

## Employee Suggestions: Alternative Course of Action for Libraries

*Libraries willing to deal formally with employee suggestions are faced with several options. This paper examines these options and discusses in detail the pros and cons of formal suggestion systems. While they seem like the most realistic way of dealing with the problem, they have great potential disadvantages, among which are high cost, high mortality rate, and low participation rate.*

SOME LIBRARIANS, ESPECIALLY THOSE OF JUNIOR RANKS in large institutions, express feelings of frustration because they believe that their suggestions are not given a fair hearing by their supervisors. This paper examines the alternative courses of action which are available to a library willing to deal with this problem.

How to deal with employee suggestions is a popular topic in the personnel management literature. The traditional approach has been to develop a suggestion system. Over sixty of these systems, as well as a number of general articles, were examined for this study, and not one has indicated that a suggestion system has been—or should be—instituted solely to alleviate a morale problem. Although the objectives mentioned most frequently were improvement in production methods and employee relations, elevation of employee morale was consistently presented as a secondary goal.<sup>1</sup>

An unfortunate problem with these studies is that, despite their quantity, most distinctly lack quality. In fact, only four could be considered scholarly.

Two of the four were conducted in Sweden by Ekvall.<sup>2</sup> He attempted to determine the psychological components of suggestors in a manufacturing industry which has few characteristics in common with a library. In addition, because of cultural differences, it is questionable whether Ekvall's findings could be applied in an American setting.

The third study, carried out in Great Britain by Gorfin, is subject to the same reservation.<sup>3</sup> He concluded that a suggestion system could be both an economic transaction or a contribution to morale depending on who was looking at it, and that for a system to be successful, management had to determine beforehand the type of participation it was seeking and then set up a reward system which would meet the employees' expectations. The fourth study, by Hardin, identified the characteristics of participants in the suggestion plan of a medium-sized casualty insurance company in the United States.<sup>4</sup>

All four studies dealt with suggestors within the framework of formal systems. No research dealing with employee suggestions in general could be found. Strauss and Sayles mention consultative committees to improve communications between management and the lower levels of the organization as

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an alternative to a suggestion system.<sup>5</sup> Employees and supervisors participate by electing representatives who meet with management to discuss problems, suggestions, or complaints raised by their constituents. A collective bargaining relationship is an example of a variant of the consultative committee model.

Because of the possibility that collective bargaining may someday become a reality at many universities, the creation of such a committee cannot be supported or encouraged without risking an unfair labor practice charge. If proved, it would require at the very least a permanent prohibition against dealing with such committees. While strictly speaking they are not true suggestion systems, consultative committees do provide a formal means of handling suggestions. In addition to the potential legal problem, Strauss and Sayles find that their effectiveness may be decreased in the following ways: by lack of communication between the committee members and the rank and file; by impairing the morale of middle-level managers who are bypassed; by operating in a hostile labor-management relations environment; and finally by failing to provide incentives for individuals to submit suggestions.

The problem of employee suggestions is essentially one of communication. One way to deal with it is to make a special effort to train managers and supervisors to encourage their staff to make suggestions and to instruct them on how to deal with those suggestions properly once they are submitted. This approach, which places the responsibility for eliciting suggestions clearly on the supervisor, is preferable to any other since it minimizes the need for interference from the top administrative officers in departmental affairs. Unfortunately, unless the supervisors possess uniformly high managerial qualities and recognize the need to deal with employee suggestions very seriously and carefully, situations will arise in which employees feel

that they are not being given a fair hearing. In any large organization, it is unrealistic to assume that this would not happen, no matter how well trained the supervisors were.

The only realistic alternative to training supervisors to deal with suggestions seems to be a formal suggestion system. The volume of literature devoted to this subject is understandable in light of the statistics published annually by the National Association of Suggestion Systems. The 1969 *Annual Statistical Report* includes the following data: In 229 member companies, roughly three million suggestions were submitted through formal systems, and 43 million dollars were paid in awards. These companies include over 7.5 million eligible workers out of a total labor force of over 8.5 million.<sup>6</sup> While not everyone agrees that suggestion systems are inherently good, the magnitude of these figures makes it impossible to reject them outright. If that many employees are covered and that much money is paid in awards annually, these systems must be worth investigating.

There are probably as many different suggestion plans as there are organizations using them. They vary with respect to details such as who should be covered, how large the awards should be, who should review suggestions, and so on. There is, however, a basic model after which most plans are patterned: Eligible employees who wish to submit suggestions obtain forms at various locations in their company, fill them out, and deposit them in the nearest suggestion box or send them to the secretary of the suggestion committee. Supervisors usually are not eligible for awards under a suggestion plan since coming up with new ideas is part of their job. Managers and executives are almost always ineligible. Suggestions are reviewed which may result in an economic saving in some operation, higher morale, better working conditions, better service, reduction in cost, or improvement in safe-

ty. They are reviewed by a suggestion committee whose composition and name vary from company to company. Most often it includes only managers and executives and, on occasion, supervisors. The committee evaluates the suggestions and determines the award which should be given. Large companies frequently employ an investigator to perform these functions.

Awards are primarily financial. In fact, no example of a company which did not offer financial awards could be found. They differ mostly in the way in which awards are presented: by the winner's supervisor or the plant superintendent; privately or in formal ceremonies. In most plants, awards for suggestions resulting in measurable savings are computed as a percentage of the first year's saving, minus the cost of implementing the suggestion. This percentage is commonly 10 percent, but goes as high as 25 percent. Many suggestions do not result in measurable financial savings and are usually rewarded according to a fixed schedule, with the amount of the award varying with the importance of the suggestion.

A suggestion system such as the one described above seems well suited to help solve internal communication problems. Employees make suggestions and receive awards for those which are accepted. The potential availability of a reward acts as an incentive for submitting more suggestions. Yet according to Northrup, the mortality rate of such plans is very high. He estimated twenty years ago that a majority of the plans started in the previous twenty years had been abandoned.<sup>7</sup> No recent figures are available which show that this phenomenon is still true, but the wealth of articles on "how to design a suggestion system" seems to indicate that the secret of the perfect plan has not yet been discovered.

Suggestion plans fail for a variety of reasons. Those most commonly cited are that top management tends not to give

enough support to the plan, rewards are generally too low when compared to the benefits reaped by the organization, the processing time is too long, and the plan itself is insufficiently and inconsistently promoted.<sup>8</sup>

Northrup suggests additional reasons which are of critical importance if the improvement of employee morale is one of the main reasons for starting the plan.<sup>9</sup> First, a suggestion system which is started in an atmosphere of poor personnel relations or in a company where there is no carefully thought-out personnel plan stands little chance of being successful. Second, it creates problems at the managerial level of the organization. Running it takes time, savings may be minimal, and support from supervisors hard to get. Third, by creating channels of communications which can effectively bypass supervisors, the plan may cause dissatisfaction at that level and may even encourage poor supervision.

Companies have tried ways to prevent the last point from becoming a problem. General Motors tries to keep supervisors interested in the plan by having them investigate suggestions; United Specialties gives foremen a flat 10 percent of the awards paid to suggestors from their departments; Ford has a separate plan for supervisors.<sup>10</sup>

Finally, one problem of suggestion plans which does not necessarily cause their failure, but which must be considered, is the low level of participation. The National Association of Suggestion Systems *Annual Statistical Report*, referred to earlier, gives a participation rate of 27 percent. Northrup in 1952 considered 25 percent participation an excellent rate.<sup>11</sup> While there is no evidence to suggest that there is a high correlation between morale and participation, this factor should be kept in mind before establishing a suggestion plan.

There is then no evidence to support the notion that suggestion systems are a good way to improve employee morale

and communication. Nor is there evidence that shows that they do not help. There are a great many reports which show substantial cost savings, but no one has yet found a way to quantify changes in employee morale.

From a purely economic standpoint, it seems that a successful suggestion system can be a great asset. Nationwide Mutual Insurance Company did a careful study between 1960 and 1965 of the savings effected each year as a result of its suggestion plan and arrived at the figure of \$881,608 over that five-year period.<sup>12</sup> Westinghouse in 1957 estimated that its plan was responsible for savings of almost \$1.5 million, Socony Mobil calculated that its plan brought in an 800 percent return on its investment, and in a sample of sixty-five companies the Dartnell Corporation found a savings-to-program-cost ratio varying between 2.7 and 5.1 to 1, or an average saving of \$3.88 for each dollar spent.<sup>13</sup> In these various reports the cost of an individual suggestion was shown as varying between \$25 and \$50.

Given this admittedly confusing picture, what should be done? The consultative committee approach has potentially disagreeable legal repercussions and it may aggravate the communication problem rather than solve it. Upgrading the knowledge of supervisors so that they will deal more effectively with employees who submit suggestions is always desirable. The problem with that approach is that it is never completely effective, and the work put into it must be continued on a permanent basis if the improvements are to be sustained. It is unlikely that a suggestion plan developed simply to resolve a communication or morale problem would be economically justifiable.

Suggestion plans for libraries must reflect the fact that libraries are fundamentally different from businesses. While businesses are profit-oriented, libraries are user-oriented. In business, the value of a suggestion can be measured by its impact on the company profits; in libraries, the benefit is much more difficult to ascertain. The cost and benefits of monetary incentives can therefore not be readily determined. It is possible, however, that library employees could make suggestions leading to increased user satisfaction, which would justify the formation of a suggestion plan even though its economic value might be doubtful.

The structure of such a plan need not be as elaborate as that of a large corporation. It could be as simple as creating a specific place in which suggestions could be deposited, with regularly-scheduled meetings of a review committee. Awards might include recognition in the form of publication of the suggestion in the library's newsletter or announcements at an annual luncheon. Anyone whose suggestion was accepted could have that fact entered in his personnel record, which might lead him to receive preferential treatment when time came for promotion. Since it is unlikely that employees lacking initiative would be making suggestions in the first place, the possibility of promotion, in addition to recognition by co-workers and supervisors, might be a powerful enough incentive to motivate those interested in participating.

Although such a plan would be relatively informal, if its implementation were carried out with seriousness and consistency its benefits might be worthwhile for both the library and its employees.

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