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The Role of Span of Control in the Relationship Between Employee Engagement and Organizational Outcomes

Q12® and Span of Control Meta-Analysis

1ST EDITION

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Executive Summary

Objective

Business and work units within the same organization vary substantially in their levels of engagement, performance and structural characteristics such as span of control (i.e., team size). The purpose of this study was to examine:

1. the true relationship between employee engagement and performance across 104 organizations comparing different team sizes,
2. the consistency or generalizability of this relationship across varying organizational contexts, including differences in span of control, and
3. the practical implications of these findings for executives and managers seeking to optimize team structures and drive business outcomes.

Method

We accumulated 312 research studies across 104 organizations in 26 industries, with employees in 46 countries. Within each study, we statistically calculated the business-/work-unit-level relationship between employee engagement and performance outcomes among different team sizes (span groups) that the organizations supplied. We operationalized span group by categorizing teams into small (4-9 employees), medium (10-19 employees), and large (20+ employees) team sizes. In total, we studied 92,252 business and work units that included 897,971 employees. We studied three outcomes: turnover, productivity and wellbeing.

Individual studies often contain small sample sizes and idiosyncrasies that distort the interpretation of results. Meta-analysis is a statistical technique that is useful in combining results of studies with seemingly disparate findings, correcting for sampling error, measurement error and other study artifacts to understand the true relationship with greater precision. We applied Hunter-Schmidt meta-analysis methods to 312 research studies to estimate the true relationship between engagement and each performance measure within each of the three span categories and to test for generalizability.

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Results

Employee engagement showed consistent positive relationships with key organizational outcomes — productivity, turnover and wellbeing — but the strength and stability of these effects varied by span of control and industry.

- **Small teams** (4-9 employees) demonstrated the strongest effects overall, particularly for productivity (ρ = 0.121) and turnover (ρ = -0.185).
- **Medium teams** (10-19 employees) exhibited the highest engagement-wellbeing correlation (ρ = 0.562), with effects similar to small teams for productivity (ρ =0.094) and somewhat smaller but still substantial effects for turnover (ρ = -0.086).
- **Large teams** (20+ employees) showed inconsistent links between engagement and productivity and turnover, but substantial and positive relationships with wellbeing. For productivity and turnover, effect sizes varied substantially suggesting moderating variables such as industry and associated job responsibilities may play an important role.

Industry analyses reinforced consistent patterns: small and medium-sized teams were associated with stronger engagement, turnover, and wellbeing relationships across nearly all sectors, particularly in finance, manufacturing, services, and healthcare. Large teams, while more variable in impact, showed stronger effects in services, transportation and healthcare, especially for productivity and wellbeing outcomes where sufficient data were available. Transportation and public utilities displayed consistent positive correlations between engagement and productivity across all team sizes, albeit with more variance in turnover results.

Collectively, these findings extend Gallup's prior Q12® meta-analysis by reaffirming that engagement is a robust and generalizable predictor of organizational success (true score correlation = 0.49), while also highlighting that its practical impact is deeply contingent on team structure and operational context. These results underscore span of control as a critical organizational design lever that can either amplify or constrain the benefits of employee engagement.

Conclusion

Our analysis reinforces the importance of team structure in shaping the link between employee engagement and performance outcomes. Just as employee engagement has been shown to relate strongly to performance outcomes across diverse organizations, clarity about the optimal span of control gives leaders practical guidance for organizational design. When managers oversee the right number of direct reports, they can balance employee autonomy with the capacity to build meaningful connections, provide timely feedback, and support individual needs, amplifying the performance potential of their teams.

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