

Book review

Freedom from Command & Control, a better way to make work work.....the Toyota system for service organisations.

**Author: John Seddon.
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Review by John Lucey

The costs of service continue to rise. The recent flood of out-sourcing to India is no more than the latest tactic to reduce costs. So says John Seddon, author of *Freedom from Command and Control* arguing it is management thinking that is at fault. While out-sourcing work to India might reduce transaction costs, Seddon states that the real costs of service remain high because real costs are end-to-end, from the customers' point of view.

Seddon's book highlights management's failings. Command and control thinking is a way of thinking about the design and management of work that, in short, does not work very well. Command and control management began with Henry Ford's innovation of the assembly line in the early part of the 20th century. The principles rely on the control of workers, using measures and targets to ensure compliance.

The assumption then, was that management knew best. Seddon illustrates how this outdated philosophy creates what managers see as 'people problems' and management's preoccupation with people management 'solutions' which wastes vast resources. He states that this philosophy has failed and we still have poorer service, poorer working environments and rising costs. While Seddon provides a clear picture of how management has created the problems that most organisations experience today, he also provides an alternative solution which he calls 'systems thinking'.

The systems approach is a different way of thinking about the design and management of work which goes beyond most managers' comprehension. The result is greater knowledge in operations. The systems approach works outside-in

rather than top-down, so the true costs of service are established, understood and managed.

Seddon points out many obvious management failures and he describes managers of call centres as treating all demand as 'units of production'. He states that there are two types of customer demand on call centres, value demands (what we want our customers to call about) and failure demands (caused by a failure to do something or do something right for the customer).

Seddon points out that failure demand can account for as much as 80% of all demands on call centres and they are all under management's control. Seddon believes that managers are ignorant of this fact. He calls this ignorance 'managerial blindness' and states that it is often caused by the measures managers use. He believes that in call centres managers use measures associated with 'production' which undermine performance.

The systems view allows managers to discover how their current measures create unintended effects which undermine performance and morale. This can result in staff becoming disengaged with the company objectives, lead to dysfunctional behaviour and frustrate managers. Seddon argues it is incumbent on managers to learn how to manage their organisation as a system if they want to improve service and reduce costs.

In his book he charts the

method. He shows that while you may run your organisation as a command and control hierarchy you can study it as a system right away. Staff should be free to contribute which will result in them becoming engaged, which puts them back in the heart of the organisation and will facilitate change in a sustainable way.

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