

## How important is an Employee Suggestion Program

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Several organizations have come to realize that their employees have input that can transform the performance of the organization. In light of this, organizations have made a variety of efforts to solicit and utilize input from their employees in the hopes of achieving cost savings or improving product quality, workplace efficiency, customer service, or working conditions. This has been done through what is known as 'Employee Suggestion Programs' or 'Employee Suggestion Systems'. These efforts have been made to formalize and allow employees a platform of sharing their ideas openly, allowing them to take part in transforming and improving the business.

In 2011-2012, for example, British Airways launched a staff suggestion program in response to a challenging economic environment. One employee's suggestion was able to save them roughly \$750,000 a year in fuel costs. This is an example of how Employee Suggestion Programs have managed to transform businesses.

### **What is an Employee Suggestion Program?**

"Suggestion programs create a win-win situation," Kate Walter wrote in HR Magazine. "More involvement and input for employees and improved efficiency and cost-savings for employers." Very few managers know how to effectively tap the biggest source of performance improvement available to them namely the creativity and knowledge of the people who work for them hence the introduction of such programs.

An Employee Suggestion Program is *'a program implemented by an organization to tap into employee ideas in hopes of improving the organization's processes and/or products.'* An employee suggestion program can lead companies to accomplish everything from saving money to creating new products. According to the Reference for Business Encyclopedia Employee suggestion programs have been defined as *'a form of employee-to-management communication that benefits employees as well as employers. They provide a two-way channel of communication between employees and management, with management accepting or rejecting employee suggestions and in some cases commenting on them. Suggestion systems give employees a voice and a role in determining company policies and operating procedures'*.

Experts note that formal suggestion systems encourage employees to think about their jobs and want to participate in the operation of the company. Formal suggestion systems let employees know that their ideas are valued. Such systems may even increase motivation and foster loyalty and teamwork among employees. And these benefits come in addition to the positive impact employee suggestion systems can have on a company's bottom line. According to Tomas Jensen, president of the Center for Suggestion System Development, "There's no denying that the real expert is the person who does the job; therefore, that's the best place to go when improvements are sought."

## **Employee suggestion program best practices**

"Companies that set up effective suggestion systems are finding that employees have great ideas that can lower costs, increase revenues, improve efficiency, or produce greater quality," said Charles Martin, author of *Employee Suggestion Systems: Boosting Productivity and Profits*. "Employees work together better as a team and often submit ideas as a team. And they begin to think more like managers, looking beyond the scope of their jobs."

Developing an employee suggestion program can have a positive impact on employee morale, overall corporate culture, and an organization's bottom line. Organizations can create positive changes that come straight from their employees, naturally increasing engagement and performance. Not to mention, your employees are in the trenches so they probably have all kinds of money-saving or revenue-building ideas. The point of the suggestion program is actually to value the suggestions and make sure that employees feel they are a valuable part of the organization.

According to Forbes Magazine, the following are steps to building an effective Employee Suggestion Program:

### **1. Determine if a formal employee suggestion program is needed.**

If you feel that suggestions are naturally flowing across the office or are being introduced at weekly staff meetings, an informal process may be the most beneficial. Instead of creating, for example, an employee suggestion box, try scheduling some brainstorming meetings or setting aside time in weekly meetings for employees to verbalize their ideas. If employees are already cultivating new ideas in meetings, dealing with them directly will be the most beneficial.

### **2. If an informal program doesn't seem like the right way to go or your brainstorming sessions don't seem to be working, then it is time to develop a formal program.**

When developing a formal program, it is important to determine exactly what is blocking ideas in your organization. This way you can create a program that breaks down these barriers.

### **2. Obtain leadership buy-in.**

Simply put, if employees don't see senior leadership participating or advocating for the suggestion program, it is more likely to fail. If you need to obtain buy-in, share articles with your team on the benefits of employee suggestion programs.

#### **1. Develop your formal plan.**

Do some research and create a plan that you think will work best for your organization. It might help to look at other companies and see what they are doing in their programs.

### **4. Have some type of formal guidelines for employees to fill out with their suggestions.**

Guiding them to answer questions like “Where did your idea stem from?” or “How do you believe this idea will benefit the organization?” can help prevent employees from venting their frustrations in unconstructive ways.

### **5. Develop a rewards program.**

This doesn't necessarily mean giving cash to each employee that has a suggestion. However, a small thank you card or note can go a long way. If you create small rewards, you create an incentive and you receive more ideas. Another reward might be that for each suggestion, the employee's name gets entered into a raffle for a gift card. Make sure that when you promote the reward, it will be for viable suggestions only, not for something like, “We should put a coffee maker in the break room.”

### **6. Promote, promote, promote.**

Once you have come up with your formal plan, make sure all employees across the organization (or at least in your branch) have access to it and are inspired to participate in it. Remember, it is not only your job to create the program, but you are also responsible for inspiring employees to share their ideas. When you are promoting your program, try to include the program's employee and organizational benefits, and specify why you are implementing it. Also, make sure you launch the program in a creative way that creates buzz across the office. Get your senior leadership to help launch the program by promoting it in department meetings, and have the CEO create a small personal video about it.

### **7. Review the suggestions regularly.**

Set up a cross-functional team to go over all the suggestions. Employees at all levels across all departments must be part of this group. This way, you can make sure all the ideas are evaluated correctly.

### **8. Follow through and create urgency.**

If you take the time to develop this program and then don't review and respond to the suggestions, the program might fail. The faster you can respond to them, the better. You need to be proactive. If you don't follow through, you will stop receiving suggestions, and you risk a negative impact on employee engagement.

In putting in place an Employee Suggestion Program, simplicity is key, employees should find it easy to submit their ideas. If the process is overly complicated, employees will probably not participate. Something else that will keep them from participating is backlash or perceived repercussions for being honest. So be sure to create a positive atmosphere around the program, and ensure the opportunity to remain anonymous is available.

"The goal of a successful suggestion system is to tap the reservoir of ideas and creative thinking of all employees for the improvement of the working process and products," Robert F. Bell wrote in IIE Solutions. "To do so requires a proper understanding by every one of the process, management support

of the system, encouragement and meaningful rewards, and a structure to make sure nothing falls through the cracks."

### **Suggestions for improvement in the workplace**

"In some companies, employees send a flood of useful ideas to upper management. In others the bottoms of suggestion boxes are coated with dust," wrote a contributor to *Executive Female*. "What's the difference? It's not the quality of the employees but the quality of leadership they receive." According to experts, not all Employee Suggestion Programs succeed, this is usually due to the following:

- Employees may feel reluctant to offer suggestions if they believe that management is not truly interested in their ideas. If the company issues only a lukewarm invitation for suggestions or creates an atmosphere that might be perceived as intimidating, then employee suggestions are unlikely to be forthcoming. The company would probably experience similar problems in eliciting suggestions if management was unclear about who was invited to participate in the program or placed too many strict rules on participation.
- Other common problems with employee suggestion systems involve management's response to suggestions. Employees are unlikely to participate in the program if they experience a slow response, or no response, to their suggestions. A suggestion system will also fail if there is no clear explanation of the acceptance or rejection of suggestions, or if employees perceive that management is making biased judgments about which suggestions to approve. Finally, suggestion systems tend to create problems for an organization when the rewards offered for good ideas are inconsistent or unpredictable.

The most important part of developing any program or initiative that relies on employee feedback- is that you must follow through. It is important to think of your employees like customers. If a customer has a suggestion or complaint, you would most likely do everything you can to make sure that the customer feels heard and that any needed changes are made. Do the same with your employees. Respond to suggestions on time and provide feedback as to why something was or was not implemented.

Almost every organization seeks to have a competitive advantage, and in most cases, your employees are your competitive advantage. If engaged effectively they can do anything to make the business successful. Businesses recognize that their employees' knowledge and ideas represent a valuable resource. Suggestion systems are one way to tap this resource. They are most effective as part of a broader work environment that encourages systematic participation by employees in problem-solving and decision making.

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