

Control Systems in Action

Worked Example: Frontline Customer Service

Target Behavior

Frontline employees proactively solve customer problems (without escalating unnecessarily).

Why this matters: Faster resolution • Better customer experience • Lower costs from fewer escalations

INPUT CONTROLS

- Hiring for judgment and empathy
 - Customer service training
 - Scenario-based onboarding
 - Tool access (CRM, knowledge base)
- ▶ **Goal:** Ensure employees are capable of acting autonomously.

BEHAVIOR CONTROLS

- Clear decision rights
 - Service playbooks
 - Escalation guidelines
 - Manager coaching routines
- ▶ **Goal:** Reduce ambiguity about how to act.

OUTPUT CONTROLS

- First-contact resolution rate
 - Customer satisfaction scores (CSAT / NPS)
 - Escalation rate metrics
 - Incentives tied to resolution quality, not speed alone
- ▶ **Goal:** Reward desired outcomes, not just activity.

CLAN CONTROLS

- “Own the customer problem” culture
 - Storytelling (celebrating great service examples)
 - Peer recognition programs
 - Leadership role modeling
- ▶ **Goal:** Make proactive behavior feel expected and valued.

How the System Works Together

Input → employees **can** solve problems

Behavior → employees **know how to** solve problems

Output → employees **are rewarded for** solving problems

Clan → employees **want to** solve problems

What Happens If One Piece Is Missing

No Input → employees lack capability → errors

No Behavior controls → inconsistency and confusion

Wrong Output controls → gaming (e.g., rushing calls)

Weak Clan culture → employees default to escalation

Clean Teaching Line

*Behavior is not driven by one control, it is produced by a **system of controls working together**.*

If you want people to act differently, you must align hiring, training, rules, metrics, and culture—not just tell them to behave differently.

Class Discussion

Why do employees escalate instead of solving problems?

- Incentives reward speed over resolution
- Unclear authority and decision rights
- Fear of making mistakes
- Lack of training or tools

▶ **That's a control system failure—not a people problem.**

*Control systems don't just monitor performance—they **shape** it.*