SUGGESTION SYSTEMS (KAIZEN TEIAN): EFFECTIVE TOOL FOR EMPLOYEE PARTICIPATION IN CONTEMPORARY ORGANIZATIONS

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Abstract: The paper is aimed at discussing suggestion systems as an instrument to be deployed by modern organizations to generate inputs in form of ideas and suggestions from employees for organizational improvement and productivity. These ideas and suggestions are usually generated from proposals, forms, suggestion boxes and advanced technological systems. It is otherwise known as Kaizen Teian cultures which enable organizations to create a participative work environment for employees to come up with creative ideas and suggestions which are harnessed, processed and evaluated using a formalized structure to improve work processes and procedures. The methodology for this paper is purely descriptive and the use of materials from secondary sources. Areas covered include origin of suggestion systems, elucidation of concepts, critical suggestion system components, and functioning phases in suggestion systems, relevance of suggestion systems, challenges of suggestion systems and drivers of successful suggestions systems. Therefore, the paper concluded that generating creative ideas and opinions from employees for organizational improvements and innovations can be achieved only by adopting a suggestion system of operations to enable employees participate in the day-to-day activities and willingly contribute their creative ideas and opinions.

Keywords: Suggestion systems, kaizen teian, effective, tool, employee, participation, contemporary organizations

1. INTRODUCTION

Employees across organizations whether public, private or non-governmental play critical role in the attainment of organizational goals and objectives. Inputs required of these employees vary from one organization to another considering the distinct nature of these organizations, therefore, neglecting employee inputs will negatively affects organizational improvement, productivity and competitive edge. Employees (workers) are essential to organizational success and can offer the best return on investment for sustainable competitive advantage (Luthans and Youssef, 2004). It is not possible for the organization to improve organizational performance without employee’s participation and involvement, therefore, sustained improvements in organizational performance require full commitment and involvement of everyone in the organization, especially the employees who are critical to the production of commodities and provision of services (Arif et al., 2010). In addition, getting employees involved not only yields valuable ideas and suggestions, but also increased morale of workers who feel like they are being listened to and carried along in decision making in a more productive and satisfying work environment (Vijayarani and Radjamanogary, 2014).

Suggestion systems are a form of employee-to-management communication that benefit 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 organizational policies and operating procedures. This system also helps increase efficiency, eliminate waste, improve safety, and improve the quality of products and services. According to Ehsan et al (2012), suggestion system is taken into account as an advanced method, bringing about the shift from a common labour to a qualified and responsible one. In fact, the labour force has a basic role to help the organization reach the arranged goals, through effective participation and to enhance performance. However, the efficient productivity and constant improvements are other objectives of the suggestion system.

Therefore, to ensure continuous participation of employees for sustainable competitive edge across contemporarily organizations, putting in place a formalized and structured mechanism for generating and harnessing inputs from employees which can be evaluated and assessed to improve organizational operations becomes crucial and vital, as modern organizations are faced with fierce competition and volatile market. Unfortunately, the traditional suggestion boxes placed at strategic positions across organizations today are not utilized to attract opinions and ideas from employees and therefore, it becomes difficult for creative ideas to be generated to improve performance, reduce cost, minimise waste, enhance efficiency, etc. In the same vein, Verdonejad et al (2010), said in most organizations, when ideas are accepted from employees, it happens because the idea creator was persistent and vocal, and exerted a lot of personal energy. It is in this connection that the paper is aimed discussing suggestion systems as instrument which modern organizations can deploy to facilitate employee participation for innovation, organizational improvement, cost reduction, efficiency, etc. Therefore, the paper is divided into six segments which include origin of suggestion systems, elucidation of concepts, critical suggestion system components, functioning phases in suggestion systems, relevance of suggestion systems, challenges of suggestion systems and drivers of successful suggestions systems.

2. ORIGIN OF SUGGESTION SYSTEMS

The history of suggestion systems can be traced as far back as 1721, when Yoshimune Tokugawa, the 8th Shogun, placed a suggestion box called “Meyasubako” at the entrance of the Edo Castle for written suggestions from his subjects (Arif et al, 2010). Industrial suggestion systems trace their origin back to the 19th century; in 1880, when William Denny, a Scottish shipbuilder, asked his employees to offer suggestions in order to build ships in better ways (Islam, 2007). Following this, Kodak company became a pioneer in employee suggestion systems where William Connors received a price of two dollars in 1898 for suggesting that windows be washed to keep the workplace brighter (Carrier, 1998)cited in Lasrado et al (2016). Therefore, formal and structured suggestion schemes were first introduced as a modern practice more than one hundred years ago (Lloyd, 1999; McConville, 1990) cited in Lasrado et al (2016). Industry associations, such as the Employee Involvement Association (EIA), have come into existence and have contributed greatly to the increased formalization, objectivity, and professionalism of suggestion programs. The EIA have instituted educational, statistical, and professional development programs to raise the bar of best practices in the encouragement, evaluation, development and implementation of ideas that add value to their organizations. IdeasUK, the United Kingdom’s foremost association for the promotion of employee involvement programs, was also founded in 1987. Its prime purpose being to assist organizations in both the public and private sector; it’s now an organization with more than 100 members worldwide. Suggestion schemes have a considerable history and are now popular throughout the world including the USA, Europe, Asia and the Middle East (Cooley et al, 2001).

3. ELUCIDATIONOF CONCEPTS

Suggestion systems and employee participation require detailed explanation being key concepts of the paper.

Suggestion Systems

Suggestion System also known as Employee Suggestion System (ESS) or Employee Suggestion Scheme (ESS) is the oldest form of an employee involvement tool and is widely used by organizations to elicit employees’ creative ideas. It plays a pivotal role for organizations wishing to become more innovative (Buech et al, 2010). It is described as a formalized mechanism that encourages employees to contribute constructive ideas for improving the organization in which they work (Milner et al, 1995). Cooley et al (2001), described suggestion schemes a tool that elicit suggestions from employees, classify them, and dispatch them to the “experts” for evaluation. After this,
the suggestion might be adopted, in which case the suggestion may well be rewarded. But, even if the suggestion is rejected, the employee may still be rewarded with a token gift. Du Pless et al (2008), in their views said suggestion systems are a tool that encourages employees to think innovatively and creatively about their work and work environment, and to produce ideas which will benefit the organization for which the employee will receive recognition. Fairbank and Williams (2001) argued that suggestion systems are means of facilitating the process of motivating employees to think more creatively, to share those creative thoughts and convert creative ideas into valuable innovations. Staff suggestion scheme is a formalized procedure to encourage the employees to think creatively about their jobs and their job environment and to come forward with ideas for which they will be rewarded on a specific basis, if acceptable and to the advantage of the organization (Andrew, 1993). Suggestion system known as Kaizen Teian (Japanese term) is a system for generating and implementing employee ideas. Kaizen Teian is a companywide system for employee-managers and workers, continuous improvement proposals. It is an organized way of bringing forward the ideas of employees, no matter how small (Trip and Sunhilde, 2008). Employee suggestion system is a useful tool for organizations which focused on continuous improvement of processes, expansion of their intellectual capital and implementation of inter-department cooperation instead of competition. Ideas are derived not only from people of above average intelligence, but also from those of average intelligence (Golas et al, 2016).

In conclusion, suggestion system can be seen utilizing the untapped ideas and potentials of employees for organizational innovation and improvement. It involves harnessing creative ideas from employees to improve work processes, procedures and methods to give an organization an edge over its competitors.

In line with the above, suggestion systems primarily consist of administrative procedures and infrastructure for collection, judging and compensating ideas, which are conceived by employees of the organization (Dijk and Ende, 2002). In addition, suggestion systems have the capability of being all inclusive by being able to focus on capturing ideas from all staff, and not just ideas from identified few smart staff (Fairbank and Williams, 2001). Suggestion system should be integrated with the organizational culture to achieve greater employee involvement which eventually leads to tangible benefits such as cost savings and higher sales and intangible benefits like higher levels of morale (Darragh-Jeroms, 2005). This serves as motivational factor on the part of the employee.

Both public and private sectors of the economy have adopted suggestion systems, for the public sector organizations, there has been an expression of enthusiasm for suggestion schemes by developed countries as a means of improving responsiveness to the public, and as means of facilitating innovation and service improvements (Cabinet Office 1999a, 1999b). For the private sector, the motives include the desire to increase profits, reduce costs, increase safety, enhance staff morale, and improve staff retention (Ideas UK, 2001). Suggestion systems or schemes offer financial incentives for private sector, and this is specifically encouraged in the public sector (IRS Employment Review, 1996; Cabinet Office, 1999c). Nowadays many organizations are aware of the importance of employee creativity, as suggestion systems are among the instruments for channeling creativity (Dijk and Ende, 2002).

Employee Participation

Getting employees involved in day-to-day running of organization is now becoming a culture across modern organizations due to its relevance. In the face of constant pressure to increase organizational performance, a plethora of intervention have been adopted and developed to increase the effective use of human resources (Hollinshead et al, 1999). Among these are employee involvement initiatives, or high involvement work practices, concerned with harnessing employee potentials and integrating them into business strategy and aligning employee’s interest with those of their organization. According to Vijayarani (2014), employee involvement is a broader concept and the foundation of employee job satisfaction, creativity, and commitment, motivation and performance. Is a practice that allows employees to give their inputs and ideas for improvement of organizational performance? Employee involvement is a process for empowering employees to participate in managerial decision-making and improvement activities appropriate to their levels in the organization (Apostolos, 2000). Employee participation can be defined as the employees’ active involvement in planning and implementing a teamwork intervention (Hurrell, 2005). Therefore, employee participation is linked with changes in procedures that employees are involved with, such as decision making, planning and team work among others. Several aspects of participation in an organization include the opportunity for employees to achieve their goals, way of seeking new ideas by the employees and assignment of responsibilities to employees (Gibson et al., 1992). In conclusion,
employee participation is the process of creating an enabling environment for the workforce to actively contribute their ideas and experiences in the day-to-day activities of the organization. The primary aim is to harness ideas and potentials from the employees and utilize them for innovation, efficiency, cost reduction, participation and also provides a feedback for the management as both stakeholders are necessary for the survival and growth of the organization.

4. CRITICAL SUGGESTION SYSTEM COMPONENTS

Lasrado et al (2016), pinpointed administrative system, publicity, resources, rewards and feedback and evaluation as elements of suggestion system while Neagoe and Klein (2009), said each suggestion system should represent a cycle with four major components which are: (i) encouraging people to participate, (ii) motivating them to write proposals (either implemented or unimplemented ideas), (iii) review, evaluation and implementation and (iv) award payments and commendations.

Figure 1: Suggestion System Components

The figure above describes the smooth flow of suggestion system components from one stage to another, which are discussed below.

Firstly, as employees get convinced that organization can accept their ideas and opinions for organizational improvements, innovations and changes, they are encouraged to participate in coming forward with creative ideas which are harnessed for processing.

Secondly, employees who are willing to come forward with ideas whether creative or not, should be motivated to document and submit them through proposals. It is by submitting these proposals that someone can really understand areas of operations that need to be improved upon.

Thirdly, Neagoe and Klein (2009) said that the biggest obstacles in the suggestion cycle lie in the area of review, evaluation, guidance and implementation. When employees submit their ideas for evaluation and never receive feedback from the examiners, they feel dejected and frustrated. Insensitive comments of proposal reviewers can sometimes kill an employee’s improvement initiative. Even if the evaluator means no harm in a written answer.
and his/her intent is not clearly communicated, it results to negative misinterpretations. When the review, evaluation and guidance aspect of the system functions properly, it can be a great motivating force that will attract many excellent proposals. Suggestion activity will never function properly when this component of the process is neglected. In reviewing the suggestions, some organizations assign a Suggestion Committee who reviews the proposal, makes decisions whether it should be adopted or not and inform the author of the decision. If adopted, the committee instructs the management to implement the suggestion, and decides what award should be given to the person who submitted the suggestion. Other organizations consider that the employees who are in charge of the workplace examine suggestions on the spot, and since colleagues and supervisors know the workplace better than anybody else does, they know about potential problems and where the difficulties are likely to be encountered. More importantly, for suggestions which require important technical changes, the process engineer must be consulted, in order to be sure that the implementations do not negatively affect other process elements. Therefore, it is not recommended for one evaluator to examine suggestions, because one evaluator’s assessment can be biased, and a situation where employees feel that their suggestions are not well evaluated and rejected fairly, they can appeal to the top management for reassessment.

Fourthly, the implementations of evaluated suggestions which have been accepted by the top management for organizational improvement require reward. Organizations differ in reward system, some give one-off standard payments regardless of the impact of the suggestion, some make one-off payment while other rewards include bonus “points”, by awarding those making the suggestions with number of “points” which are accumulated and exchanged for gifts. Beyond monetary rewards, other types of rewards such as paid holidays to country of interest, letter of commendation, dinner with family members and friends which serves as motivation can also be considered.

In summary, the four components discussed must create a favourable environment for employees to contribute their ideas by writing them in form of proposals for consideration, which can be evaluated for acceptance or rejection for implementation by top management with accompanied rewards like payments, gifts and commendations among others.

5. FUNCTIONING PHASES IN SUGGESTION SYSTEMS

The functioning and implementation of an effective system is highly influenced by factors other than financial incentives. Among these factors, two are very essential, that is individual related and organizational related factors (Amabile, 1983 and Simonton, 1976). The individual related factor deals with the influence of the personalities of creative individuals while the organizational related factor deals with culture and structure. The cultural factor includes management support (Amabile, 1996), preparedness for changes (Voorendonk, 1998), clear mission and strategy (Christensen, 2000), attitude of fellow workers (Amabile, 1996) while the structural factors include existence of adequate evaluation procedures (Tropman, 1998), presence of a rewarding structure (Imai, 1986) and allocation of means to support and work out ideas (Robinson and Stern, 1997).

According to Abernathy and Clark (1985), the consideration given to both cultural and structural factors will enable organizations optimize the design of their suggestion system which will serve as a catalyst for generating creative ideas and opinions for innovation, be it technological, a market related innovation or a combination of both(Abernathy and Clark, 1985). Therefore, the functioning of suggestion systems is depicted below with three phases which are influenced by organizational culture and structure.

**Figure 2:** Functioning Phases in Suggestion Systems
The above diagram is made up of three major phases and stages responsible idea extraction, idea landing and idea follow-up.

Idea extraction which is the first phase is the ability of the organization to harness ideas shared by employees from their willingness due to the cultural environment that stimulates open and free communication among employees.

Idea landing being the second phase is the ability of the employees to drop or submit their ideas with organization to be utilized, and it requires that cultural factors be placed for positive reaction towards the initiator of any idea. It also requires structural factors like accessible suggestion system.

Idea follow-up is the third and last phase which ensures that the ideas submitted by employees are processed through collation for evaluation by sub-committees which can either be accepted or rejected at the end of the evaluation exercise for implementation with commensurate rewards.

6. RELEVANCE OF SUGGESTION SYSTEMS

Milner et al (1995) identified greater morale and increased employee involvement as benefits of suggestion systems while Verdinéjad et al (2010) said suggestion systems are one of the popular ways of taking advantage of personnel creativity. Moica et al (2019) also highlighted employee motivation, continuous improvement and management commitment as organizational gains of suggestion systems. Therefore, harnessed and generated ideas from employees using suggestion systems are of numerous benefits not only to organizations, but also to employees.

Organizational Benefits

- **Effective communication between management and stakeholders**: As organizations set up platform for collecting ideas and suggestions, all relevant stakeholders like employees, suppliers, customers, shareholders, etc relate and interact among themselves through which ideas are generated to improve the organizational operations.
- **Efficiency**: Suggestions from employees to deploy modern technology and equipment for operations and also to engage more suppliers for competition reduce cost and brings about utilization of organizational resources.
- **Innovation**: Creative ideas and suggestions are translated to new products and services to give organization an edge over competitors.
- **Increase in revenue**: New products and services attract new charges and prices which enhance organizational revenue.
- **Continuous improvement**: So far as employees keep submitting ideas and suggestions, there is continuous improvement in operational processes, procedures and methods for quality products and services.
- **Conducive work environment**: Suggestion systems platform create a peaceful work setting for employees to reason and think together to improve the organizational operations.
- **Utilization of internal competencies**: Suggestion systems enable organizations to rely on employee ideas and suggestions for changes and improvements rather than hiring external consultants for a fee.
- **Customer/client satisfaction**: Improvement in products and services are products of creative ideas that gives organizational customers and client’s desired satisfaction that facilitates sustainable patronage for the organization.

Employee Benefits

- **Teamwork**: Suggestion systems bring employees together to share ideas on operational issues affecting organizational performance. And as these employees work together, they develop team spirit.
- **Enhance employee morale**: Receiving and recognizing ideas and suggestions submitted by employees give them a sense of belonging that they are valued. This serves as a morale booster and encouragement to submit more ideas.
• Effective communication among employees: As organization set up a platform for collecting ideas and suggestions, its workforce become free and open to themselves in their interactions to come forward with creative ideas.

• Develop problem solving capabilities: The willingness of employees to come up with ideas empower them with required skills to solve operational issues.

• Creative thinking: Employees are compelled to be creative and innovative in coming up with ideas that can bring new products and improved services.

• Minimize change resistance: As employees become use to suggestion system for improvement, it becomes an operating culture that minimizes change resistance.

• Tangible and intangible rewards: Employees are rewarded with payments, gifts, letter of commendations, promotions, words of appreciation and encouragement.

7. CHALLENGES OF SUGGESTION SYSTEMS

The setting up and implementation of an effective suggestion system is faced with numerous problems. Among these problems are lack of management support, unfriendly operating environment, strict rules on participation, low or no response, unclear explanation on acceptance and rejection of ideas, biased judgement and inconsistent and unpredictable rewards (Lasrado, 2017).

Lack of management support: The inability of organizational management to consider ideas and opinions of its employees for improvements and changes, discourage employees from coming forward with creative ideas. Studies have shown that a traditional, autocratic management style results in low levels of employee engagement and motivation (Hayward, 2010). Leadership styles that include threats, intimidation, and coercive tactics appear to universally discourage creative behaviour on the part of employees (Anderson and Veillette, 2008).

Unfriendly operating environment: Work environment that is hostile with coercive rules discourage employees from submitting creative ideas due to fear.

Strict rules for participation: Stringent conditions and requirements for ideas and opinions to be submitted can discourage employees from coming forward with ideas.

Lack of feedback: The inability of the evaluation committee to get back to employees on ideas submitted discourage them from bringing more ideas. If employees do not receive feedback, they may feel management is taking credit for their suggestions (Mishra, 1994).

Unclear justification on ideas accepted and rejected: Employee whose ideas are accepted are willing to get encouraging reasons and value which these ideas have added, and therefore, the inability for this explanation becomes a problem. As similar explanations are expected of ideas rejected.

Lack of objectivity: A situation where administrators and evaluators of this system are not honest with the process by being bias, the goals of getting creative ideas and opinions from the pool is defeated.

Inconsistent rewards: Failure to provide employees with the agreed rewards for ideas submitted demotivate such employees.

In addition to these challenges, is lack of suggestion system structure with system administrators for processing of suggestions, evaluators with expert knowledge for assessing the merits of suggestions, awards panels for apportioning rewards and implementation managers responsible for implementing suggestions approved. Another challenge is lack of suggestion implementation, when ideas submitted and evaluated are not put into action, employees feel their suggestions are not operational.

8. DRIVERS OF SUCCESSFUL SUGGESTION SYSTEMS

According to Bell (1997), said 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 work process”. To achieve this, Weber and Smiles
said there should prompt feedback from management on ideas submitted and no idea should be neglected. While factors like simplified and effective system, individual attributes, publicity, resources, rewards, feedback and evaluation, expertise, suggestion implementation, empowerment and organizational support are considered as major success factors of suggestion systems which were attested to by (Koc and Ceylan, 2007; Mishra, 1994; Hultgren, 2008; Mc Conville, 1990; Monge, Cozzens and Contractor, 1992; Yuan and Zhou, 2008; Verespej, 1992; Neagoe and Klein, 2009; Dijk and Ende, 2002; Ahmed, 2009; Du Plessis et al., 2008; Klijn and Tomic, 2010; Wynder, 2008; Recht and Wilderom, 1998; Malaviya and Wadhwa, 2005; Amabile et al., 2004; and Aoki, 2008).

Simplified administrative suggestion systems

Ensuring that a mechanism to elicit employee ideas is necessary through which employees can make their suggestions. This mechanism enhances the number, and the quality of ideas. Therefore, the design of an infrastructure with simple methods for submitting suggestions is a key aspect of the suggestion systems. The more comfortable employees are with the format, the more suggestions will be received, and the more money will be saved (Mishra, 1994).

Individual attributes

The effectiveness of any system for generating ideas hinges on employees who are creative in ideas to invent or propose useful innovations.

Publicity

Creating awareness among organizational members of the gains of implemented suggestions in order to encourage creative ideas to be contributed is very important for suggestion systems.

Resources

The success of a suggestion system lies not only in generating the creative ideas but also in the implementation of these ideas. Indeed, resources support the idea realization process. If organization slack the necessary resources, even the best suggestions received wouldn't be fruitful. Therefore, main influences for a successful implementation include management commitment and the resources allocated (Neagoe & Klein, 2009). Organizational support and committed resources are required at three stages of suggestion systems—idea generation, idea landing and idea follow-up. When these requirements are met, a transfer will take place from employee creativity to practicable ideas, giving organizations a large and constant supply of relevant project ideas (Dijk & Ende, 2002).

Rewards

Employees must be rewarded for their creative ideas submitted, not only with tangible, but intangible benefits as well. Incentives are important for employees to feel that submission of their useable ideas will be rewarded (Du Plessis et al., 2008). Employees should be rewarded through finance and recognition appropriately.

Feedback and evaluation

Feedback is important because having no feedback can lead to people feeling ignored and dissatisfied, it can also help in error discovery where staff can further improve the quality of their ideas based on the feedback they receive (Verdinejad et al., 2010). The feedback on non-implemented suggestions can keep employees motivated towards the system. Finally, feedback should be detailed enough to aid employees in knowing the status of their ideas, how to receive the reward (if any) and if the suggestions was rejected (Verdinejad et al., 2010).

Expertise

Knowledgeable and well experienced administrators and evaluators, process and evaluate ideas submitted to filter out creative’s suggestions that are valuable for implementation. These administrators and evaluators due to their
expertise recommend ideas that can bring organizational improvements and changes.

**Suggestion implementation**

Ensuring that ideas evaluated and recommended are put to action is crucial, because employees feel that their ideas are of impact to the organization and it energizes them to submit more creative ideas that can be utilized by the organization.

**Empowerment**

The ability of employees to write creative ideas and evaluate cost-benefits of suggestions, reduce the number of ineffective ideas from congesting the system, causing delays and driving up the cost of administering the system.

**Organizational support**

The participative work environment created by management of the organization stimulates employees to submit creative ideas, this also ensure the willingness of management to process and evaluate these ideas for implementation. Management has the responsibility to satisfy the need for employee participation and to create a culture which is supportive of employee involvement in the decisions which affect his or her work (Reychav and Sharkie, 2010).

9. CONCLUSION

Employee ideas and suggestions are essential inputs to organizational improvement and productivity, but this can be achieved only when organizations adopt a kaizen culture of having a system in place for generating creative ideas from employees which are processed and evaluated for organizational improvement. These ideas are generated using traditional suggestion boxes, proposals, forms and advanced technological systems. Therefore, the worth of organizational human resource today can only be determined by the creative ideas and suggestions contributed by employees to improve work processes, procedures and methods. It is important to note that Kaizen Teian is not concerned with bigness so much as broadness, it encourages the creative participation of each person in the organization, drawing on the cumulative effect of many small ideas (Tripa and Sunhilde, 2008).

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