

Freedom from command and control

John Seddon

Command and control is failing us. There is a better way to design and manage work – a better way to make the work work – but it remains unknown to the vast majority of managers. We think of our organisations as top-down hierarchies. We separate decision-making from work. We expect managers to make decisions with measures like budgets, standards, targets, activity and so on. We teach managers that their job is to manage people and manage budgets. We rely on management by specifications and inspection. In short, our organisational norms are based on command and control thinking. And we are in trouble.

The separation of decision-making from work, the cornerstone of command and control thinking, has its roots in Taylorism (scientific management), and was developed through the work of Ford (mass production) and Sloan (management by numbers). The issue is not that command and control was not of value, for it solved problems for each of these management pioneers in new ways, but we have not continued to learn. The basic

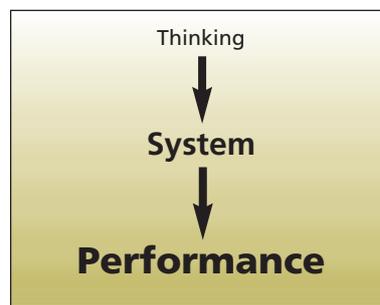


Figure 1: Thinking governs performance.

precepts of command and control are not questioned. The problem is a problem of culture. It is a problem of management thinking.

There is a story of a Japanese guru working with a board of management on what to do to improve their organisation's performance. He drew up a flip-chart list of recommendations and the top recommendation was 'The board should resign'. He got their attention; and the point he wanted to make was that unless you change the way you think, your system won't change and, therefore, its performance won't change. The question is, "What thinking needs to change?"

The better way – a different logic
The better way is to manage the organisation as a system. It is a way of thinking about the design and management of work that is diametrically opposed to command and control thinking.

It was Taiichi Ohno¹ who first challenged the command and control conventions. He inspired others with his results.

The number of man hours it takes to make a Lexus is less than the man hours used in re-working a top-of-the-line German luxury car at the end of the production line, after it has been made. It is incredible that this advance in management theory took place in one of our most complex organisation forms – motor manufacturing.²

My interest in what Ohno discovered began with the need to solve the problem for service organisations. Command and control thinking has given us service organisations that offer poor service and carry high costs. Service organisations have one crucial difference from manufacturers – the inherent variety of demand. Customers make customer-shaped demands. If the system cannot absorb this variety, costs will rise. Taguchi taught us that any departure from the nominal value adds to costs. In service organisations the customer sets the nominal value. When this is understood and operationalised, comparable benefits can be achieved in much less time. For in service organisations, little is 'made'. While the Toyota system has achieved an outstanding level of performance in 50 years, in service organisations improvement can be achieved in 50 days.

Command and control thinking		Systems thinking
Top-down, hierarchy Functional Separated from work Output, targets, standards: Related to budget Contractual Contractual Manage people and budgets Control Reactive, projects Extrinsic	Perspective Design Decision-making Measurement Attitude to customers Attitude to suppliers Role of management Ethos Change Motivation	Outside-in, system Demand, value and flow Integrated with work Capability, variation: related to purpose What matters? Co-operative Act on the system Learning Adaptive, integral Intrinsic

Figure 2: Command and control versus systems thinking.



When one learns to take a systems view, starting outside-in, studying the demands made on service organisations, one can see the waste caused by the current organisation design, the opportunities for improvement and the means to realise them. In service centres, in both the private and public sectors, we find high levels of 'failure demand' (which I define as demand caused by a failure to do something or do something right for the customer). Managers are unaware as they are pre-occupied with 'production'. They know about the volumes of demands for service, but they treat all demand as units of production. When failure demand can run as high as 80 per cent of the total volume of customer demands, it is obvious that the best way to improve both service and costs is to eradicate it – for it is all under the organisation's control. To give a simple illustration: if you send out information that confuses customers and causes them to call you, it costs you more to provide the service. More importantly, the customers might not be too impressed.

But managers of service centres are pre-occupied with a different problem: how many calls they will receive and how many people they need to take them. Ignorance of

Variations in performance are in the system – the way the work works

demand is just their first mistake, their second is to assume they should hold their workers accountable for the work they do, the calls they take. It is to be in complete ignorance of the fact that the major causes of variation in performance are in the system – the way the work works. These two mistakes have resulted in the demoralisation of our workforces – holding the worker accountable when the system is to blame is the reason why call centres are sweatshops – and have significantly sub-optimised our service operations.

Costs are high and service is poor.

Taking a systems view always provides a compelling case for change and it leads managers to seeing the value of designing and managing work in a different way.

The systems approach is to design against customer demand (the things customers want from you) instead of in functional hierarchies. To design against demand removes the abundant waste caused by the current design. As waste is removed, capacity increases lessening costs and providing scope for growth. Measures and roles have to be changed. Managers 'act on the system' rather than managing people and budgets. In doing this, different work managers use completely different measures – telling them about achievement of purpose, capability, variation and about the nature of demand and flow in the system.

The systems approach creates an adaptive organisation. As demand changes people change what they do – something that is impossible to accomplish in a command and control design. It puts people where they belong: at the heart of enterprise.

A change in philosophy

Because it is such a fundamental shift in thinking, learning to take a systems view can only be achieved where the work is done. When managers see for themselves the dysfunctional consequences of their current philosophy they become interested in the better way. Such a change in norms is hard if not impossible to achieve in a meeting or the classroom. To learn to take a systems view requires managers to change the way they behave, but they first have to be prepared to question their philosophy.

Taylorism is the management philosophy that underpins command and control thinking. Taylor taught us that any worker must be trained by someone better educated than himself and that this trainer or expert should base his work on what he called the laws of science. It led to the belief that knowledge is associated with hierarchy and the creation of what I call the 'management factory', the place where managers work to set specifications and controls (targets, procedures, standards, inspection and so on).

Today, the people who occupy the management factories in both the private and public sectors have moved away from Taylor's idea that



their specifications should be based on a scientific approach. Instead, many management specifications are based on no more than opinion. The management factory has become a place where managers work with abstractions from the work, not knowledge of the work. The consequences are catastrophic. Call centre 'best practice' standards, 'Balanced Score Card' reporting requirements, Investors in People, EFQM Excellence, Charter Mark, Best Value and Continuous Performance Assessment are just some examples of a growing raft of specifications that contain either no theory or bad theory.

Targets have brought disfunctional behaviour

In the public sector we have witnessed unprecedented growth of the specifications and inspection industry. When he took over as chair of the Audit Commission, James Strachan noted that we have the most regulated public sector in Europe, but not the best performing. I was hoping he would see the connection. He openly admits targets are not working but his remedy is to have fewer. It is not a logical position. The truth is targets have brought dysfunctional behaviour that is both ubiquitous and systemic

because the requirement to serve the hierarchy competes with the requirements to serve customers.

Peoples' ingenuity is engaged in survival not improvement. It is now common knowledge that people 'cheat'. To blame the 'few' as government ministers do, is to be blind to what is really going on. Government ministers have adopted the tenets of command and control management in their pursuit of public sector improvement with disastrous unintended consequences. The cost of the associated bureaucracy is massive, but even more important are the costs associated with the consequent poor service and demoralisation of our public servants.

My lament is the lack of emphasis on knowledge. Taylor gave the world a systematic way of tackling method – how the work works. But he could not foresee that the way he did it had what was to become a systemic weakness. He made the separation of decision-making from work the defining relationship between manager and worker.

Today the consequence of separating decision-making from work is often described as 'leaving your brain at the door'.

The first reported worker to leave his brain at the door was a man called Schmidt, who was instructed by Taylor in the carrying of pig iron. Taylor provides evidence that Schmidt wasn't dumb. In his interviews when selecting Schmidt, Taylor learned that with his meagre wages Schmidt had bought a small plot of ground and

was building his own house. What might Schmidts achieve if they have in their hands the means for improvement? What are the potential costs of not giving Schmidt the means? While Schmidt certainly became a high-priced man, perhaps he could have become something else.

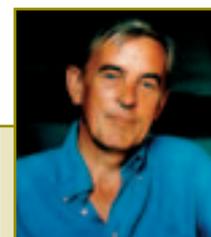
Systems thinking represents a better logic for the design and management of work. At the heart of this logic is the integration of decision-making with work. Roles and measures change. With people at the heart of the enterprise, the consequence is an increase of the ability of the system to absorb variety, essential to good service design. Management and worker roles alike are designed to improve understanding, control and improvement of the system. The ethos changes from status to contribution. And last but not least, people would have a sense of freedom. Freedom to act, learn, experiment, challenge and freedom to build relationships with customers. Becoming a customer-driven learning system requires freedom, not command and control.

The only problem is that managers have to be prepared to change the way they think. It's a tall order.

References

1. Ohno, T (1988), *The Toyota production system*, Productivity Press.
2. Womack Roos and Jones, (1990), *Research reported in The machine that changed the world*, Macmillan.

This article is based on extracts from John Seddon's new book, *Freedom from command and control: a better way to make the work work*, Vanguard Education, available from www.lean-service.com and booksellers.



John Seddon, the man who translated the Toyota System for service organisations, is presenting 'Freedom from command and control' live in Edinburgh on 6 October and in London on 11 October. For more information visit www.lean-service.com.