

Undercover boss?

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5 July 2013

A while ago we were attending an asset management seminar. There the question was asked which of the existing asset managers (there were about 300) had paid a visit to at least one service provider in the last 3 months, to see how the plans were implemented in practice. The somewhat disconcerting result was that only one person raised the hand. None of the other asset managers found it strange that they did not look on site, certainly nothing of any shame was observable. However we thought it was strange, or is it just us?

Of course as a top manager it is very easy to lose direct contact with the shop floor. In a large company there can be about four layers of management between the top management and the shop floor. If you want to talk to people in the shop floor a lot must be arranged. People in the shop floor can feel very uncomfortable and also their direct management will hang around so they do not miss a thing. In this light, the television series 'Undercover Boss' is interesting. This is originally a British reality show, from which also a Dutch version was produced. In Undercover Boss top managers or company owners receive a metamorphosis. They then unrecognizably work in their own business in different functions. They hope to discover how things work in the company and whether improvements can be made¹. The program kind of looks like the previously broadcasted Dutch program 'Terug op de werkvloer' (Back to the floor), though the boss there was absolutely not undercover. In this program the employees knew that the boss was on the shop floor.

Board members of several companies participated in the Dutch version of Undercover Boss. From the asset intensive sector these included members from the public transport companies RET and Connexxion and the contractor Strukton².

Recently we read the experiences of operational director Kevin McCullough of the British energy company NPower, who participated in the British version of Undercover Boss. For a week he had been undercover as 'Tom Nixon' at different locations and in different processes: on a power plant, with a field engineer, in the complaints team and as an installer of meters³. He did it because it was a unique opportunity to get 'hands on' experience in the company. He wanted to meet staff and get in touch with clients and listen to experiences. It gave him insight into how committed the staff is and what investments are needed. He thought it was a great experience, one that he will not forget. According to him it again was clear to keep listening and remain transparent at all levels in the organization. Occasionally he felt a bit uncomfortable. He believes it is a beginning of a process, not the end.

An interesting episode of the American version was with the mayor of the city of Cincinnati. The city had financial difficulties and financial cuts had to be made. The mayor went along with the maintenance department of the fire engines. Because a budget reduction had to be made, one of the options was to delay the purchase of new fire engines, but that would mean more maintenance was required for the existing fire engines. By talking to the shop floor the mayor had a much better opinion on the topic. That's a lot better than willfully be blind to the higher risk exposure due to budget reductions.

If you look at the experiences of these type of programs, it is almost always the opinion of the leadership it provides a lot more insight than via all official reports in the company. We can add some of our own experiences. How often does it happen that someone is working on a project because that person thinks that another person wants it? To put it briefly charge, a director states that for the brand recognition, the company's corporate identity should be used more often. Then someone is making sure all bolts and nuts meet that identity: the nuts and bolts get the company logo and the font type and size

¹ http://nl.wikipedia.org/wiki/Undercover_Boss

² See website SBS6

³ <http://www.uswitch.com/gas-electricity/news/2011/08/02/undercover-boss-interview-with-npowers-kevin-mccullough/>

of the bolt is adjusted to the corporate style. The supplier of the bolts really does not know how to deal with it. If you're supplier of hyper exclusive products such as a private spacecraft, then this can make sense, but this could not be the intention of the director when he was talking about making more use of the corporate identity.

The main lesson to be drawn from this is that if you want to know what someone thinks of something, you just have to ask it. Whether you do this undercover or in all openness does not really matter, as long as you are really interested in what the other person has to say. An illustrative example is a company whose top management very frequently visited sites. Only the people on the sites that were visited were not happy with it. After the board asked why this was the case, it appeared that it was because the management turned up in casual clothes on the shop floor. The shop floor interpreted that the Board saw the meeting with the shop floor as a cozy visit and not as work. The shop floor felt not taken seriously by the clothing. During the next visits the Board arrived in a tight suit and there was a much better contact.

So asset managers, what keeps you from doing this? Feedback is an essential part of any management system and asset management is no exception. Go to the shop floor, just ask what they are doing and ask what they think of it. Next comes the most important thing: listen to the answer, even if it becomes clear that the shop floor does not agree with the choices you have made. Try not to convince your right and postpone the judgment of the relative employee. If someone publicly shows dissatisfaction, then there is usually something going on. Thank the employee for feedback and then try to quietly estimate the findings.

If you pay a visit this afternoon, then you have an entire summer to shape an opinion. We are going to do this anyway. In the meantime, we wish you a nice summer.

Ype Wijnia and John de Croon are partner at AssetResolutions BV, a company they co-founded. In turn, they give their vision on an aspect of asset management in a column. The columns are published on the website of AssetResolutions, <http://www.assetresolutions.nl/en/column>