Making suggestion system work

By RAFIKUL ISLAM

IN order to improve quality and productivity, employee involvement in the organisations has been gaining increasing attraction from the managers. Some of the ways to involve employees in the organisations are empowerment programme, teamwork, brainstorming, and employee suggestion system. In this article, we will discuss only employee suggestion system.

Suggestion system is a vehicle through which employees can channel their ideas for work place improvement. More precisely, suggestion system is the collection of processes used to solicit, collect, evaluate and adopt or turn down suggestions. The objective of suggestion system is to tap employees' innovative ideas.

Andrew E. Marx states: "Everything mankind has and will have in the future is and will be the result of people's ideas... some of the more progressive companies in the history of modern management realised the potential value of their employees' ideas for the improvements in the general functioning of their organisations. They have realised that idea power is the most tremendous human force in the world."

Suggestion system in many organisations means simply placing a suggestion box in somewhere in the organisation and doing almost nothing afterwards. If this is the case, then suggestion system will not work, in fact, it does not work. Suggestion system is much more than placing a suggestion box. To make it more effective, the following steps are recommended.

Steps to implement suggestion system:

Step1: Ensuring management commitment. Top management's commitment is the most important requirement for success of suggestion system. Top management should establish a suggestion committee in the department. This committee will comprise three to four persons and be headed by a high ranked official. The prime responsibilities of this committee are to

■ Encourage employees to forward their suggestions.

■ Acknowledge and respond to the suggestions.

■ Make decisions regarding adoption (full or partial), rejection (reason), postponement (when and why) of suggestions.

■ Nominate employees for rewards, if their suggestions are implemented.

Step 2: Setting up the system. Suggestion boxes are to be placed in strategic positions. Further, a suggestion board should be placed in an appropriate location. Employees should be solicited to give their suggestions. Usually, a suggestion system solicits two types of suggestions: "tangible" suggestions that will increase organisation's profitability by eliminating all types of wastes. On the other hand, "intangible" suggestions do not directly relate to profitability; they usually relate to items such as working condition, employee safety, public relation, internal communication, etc.

Step 3: Acknowledging and responding to the suggestions Acknowledgement of receipt of suggestions should be made as soon as possible. In order to make suggestion system work, responding to the suggestions is absolutely essential. The details of the responses should be displayed on the suggestion board. If any suggestion is not implementable, then the reason must be provided.

Step 4: Evaluating suggestions. Training should be provided to the committee members regarding how to evaluate the suggestions. All suggestions are to be evaluated following a structured approach. The following criteria are usually used:
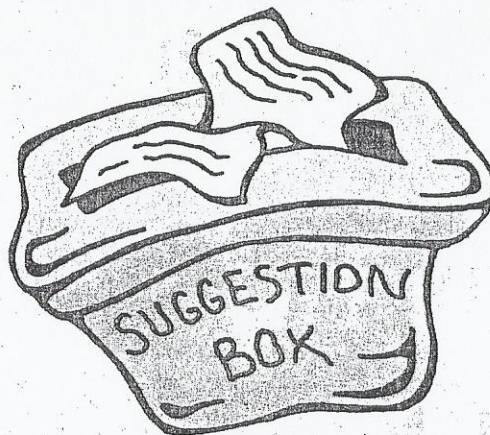
■ Effectiveness – How much benefit the suggestion, if implemented, will give to the company in terms of saving cost or improving working condition?

■ Feasibility – Is it possible to implement the suggestion?

■ Resource – How much resource (money, time, manpower) is required to implement the suggestion?

■ Time – How much time is required to reap the expected benefits?

Step 5: Implementing suggestions. After evaluation phase, it will be clear to identify those suggestions that deserve implementation. Good suggestions are to be implemented at the earliest possible time. Necessary resources should be made available for implementation.

Step 6: Rewarding employees. To encourage employees to provide more and more suggestions, reward and recognition system must be in place. Especially, those whose suggestions are implemented must be rewarded adequately. Reward need not be always monetary; it could be any intangible recognition. Even formal "Thank You" in open meeting has good impact.

Step 7: Publicising the suggestion system. All possible channels of internal communication in the organisation should be used to publicise the organisation's commitment towards its suggestion system. More the suggestion system is publicised, the better. If the publicity programs are managed carefully, then the curiosity of the employees can be captured, and consequently their commitment and full participation will follow. Regarding publicity, the following courses of action can be taken:

■ Generating genuine interest and participation in the suggestion system by sharing the company's policy concerning suggestion system in frank and open group meetings, organisation's newsletter, etc.

■ Sponsoring suggestion competition.

■ Making reward and recognition event festive and upbeat.

Step 8: Refining and improving suggestion system. Like many other systems, over time weaknesses may emerge in the suggestion system. Suggestions should be sought to improve the suggestion system itself, especially in the key areas: soliciting inputs, responding and evaluating suggestions.

Specific examples of savings:

1. Since 1992, Maritz Inc, a performance improvement company based in St. Louis, has approved more than 3,000 suggestions submitted from its 5,500 employees. These suggestions have saved the company US$12 million (RM45.6 million).

2. At Westinghouse Electric Systems, Baltimore, one employee suggested to change the filters in its air-handling units on the roofs of the company's buildings. The company changed the filters in its 30 plants and saved US$48,000 in the first year of the new filter use.

3. At Haworth, a team of furniture manufacturers proposed to change the material in a chair arms. The company implemented the suggestion and saved US$1.5 million. In turn, each member of the team received US$500 as a token of appreciation.

4. In 1988, the US government saved US$1.2 billion as a result of its suggestion system.

5. Perhaps one of the classic examples of impressive suggestion system is National Association of Suggestion System. In 1989, the Chicago-based non-profit organisation surveyed its 900 member companies. The companies reported that they had received 996,994 suggestions and of those 322,618 suggestions were implemented and because of implementation the companies had been able to save US$2 billion. The companies paid US$194 million to the employees as token of appreciation.

Tips for successful suggestion system. In order to make suggestion system work and save the companies' resources from getting wasted, the following tips may be considered:

■ Ensure full support from the top management.

■ Designate a committee headed by a high ranked official to administer the system.

■ Train the members of the committee regarding various components of the suggestion system, especially how to evaluate the suggestions.

■ Layout the goals of the system that should be achieved.

■ Be sure managers and supervisors are receptive to ideas from others.

■ Encourage employees to participate and make good suggestions.

■ Respond promptly to each suggestion, whether it is adopted or not. Communicate in writing the reason if a suggestion is rejected.

■ Implement good segmentations.

■ Reward and recognise the employees adequately whose suggestions are implemented.

■ Keep accurate records of all suggestions to ensure proper awarding of prizes.

■ Have a company officer to present the awards.

■ Publicise the programme often.

■ Continuously evaluate the programme to make improvements.

Absence of any one or more of the above may lead to failure of the system.

Conclusion. Employee suggestion system creates a win-win situation in the organisation. By implementing the suggestion system in one hand the organisation increases its profitability.

On the other, employees get rewards by forwarding good suggestions. Suggestion system if implemented with due care and enthusiasm can have significant impact on the quality, productivity and consequently profitability of the organisation. In addition, it can bolster employees' morale.

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Suggestion Box

Smart Quotes

"The world is governed much more by opinion than by laws. It is not the judgement of courts, but the moral judgement of individuals and masses of men which is the chief wall of defense around property and life. With the progress of society, this power of opinion is taking the place of wars."

– William Ellery Channing

Source: The Forbes Book of Business Quotations, Black Dog & Leventhal Publishers, Inc