

How to Unlock Employee Ideas to Power Your Organization

Alan G Robinson & Dean M Schroeder

After years of being asked to do more with less, managers are increasingly aware that they cannot produce the results that are expected of them with the organizations they currently have and the methods they currently use. Cutting wages and benefits, and requiring people to work harder with fewer resources can only go so far. Interestingly, the best solution to this problem involves the same people who have been bearing the brunt of the cost so far: front-line employees.

Every day, these people see many problems and opportunities that their managers do not. They have plenty of ideas to improve productivity, responsiveness and customer service, for new and better products and services, or to enhance their organizations in other ways. Yet organizations generally pay little attention to soliciting these ideas, believing there is not much value in them.

Our research has documented that some 80 percent of an organization's potential for performance improvement lies in front-line ideas. Without systems capable of tapping these ideas, an organization is using at best one fifth of its available improvement potential. Much of its innovation potential is tied up in the same way. When managers gain the ability to implement twenty, fifty, or even a hundred ideas per person per year, everything changes.

It is time to change the way we run our organizations. Today, a growing number of organizations are becoming very good at promoting front-line ideas, and as a result are reaching extraordinary levels of performance. Rather than being directed and driven from the top, these idea-driven organizations are directed from the top but driven by ideas from the bottom. Their collective experiences allow us to ferret out what works, and what doesn't when it comes to managing front-line ideas. In this article, we provide a brief overview of the most important principles involved in creating such an organization. But first, let's begin by looking at an example that will demonstrate some of the power in front-line ideas.

The Power in Bottom-Up Ideas

The Clarion-Stockholm is a four-star hotel located in the center of Stockholm that routinely averages more than fifty ideas per year from each of its employees. Management at the Clarion set up a high-performing idea system, trained its people in how to use it, and now holds everyone accountable for their idea performance.

On one of our visits, we met with a group of bartenders to review their department's ideas from a randomly selected month. A sample of them is listed below:

Marco Get maintenance to drill 3 holes in the floor behind the bar and install pipes so bartenders can drop bottles directly into the recycling bins in basement.

Reza When things are slow in the bar, mix drinks at the tables so the guests get a show.

Nadia Many customers ask if we serve afternoon tea. Currently, there is no hotel in the entire south of Stockholm that does. I suggest we start doing this.

Tess Have an organic cocktail. Customers often ask for them, and we don't offer one.

Nadia Clarion conference and event sales staff often meet prospective customers in the bar. Give the bar staff information in advance about the prospects so they can be on alert and do something special.

Tim Whenever the bar introduces a new cocktail, have a tasting for the restaurant staff, just as the restaurant always does when a new menu or menu item is introduced, so servers know what they are selling.

Fredrik	When the bar opens at 9:30 in the morning, many guests ask for vitamin shots (special blends of fruit juices). Put these on the menu.
Nadia	Have maintenance build some shelves in an unused area in the staff access corridor behind the bar for glasses. Currently, there is so little space for glasses in the bar, that they are stored upstairs in the kitchen, and it takes 30 minutes, several times a night, for one of the two bartenders to go and get glasses, which means lost sales.
Marco	In the upstairs bar, we have to spend an hour bringing down all the alcohol from upstairs when we open and putting it away when we close. We wouldn't have to do this if locks were installed on the cabinets in the bar.
Marin	On our receipts, when guests pay with Eurocard, it says "Euro". This confuses many guests, who think they have been charged in Euros instead of Kronor. Get the accounting department to contact our Eurocard provider to see if we can change the header on the receipts.
Nadia	The bartending staff often act as concierges, telling people about the hotel, local shops, restaurants, and attractions, and giving directions. We have a concierge video which we show on our website. Offer this on the TVs in all hotel rooms.
Tess	Currently we close at 10 p.m. on Sundays, and many guests complain about this. Because we have a red dot on our liquor license from a single violation many years ago, we must have four security guards in the bar to be open after 10 on Sundays, and this is too expensive. Apply to have red dot removed, and then we can stay open with only one security guard.
Nadia	The late night security guards are sometimes curt and rude to the customers (the security service is subcontracted). These guards should be required to take the same "Attitude at Clarion" training that all Clarion staff take.

Marco Increase the font size and make clearer that the coupons which conferences give out are for *discounts* at the bar, not for *free drinks*.

Nadia Have the kitchen mark the pre-wrapped ham sandwiches that the bar sells. Bar staff currently have to cut them in half to tell the difference between them and the ham-and-cheese sandwiches.

Marin Put an extra beer tap in the bar, so we can sell more beer. Currently, there is only one, and it is a bottleneck.

Nadia Have maintenance put some sandpaper safety strips on the handicapped ramp in the bar. Children currently use it as a slide, and the bar staff has to deal with minor scrapes and cuts on a daily basis.

Nadia Give the bar staff information about how many guests are staying in the hotel, so they can stock and staff the bar appropriately.

As you read through these ideas, notice several things:

- They are responding to problems and opportunities that are easily seen by the bar staff, but not so readily by their managers.
- Most of the ideas are small and straightforward. They don't require much work to analyze and are inexpensive to implement.

- The ideas are neither scattershot nor self-serving. They systematically drive performance improvement in key strategic areas for the hotel. They improve customer service, increase productivity, and make the bar a better place to work. Many ideas do all three simultaneously.
- The ideas pick up on important but intangible aspects of the bar's operations and environment.
- Taken as a whole, the ideas illustrate the profound understanding the staff has of the bar's capabilities and customers, an understanding that only people working on the front-lines can possess.

While the list of ideas from the bar is certainly impressive, what is more impressive is that every department in the Clarion-Stockholm implements a similar list of ideas every month, and has been doing so for a number of years. Each of these ideas enhances the hotel in some small way, and over time their cumulative impact is huge. The payoff, in this case, is a hotel capable of delivering better service at a more competitive price, a fact that is certainly noticed and appreciated by its guests. On one of our visits to Stockholm, when Sweden was feeling the impact of the global recession, we couldn't get rooms at the Clarion. The hotel was fully booked for most of the next nine months.

The Clarion's level of idea performance does not happen by accident. In the next section we describe six key principles involved in creating and leading an idea-driven organization.

The Six Key Principles Behind Idea-Driven Organizations

1 | Focus on small ideas. Small ideas have a number of advantages over big ideas. They are quick and easy to implement, they come with very little risk, everyone can have them on a regular basis, and they are vital in making sure the organization gets the details right. But they have additional advantages that are more subtle, and often more significant.

While big ideas are highly visible to competitors, who can often quickly copy or counter them, small ideas are inherently proprietary (look again at the list from the Clarion). They are far less visible to competitors, and even if competitors do spot some of them, many small ideas are so situation- or process-specific that it makes no sense to use them elsewhere. So over time they accumulate into a substantial cushion of advantage that competitors cannot copy.

Large numbers of smaller ideas also significantly enhance a company's innovativeness. There is a multifaceted interplay between innovation and front-line ideas, an interplay that most managers are unaware of. It is ironic that the most powerful enabler of innovativeness for most organizations is the last thing their leaders would think of.

Consider the case of Brasilata, a steel-can maker consistently ranked among the most innovative companies in Brazil, which gets some 150 implemented ideas per person per year. We once asked CEO Antonio Texeira whether he was worried that low-cost foreign competitors would

steal his designs and replicate them. “No,” he replied, “While they have lower-cost labor, we have been improving all our processes across the board for so long, they can’t reproduce our designs at anywhere near our costs.”

2 | Idea-driven leaders must be humble and improvement-oriented. The business model of the Spanish company Inditex, the world’s largest clothing retailer, is based on the rapid flow of ideas. The company is structured to take ideas from its front-line people—based on customer requests and on what their most fashion-savvy patrons are wearing—develop fashion products from them, and get these products into its 6,000 stores around the world within 14 days. We asked Jesus Echevarria, chief communications officer, what characteristics the company looked for in its managers.

“Small are quick and easy to implement, they come with very little risk, everyone can have them on a regular basis, and they are vital in making sure the organization gets the details right.”

“First of all, humility,” he said. “A manager has to have the humility to listen to and respect other people’s ideas if he expects to rise up in Inditex.” (Afterward, we realized that he never did offer a second characteristic.)

Humility is one of the key traits that we consistently find idea-driven organizations looking for in the people they hire and promote, for exactly the same reason that Inditex does.

3 | Use a high-performing idea process to manage ideas. Nothing shuts down the flow of front-line ideas faster than employees believing their ideas are not taken seriously. At the same time, managers and supervisors are busy people, and cannot be expected to deal with large numbers of ideas in an ad hoc manner. A systematic process for capturing, discussing, and following through on ideas is a must. Today’s high performance idea processes are generally team-based approaches that are designed to handle large numbers of employee ideas quickly and efficiently, and mostly at the front-line level.

It is important not to confuse these high-performance processes with traditional suggestion box-type systems. Almost every organization of any size has, at one time or another, set up some kind of system to collect employee suggestions. Although today such systems are generally online, almost all of them are based on suggestion-box thinking, and handle ideas in exactly

the same way as a nineteenth-century suggestion box process. Automating the process does not get away from its intrinsic limitations. You can put lipstick on a pig, but it is still a pig.

To avoid the mistake of setting up a glorified suggestion box process, it is vital to understand why such processes are fundamentally flawed. Modern high-performing idea processes are totally different.

4 | Realign your organization for ideas. We often give managers in our executive programs the following assignment: Identify a bottom-up improvement or innovation in your organization, interview the people who championed it, and briefly document their stories. When the participants present their findings to the group, invariably a litany of horror stories emerges as they tell of the heroic lengths their subjects had to go to in order to overcome managerial indifference or opposition, burdensome policies and rules, uncooperative people in other departments, key players not wanting to change, and a host of other ridiculous and petty behavioral and institutional barriers. At some point in the process of listening to these stories, someone always asks, “Why are these organizations and their managers making it so difficult for their people to implement good ideas?” Bingo!

Hero stories are a recurring theme in innovation and improvement. After years of operating in a top-down manner that emphasizes control and conformance, organizations are rife with

obstacles to bottom-up ideas that their champions are forced to overcome. Perhaps the most challenging part of building an idea-driven organization is realigning it for ideas—in other words, rooting out and eliminating misalignments that are impeding the flow of ideas—so the organization can move beyond the “champions-battling-barriers” model of innovation and improvement.

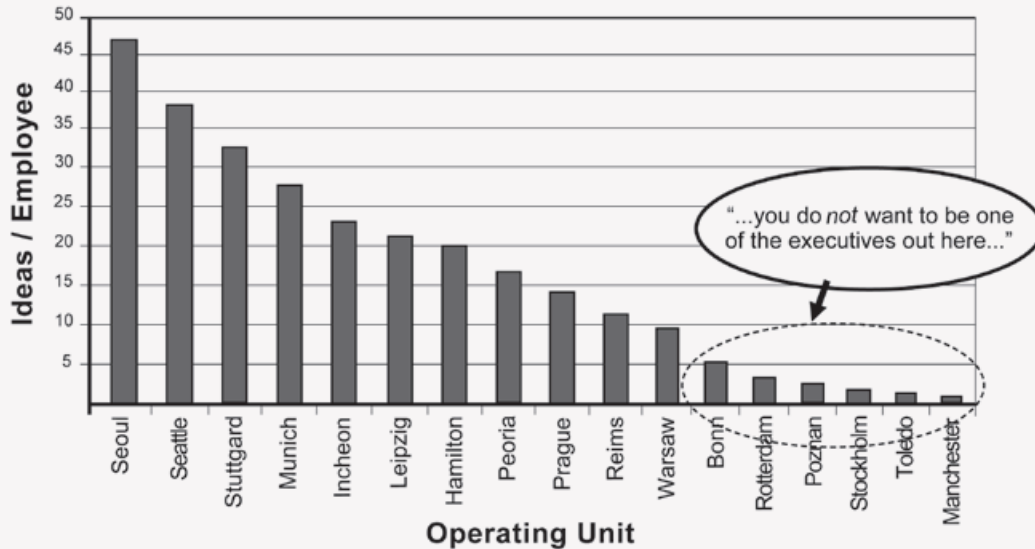
5 | Hold everyone accountable for idea performance, as a regular part of their jobs.

If an organization is to be driven by ideas, ideas must become part of everyone’s daily work. And just like every other aspect of work, people need be held accountable for their idea performance. This accountability is particularly important for managers and leaders.

“If an organization is to be driven by ideas, ideas must become part of everyone’s daily work.”

When Siemens VDO set up its high-performing idea system for its 44,000 employees globally, its CEO came up with a simple way to hold his managers accountable for creating the environment and the processes to encourage front-line ideas. Once a month, he got a chart, such as in the illustration below of the idea performance of each of his 95 operating units.

When showing it to us, the idea system manager pointed to the laggards in the bottom right of the graph and commented, “When the CEO gets this chart, you do not want to be one of the executives out here.”



The most draconian type of accountability we have ever seen was in the late 1980s at Sumitomo Electric in Japan. At the time, the company was averaging some fifteen ideas per person. The CEO's policy was that any manager—from supervisor to Vice-President—who did not average at least five ideas per person in his area, was ineligible for a raise or promotion for three years.

6 | Train your people in how to come up with more and better ideas. When an idea system is launched, rarely is there a shortage of ideas. Front-line employees are already aware of many problems and opportunities that they have never had an easy way to address before. But after all the obvious items have been taken care of, people start to run out of ideas.

In its most basic form, creativity can be divided into two parts: problem-finding and problem-solving. Historically, most organizations have focused on problem-solving. This is only natural, because most organizations struggle to keep up with the onslaught of obvious problems that pop up in the normal course of daily work. Why would they go looking for more?

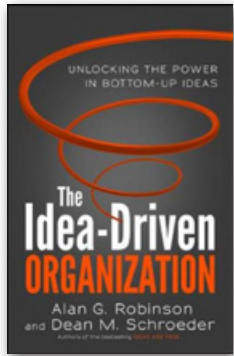
A good idea system significantly multiplies an organization's problem-solving capacity, so it burns through the obvious problems faster than they come in. To keep improving, it has to get better at problem-finding. The remedy is training—training designed to create sensitivity to new kinds of problems.

Idea activators, for example, are short targeted training modules designed to give employees new perspectives on their work and help them see new ways to improve it. Idea mining is a technique to extract fresh perspectives from ideas that have already been proposed. These and other methods allow both employees and managers to approach idea generation with a sense of abundance of improvement opportunities rather than a sense of scarcity.

More and more leaders are realizing that they simply cannot produce the results they now need with the organizations they currently have. They are searching for solutions. At the same time, the growing number of idea-driven organizations around the world is increasing both their observability and the population of managers that understands the advantages of operating in an idea-driven manner. This growing base of experience and knowledge is making it ever easier for organizations to make the transformation.

We believe the evidence is clear. The idea-driven organization is an idea whose time has come! 📌

Info



BUY THE BOOK | Get more details or buy a copy of [The Idea-Driven Organization](#).

ABOUT THE AUTHORS | Alan Robinson has authored or coauthored seven books and more than sixty articles. He teaches at the Isenberg School of Management at the University of Massachusetts at Amherst. Dean M. Schroeder has authored or coauthored three books and more than eighty articles. He is the Herbert and Agnes Schulz Professor of Management at Valparaiso University in Indiana. For more about how to unlock the power in bottom-up ideas in your organization, visit the authors' website at [idea-driven.com](#).

→ **SEND THIS** | [Pass along a copy](#) of this manifesto to others.

→ **SUBSCRIBE** | [Sign up for e-news](#) to learn when our latest manifestos are available.

This document was created on June 11, 2014 and is based on the best information available at that time.

The copyright of this work belongs to the author, who is solely responsible for the content. This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs License. To view a copy of this license, visit [Creative Commons](#) or send a letter to Creative Commons, 559 Nathan Abbott Way, Stanford, California 94305, USA.

Cover image from [Veer](#). You are given the unlimited right to print this manifesto and to distribute it electronically (via email, your website, or any other means). You can print out pages and put them in your favorite coffee shop's windows or your doctor's waiting room. You can transcribe the author's words onto the sidewalk, or you can hand out copies to everyone you meet. You may not alter this manifesto in any way, though, and you may not charge for it.

About ChangeThis

[ChangeThis](#) is a vehicle, not a publisher. We make it easy for big ideas to spread. While the authors we work with are responsible for their own work, they don't necessarily agree with everything available in ChangeThis format. But you knew that already.

800ceoread

ChangeThis is supported by the love and tender care of 800-CEO-READ. Visit us at [800-CEO-READ](#) or at our daily [blog](#).



Explore your knowledge further with [KnowledgeBlocks](#), a new project from 800-CEO-READ that lets you turn what you know into knowledge you can use.