

Case Study: Improving Productivity?

Kentaro Hayashi buttoned his uniform shirt and wondered if he could really pull things off. As President of RSA Ground, the subsidiary of Rising Sun Airlines, responsible for servicing its places at airports across Japan, he'd been under enormous pressure in recent months. Thanks to increased demand for air travel, Rising Sun's flights were now fuller and more frequent than ever before. And yet "turn-around times" (the time it took his crews to clean, check, restock, and refuel the planes) had slipped from an average of 12 minutes to 20 minutes in the past year. In the world of detailed flight schedules and tight takeoff schedules, those were costly delays.

The problem was easily diagnosed: RSA Ground was trying to do more work with the same number of employees. Kentaro knew that he could not just go to the executive committee of the company and ask for more money to staff up. Its members would insist that he first try making his crews be more efficient. After several fruitless meetings with the CIO, the HR chief, and industry consultants, he decided that he needed to investigate the issue himself.

That is why he now wore the RSA Ground uniform. He planned to work undercover as a service crew member for a few days, starting as a cleaner of planes at Narita International Airport, where RSA's bottlenecks were worst. He had also arranged to spend some time on cleaning and maintenance teams at 3 other airports (Haneda, Osaka, and Sendai) to get a feel for how his employees were handling all the aircraft in the fleet, from the small jets that served mainly short haul, domestic commuters to the massive airliners with multiple cabins that flew long-haul international flights.

When Kentaro had asked Rising Sun's CEO, Daishi Isharu, for permission to do so, his boss had laughed and said, "I like your initiative, Kentaro-san—not just down in the trenches but down in the toilet bowls!". Then he quickly turned serious, "I will certainly support this research. However, you must make sure that it pays off. A week from now, I'd like a proposal for how to get back to 12 minutes turn-around time, if not down to 10. The faster we can turn these planes, the happier our customers will be and the more profits we will make." The only person at RSA Ground who knew of Kentaro's plan was the head of staffing, who'd agreed to assign him to various teams as a "temporary worker" over the next few days.

Waiting on the tarmac with 5 other cleaners while passengers disembarked, Kentaro was more nervous than he'd expected to be. He had studied the manuals for all of the planes and even practiced some procedures—clearing seat pockets, wiping food trays, vacuuming seats. However, now he was responsible for half the economy seats in a Boeing 787 and he could not imagine completing the task in the desired 10 minutes (leaving 2 minutes for inspection). Luckily, bathroom duty had gone to someone else---a short, gray-haired man, with his protective goggles and plastic gloves already on---who seemed much more seasoned than the others in the group. Kentaro looked at his watch: 6:14 AM. When the door to the jet bridge opened, he and the rest of the crew filed into the plane and spread out to their assigned positions.

There are Tricks

Eighteen minutes later they had finished: not terrible, but not amazing either. The schedule said that they had 10 minutes until the next plane arrived, so they discarded their gloves and towels in a rubbish bin and retreated to a small waiting room. “First time?” one of the younger crew members asked Kentaro. “Yes” he answered. He replied “I’m Toshi. I’ve been here only a month myself. It gets better. You’ll learn how to do it faster, but never as fast as the manager wants!” “Where is the manager?” Kentaro asked. She had given him his assignment when he’s clocked in at 6AM but he had not seen her since.

“Lady Stopwatch oversees another crew in the morning; she’s with us in the afternoon.” “Lady Stopwatch?” Kentaro asked. “Yes, she holds one up and shouts out times to help us keep pace. Sometimes that’s good, but it can also get annoying. They want us to do the turns in 12 minutes. That’s fine for a half-full 787, but last week, we were on 747s all day---with only 6 people in the crew---it was impossible. After the first two turns went overtime, we had to start skipping stuff. The next day, Lady Stopwatch was angry and on our backs because of customer complaints.” Kentaro then asked “So, the crews need to be bigger?” Toshi responded “Yes, Maybe 7 people for a 787 and 10 for 747. But listen to me talking about planes! I grew up on a farm and this is the only job I could find when I moved to Tokyo. I haven’t even told my family that I am doing it; they would be embarrassed. I hope to be out of here in another month or two. If you’re going to stay longer, you should talk to Nobuo-san.” He pointed to the gray-haired man who was in the corner sipping from a canteen. “He’s been here forever.”

They had five minutes left in the break so Kentaro walked over. “Hello, Nobuo-san,” he said, bowing slightly. “That whippersnapper over there said you’re the expert around here.” Nobuo replied with a small smile “That is probably true.” Kentaro asked, “Is it good work?” Nobuo said “Hard work, dirty work, but it pays the bills. Some of us take pride in doing it well. The turns seem tough. I was working as fast as I could, following all of the techniques in the manual and it still took me 18 minutes. I was done with the bathrooms in 8 minutes. People could go faster. The more experienced people do, but there are fewer of us around now.”

Kentaro winced. Attrition rates had indeed spiked in the past year, along with the turn times. Mari Kata, his HR chief, had been rapidly hiring temporary and part-time workers---20 to 30 a month---to pick up the slack, but few of them stayed on. They found the work to be too difficult and stressful and, like Toshi, were probably eager to find better-paying and more prestigious jobs. “Why have you stayed?” Ken asked. Nobuo shrugged, “I have no education or training to do anything else. This is what I know and I’m good at it. The manager says that I’m the only one that she trusts with the toilets.” “How did you get so good?” Kentaro asked. “There are tricks” he said, his voice dropping to a whisper, “but, they aren’t in the manual.” Kentaro replied, “Will you share them with me?” Nobuo said, “Not now. The next plane’s coming. If you’re still around next week, we can talk then.”

By lunchtime, Kentaro was exhausted. He grabbed the container of cold teriyaki his wife had packed the night before and tried to approach Nobuo again, but Lady Stopwatch intercepted him in the break room. “How is your first day going?” she asked. Kentaro answered, “Very well,

thank you.” She continued, “My other crew also had a new temp, and although I would have like to watch both of you in the morning, I couldn’t risk putting two inexperienced workers on one team.” She looked at a spreadsheet on the tablet she was carrying. “I see that your group is averaging 18-minute turn times so far. The other crew have a 16 minute average. So, we’ll see if we can get you down to that.” She was cheerful but stern.

Amazingly, in the afternoon, Kentaro’s team did cut its time to 16 minutes. He didn’t know if that was because everyone had fallen into a rhythm or because of Lady Stopwatch’s shouting (“Five minutes---half done, team! Let’s finish strong!”) had inspired them to work just a little bit harder.

After each turn, she quickly inspected the plane and pointed to the cleaner who had not only finished in the desired 10 minutes but had done so without any mistakes or omissions. It was Nobuo the first 3 times, which he acknowledged with a smile and a nod. Another older employee, a woman, won the next 2 rounds, which left her beaming, and then it was back to Nobuo through the end of the shift. Kentaro worked faster and more diligently in an effort to win just once, but he wasn’t sure the competition had the same effect on the rest of the group. During one of Lady Stopwatch’s announcements, he thought he’d see Toshi roll his eyes. As he shuffled past the flight crew on the jet bridge, he had sensed that a 16-minute turn was well below their expectations as well. They looked impatient and frustrated, barely acknowledging the cleaners.

As Kentaro clocked out at 2:30PM, the manager told him, “You do good work. And you look familiar...have you been with us before?” Kentaro responded carefully, “Not as part of the cleaning crew, m’am, but elsewhere in the airport.” She replied, “Well, I hope that you’ll be back.” He answered, “I think that I am flying to Henada tomorrow.” “I guess we are all struggling to find good workers,” she replied. *Yes, we are*, Kentaro thought.

More Nubuos

His stints on service crews at the other airports were similar. Kentaro met with experienced employees, accustomed to the grunt work, who knew how to get the job done but somehow seemed discouraged. He talked to newer workers, many of them part-time, who viewed RSA Ground as a distasteful and brief stopover on their way to better employment. He saw managers who were effective but spread too thin.

When he called a meeting with his executive team to share his observations, his colleagues were flabbergasted. “Forgive me, Kentaro-san, but you did what?!” Mari sputtered. He replied, “I worked undercover on the crews for 4 days.” They sat in stunned silence. Finally, Mari said, “Well, sir, I applaud you for understanding how very important the people on the ground are to our business. I believe that what you saw confirms what I’ve been saying all along. We need to invest in our personnel---hire more crew members and given them better training and higher wages. We need to make sure that the Toshis learn the ropes quickly and that the Nubuos stick with us. That’s the only way we’ll get quicker turn times.” Kentaro asked her, “What sort of budget increase are you suggesting that we ask for?” She answered, “I’d have to run the numbers but perhaps 20%.”

Kentaro turned to his CFO, expecting a reaction and got one. “Respectfully, Mari-san, I would be extremely uncomfortable putting in a request of that size to management. We’ve promised them, and they have promised shareholders, that we are going to improve margins this year.” Kentaro did not want to shoot down Mari’s proposal immediately but he agreed with the CFO. He would have to push very hard to win approval of half that amount, and Daishi Ishuru would no doubt expect a near-immediate return on it. Mari said, “Well, of course we could make headway with less money.”

Mayuka Mori, the COO, jumped in: “May I offer my perspective? The message that I take away from Kentaro-san’s report is the importance of managers. The teams perform best when they are following best practices and fully coordinated. Stopwatches and competitions are terrific ideas. If we want to hire more people or pay more, it should be at the managerial level. We could achieve stronger oversight and tighter controls with our current staff if we worked at it.” The CTO, Yoshiyuki Taniguchi, was next: “I like the way you are thinking, Mayuka-san, but why not sue technology to achieve the same result? Make a onetime investment in a system that uses wearable tracking devices to monitor employee performance, including individual and team turn times and the quality of the work performed. We don’t need more Lady Stopwatches---we need the next generation of oversight.”

Yoshiyuki had mentioned this idea to Kentaro before, but like Mari’s suggestion, it would require a significant up-front expense. Pilot programs using such systems at other companies had shown some promise but the results were mixed. “Aren’t there any more-creative, less costly ways to solve this problem?” Kentaro asked. It wasn’t the first time he’d put the question to the group and he’d asked it of himself too many times to count. The “undercover boss” experiment was supposed to have given him some new ideas, but the only one he’d had so far was to clone Nobuo. That proposal would certainly make Ishuru-san laugh again. Ken needed a plan that would impress him. How can they do a better job with the talent they have and accomplish better margins?