

# **The Consultants of Swing**

University of Wisconsin Green Bay

Joshua Clearwater

Eli Hughes

Benjamin Koenigs

Chelsea Rank

Sherry Zuege

# **Encourage Innovation via Employee Suggestion System**

Organizational Communication

Professor Phillip Clampitt

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## **Executive Summary**

A local manufacturing plant has had two employee suggestion systems and both have failed. The president of the company toured another plant and thinks their system is effective and has ordered the manager to implement an effective system at their plant. The Consultants of Swing have been asked to advise the manager about implementing an employee suggestion system. Numerous stated, unstated and potential problems have been identified with the most resounding being the need to communicate change, cultivate an innovative spirit, and employ a successful system. This is a challenge due to the attitudes of employees who have seen two programs recently fail.

Analysis included the past program, the current environment, and case studies on successful systems. Our research resulted in Myers-Briggs profiles on the president and manager, and attitudes of supervisors and employees to help determine push back points and potential lions. Innovation programs like an employee suggestion system must contain specific elements to be successful. The two failed programs the company employed did not contain those elements. Recommendations include a list of strategies and tactics clearly defined, with the upside and downside also stated, in order to achieve the goals. Strategies include instilling a paradigm shift in the manager, and educating the manager so he can implement change, encourage innovation, and employ a successful employee suggestion system. The education includes the philosophy and process of innovation and the white boarding technique; suggestions for MEME and rewards; lessons on handling rejection and failure; details on why the past systems failed; how to communicate change; the chain of communication (who educates whom); encouraging creativity; looking for great leaders for each step of the process; emotional signs to watch for in change; and finally the necessary elements for an employee suggestion system.

Rejected recommendations and ideas for continuous improvement are included in this case study. We have several big challenges in this case. Communicating change, cultivating the innovative spirit, and an employee suggestion system all have elements that must be included to be successful. This all has to work simultaneously so we've strategically woven all of the elements together. Using lessons learned from past failures, research, analysis, identified patterns and following a blueprint from *Communicating for Managerial Effectiveness* to build a solid foundation is our prescription. If this is followed, the manager will see success.

## Case Study Wording

**Purpose:** The purpose of this case is to develop an effective program to encourage employee innovation.

**Situation:** You've been asked to advise a manager in a local manufacturing plant about how to implement an employee suggestion system. The manager is under "orders" to develop this system because the president has just toured another plant that has an "effective" suggestion system.

**Background:** The manager provides the following history:

We've tried this twice before and it never really worked. The first program started about five years ago and was called the Performance Improvement Program or PIP. Employees were informed about the program and were shown how to fill out the necessary form. The main problems were:

- Many people came up with the same ideas.
- At first the PIP coordinator had too many ideas to deal with, and there was no feedback about what happened to the ideas after they were submitted.
- There was no qualifier on the payoff-it just didn't seem to matter how an idea impacted the business because employees still got rewarded equally with dinner certificates or movie tickets.

In the long run, the whole program slowly disintegrated through apathy. Then we went to a quality seminar and completely revamped the program. That's when I started working here. The new system was called Error Cause Removal (ECR) and was focused on resolving chronic problems. Based on our seminar, we decided to eliminate all incentives and just make the ECR

part of the job. It sounded great in theory, so we asked the supervisors to administer the program.

But we did have some problems with this program as well, such as:

- Employees resented not having incentives, so many didn't participate. These "stupid" little rewards were part of the culture.
- The employees who did not participate developed a "We bitch, you fix" attitude-they didn't feel they had to do anything to implement their ideas.
- Supervisors felt overwhelmed with the new responsibility and many never acted on the ideas. They never bought into the program and few employees received feedback about their ideas.
- It was a paperwork disaster-the amount of detailed documentation required was overwhelming to everyone.

These are the lessons I've learned from these incidents:

- We need to respond to people and their ideas.
- The program must be simple to administer.
- It needs to empower employees to work on the solutions.
- Administrators must want to be involved in the program.
- There needs to be some kind of incentive built in to the program.

Our new program is called Novel Ideas For the Future (NIFF) and will be based on the following:

- We will provide training in such areas as problem-solving skills and plant systems for the departments involved in the program.
- Every employee will receive a response within 72 hours of his/her suggestion, with a response letter that says either:

- No
- Yes, we'll do it immediately
- Yes, we'll do it when we are able
- The incentives will be based on the number of ideas: if an employee has 10 ideas, he/she will get a flashlight, 25 ideas will earn a dinner for two, whether or not the idea is implemented.

This is a sketch of the NIFF program so far. What I want to know it:

1. Have we analyzed the problems effectively?
2. Are we proceeding correctly?
3. What should we be doing?

**Objectives:**

- Specify the precise response you would make to the manager.
- Specify the approach you would use in presenting your reactions to the manager.
- Provide the rationale for the approach and proposal.

## Introduction

### Overview

The Consultants of Swing have been asked to advise a manager in a manufacturing plant about implementing an employee suggestion system. The president of the company toured another plant and thinks their system is effective and has ordered the manager to implement an effective system at their plant.

### Problems

*The stated problem* is that employee suggestion programs have failed twice in the past, and now the manager must design and implement an effective system as ordered by the president.

*The unstated problems* are abundant. The president is an arrow manager which means he passes the information one-way to the manager and expects results. There are problems with the DIKA relationships in this company: there is very little Data; Information is in the form of what the president witnessed elsewhere; the Knowledge step is all but skipped; and the president is demanding they jump right into the Action step. Two attempts at an employee suggestion system failed in the past because they did not contain the necessary elements for success. In addition to advising on a new employee suggestion system, we need to successfully communicate change and cultivate the innovative spirit.

*Numerous potential problem* have also been identified: The NIFF program will fail if it is implemented without the necessary elements to make it successful; the president may see another new system and want to change again; employees may already be skeptical having tried and failed twice; supervisors have been down this road before and gave up on the most recent failed program; and finally, employees may associate the manager with the failed ECR program, because that is about the time he started his employment with the company.

## Methods

We analyzed the case study wording to look for clues suggesting personality types, potential lions and potential naysayers. We researched how to effectively implement an employee suggestion system and read examples of successful systems. We read the chapters pertaining to the DIKA model, providing feedback, communicating across organizational boundaries, communicating about change and cultivating the innovative spirit in *Communicating for Managerial Effectiveness* by Phillip G. Clampitt. If given the opportunity we would ask questions about the organization including, but not limited to:

- How will the president measure effectiveness? (Number of ideas, how much money is saved, quality of ideas, number of ideas implemented, etc.)
- How much time was there between the implementation of PIP and ECR? One failed program right after the next and in a short time period may develop employee resistance and negative attitudes.
- What is the current state of ECR? The manager spoke of the program in the past tense but does not mention it ending or what the current state of employee innovation is within the company. The current state could affect employee attitudes toward the new system.
- Which supervisors were present for the last two programs? Identifying supervisors who have already seen two programs fail could help us identify those who may be the most skeptical and negative.
- Will the president allow us to completely control the new system or will he take some control? Because we are cautious of his arrow manager behaviors.

- Will the president want to make another change after he sees something else in another plant? We are skeptical of his DIKA behavior. He tends to jump from information right into action.

### **Findings, Analysis and Insights**

- *The president* is an arrow manager which is evidenced by his “ordering” development of a new system. There was no conversation or dialogue about it. He jumps from information to implementation without data or knowledge. We believe him to be an intuitor because he jumped at possibilities and the novelty of the idea. He is a perceiver because he is spontaneous.
- *The manager* is fairly new at the plant and was hired after the first program failed. He thinks rewards in the previous system were “stupid.” We can infer he is an introvert because he seems more thoughtful as opposed to jumping in with both feet. He is a sensor; asking for specifics, evidence, and guidance. He is a thinker who wants to know if he analyzed the situation correctly and if the process is correct. He is a judger and wants things correct and in order before he proceeds.
- *The supervisors* were overwhelmed with the responsibilities given to them in the previous two programs. They never bought into the second program and applied very little effort.
- *The employees* have ideas and they liked the rewards. They did not like it when the rewards were taken away. The suggestion program turned into a negative “we bitch you fix” attitude.
- *An innovative program* (like the employee suggestion system) must contain these elements in order to be successful:

- Participants must be educated on the philosophy and process
- Participants must buy into the program
- Programs must be developed to foster innovation
- Quantity not quality should be the focus of the idea generation phase
- Timely responses
- Little paperwork
- Proper rejection techniques
- Feasibility analysis
- Viability analysis
- Follow through to implementation
- Rewards

The past programs failed because all of these elements were not present.

- Other reasons for past program failures:
  - There was no connection in the mind of the employees between the ideas they came up with, the potential benefits to the company, and the benefits to them
  - They were coming up with ideas to gain the rewards as in the PIP program or because coming up with ideas was part of the job as in the ECR program
  - There was very little ownership of the ideas generated and with no ownership there was no desire to follow the ideas through to implementation

We also speculate if there was a short window between PIP and ECR and employees witnessed failure in both, the overall attitude is negative.

## Recommendations

### Goal

*The goal* is a successful employee suggestion system.

### Strategies and Tactics for the Manager

*Strategy: Develop a paradigm shift in the manager's attitude.*

*Tactic:* Have a heart to heart conversation with him. "We want to see a chain of successes and that starts with you. We want a successful system which leads to a successful company.

You're the man running the program which means success for you. Is that your goal too?" (Well of course) "Are you open to hearing how we can achieve that?" (That's why I called you in to help me) "Great. Let's get started. Do you want to grow the effectiveness of the suggestions of employees with this new system?" (Yes) "Good, of course you do. Well, if you want to grow a garden certain elements are required: dirt, nutrients, light, warmth, space to grow, water, time to grow, and of course the seeds. If all the elements are in place you will have a harvest. If I liken this to the past programs, the PIP program was the garden but it was missing the warmth, space to grow and nutrients. The ECR program was missing the sunlight, nutrients, and water. Both gardens failed. It wasn't the farmer who failed, it was the lacking elements that caused the failure. Do you believe this to be true?" (Yes) "Then let's get all of the elements in place for a successful employee suggestion program. This is how we do it. Are you ready to hear it?" (Yes)

*The strategy* is to educate the manager so he implements change, encourages innovation, and employs a successful employee suggestion system.

*Tactic:* Talk to the manager according to his inferred Myers Briggs profile so he will understand, and absorb the information and buy into the program. Since we have identified him as Sensor, Thinker, and Judger, we need to speak to him with specifics, evidence, steps of the process, and all of the details of rollout.

*Tactic:* Answer the manager's questions by starting with a positive and then suggesting ideas to improve. His first question is: "Have we analyzed the problems effectively?" We would respond by saying he is definitely on the right track. His lessons learned are on target. We would look at research on how to implement a successful innovation program. Then we will look at the previous programs and analyze why they failed.

These are the elements of a successful innovation system:

- Educate the participants on the innovation philosophy and process:
  - Anyone can be an innovator: Anita Dembiczak from Connecticut drew a jack-o-lantern face on an orange garbage bag and filled it with leaves in the fall because she hated seeing ugly garbage bags at the curb. Anita was an innovator.  
(Dembiczak, 1999)
  - Innovation is a process. (See Appendix E Innovation Pyramid and F Innovation Funnel, pages 37 and 38) It must go through:
    - Idea generation: wild, big, new, creative, bold ideas. A plethora of ideas, because this step is about quantity. Ideas cannot be suppressed at this point. Someone with the characteristics of a circuit manager should be assigned as the leader because they will go with the flow and network with people. They are all about relationships and should be extroverted and

outgoing to lead brainstorming sessions on a regular, monthly basis. This person is one who buys into the system and is enthusiastic about it. They become the Idea Manager who follows the ideas through to implementation. The person with the idea is called the Idea Generator. They will also follow the idea through the system. At the monthly brainstorming session, provide paper, pencils, markers, crayons and white boards. This can be done in the plant or out of the plant in a neutral environment. All ideas should be written on a white board to legitimize them. This shows everyone in the room that all ideas are valid and worthy of writing down. By writing them it allows the group to focus on that idea. The group will select one idea at a time and talk about the attributes, both positive and ways to improve on it. The idea will be eliminated or saved until only three ideas remain. This takes the pressure off of one person to say yes or no and instead turns it into a group/democracy effort. The top three chosen ideas each month go to the next stage of the process. This meeting time can also serve as a time for the Idea Manager to communicate with the Idea Generator about the progress on their ideas that are already in the later stages of the process.

- Feasibility analysis: this stage determines if the ideas are possible. An analysis team will be selected. This is when experiments may be run. Someone with the traits of an arrow manager would make a good leader here because they will communicate precisely and with authority and

achieve the desired results by talking with experts in the area of feasibility. If the ideas are possible they pass to the next stage.

- Viability assessment: This stage also needs a team and is also managed by an individual with arrow manager characteristics who guides the group to determine if there will be a return on investment by the benefits outweighing the costs. Now there is one more hurdle to jump and that is step four.
- Implementation: This stage of the system needs to be spearheaded by a Judger on the Myer-Briggs profile. A “J” will see the project through to completion. Note that while particular MB types are assigned as the head of that step in the process, the Idea Generator is encouraged to follow the idea through the process including implementation. This hands-on approach fosters more ownership and pride.
- Develop programs to foster innovation.
  - A company can expect and require innovation by making the brainstorming sessions mandatory. Food and beverages can be provided to build camaraderie.
  - Employees should have a set amount of time per week to think, research and contact outside sources for ideas.
  - Meme. Something that is memorable, engaging, meaningful, and expandable. This should be a name, idea, or image the participants will adopt. Since this is a manufacturing plant we suggest Idea Generator. (See Appendix G, Idea Generator, page 39) Idea Generator System or Idea

Generator (the system) Idea Generator or Idea Generators (the people with the ideas).

- Rewards. We recommend an Idea Generator Wall of Fame. (See Appendix H, Wall of Fame, page 40) When an innovation is implemented the Idea Generator will have a plaque made in their honor including their photo and a description of their idea. The plaque will be put on the Idea Generator Wall of Fame. People like rewards and the rewards must be valuable and earned. They will also be recognized in company newsletters, WebPages, trade publications and the local media.
- Paperwork reduction act. The only paperwork is done on the top three ideas each month from the brainstorming sessions and it is done by the Idea Manager who follows the idea from brainstorming to implementation. Both research and the history of failed programs at this company show that too much paperwork and red tape are big reasons for program failure. A computer tracking system will be employed to follow the ideas through the process. Anyone can log on and check the status and details of the idea.
- Handle Rejection without rejection.
  - Avoid YES/NO decisions.
  - Focus on the idea, not the Idea Generator.
  - Pick out something good and comment on the attribute. Pick out something that could be improved on and possibly brought to the whiteboard in future brainstorming sessions.

- It's a group effort to choose the top three ideas each month, one by one.
- Failure is in the eye of the beholder. The innovator of Post-It notes was a failure at creating strong glue (Clampitt, 2013). Failure is a learning tool.
  - Put professional looking posters up around the plant with quotes about success, failure, and innovation. For example, this one from Winston Churchill, "*Success is stumbling from failure to failure with no loss of enthusiasm.*" This will help build innovation as part of the culture.

Analysis of why the two previous programs failed: (See Appendix D, Elements to Innovative Program Success, page36)

"When we look at the first program, the Performance Improvement Program (PIP) we see that not one element was highly effective. A few elements were slightly effective but most of the elements failed in effectiveness. This is why PIP didn't make it. The Error Cause Removal (ECR) program made some changes, eliminated the rewards and fell as a whole in effectiveness. The Novel Ideas for the Future (NIFF) program is in the process of being analyzed and may be implemented. Changes have been made and several of the elements show improvement, but to ensure an effective employee innovation system, the company must implement all of the elements and they must all be highly effective. Remember the garden story earlier."

*Answer the manager's question: "Are we proceeding correctly?"* We would respond by saying he has done a great job at gathering facts and we've added research, statistics and examples of success stories. It is also clear that he has learned from the mistakes of the past. Learning from failure is an important part of the process that we're basing the new system on. Information he gleans from failures builds his knowledge base and allows enduring success of which the

previous programs lacked. Between his research and ours, we've identified patterns and now we know why the previous programs failed. We will put all of our information together and form a plan of action.

*Answer the manager's question: "What should we be doing?"* We are educating the manager now. Then he will educate the president and the supervisors. The supervisors need to be educated and we need them to buy into the program. (See Appendix J, Elements of Success, page 42) This is how we will approach the supervisors.

These important points will be made to the supervisors:

- What is the decision
- How the decision was made
- Why the decision was made
- The rejected alternatives to the decision
- How the decision fits into the organization's mission and vision
- How the decision affects the organization
- How the decision affects employees

After those important points are made clearly, the manager will share the same information, i.e. the garden story, strategies and tactics that we shared with him. Then he will ask for questions and comments. Write every question and comment down on a white board and discuss three positives and three areas for improvement.

At this point we suspect there will be pushback from supervisors who saw previous programs fail. We expect resistance to stem from doubt that this system is any different from the others, which failed. It is imperative that we mentally separate the Idea Generator System from PIP and

ECR in the minds of the supervisors. Showing a comprehensive breakdown of why the previous systems failed (just as we did with the manager) is a very important part of that as are the necessary elements of a successful system. Emphasis on the fact that previous programs didn't work for reasons that we can enumerate and explain will help to contrast the old systems from the new system we're putting in place. After addressing these concerns, we will encourage people to think more about it so they can bring up more points in a follow-up meeting one week later.

At the follow-up meeting we will have an open discussion with questions and answers. We will watch for reactions which may include denial, anger, bargaining, depression and acceptance and address them properly. (See Appendix I, Stages of Grief, page 41) For those supervisors who display acceptance, we invite them to be our team leaders.

This entire process is repeated, this time led by the lion supervisors addressing the employees. However, the explanation of the white boarding technique does not need to be shared with the employees.

### **Strategies and Tactics for the Supervisors and Employees**

*The strategy* is to educate all participants so they understand the benefits to them, co-workers and the organization and completely understand the philosophy and process.

*Tactic:* We educate the manager; the manager educates the president and the supervisors. The lion supervisors educate the employees on the same training we provided to the manager. The one exception is the white boarding technique should not be explained to the employees.

*Pros of this approach:* By following the process mapped out in *Communicating for Managerial Effectiveness*, the manager will buy into the program with enthusiasm. He will use that education and enthusiasm to speak to the president who will in turn share in the manager's conviction. The manager will do the same with the supervisors. The manager will also gain credibility within the organization. The supervisors in turn will educate their employees. We are creating buy in with the manager who shares his conviction with the president and supervisors who in turn share their convictions with the employees. The manager is the first lion and some of the supervisors will be in the group of lions. Communication about the new system comes from inside the organization so the employees won't feel as if an outside force is making decisions.

*Cons of this approach:* The manager is not an expert communicator and may not be able to educate as well as we can; even with our help and coaching. There are more links in the communication chain and therefore more potential problems could arise.

*Tactic:* In the follow up meeting after the manager uses the *whiteboard technique* with the supervisors, he'll point out what he just did with the whiteboard technique and how it worked. He'll discuss the technique, its philosophy, and its merits. When ideas are written down for all to see, it legitimizes them. This shows everyone in the room that all ideas are valid and worthy of writing down. By writing them it allows the group to focus on that idea.

*Pros:* Seeing this technique in action and realizing it just worked on them will help to increase buy-in among the supervisors, as well as reduce some of the push-back against what many may view as just another communication program.

*Cons:* Once the technique is explained some of the supervisors may feel like they've been tricked by our communication tactic.

*The strategy* is to encourage creativity and enthusiasm so employees participate in idea generation.

*Tactic:* Brainstorming sessions with paper, crayons, markers, pencils around the room. All suggestions are written on a white board and evaluated by the group.

*Pros:* Brainstorming sessions are more likely to generate wild, crazy and out-there ideas, more so than a traditional suggestion box. The presence of crayons, which at first glance seem ridiculous, will represent just how acceptable any idea is. This will lend to a more creative tone for the sessions.

*Cons:* Workers may view the crayons and the atmosphere as childish and be less likely to contribute meaningfully. There may not be enough supervisors with the right skills to lead such sessions. Workers may mentally confine their creative thinking time to just those sessions.

*Tactic:* Allow employees one hour per week of paid time when they are free to think, research or conduct outside interviews as part of their idea generation.

*Pros:* This legitimizes how important it is when they are getting paid to think creatively. It will help employees take ownership of their ideas because they've researched and thought about it extensively. It allows for more fully realized ideas to be brought up to supervisors.

*Cons:* The employees may not use the time wisely.

*The strategy* is to follow through from idea to implementation so employees know the idea generation is not done in vain.

*Tactic:* An Idea Manager will be assigned to follow the ideas through the system. The Idea Generators will also be encouraged to follow the idea and implement them. This shouldn't

become a burden to the Idea Manager because only the top three ideas each month make it to the feasibility stage. If an idea fails the feasibility stage, it is dropped out of the system; the same thing happens at the viability stage. A computer tracking system will be used to follow ideas through the system. Anyone can log on and see where ideas are in the process.

*Pros:* Studies show 60% of ideas approved for implementation never make it through the process. (Clampitt, 2013) If we have accountability and a tracking system we will have a better success rate.

*Cons:* Thoughts of the old paperwork-heavy program may have an effect on attitudes toward this system.

*Tactic:* Teams will be assigned for the feasibility and viability stage and managed by an arrow manager.

*Pros:* Working as a team will build camaraderie, lighten the workload, and they'll hold each other accountable. An arrow manager is more likely to drive the idea through more aggressively and hold the team accountable. The Idea Generator is encouraged to follow the idea and be a part of the process.

*Cons:* The team may have internal conflicts or may prefer to work independently.

*Tactic:* A "J" personality will be assigned for the implementation stage.

*Pros:* This is the type of person needed to pay attention to details, timelines, planners, and has a get-it-done attitude.

*Cons:* The implementation stage may take quite a bit of planning and scheduling to make sure everyone is on the same page.

*The Strategy* is to reward the idea generators for implemented ideas.

*Tactic:* Those employees who have ideas implemented will have a plaque made in their honor, displayed prominently in the plant. The plaque will have a photo of the person and an explanation of the idea submission.

*Tactic:* The employee's story will be featured in print publications like newsletters, trade journals, local media, and the company intranet.

*Pros:* This shows that the company values the input of the workers. It shows that it's not just about the "we bitch, you fix", but instead about innovation and about how one person's contributions can help the company.

*Cons:* If the Hall of Fame remains empty for too long, it could hurt worker attitudes. They may feel that it is a testament to the company being too demanding, another system failing or have other negative thoughts about it.

## Rejected Recommendations

- Our team would talk to the president of the company directly.
  - He has given his orders without dialogue to the manager. The manager is the responsible party. The manager will build credibility and respect with the president if he handles it himself.
- Our team to speak with supervisors and employees.
  - We will give all of our recommendation to the manager and have him follow through. This way he will earn more respect as the new manager. We will be there for moral support and guidance.
- Place blame. There is no benefit to placing blame on anyone. The failure of the other programs led to good lessons learned for the Idea Generator System.
- Mandatory participation. ECR required participation, and failed, so we suspect there will be a great deal of pushback to any sort of mandatory participation.

## **Continuous Improvement**

- More research and reading sooner
- Dissect problems faster
- Figure out specific questions sooner
- Equal participation of group members
- Help the procrastinators in the group

## **Conclusion**

We have several big challenges in this case. We need to communicate change, cultivate an innovative spirit and employ a successful employee suggestion program. We begin the education process with the manager to get him enthusiastic about our plan. He turns into the lion for the president and supervisors. The supervisors buy in and become the lions for the employees. Supervisors who display enthusiasm and a positive attitude are selected as our team leaders and Idea Manager.

Communicating change, cultivating the innovative spirit, and an employee suggestion system all have elements that must be included to be successful. This all has to work simultaneously so we've strategically woven all of the elements together. We will coach, monitor and be there for moral support in every step of the communication process. If our prescription is followed, the manager will see success.

While nothing in life has guarantees, we have learned lessons from past failures. We've learned from research, analysis, case studies, and examples of successful systems. We've identified patterns and the elements used to succeed. We've followed blueprints in *Communicating for Managerial Effectiveness* to build our foundation and we have all of the necessary elements in place. In our humble opinion, this is as close as you can get to a guarantee of success.

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## Appendix A

### 100 Facts

1. Only 7% of U.S. companies use a suggestion box
2. Companies that have suggestion boxes report about 50% of suggestions save the company money and make the organization better
3. A suggestion program should be publicized
4. Whether an actual box, an online version, or a combination, the project should be given a name. A catchy title like Operation Efficiency galvanized attention.
5. The program should be announced, and publicized on posters, in newsletters and through e-mails.
6. The ideas should be discussed at team meetings and made clear that all suggestions will be considered.
7. Incentives help
8. Some companies calculate a year's savings from a suggestion and pay the employee a percentage of that. Others give out special mugs or certificates. Some firms even offer consolation prizes.
9. Managers should consult with employees.
10. Employees with good ideas should be treated as consultants and discuss the pros and cons of the suggestion. Give them more background or information and challenge them to further develop the idea.
11. An idea that may seem frivolous or weak at first glance may have some nugget of truth that can be the basis for change.
12. Suggestions should be treated as brainstorming sessions, and ideas shouldn't be dismissed until they've been looked at from every perspective
13. Nearly every employee can come up with an idea about how to do the job better.
14. The best suggestions – however small – make money or improve quality.
15. Employees should be taught to come up with ideas, express them in writing, and put them into effect.
16. There will be better suggestions if the staff is trained to be better problem-solvers and decision-makers.
17. There should be an overseer. One person should run the project.
18. Suggestions should be picked up daily and acknowledged within a week, regardless of their value. If evaluating an idea takes some time, tell the employee and give updates.
19. Some companies publicly post all suggestions, along with comments on the progress. If a change can be made immediately, don't delay. Morale and productivity rise when employees know their ideas make a difference.
20. A form should be developed that's simple but requires enough detail to make a decision.
21. Employees prefer an open system they can work with.
22. 1894: NCR established the first suggestion box in the U.S. after an official visited a duke's estate in southern Italy. There, employees could submit ideas about how to run the estate more efficiently.
23. 1898: Eastman Kodak set up an employee suggestion program.
24. 1913: The Post Office started its suggestion program.

25. 1914: Prudential Insurance Co. held a four-month contest, and paid \$75 for the best suggestion.
26. 1941: General Electric accepted 12,453 of 40,834 suggestions it received, and paid \$95,000 in awards. World War II: The War Production Board prompted companies to turn suggestions into a war effort. Companies established Century Clubs for employees who earned more than \$100 for their suggestions. Bausch & Lomb doubled cash awards and publicized winners on the radio.
27. 1950: W. Edwards Deming traveled to Japan to guide the nation's post-war industrial recovery. He brought home the concept of continuous improvement and employee suggestion programs quickly became more common.
28. The coffee giant launched MyStarbucksIdea.com, an online suggestion box, in 2008.
29. Amazon Prime started as an employee suggestion.
30. IBM launched ThinkPlace in 2005, a website where IBM employees from around the world are encouraged to suggest innovations. In 2008, ThinkPlace gathered over 18,000 employee ideas and more than 500 "wins" (i.e. implemented ideas) in three years. This led to recognition of hundreds of IBM employees as innovators and millions in cost and productivity impact.
31. <http://imblog.ideaglow.com/6-steps-to-implement-staff-suggestion-scheme/> effective suggestion boxes have: senior management buy in, internal promotion plan, cross functional review team, agree on a rewards scheme, set suggestion guidelines, select appropriate software.
32. The manufacturing plant in Case 2.7 has tried an employee suggestion system twice but it never really worked
33. The first program started five years ago, and was called PIP (Performance Improvement Program)
34. The manager of this plant is under "orders" to develop an employee suggestion system because the president has just toured another plant that has an "effective" suggestion system.
35. One problem with PIP was that many people came up with the same ideas
36. Another problem was that, at first, the coordinator had too many ideas to deal with, and there was no feedback about what happened to the ideas after they were submitted
37. Employees were rewarded for just coming up with ideas
38. There was no qualifier on the payoff--it didn't seem to matter how an idea impacted the business because employees still got rewarded equally with dinner certificates or movie tickets
39. In the long run, the whole program slowly disintegrated through apathy
40. A quality seminar was held, and the program was revamped
41. The new system was called ECR (Error Causal Removal) and was focused on resolving chronic problems
42. Based on the seminar, all incentives were eliminated and ECR was part of the job
43. Supervisors advised the program
44. A problem with this program was that employees resented not having any incentives
45. Because there were no incentives, they didn't participate
46. The "stupid" little rewards were part of the culture
47. The employees who did participate developed a "We bitch, you fix" attitude
48. Employees didn't feel that they had to do anything to implement their ideas

49. Supervisors felt overwhelmed with the new responsibility any many never acted on their ideas
50. Supervisors never bought into the program, and few employees received feedback about their ideas
51. It was a paperwork disaster--the amount of detailed documentation required was overwhelming to everyone
52. The manager says he needs to respond to people and their ideas
53. The manager says the program must be simple to administer
54. The manager says the program needs to empower employees to work on solutions
55. The manager says administrators must want to be involved in the program
56. The manager says there needs to be some kind of incentive built into the program
57. The new program is called NIFF (New Ideas For the Future)
58. They will provide training in problem-solving skills and plant systems for the departments involved in the program
59. Every employee will receive a response within 72 hours of his or her suggestion, with a response that says either: No, Yes we'll do it immediately, or Yes we'll do it when we are able
60. The incentives will be based on the number of ideas
61. If an employee has 10 ideas, he or she will get a flashlight
62. 25 ideas will earn a dinner for two, whether or not the idea was implemented
63. The manager wants to know if they have analyzed the problems effectively
64. The manager want is to know if they are proceeding correctly
65. The manager wants to know what they should be doing
66. When suggestions repeatedly go unnoticed or employees rarely receive feedback about the suggestions they enter into the box, they can become resentful and lose motivation.
67. Managers who remain open to suggestions and welcome new ideas from their employees generate a higher level of respect from employees
68. Too often, employees receive no guidance from management about what kinds of suggestions you're looking for, how to approach various topics and the process by which changes are made in the company.
69. Simply placing a suggestion box on the wall without any instructions encourages frivolity and unproductive suggestions.
70. Suggestion box ideas are an important part of employee recognition, employee retention and employee engagement.
71. "An employee suggestion box is a device for obtaining employee input – comments and suggestions – in hopes of improving internal processes and/or products. Employee suggestion boxes form the foundation of successful employee suggestion programs."- definition from Leila Durmaz
72. An online suggestion box is an online website that employees can use to share their ideas freely with other employees, including management.
73. A Boardroom Inc. employee came up with the idea to reduce the size of books so they could be posted at a lower rate. This saved the company hundreds of thousands of dollars each year.
74. Suggestion box forms, by necessity, often provide too little space to lay out a refined, actionable idea

75. Society for Human Resource Management (SHRM) conducted a study about underutilized suggestion box programs. It notes that 36% of businesses with employee suggestion programs feel “top leaders do not see the program as a critical contributor to innovation” (R. Hastings SHRM: Employee Suggestion Programs Underutilized)
76. “First order learning” is an organizational learning process in which the organizational member seek to achieve incremental changes and adaptations which enhance the use of technologies, routines and processes but don’t change underlying organizational values.
77. “Second order” is an organizational learning process in which members seek to change underlying ideas and break out of old norms, thoughts and behaviors by exploring different ways of doing and thinking.
78. In order to achieve organizational learning of either order, several factors must be present in members: a perceived gap between organizational performance and expected performance, and the motivation, ability and opportunity to help the organization close that gap.
79. “Gainsharing” is a kind of management system wherein employees are offered financial benefits for suggesting and participating in cost saving measures for the organization.
80. Gainsharing was present as early as the 1930’s when Joe Scanlon implemented a system that promoted cooperation between management and employees to solve problems.
81. The “extent of individual inquiry into problem solving in organizational learning is affected by various behavioral norms and organizational constraints.”
82. Supporters of gainsharing plans argue that the “introduction of more democratic norms and the use of labor-management review committees transform behavioral norms and overcome organizational constraints by increasing employee identification with organization-wide goals as opposed to individual or subgroup (division, union and so forth) goals”
83. In a gainsharing plan studied by Arthur and Airman-Smith, gainsharing suggestions declined over time (4 year period) but second order learning suggestions actually increased over time.
84. Arthur and Airman-Smith posit that this lack of responses over time doesn’t represent a failed program but in fact shows organizational learning taking place.
85. Plant personnel in the company studied attributed later success to “their improved work methods and to the cooperative labor-management climate they had developed.”
86. William Denny put up the world's first suggestion box in his shipbuilding company in 1882.
87. Deliver More Value for Customers. An employee suggestion program helps you know what customers want and how you can best deliver it to them.
88. Boost Employee Morale & Motivation. Effective employee suggestion programs can increase motivation, encourage teamwork among employees, and promote loyalty within the workplace. This can lead to a spike in employee morale and overall satisfaction.
89. Increase Revenue. Employee ideas can help you find ways to increase company revenues. An employee at 3M came up with the idea of *Post-It Notes* – which has led to a lion’s share of \$3.47 billion revenues posted by 3M’s business unit.
90. Reduce Costs. Employees can generate ideas for your organization that can lead to great cost-savings. A Boardroom Inc. employee came up with the idea to reduce the size of books so they could be posted at a lower rate. This saved the company hundreds of thousands of dollars each year.

91. Suggestion box programs fail not because of a lack of initial employee interest or enthusiasm. They fail because the process for managing and following up on the submitted ideas isn't as rigorous as it needs to be.
92. As we thought about how to reinvent the suggestion box, we realized that another of its shortcomings is that – unlike a group brainstorming session – there is no mechanism for improving or building on ideas.
93. Asking for Too Much Information: An employee suggestion form is key to an employee suggestion program. But when you ask for more information than necessary in the form, you're setting your employee suggestion program up for failure.
94. Asking for a Resolution: While asking for a resolution would be helpful, you're actually limiting your employees' suggestions.
95. Senior Management Isn't Interested: If senior management isn't interested, your employee suggestion program won't go far.
96. No Topics for Suggestions: If you want good feedback from your employees, you need to periodically solicit suggestions on specific topics.
97. Not Seriously Considering or Implementing Employee Ideas: If employees feel you're not going to seriously consider or implement their ideas, they are unlikely to participate actively.
98. Wrong Motivation. In many cases, suggestion schemes are made for disgruntled employees who need a way to vent. The result is a very narrow set of ideas from only a small percentage of the population.
99. Lack of Transparency. A suggestion box is not transparent. Employees cannot see their ideas once they are in the box and do not know what is happening to their ideas. This is demotivating.
100. Wrong Message. Idea boxes and suggestion schemes send the wrong message to employees. They encourage limited, anonymous ideation in isolation and without any feedback, as opposed to open and collaborative ideation that leads to breakthrough innovation and adds real value.
101. Incremental Innovation. Without proper training, employees tend to only generate ideas related to their immediate sphere of influence, and mostly related to process improvement. While these ideas shouldn't be ignored, they won't ever lead to breakthrough innovation.
102. Lack of Training. Suggestion schemes assume that employees know how to generate innovative ideas on their own. In most companies, employees are not provided with the proper training (tools and methods) to understand how to generate valuable ideas.
103. Irrelevant to Customer Needs. Most suggestion schemes don't provide a model to understand customer outcomes and expectations (voice of the customer) related to the ideas.
104. Irrelevant to Organizational Needs. Idea boxes don't ensure alignment between the ideas and business strategy. Some ideas submitted are important to the company, some are not.
105. Too Many Ideas and Poor Processes. The suggestion box collects ideas. Although some are processed, others are not. Over time, the suggestion box will have more ideas than can be managed by an innovation manager.
106. Overwhelmed Managers. Because suggestion boxes are not transparent, many ideas are submitted by several employees at the same time. An unpopular policy or faulty process can lead to a deluge of almost identical ideas, leaving the innovation manager overwhelmed.

107. Lack of Oversight. In many cases, all the suggestions are processed by the same person. This person may not always recognize the potential of a powerful idea, particularly if it is outside of his/her area of expertise.

## Appendix B

### KISS Chart

Member	What do we KNOW?	What can we INFER?	What SHOULD we do?	What we SHOULDN'T do?
Manager	The manager is under "orders" to implement an employee suggestion program. He entered the job after the first program failed. He said incentives were stupid.	The manager does not want to implement it but is following orders to do it. The information he's gathered about PIP may not be entirely accurate.	Explain the philosophy and process of proper employee suggestion implementation. Train him.	Adopt his negative attitude. Assume this manager's take on PIP is 100% accurate.
President	He toured another plant that has what he calls an effective suggestion system.	He thinks the suggestion program can work here too. ARROW manager. Has trouble with the I-A loop.	Implement a successful system. Provide evidence though statistics and research on how it can be implemented successfully.	Ignore the president's orders. Just jump right into it without investigating it and setting it up properly.
Employees	They've had two other programs implemented and failed. They like incentives. Employees developed a bitch attitude.	They don't want another new program. They want their ideas implemented.	We need to train them. We need to explain philosophy and process. Get them excited.	Give them a yes or no answer. Give them tons of paperwork to fill out.
Supervisors	They had to administer the program in the past. They were overwhelmed.	They don't want to have another new program. They don't want to be overwhelmed again.	Explain the philosophy and process of proper employee suggestion implementation. Train them.	Adopt any negative attitudes; give them tons of paperwork to fill out.

## Appendix C

### Audience Analysis

Audiences (Groups)	How will each group be impacted?	Channel preferences for each group	What do group members know, or think they know?	What will be the group's likely concerns or resistance points?	Communication objective for each group
Manager	Responsible for implementing the program NIFF.	Face-to-Face	Manager thinks the last two were ineffective.	It didn't work before. He's being ordered to do it. Too much paperwork involved	Help him analyze problems effectively. Advise him on proceeding correctly. Help guide him.
Employees	Training, brainstorming, incentives, and suggestions will possibly be implemented	Group meeting with supervisors.	That it didn't work in the past. They want incentives, response to ideas and implementation of their ideas.	Too much paperwork. Too much time. No response in the past. (no motivation)	Educate employees about the innovation philosophy and process. Provide training.
President	He demanded a program be implemented. The program will come to fruition.	He has not asked for feedback. He's an arrow manager so just wants results.	He thinks the other plant had a good program and it can be implemented in his plant.	He has none. Get it done!	Get it done.
Supervisors	Possibly more work because they were past administrators of the programs.	Face to face from manager.	It didn't work in the past. They were overwhelmed with paperwork. No responses were made and nothing was implemented.	Too much paperwork. May be overwhelmed again.	Get the supervisors on board. Educate them about the innovation philosophy and process. Provide training.

## Appendix D

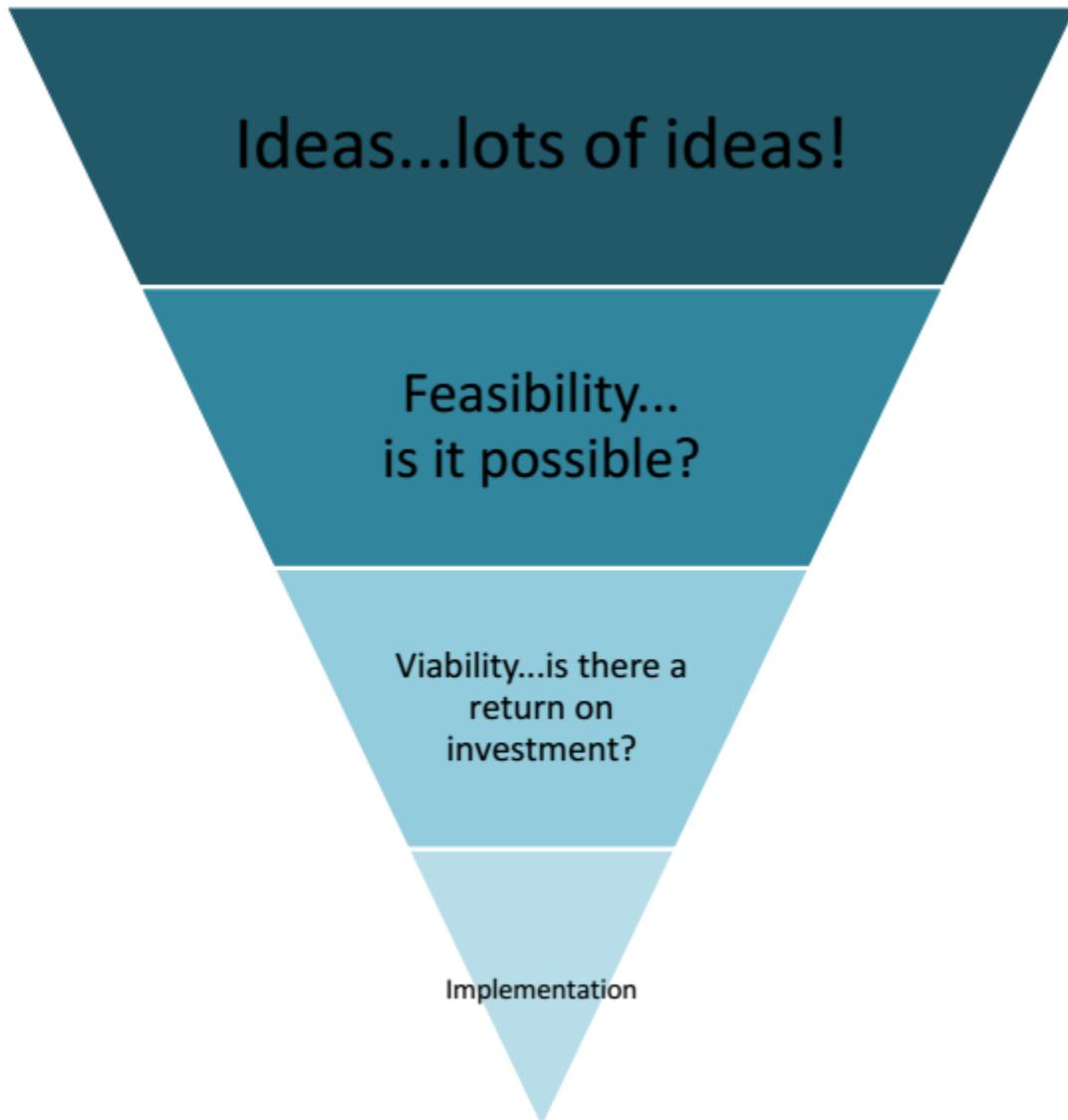
### Elements to Innovative Program Success

Elements to Innovative Program Success	Performance Improvement Program PIP	Error Cause Removal ECR	Novel Ideas for the Future NIFF	Idea Generator
Educate on innovation philosophy and process	Not Effective	Not Effective	Marginally Effective	Highly Effective
<ul style="list-style-type: none"> <li>Idea generation</li> </ul>	Marginally Effective	Not Effective	Marginally Effective	Highly Effective
<ul style="list-style-type: none"> <li>Feasibility analysis</li> </ul>	Not Effective	Not Effective	Not Effective	Highly Effective
<ul style="list-style-type: none"> <li>Viability assessment</li> </ul>	Not Effective	Not Effective	Not Effective	Highly Effective
<ul style="list-style-type: none"> <li>Implementation</li> </ul>	Not Effective	Not Effective	Not Effective	Highly Effective
Develop programs to foster innovation	Not Effective	Not Effective	Marginally Effective	Highly Effective
<ul style="list-style-type: none"> <li>Meme</li> </ul>	Marginally Effective	Marginally Effective	Marginally Effective	Highly Effective
<ul style="list-style-type: none"> <li>Reward</li> </ul>	Highly Effective	Not Effective	Marginally Effective	Highly Effective
<ul style="list-style-type: none"> <li>Paperwork reduction</li> </ul>	Not Effective	Not Effective	Highly Effective	Highly Effective
Timely feedback	Not Effective	Not Effective	Marginally Effective	Highly Effective
Proper rejection	Not Effective	Not Effective	Not Effective	Highly Effective

Color Key	Not Effective	Marginally Effective	Highly Effective
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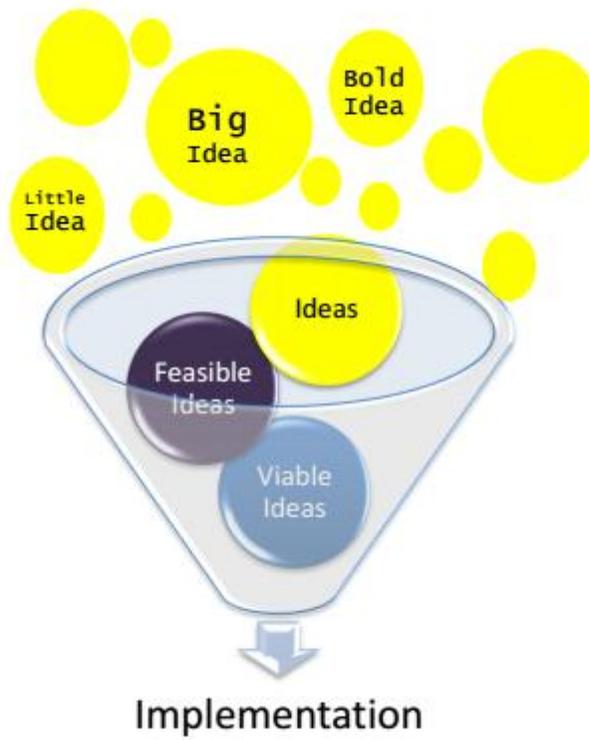
## Appendix E

### Innovation Pyramid



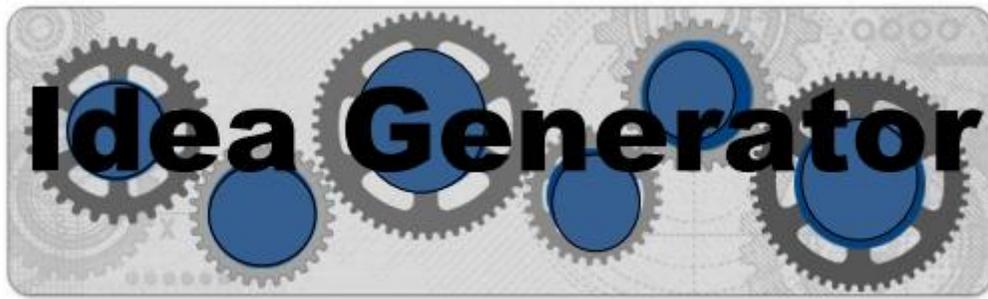
## Appendix F

### Funnel



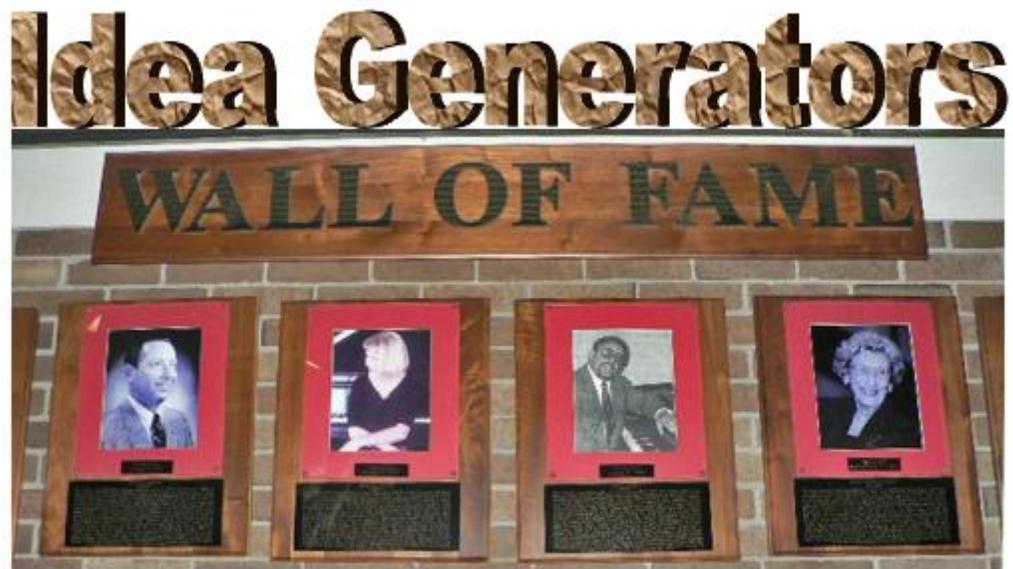
## Appendix G

### Idea Generator Graphic



## Appendix H

### Wall of Fame



## Appendix I

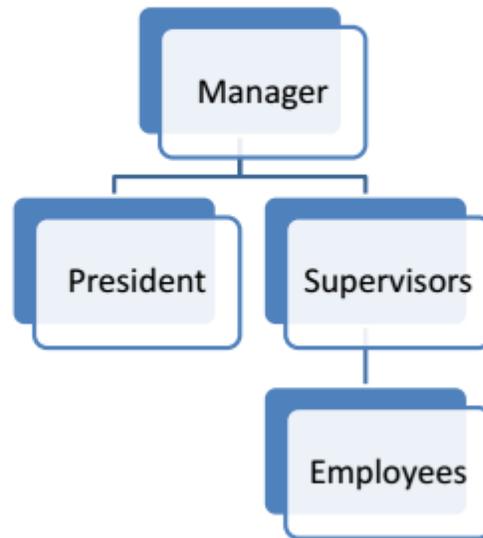
### Stages of Grief

Reaction	Signs	Verbal Response-how to move toward acceptance
Denial	NO. Ignore, nod, arms folded, change subject	I'm sorry, nobody likes ___ but let's look at the pros and cons
Anger	yelling, looks angry, defensive	"you seem upset, tell me why"
Bargaining	What if...	I know you don't agree but this is why we came up with this decision
Depression	Withdrawn, low energy	I get it; we need to work through this. (leave them alone)
Acceptance	Show enthusiasm, agreeable, ask for more info	Excellent. Would you like to lead a group?

## **Appendix J**

### **Elements of Success**

# Elements of Success



## Communicating Change

- The Decision
- How was the Decision made
- Why was the Decision made
- Rejected Decisions
- Decision fits mission and values
- Decision benefits to employees

## Cultivating the Innovative Spirit Via the Employee Suggestion System

- Educate - Philosophy/Process
- Buy In
- Foster creativity
- Quantity over quality
- Timely response
- Paperwork reduction
- Reject without rejection
- Feasibility
- Viability
- Implementation
- Reward