Serv. Plan	7
4 – Chief Engineer Opns Plan.	3
5 – Supervisor Transit Stops	1
6 – Stops / Serv Data Coord	1

Opportunities – Spans & Layers

Group	Position Title	Staff	Salary / Position Level	Level (from CEO)	Span	Possible Opportunity	Page	Rating	Dept	Nature of Opportunity
Corporate	DIRECTOR-PENSION ACCOUNTING		12	4	3	Yes	54	Exp4	Pensions	Are 5 needed to oversee 9?
Corporate	SUPERVISOR-PENSION BENEFITS		9	5	3	Yes	54	Exp4	Pensions	Are 5 needed to oversee 9?
Corporate	PENSION OFFICER-RETIREES		8	5	1	Yes	54	Exp4	Pensions	Eliminate layer/increase span through reassignment of report(s)
Eng. Const. & Exp	COORDINATOR-ANALYSIS & PROCEDURES		10	3	1	Yes	62	Exp5	Chief Capital Officer Office	Increase span through reassignment of report(s)
Eng. Const. & Exp	MANAGER-ESTIMATING		11	4	2	Yes	64	Exp5	Capital Programming	Confirm need for supervisor (only report with reports)
Eng. Const. & Exp	MANAGER-BUDGETS & COST CONTROL		10	4	4	Yes	68	Reorg	Capital Programming	Are 3 needed ot oversee 9?
Eng. Const. & Exp	DIRECTOR-RISK ANALYSIS & QA		11	4	3	Yes	69	Exp4	Capital Programming	Are a level 10 and 11 needed to oversee 6?
Eng. Const. & Exp	MANAGER-QA		10	5	4	Yes	69	Exp4	Capital Programming	Is this layer necessary?
Eng. Const. & Exp	PROJECT MANAGER	consultant		5	3	Yes	84	Exp4	Construction	Are 5 needed to oversee 16?
Eng. Const. & Exp	DIRECTOR-TRANSPORTATION & OPERATIONS	tbd		4	3	Yes	96	Exp6	Engineering	Review top 2 layers if groupd does not expand
Eng. Const. & Exp	DIRECTOR - LRT ENGINEERING	consultant		4	2	Yes	97	Exp6	Engineering	Review 6 mgrs, 5 reports if group does not expand
Eng. Const. & Exp	ENGINEERING APPLICATION SUPPORT ANALYST		9	5	1	Yes	98	Exp4	Engineering	Are 7 needed to oversee 19?
Eng. Const. & Exp	MANAGER-ESTIMATING	consultant		5	4	Yes	102	Reorg	Spadina Subway Ext. (SSE)	Use reorg to review
Eng. Const. & Exp	DIRECTOR-DESIGN	tbd		4	4	Yes	104	Exp5	Spadina Subway Ext. (SSE)	Is Director level position needed for 3 direct reports?
Eng. Const. & Exp	HEAD-PROPERTY-PLANNING & DEVELOPMENT		13	3	2	Yes	new 116	Exp1	Property Planning & Development	Are 1 Head, 2 Directors needed for 14 reports?
Operations	FLEET SUPERVISOR-NON REVENUE VEHICLES		10	5	1	Yes	133	Exp5	Bus Maintenance & Shops	Group has 5 1:1 reporting relationships



Range of Foreperson Spans

	Span =>	1	1.5	2	2.5	3	3.5	4	5	5.5	6	7	7.5	8	9	10	11	11	12	13	14	15	16	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	35	40	41	44	45	46	TOT		
ASSISTANT FOREPERSON-STRUCTURE MTCE		2		3				5								2																														12		
DIVISIONAL ASSISTANT MANAGER-BUS&RAIL								2			1		1						2		2				2	4		2	2														1				19	
FOREPERSON-COMMUNICATIONS																	5						2			2																				1		10
FOREPERSON-DUNCAN SHOP											3			1													2																		1			9
FOREPERSON-RAIL VEHICLES											6	8	1	5	7	8	1		8		1	7	7	2	3	1	1					1	1					1								1	1	73
FOREPERSON-SIGNALS							3	17											7																												27	
FOREPERSON-SUBWAY SRT TRACK				5												1								3																2						11		
GARAGE FOREPERSON															1	2	5			2		5	5			15	5																				40	
PROJECT MANAGER		3		1		3		2	1		4	2																																			16	
ROUTE SUPERVISOR																							45			18						27		25	15	82	7									219		
SUPERVISOR-RAIL VEHICLES		2				1		1			1	2																																			11	

Changing Span – Impact on Cost

- Overall, if the span of control is increased, there should be a reduction in the number of managers required which translates into reduced cost.
- It is common to predict savings as a result of increased spans.
- In fact, this reduction in cost is often not realized. There are a number of legitimate reasons why the span may be low and therefore may not be able to be changed.

Example

- Assume a legal group of 8 lawyers.
- Each lawyer has a span of one (a legal assistant).
 - This subordinate provides support which enables each lawyer to produce more high value work than would be the case without the assistant.
- The assistants are put into a pool and report to one lawyer (or someone else).
- This would result in a span of 8 for the one person; the 7 lawyers would be counted as sole contributors.
- The overall span of that unit would increase substantially.
- However, the workload is the same and there would not be a subsequent reduction in number of lawyers.
- So there are no cost savings as a result of the increase in span.

Dept	Position Title	Salary / Position Level	Span	Page	Action
Corporate Communications	EXECUTIVE DIRECTOR CORPORATE COMMUNICATIONS	13	1	new 2b	Level is 13 and reports to CEO so just make Head; manager reports with no Director in between
Finance	DIRECTOR - PAYMENTS & SYSTEMS	13	5	10	Only one report - a manager - with span 5 so could eliminate change Director to Manager - challenge could be level (13) but there are senior managers at this level
Finance	DIRECTOR-BUDGETS COSTING & FINANCIAL REPORTING	13	2	12	Could change to Manager position ; challenge is 2 existing Managers at level 12 - with one exception, no Supervisors at level 11/12, and Manger has a Supervisor report
Finance	DIRECTOR-CAPITAL ACCOUNTING	11	4	14	Could make Manger (level 11); current manager report is level 10 so could be Supervisor, many at this level
Human Resources	DIRECTOR-EMPLOYEE RELATIONS	13	10	21	Could make Head ; current level is 13 - 10/28 Heads are at this level
Human Resources	DIRECTOR-EMPLOYMENT SERVICES	tbd	6	22	Could change to Manager position, level is 11, 2 reports are Assistant Directors but at level 10, the level of many Supervisors
Information Technology	DIRECTOR-PLANNING RESOURCES & ADMINISTRATION	12	7	new 26	Challenge for this Dept is that while Directors (level 12) could be Managers, there is a Senior Director (level 13)
Information Technology	DIRECTOR-IT CUSTOMER SERVICES	12	4	new 27	with 2 Directors at level 12, there are level 11 Managers (no Supervisors at this level) and also
Information Technology	SENIOR DIRECTOR-SOLUTIONS DELIVERY	13	3	new 29	a Chief Architect (level 13) and Deputy Chief (level 12), posing same issue as with the Senior Director
Legal	DIRECTOR-CLAIMS	11	3	46	Level is 11, could change to Manager; Current Managers are level 10, could be Supervisor positions
Materials & Procurement	DIRECTOR-PURCHASING & SALES	11	4	48	Level 11, could be a Manager; Coordinator and Managers at level 10 could be Supervisor positions
Materials & Procurement	DIRECTOR-MATERIALS MGMT	12	4	50	Level 12, could be a Manager; but has 3 Managers at level 10 and each have more than one Supervisors
Pensions	DIRECTOR-PENSION ADMINISTRATION	12	3	54	Level is 12, could be a Manager position; current position has no Manager reports,
Capital Programming	DIRECTOR-RISK ANALYSIS & QA	11	3	69	Level is 12, could be a Manager position; one level 10 Manager report, could be a Supervisor/Coordinator
Engineering	DIRECTOR-ENGINEERING DESIGN	13	11	88	Level is 13, not a typical Manager level; numerous level 11 reports have various titles, no management below
Engineering	DIRECTOR - LRT ENGINEERING	consultant	2	97	Consulting position, level not specified, 1 Manager report, this report also has a Manager report with no reports itself
Property Planning & Development	DIRECTOR-PROPERTY	13	5	new 116	Level is 13, not a typical Manager level; reports to Head at same level;only report is a level 10 coordinator
Strategic Partnerships	DIRECTOR THIRD PARTY	consultant	5	119	Consultant, no level, could probably be a Manager position, reports are not management
Strategy & Service Planning	DIRECTOR-TRANSPORTATION ENGINEERING	11	3	new 272	Level 11, could be a Manager position, reports to a Chief Engineer reporting to a Head, reports are not management

Other Sources of Opportunity

- Substantial number of retirements
 - For each retirement, there should be an analysis done to determine if the position should be filled.
 - If so, is there also an opportunity to combine the position with another similar one to broaden the span for the two positions.
 - We have been told that a number of the low span positions are, in fact, succession planning. It is expected that one of the two positions (the one with the person who is close to retirement and the one below it) will not be filled.
 - The impact of this needs to be understood – there will be fewer positions to which those further down can aspire.
 - However, we believe there will still be the need for some of the positions and there will still be movement up.

Other Sources of Opportunity(2)

- The Introduction of SAP
 - There will be impact on processes, structure and staffing.
 - It is not possible to accurately predict the exact impact on any one area of the Commission.
 - You can expect a significant impact on Finance – particularly in the Accounts Payable and Payroll areas.
 - Results won't be seen immediately as the staff are needed until the systems is fully in.
 - There will likely be the need for new roles – analytics and decision support roles.
 - There will likely be a reduction in lower skilled areas.
 - Also an opportunity to reassess the administrative positions in the other parts of the Commission where those roles focus on budget and / or time-keeping.

Job Titles - Findings

- High variety of titles
 - Only 45% of titles have Supervisor, Manager, Director
 - Compare with 85% at the City of Toronto
- Proliferation of Executive / Managerial / Supervisory titles
 - Senior / Assistant increase the number of titles
- Some of the proliferation is caused by being too specific in each title, apparently a legacy of the financial system
 - Differentiation between operating and capital
 - SUPERVISOR - PROCEDURES (SOP/QA/TRAINING)
 - FOREPERSON-BRICKLAYERS & MISCELLANEOUS TRADES

Job Titles - Findings (2)

- Standards for stating titles are not applied consistently.
 - Audit Manager (where most are Manager ...)
- Many titles do not reflect supervisory responsibility
 - ENGINEERING APPLICATION SUPPORT ANALYST
 - SENIOR DESIGNER..... [numerous examples]
 - STRUCTURE INSPECTION ENGINEER
 - FIELD AUDITOR
- The same title is used for positions that vary significantly by salary grade level and also by numbers of levels down in the organization, as the following charts show.

How Job Titles Range over Salary Levels

Salary Levels	5	7	8	9	10	11	12	13	14	15	16	17	18	Cons	Total
ASSISTANT DIRECTOR					3										3
ASSISTANT FOREPERSON		26													26
ASSISTANT MANAGER		1		1	23	10									37
ASSISTANT SUPERVISOR		2	2												4
CHIEF						2		1	1	2	4	2	1		13
CHIEF ENGINEER						4	2	2							8
CHIEF PROJECT MANAGER									2						3
COORDINATOR		4	5	4	5									2	21
DIRECTOR					1	9	11	8						3	35
FOREPERSON		1	223	78	2										304
HEAD					1	1	1	10	15						28
MANAGER			3	13	34	58	24	2						5	145
PROJECT MANAGER					4	1	10	4						2	24
ROUTE SUPERVISOR		219													219
SENIOR ENGINEER					14		1								15
SENIOR DESIGNER					7			2							9
SENIOR MANAGER								2							2
SENIOR PLANNER					3										3
SERGEANT			4	5											15
SUPERVISOR		13	68	12	46		1							2	155
Total for Level		266	305	113	143	85	50	31	18	2	4	2	1	14	1069

Org Levels (CEO=1)	1	2	3	4	5	6	7	8	Total
ASSISTANT DIRECTOR			1	2					3
ASSISTANT FOREPERSON								26	26
ASSISTANT MANAGER			1	4	19	9	4		37
ASSISTANT SUPERVISOR					2	2			4
CHIEF	1	8	1	3	1				14
CHIEF ENGINEER					7				7
CHIEF PROJECT MANAGER			3						3
COORDINATOR			2	7	7	3		2	21
DIRECTOR		1	5	26	3				35
FOREPERSON					56	132	102	14	304
HEAD		1	24	3					28
MANAGER			9	52	62	23	1		147
PROJECT MANAGER				3	15	2			20
ROUTE SUPERVISOR					45	156	18		219
SENIOR ENGINEER						4	7	4	15
SENIOR DESIGNER						2	5		7
SENIOR MANAGER				2					2
SENIOR PLANNER					3				3
SENIOR PROJECT MANAGER				4					4
SERGEANT			2	5	8				15
SUPERVISOR				18	42	90	5		155
Total for Level		10	48	129	270	423	142	46	1069

Job Titles - Findings (3)

- With respect to the Job Title vs. Salary Range chart: If salary levels reflect different levels of management authority and accountability, then it appears that most managerial titles do not convey a distinct management level of responsibility
- Likewise, from the Job Title vs. Org Layer chart, managerial titles do not differentiate a job's position in the management hierarchy

Job Titles - Findings (4)

- TTC uses titles at the senior levels that are not found in our review of other transit organizations. Or they are used differently
 - “Head” not found anywhere
 - “Chief” generally used as an equivalent to “Manager” (unless as C-Suite as is used at TTC) – note the varied use of the title at the TTC, as indicated in that charts above)
- We believe that some of the title “creep” and proliferation may be the result of a legacy of:
 - Desire to hold on to people (and pay more to keep them)
 - Pay for technical expertise (due to a lack of a technical pay ladder)
 - Lack of application of standard job evaluation to determine appropriate level
 - Lack of application of standards and protocols for titles
 - Pressure from senior management

Span of Control - Recommendations

Span Recommendation #1

The overall span of control for the TTC is consistent with what many today consider an acceptable span for organizations both in the public and private sector. We therefore recommend that while a major initiative is not necessary, there are a number of opportunities that should be pursued. These include:

- While the outliers identified all have explanations, the number (229) is large enough that they should not be ignored. We have identified a subset that might justify further investigation by managers who have the requisite expertise and authority
- Ongoing reorganizations, which should be undertaken with span and layer improvement as an explicit consideration. The same extends to any changes that will result from SAP implementation.
- Retirements and transfers, which present a natural occasion to review the need for any particular position.

Span of Control - Recommendations

Span Recommendation #2

The definition of management responsibilities should be clarified for span purposes. We propose that a clear and unambiguous definition be employed, as other organizations have done.

The criteria need not be lengthy or complicated – as noted above, the determining factor might be whether a staff member can sign off on a performance appraisal or compensation increase, or represent the TTC at the bargaining unit.

Each management position should then be tested against these criteria.

Span of Control - Recommendations

Span Recommendation #3

As noted in our 2012 report on this topic to the City of Toronto, span of control improvement should be a process, similar to continuous improvement, with a goal not of an arbitrary number (which would have no basis) but rather an ongoing program of justification and increases where it makes sense. The spreadsheet tabulated by WMC as part of this review can be a useful tool in this effort if updated regularly.

Also as noted in the City report, care should be taken when focusing on individual spans. Often, persons with low spans have high workloads, so there are no savings to be had from deleting the position. Span improvement should be more strategic, focusing on existing patterns and on eliminating practices that lead to span and layer “inflation”.

Organizational Layer - Recommendation

It should be possible to reduce the number of organization layers from 8 to 9 over time.

However we do not recommend that this be addressed on its own. As lower span areas are resolved (per the recommendations above) and titles are restructured (as recommended below), there will likely be some reduction in layers. With better spans in place and titles rationalized, the remaining high layer areas can then be considered.

Job Title Recommendations

Job Title Recommendation #1

Link titles to reporting structures and rationalize them into narrower salary ranges (than they appear now). The following is an example using current salary levels – a proper compensation study should be the first step.

Layer (CEO =1)	Position Title	Salary Range	Alternate Titles
1	CEO	18	
2	Chief	15-17	
3	Head	13-14	
4	Director	11-12	
5	Manager	9-10	Coordinator
6	Supervisor	8	Controller
7	Foreperson	7	Lead

Job Title Recommendations

Job Title Recommendation #1 - Implementation

- Eight levels are more than sufficient to accommodate all the staff at the TTC, so more than 7 layers of management is not needed. This has the following implications:
 - While title prefixes such as “Assistant” and “Senior” could be used to differentiate salary levels, they are not positions that are needed in the hierarchy. Thus, the report to a Manager is a Supervisor, not an Assistant Manager
 - While layer 9 is not needed for an organization the size of the TTC, it's removal can be addressed systematically over time. Pending this, a position designation will still be needed below “Foreperson” – the current “Assistant Foreperson” can be retained, even though the use of “Assistant” is not generally recommended as a standard title convention.
- There may be exceptions where a position needs to directly report to two levels above, e.g., Supervisor to Director. For example, the rationale may be that the Director needs a report but not one at the Manager level. Such exceptions should be reviewed for approval.

Job Title Recommendations

Job Title Recommendation #1 – Implementation II

- The table on the following slide is a subset of the positions that would have be standardized as “Director” if the convention were established that the only Directors have salary levels 11 and 12
- It shows the variety of position titles and where the incumbents reside in term of organizational layers
- The major challenge in implementation is not retitling, though that will have to be undertaken with care. The difficulty lies in the fact that for many of the renamed titles, the incumbents will be reporting to Directors, and if the layer hierarchy is to have integrity, position of a category should not report to ones in the same category.
- Some situations can be resolved easily (see the slide following the next), but for most, there will be a cascade of changes as one retitling triggers another.
- However the current spread of salary levels and organizational layers for each title category (slides 37 and 38) make this unavoidable.

Job Title Recommendations

Job Title Recommendation #1 – Implementation III

Director (Salary Range 11-12)	Layer from CEO					
Position titles in same salary range	3	4	5	6	7	Total
ASSISTANT MANAGER-DESIGN AND COORDINATION			1			1
ASSISTANT MANAGER-ENGINEERING SERVICES				1		1
ASSISTANT MANAGER-MTCE DESIGN			1			1
ASSISTANT MANAGER-MTCE ENGINEERING					4	4
ASSISTANT MANAGER-OTWO DESIGN			1			1
ASSISTANT MANAGER-RAIL VEHICLE ENGINEERING					1	1
ASSISTANT MANAGER-SIGNALS ENGINEERING SOGR				1		1
AUDIT MANAGER	2					2
CHIEF ARCHITECT			1			1
CHIEF ENGINEER- ELECTRICAL			1			1
CHIEF ENGINEER-CIVIL			1			1
CHIEF STRUCTURAL ENGINEER			1			1
CHIEF SURVEYOR			1			1
CONSTRUCTION MANAGER		1				1
CONSTRUCTION SITE MANAGER				10		10
DIRECTOR-BENEFIT SERVICES	1					1
DIRECTOR-CAPITAL ACCOUNTING		1				1
DIRECTOR-OHCM	1					1
DIRECTOR-TRANSPORTATION ENGINEERING			1			1
DIRECTOR-TREASURY SERVICES		1				1
DIVISION MANAGER-WT			1			1
DIVISIONAL ASSISTANT MANAGER-BUS&RAIL	1					1
DIVISIONAL MANAGER-BUS & RAIL		7				7
ENERPRISE DATA ARCHITECT			1			1
HEAD-CUSTOMER SERVICE CENTRE	1					1
HEAD-TRANSIT ENFORCEMENT	1					1
MANAGER - BUS / RAIL TRANSPORTATION			2			2
MANAGER - BUS FLEET		1				1
MANAGER - BUS MAINTENANCE		8	1			9
MANAGER - COMMUNICATIONS BUS & RAIL		1				1
MANAGER - FACILITIES - RAIL INFRASTRUCTURE				1		1
MANAGER - STREETCAR		2				2
MANAGER APPLICATION PORTFOLIO				3		3
MANAGER-APPLICATION PORTFOLIO				4		4
MANAGER-BUDGETS & COSTING			1			1
MANAGER-COMMUNICATIONS ENGINEERING		1				1
MANAGER-CONSTRUCTION-RAIL INFRASTRUCTURE			1			1
MANAGER-CSAM			1			1
MANAGER-CUSTOMER COMMUNICATIONS		1				1

Job Title Rationalization

When Everything Works Out

Position Title	Staff	Salary / Position Level	Level (from CEO)	Span	Has Reports ?	Possible Opportunity	Page	Rating	Dept
MANAGER-ELEVATING DEVICES	D.Collins	11	4	12	YES		206		Plant Maintenance
SUPERVISOR-ELEVATING DEVICES	Supervisor Elevator Devices	10	5	6	YES		206		Plant Maintenance
FOREPERSON-ELEVATING DEVICES	Foreperson - Elevating Devices	8	6	12	YES		206		Plant Maintenance
FOREPERSON-ELEVATING DEVICES	Foreperson - Elevating Devices	8	6	12	YES		206		Plant Maintenance
FOREPERSON-ELEVATING DEVICES	Foreperson - Elevating Devices	8	6	12	YES		206		Plant Maintenance
FOREPERSON-ELEVATING DEVICES	Foreperson - Elevating Devices	8	6	12	YES		206		Plant Maintenance
FOREPERSON-ELEVATING DEVICES	Foreperson - Elevating Devices	8	6	12	YES		206		Plant Maintenance
FOREPERSON-ELEVATING DEVICES	Foreperson - Elevating Devices	8	6	12	YES		206		Plant Maintenance

Job Title Recommendations

Job Title Recommendation #2

- Link titles to organization unit and reporting relationship up.
 - Example:
 - Group = Chief
 - Department = Head
 - Sub-Department - Director
 - Section = Manager
 - Unit = Supervisor
 - Sub-unit = Foreperson

Job Title Recommendations

Job Title Recommendation #3

- Clearly define managerial responsibilities for each title level
 - Should include full responsibility for interviewing, selection, orientation, training / coaching, direction, guidance, performance management up to and including recommending termination.

Job Title Recommendation #4

- Develop / communicate clear protocols and standards for titles
 - Apply job evaluation techniques consistently
 - Be serious about holding the line. Exceptions should be exceptional.

Job Title Recommendations

Job Title Recommendation #5

- Focus attention on those positions / roles that are most suitable for “transferability” first to open up movement
- Once salary levels have been standardized, discipline or subject categories can be assigned for positions, naming conventions can be applied and a table such as the following can be generated to look for strongly affiliated position for transfer purposes:

Discipline	Salary Levels							
	5	7	8	9	10	11	12	13
Design					5	2		1
ASSISTANT MANAGER-DESIGN AND COORDINATION						1		
ASSISTANT MANAGER-OTWO DESIGN						1		
DIRECTOR-ENGINEERING DESIGN								1
SENIOR ARCHITECT-OTWO DESIGN								
SENIOR DESIGN ENGINEER					3			
SENIOR ENGINEER-DESIGN & DEVELOPMENT					1			
SENIOR ENGINEER-DESIGN & STANDARDS					1			
Electrical/Power					7	1	1	
CHIEF ENGINEER- ELECTRICAL						1		
MANAGER-ELECTRICAL ENGINEERING							1	
SENIOR DESIGN ENGINEER-ELECTRICAL					3			
SENIOR DESIGN ENGINEER-TRACTION POWER					3			
SENIOR ENGINEER-ELECTRICAL					2			
Facilities				1	1			
ENGINEERING APPLICATION SUPPORT ANALYST				1				
MANAGER - FACILITIES - ENGINEERING								
SENIOR EQUIPMENT ENGINEER					1			

Recommendations - Other Areas

- Use changes (such as introduction of SAP, retirements, new areas) as opportunity to re-do titles according to agreed protocols and standards as well as deal with spans.
- Use salary bands and technical streams to deal with compensation challenges – not titles and direct reports.
- Create a job evaluation system and committees to provide oversight on all new / vacant positions.
- Implement full change management approach on dealing with these issues – they will be contentious.

Summary of Recommendations

- The overall span of control of the TTC is satisfactory, but it can and should be incrementally improved over time, particularly by focusing on areas of low span (“outliers”).
- The TTC does not need 9 organizational layers, but span improvement and title rationalization should be the first priority, which may also involve layer reduction. The remaining extra layers can then be addressed.
- Job titles should be rationalized first by salary level and organizational layer. This can be followed linking to organizational units, simplified naming and assignment of discipline/subject area to facilitate identification of transfer opportunities

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STAFF SUMMARY SHEET

4

CEO'S OFFICE

17517 BR

PREPARED BY: Brent Morrison

SECTION: Compensation Services

EXTENSION: 4377

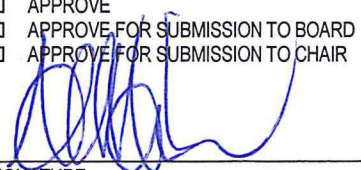
HEAD:

EMAIL: brent.morrison@ttc.ca

CHIEF: Gemma Piemontese

BOARD REPORT: Organizational Span of Control Review

FYI (x)	FOR APPROVAL (#)	ROUTING	CONCUR	NON-CONCUR	DATE	ATTACHMENT(S)
<input type="checkbox"/>		CHIEF CAPITAL OFFICER				WMC Consultants – Toronto Transit Commission Organizational Review Final Report
<input type="checkbox"/>		CHIEF CUSTOMER OFFICER				
<input type="checkbox"/>		CHIEF FINANCIAL & ADMIN OFFICER				
<input type="checkbox"/>		CHIEF OPERATING OFFICER				
<input type="checkbox"/>		CHIEF SERVICE OFFICER				ACTION REQUIRED BY CHIEF EXECUTIVE OFFICER
<input type="checkbox"/>		HEAD OF FINANCE				<input type="checkbox"/> SIGN AGREEMENT <input type="checkbox"/> RECEIVE FOR INFORMATION <input type="checkbox"/> APPROVE <input type="checkbox"/> APPROVE FOR SUBMISSION TO BOARD <input type="checkbox"/> APPROVE FOR SUBMISSION TO CHAIR
<input type="checkbox"/>	1	CHIEF PEOPLE OFFICER	<i>AS</i>		July 24/15	
<input type="checkbox"/>		HEAD OF LEGAL	<i>A</i>			
<input type="checkbox"/>		HEAD OF M&P				
<input type="checkbox"/>	2	EXEC DIR CORP COMMUNICATIONS	<i>MC</i>		July 28/15	
<input type="checkbox"/>		CHIEF OF STAFF				
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SIGNATURE 

DATE 30 July 2015

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