

How Big Can a Unit Get?

A quick way to estimate the maximum size a basic organizational unit can sustain, using a handful of recurring managerial duties before mapping the whole structure.

Most structure decisions get made under time pressure. Someone proposes a new department, or questions whether an existing one is undersized or oversized, and there isn't always room for a full organizational review before a call can be made.

Requisite Organization (RO) theory offers a shortcut for exactly this situation: using its propositions on roles' positioning levels and a handful of recurring managerial duties, allows one to estimate the maximum size a basic unit can sustain, without mapping the whole structure first.

This article walks through the logic behind that estimate, then links to a calculator that runs it live.

Where this fits in RO theory

RO classifies organizational structures into three groups, based on the number of strata they have and on the orientation of their leadership:

- Strategic Leadership Group (Strata VI–VII), futuristically focused, sits at the top, has the fewest people and the longest time horizons.
- Integrative Operational Leadership Group (Strata IV–V), internally focused, sits in the middle.
- Direct Leadership Structural Group, also called a Mutual Knowledge Unit (MKU) or Basic Business Unit (BBU); (Strata I–III), externally focused, sits at the base. Because span of control compounds downward, the MKU is the largest of the three groups. It delivers the organization's value proposition to customers, and it's the group that this article calculates the size of.

RO recognizes three role types, defined by their reporting relationships rather than titles:

- Subordinates (Subs) report to one manager, who sits exactly one stratum above them. In Stratum I, they're typically frontline staff; or individual contributors such as specialists or experts who could also be positioned in higher strata.
- Direct Managers (DMs) are anyone with at least one Sub reporting to them.
- Managers Once Removed (MoRs) are anyone with at least one DM reporting to them. A DM's Subs become the MoR's Subordinates Once Removed (SoRs), i.e. two strata below the MoR.

RO Proposition

To consolidate managerial leadership throughout the organization, RO proposes an accountability thread that runs in a continuous triad: MoR–DM–Sub/SoR. All employees, other than those at the very top, are covered by two layers of supervision simultaneously, from their DM and from their MoR, and each role carries a set of assigned duties.

RO assigns each role a set of responsibilities, authorities and accountabilities, twelve of which are considered managerial duties. Of those twelve, three require in-person interaction and consume a predictable share of a manager's time:

1. Regular departmental (unit) meetings
2. Periodic individual coaching and development conversations
3. Periodic individual performance appraisals

What actually limits unit size

Every manager has a fixed amount of paid time per year. Once the time that each of the above three duties is determined, and how often they happen, the time left for managing people is calculated, and from there, how many people a manager can actually support before that time runs out.

That's the entire basis of the model: **time available ÷ time required per person = maximum headcount**. The complexity is in doing this twice, once for the DM's relationship with their Subs, and once for the MoR's relationship with both their DMs and their SoRs; which makes the MoR's load dependent on how many DMs (or subunits) report to them.

Scope of this model: It applies to single, stand-alone MKU organizations composed of three strata only. It deducts from the DM's individual-development time the time that the DM spends as a Sub of the MoR.

For organizations with more than three strata, the MKU's MoRs and DMs become Subs/SoRs of a new MoR above them, hence their own allocated time must be further reduced to account for that. This adjustment repeats with every additional stratum.

The calculation, in order

Allocation factors and time spans vary by business model and role complexity. Allocation factors typically range between 5% and 25% of paid time; time spans range from a few minutes (a laborer's coaching session) to hours (a specialized professional's appraisal).

I. Input Variables

Allocated Time	Example
01. Paid Hours per Year	2,900
02. Absent Hours per Year	200
03. Set Allocation Factor	20%
Set Time Span per Activity	
MOR Data	Hours
04. MOR Unit Meeting Prep (hrs)	0.5
05. MOR Unit Meeting (hrs)	1
06. MOR Unit Meeting Freq	45
07. MoR DM Coaching Prep (hrs)	0.5
08. MoR DM Coaching (hrs)	1
09. MoR DM Coaching Freq	6
10. MoR DM Appraisal Prep (hrs)	0.5
11. MoR DM Appraisal (hrs)	1
12. MoR DM Appraisal Freq	1
13. MoR SoR Coaching Prep (hrs)	0.5
14. MoR SoR Coaching (hrs)	0.5
15. MoR SoR Coaching Freq	4
DM Data	Hours
16. DM Unit Meeting Prep (hrs)	0.5
17. DM Unit Meeting (hrs)	1
18. DM Unit Meeting Freq	45
19. DM Sub Coaching Prep (hrs)	0.5
20. DM Sub Coaching (hrs)	0.5
21. DM Sub Coaching Freq	4
22. DM Sub Appraisal Prep (hrs)	0.5
23. DM Sub Appraisal (hrs)	1
24. DM Sub Appraisal Freq	1
25. DM Count	Range

II. Manager Once Removed load

I) Manger Once Removed Load	Hours
01) Available Time MoR. (01- Paid Hours per Year - 02. Absent Hours per Year) X 03. Set Allocation Factor	540.0
02) MOR Unit Meetings (04. MOR Unit Meeting Prep (hrs) + 05. MOR Unit Meeting (hrs)) X 06. MOR Unit Meeting Freq	67.5
A) MoR Time Allocated to Individual Development 01) Available Time MoR. - 01) Available Time MoR. 01.	472.5
03) MoR Time per DM (Coaching + Appraisal) (07. MoR DM Coaching Prep (hrs) + 08. MoR DM Coaching (hrs)) X 09. MoR DM Coaching Freq + (10. MoR DM Appraisal Prep (hrs) + 11. MoR DM Appraisal (hrs)) X 12. MoR DM Appraisal Freq	10.5
04) MoR Time per SoR (Coaching) (13. MoR SoR Coaching Prep (hrs) + 14. MoR SoR Coaching (hrs)) X 15. MoR SoR Coaching Freq	4.0

III. Direct Manager load

II) Direct Manager Load	Hours
05) Available Time DM Same as MoR	540.0
06) DM Unit Meetings (16. DM Unit Meeting Prep (hrs) + 17. DM Unit Meeting (hrs)) X 18. DM Unit Meeting Freq	67.5
07) DM Time with MOR (Meetings + Coaching + Appraisal) (05. MOR Unit Meeting (hrs) X 06. MOR Unit Meeting Freq) + (08. MoR DM Coaching (hrs) X 09. MoR DM Coaching Freq) + (11. MoR DM Appraisal (hrs) X 12. MoR DM Appraisal Freq)	52.0
B) DM Time Allocated to Individual Development 05) Available Time DM – (06) DM Unit Meetings + 07) DM Time with MOR (Meetings + Coaching + Appraisal))	420.5
08) DM Time per Sub (Coaching + Appraisal) (19. DM Sub Coaching Prep (hrs) + 20. DM Sub Coaching (hrs)) X 21. DM Sub Coaching Freq)+ (22. DM Sub Appraisal Prep (hrs) + 23. DM Sub Appraisal (hrs)) X 24. DM Sub Appraisal Freq	5.5
09) Max Sub count per DM B) DM Time Allocated to Individual Development ÷ 08) DM Time per Sub (Coaching + Appraisal)	76.5

IV. Max SOR Count per MOR, Scaling by DM Count

This is where unit size becomes a range rather than a single number, because it depends on how many DMs report to the MoR.

10) MoR Time For All DM = 03) MoR Time per DM (Coaching + Appraisal) X 25. DM Count

11) MoR Time Left for SORs = A) MoR Time Allocated to Individual Development - 10) MoR Time For All DM

12) Max SoRs Count Per MoR = 11) MoR Time Left for SORs ÷ 04) MoR Time per SoR (Coaching)

13) Max Sub Count for All DMs = 25. DM Count X 09) Max Sub count per DM

14) Diff: Max SoR – Max Sub Count = 12) Max SoRs Count Per MoR - 13) Max Sub Count for All DMs

The final step reconciles two competing constraints across a range of DM counts (1 to 10): how many SoRs the MoR has time to coach (top-down constraint), versus how many Subs the DMs can collectively support (bottom-up constraint). The smaller of the two binds:

15) Total Sub Count

If Max SoR > Max Sub for all DMs → use Max Sub for all DMs. Otherwise → Max SoR Count per MoR ÷ DM Count.

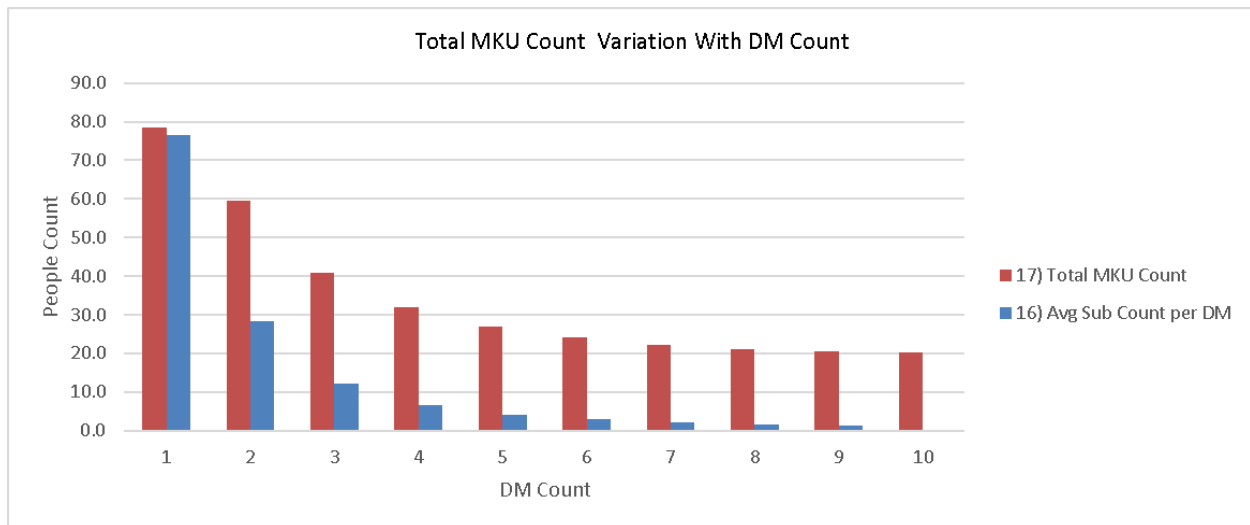
16) Average Sub Count per DM then checks the result still makes structural sense, if it falls below 1, the unit can no longer hold together as a single 3-stratum MKU at that DM count, and the model returns an error. Finally

17) Total MKU Count = 15) Total Sub Count + 25. DM Count +1 (for the MoR)

Calculation Results (Worked Example)

Using the example inputs above (2,900 paid hours, 200 absent hours, 20% allocation factor, and the time spans defined for each managerial duty), the model resolves to:

25. DM Count	1	2	3	4	5	6	7	8	9	10
10) MoR Time For All DM	10.5	21.0	31.5	42.0	52.5	63.0	73.5	84.0	94.5	105.0
11) MoR Time Left for SoRs	462.0	451.5	441.0	430.5	420.0	409.5	399.0	388.5	378.0	367.5
12) Max SoRs Count Per MoR	115.5	112.9	110.3	107.6	105.0	102.4	99.8	97.1	94.5	91.9
13) Max Sub Count for All DMs	76.5	152.9	229.4	305.8	382.3	458.7	535.2	611.6	688.1	764.5
14) Diff: Max SoR – Max Sub Count	39.0	-40.0	-119.1	-198.2	-277.3	-356.4	-435.4	-514.5	-593.6	-672.7
15) Total Sub Count	76.5	56.4	36.8	26.9	21.0	17.1	14.3	12.1	10.5	9.2
16) Avg Sub Count per DM	76.5	28.2	12.3	6.7	4.2	2.8	2.0	1.5	1.2	Err
17) Total MKU Count	78.5	59.4	40.8	31.9	27.0	24.1	22.3	21.1	20.5	20.2



Remarks

The pattern is intuitive once seen: with very few DMs, almost all of the MoR's development time can go to SoR coaching, so each DM can run a large team but the MKU's total headcount is dominated by a single, overloaded layer.

As DM count rises, span of control per DM shrinks fast, and total MKU size converges toward a flatter, more sustainable structure; in this example, somewhere around 20–27 people once DM count reaches 5 or more.

The condensed table above shows only the final two outputs. The full model carries seven intermediate metrics through the same 1–10 DM Count sweep, useful for checking exactly where a given DM Count's headcount comes from, and which constraint (MoR coaching time vs. DM capacity) is binding at that point:

Reading the table: row 14 shows which constraint binds; a positive value means the MoR has spare SoR-coaching time relative to what the DMs can use; negative means the DMs could support more Subs than the MoR has time to coach, so the MoR becomes the bottleneck.

Row 16 (Err at DM Count = 10) flags where average Subs per DM falls below one, the structure can no longer hold together as a single 3-stratum MKU at that DM Count.

What this model is — and isn't

It's an upper-bound estimate from time-budget analysis only, using three managerial duties as a proxy for managerial load. It does not replace a full role and structure analysis, and the allocation factors and time spans should be tuned to the actual business model before relying on the output.

Run your own numbers

Adjust any input paid hours, allocation factor, or any of the twenty-four time-span variables, and the results update instantly, including a live diagram of the resulting structure and the full 1–10 DM Count sweep shown above.

[Open the MKU Size Calculator →](#)

No installation or login required — it runs entirely in your browser, on desktop or mobile, and no data is sent anywhere, so it's safe to use offline.