



The Advantages of Bottom-Up Management

👉 leadership management

Summary: When executives roll up their sleeves and spend time in all the roles throughout their organizations, the payoff can be significant — from a better understanding of an institution’s challenges to a greater understanding of both employee and customer needs. We discuss how to implement this strategy and the ways it can help your bottom line.

The TV show “Undercover Boss” follows high-level individuals within major businesses as they spend time undercover in entry-level positions within the organizations they run. The show gained a strong following because people like to see the lessons that executives take away from their incognito stints within their own organizations. Typically, the realization is that the in-the-trenches work is harder than executives realized and there are systemic issues within their companies that need to be addressed.

A growing number of CEOs and top executives are taking a page from the “Undercover Boss” playbook, just without the undercover part. To help leaders gain an in-depth, hands-on understanding of the organizations they run and enhance their leadership skills, many companies have begun having top executives spend time performing different entry-level jobs within their organizations — particularly, customer-facing tasks and roles.

The Benefits of Getting in the Trenches

CEOs and executives have long looked at their businesses from the top down, but doing so doesn’t always provide the most accurate picture of where problems, challenges, or opportunities may lie. In fact, it is not uncommon for CEOs and executives to be fairly distant from the nitty-gritty operations of their organizations and the people they employ. A study by Harvard Business School professors Nitin Nohria and Michael E. Porter found that the interactions CEOs have with their employees are typically limited to senior leadership. According to the report, of the time spent with colleagues, [CEOs typically spent about half their time with direct reports](#), 32% of their time with their top 100 managers, and only 6% of their time with lower-level employees. This approach can create a disconnect between leadership’s perception of a business and the realities that employees and customers actually experience.

Getting leaders to work alongside employees in positions at all levels can have many benefits, including:

- Gaining firsthand experience of the challenges and successes of the people who perform those roles on a daily basis, as well as the customers they interact with
- Gleaning valuable insight about aspects of the company they would not normally see
- Positioning the organization’s senior leadership as more relatable to employees
- Ensuring the plans and goals put into place by top leadership are truly understood by everyone
- Encouraging greater employee buy-in for changes.

Not-So-Undercover Experiences

The approach is one that has been taken by CEOs and leaders in multiple industries. Prior to starting his role as Starbucks’ new CEO, Laxman Narasimhan spent several months working as a barista at multiple locations around the world. Narasimhan found the insight he gained from doing so to be so valuable that he’s committed

to spending at least half a day each month working within a Starbucks retail store and plans to have senior executives throughout the organization do the same.

Similarly, Uber’s CEO, Dara Khosrowshahi, recently [did a stint as a driver for the company](#), driving people around and delivering food. For Khosrowshahi, time as a driver gave him a better understanding of the complaints and challenges Uber had been receiving from its drivers for years, spurring him and the company’s leadership to undertake a major change initiative within the organization.

Following Suit

Given the valuable perspectives that hands-on experience within all parts of an organization can provide, including direct customer feedback, community financial institutions may want to consider implementing this approach themselves. Having CEOs and senior leaders spend time each year working in various roles within their institutions is extremely valuable and demonstrates leadership’s commitment to all employees. For institutions interested in taking this approach, the following are a few suggestions from CEOs of other organizations that have already gone down this road:

- Spend more time [listening to the people you work with](#) than talking to them so you can identify opportunities and inefficiencies.
- Dress similarly to the people you will be working with to make them feel comfortable.
- Make sure people know there will be no repercussions for sharing suggestions or constructive feedback.
- Be receptive to the feedback you receive and incorporate what you learn.
- Commit to doing this on a regular basis, not just as a one-off, as it is far more beneficial when repeated.

Given the enormous responsibilities of executives, it is natural for CEOs and senior leaders to have some distance from the day-to-day workings of their organizations. However, taking time to work side by side with staff in roles throughout your organization is a great way to gain a new perspective and can help identify problems and opportunities to improve your business that might otherwise be missed by leadership.

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ECONOMY & RATES

Rates As Of: 09/25/2023 12:16PM (GMT-0700)			
Treasury	Yields	MTD Chg	YTD Chg
3M	5.56	0.00	1.14
6M	5.52	0.04	0.76
1Y	5.44	0.08	0.73
2Y	5.11	0.25	0.68
5Y	4.61	0.36	0.61
10Y	4.53	0.42	0.66
30Y	4.65	0.43	0.68
FF Market	FF Disc	IORR	
5.33	5.50	5.40	

SOFR	Prime	OBFR
5.30	8.50	5.32

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