What Leaders Can Learn from ‘Undercover Boss’

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This guest post is an excerpt from “Judgment on the Front Line: How Smart Companies Win By Trusting Their People,” by Noel M. Tichy and Chris DeRose. They have advised CEOs worldwide and worked with Royal Dutch Shell, Ford Motor, 3M and Hewlett-Packard.

The popularity of CBS’ reality TV show “Undercover Boss” is rooted in a simple, if not always convenient, truth: Many CEOs have little actual knowledge of how work gets done in their organizations.

They lack an appreciation for the conduct and skills required of front-line workers, who all too frequently perform repetitive and strenuous tasks day in and day out, at an infinitesimal fraction of a CEO’s compensation. In one typical episode, Joe DePinto, a former Army officer, a West Point graduate and the CEO of the 7-Eleven chain of convenience stores, openly vows to go “on an undercover mission to find out what’s really happening inside my company. By working on the front line, I’ll learn about the good and the bad, which will ultimately change the way I manage the company.”

While much of the comic undertone of this Emmy-nominated reality show is derived from a senior manager’s incompetence at performing routine tasks, nearly every episode of “Undercover Boss” ends the same way: The CEO solemnly vows to change his perception, to institute policies and procedures designed to improve their lot and to manage his company differently based on the lessons learned.

Leadership in a front-line-focused organization

Surely there must be a better way to keep an organization’s CEO in touch with front-line employees than having the boss spy on them incognito.

The importance of ensuring that CEOs and senior managers maintain a communication pipeline with front-line workers is greater than ever. Not only can they validate whether a strategy is working in practice, but they are also able to pick up subtle cues about changes in customer behaviors that should influence the refinement and evolution of any given strategy.

Yet what gives this “reality” show bite is that there are so many challenges to providing a CEO with real, unfiltered feedback from the front line, not least of which is the fact that when the head honcho comes to town, many people suddenly feel inspired to do their best work. Layer on top of this the combination of awe and fear that the person sitting atop the organizational pyramid typically inspires in those near the bottom, and the multiple barriers to facilitating an open two-way conversation between senior management and the front line become readily apparent.

If CEOs and senior leaders don’t create routines for understanding customer needs through the eyes of front-line workers, they run the risk of creating strategies that can’t be put into operational practice. Building a business model that is aligned with customer needs is only a fraction of senior leaders’ responsibility. Once customer needs are identified, CEOs and senior leaders must work backward from the moment of truth — when customers and front-line employees find themselves face to face. They must imagine what the ideal customer interaction will look like and ask where breakdowns may occur throughout the process, from generating customer awareness to building post-sale relationships.

Unlike “Undercover Boss,” however, we don’t advocate that CEOs try to do the jobs of their front-line workers. Before settling on a strategy, senior leaders need to design an organization that is prepared to execute, or at least be aware of the limitations of the organization as necessary changes are being implemented.
In a front-line-focused organization, senior leaders have five primary responsibilities.

1. **Define a customer-based vision.** First, they must set the vision and define a customer-based strategy for the organization. The accountability for where to compete, against whom to compete and how to differentiate an organization in the marketplace ultimately rests with the CEO. Senior leaders must mobilize organizational expertise to craft a customer-value proposition that matches the product and service capabilities to what the organization can deliver.

2. **Develop a front-line-focused culture.** Second, the leaders must create a culture of front-line focus. This starts with the leaders' personal attitudes and behaviors: They must deeply care about the opportunities their organization affords front-line employees and they must sincerely respect the importance of their insight. Senior leaders who respect the potential insight that can come from any individual can infect their organizations with their deep-seated respect for people. They are hierarchically positioned to embed values and model leadership behaviors that ensure their organizations actively consider the needs of those on the front line and learn from their experiences. They also have the power to define the organizational structure, job designs, customer policies and work environment to enable those on the front line.

3. **Obsess over talent.** While they deeply respect views that come from anywhere in the organization, these leaders also know that they will win only by having the best talent and the right kind of leadership at the customer interface. They are hard-nosed about the recruitment and hiring process, not content to leave this to human resources or middle management to work out. Not only do they protect the front doors of their organizations with a watchdog mentality, but they also ensure that training and support systems are in place to teach newcomers how to be successful with customers.

4. **Define the judgment playing field.** Armed with a customer-based strategy, front-line-focused culture, and the right players, these leaders actively define the judgment playing field for their teams. They define the boundaries for employee decision making, clarifying when front-line leaders can act autonomously and which issues are outside of their authority. When employees are empowered to act, senior leaders ensure that they are equipped with the right resources to make good judgments on behalf of the business and in the interest of the customer.

5. **Live on the line.** Leaders — especially the top leadership — need to go where the action is. They must interact with workers at the customer interface to understand whether the front line feels capable of executing the strategy. Front-line-focused leaders do far more listening than talking when they are in the field.

More importantly, this is a reality check in which leaders try to understand at a deep level.

- Are individual employees committed to our organization, our mission and our customers?
- Are we incorporating all of our knowledge about customers to meet or exceed their expectations?
- Are we providing our employees the right tools, resources and work environment to create value for customers without unnecessary bureaucracy or delay?

**Take a good hard look at your organization and ask yourself: Is your company front-line focused?**

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