Many chief executives have little comprehension of their employees’ working lives

Companies must practise what they preach and tap into staff expertise. By Emma Jacobs

It is a rare manager who does not peddle the sentiment that “people are our organisation’s greatest asset”. More honest ones might admit it is a platitude – a soothing balm on the foreheads of frustrated, underpaid employees. As management experts Chris DeRose and Noel Tichy explain in Judgment on the Front Line: How Smart Companies Win by Trusting their People, few companies tap into the knowledge and skills of frontline staff. Few managers, they argue, learn “from the workers who are closest to problems and interact with customers. While many organisations frequently invoke the mantra of ‘customer-centricity’, most don’t pay enough attention to those who are closest to the consumer.”

This is, they write, because most organisations’ employee initiatives are “overlaid on a command-and-control structure designed over a century ago for mass production instead of a comprehensive process or framework designed to tap into the well of information and knowledge available on the frontline”. As they point out, the success of the reality TV show Undercover Boss lies in the truth that many chief executives have little comprehension of the reality of their employees’ working lives.

The book sets out the five responsibilities of a senior leader who is committed to building a frontline-focused organisation: to define a customer-based vision; to develop a frontline-focused culture; obsess over talent; to set out the boundaries of employees’ responsibilities; and live on the line – interact with employees.

In this punchy book, case studies demonstrate how organisations forge dynamic frontline leadership. The authors call on leaders “to create organisational structures and systems that implicitly trust those at the frontline – who often earn the least yet do some of the most difficult and frustrating jobs”.

If there is a criticism, it is that the authors spend too much time on internet-based organisations such as Amazon and Zappos, the online retailers that are well known for innovative personalisation and customer-focused service. More interesting was the example of Yum – a fast-food chain that took a huge risk under offbeat chief executive David Novak by investing in frontline staff in an industry where the typical customer transaction does not seem to offer much opportunity to build a relationship. In fact, chitchat might be seen by some customers as an irritant, getting in the way of the unique selling point – speedy service. Cheapness is so often seen as a fair exchange for making the customer feel valued.

Novak gave every employee the power to spend up to $10 to resolve customer complaints. Despite managers’ anxiety that such a policy could spell ruin, very few employees resorted to financial compensation. According to the authors “not only are Yum! restaurants run so efficiently that there are fewer disgruntled customers but also the considerable investment in employee training resulted in frontline workers who are able to listen and resolve problems amicably without frequently resorting to compensation”. In fact, the main effect of the $10 judgment was, Novak says, that employees have the “self-confidence to know they can do what’s right for the customer. It’s a sign of how much we trust them.” By highlighting such policies, the authors demonstrate well how to turn platitudes into profit.