

ImaginAction Continuous Improvement System

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IMAGINACTION CONTINUOUS IMPROVEMENT SYSTEM

If you're willing to turn your thinking upside down and inside out a bit, there's a way you can produce incredible bottom-line results.

Many organizations have some type of program or process in place for employees to voice their ideas for improvement. Most of those programs, though, fall far short of the enormous potential that exists for getting employees engaged in systematic continuous improvement efforts. Why is that? After all, isn't that what every employee wants – an opportunity to be heard and have their ideas taken seriously?

As with many "good" ideas, the devil is in the details, and after many years of working with numerous organizations, the team at Landes & Associates has identified what works and what doesn't work when it comes to systematic continuous improvement.

Chances are, you haven't thought of a continuous process as a source for significant increases in performance and profitability. But, if you're willing to turn your thinking upside down and inside out a bit, we offer an approach that can help you produce exceptional bottom-line results. It's called the "ImaginAction System," and this white paper describes how it works, and how it has evolved from traditional suggestion programs.

Early Days of Suggestion Programs

The earliest documented accounts of efforts to generate improvement ideas from citizens and workers go back to the 1700s in Sweden, Italy, the United Kingdom and, of course – Japan.

The first widely recognized employee suggestion program in the U.S. was developed in the 1890s by John Patterson, the legendary founder of NCR. He called his program the "Hundred-Headed-Brain," and his goal went against conventional management wisdom of the day. He wanted a way to get good ideas from all employees without getting them stolen or squashed by supervisors who in those days ostensibly were much more controlling than today's "enlightened" managers. Following the lead set by NCR, countless companies implemented similar programs – a trend which has continued with varying degrees of enthusiasm and success to this day.

Editor's Note: The ImaginAction System was formerly known as The Un-Suggestion System.





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So why have the vast majority of employee suggestion programs produced such mediocre results?

Unless and until senior management puts systematic, system-wide continuous improvement in a prominent spot on the corporate agenda, it will never become systemic.

The basic premise underlying the traditional suggestion program seems simple and sensible enough. Put a box on the wall or a link on the computer; ask employees to submit their ideas for making an improvement; then give them rewards for their efforts. Easy as one, two, three – right? So why have the vast majority of employee suggestion programs produced such mediocre results?

The Program Trap

Like a lot of other people-related practices in the workplace, the forces that compel employees to go outside their daily routine and offer ideas for improvement are wrapped up in tangle of complex emotions and expectations. Most of those factors can be accounted for by one of the following responses that employees typically give when asked why they don't participate in suggestion programs:

- They just want me to do my job
- No one really cares or listens
- My opinions and ideas don't really matter to the company
- I might get in trouble
- I'm too busy with my regular work
- It's too much of a hassle
- My ideas aren't big enough to make much difference
- They probably won't accept it anyway
- They think they know more than I do
- It takes forever and a day to get something approved

Employee comments like those point to a fundamental flaw in the way most suggestion programs are designed and implemented. Rather than being woven into the fabric of day-to-day operations, they are seen as a one-off activity that is secondary to the "real" work that organizations expect people to do every day. It's a classic example of what we call the **program trap** – a persistent fixation on jargon, symbols and rituals over substance and systems.

The lessons from that experience are vital and elemental. Until management puts systematic, system-wide continuous improvement in a prominent spot on the corporate agenda, it will never become *systemic*. And until it is systemic, any efforts at engaging employees in making improvements will be – by definition – *dis-continuous*. And anything that is discontinuous eventually becomes *irrelevant* – a victim of the program trap. It's a simple, logical progression – and painfully predictable.





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The ImaginAction System

Breaking free from the program trap requires determination and constant vigilance. Even once its grip has been loosened, the tendency to slip back into it is ever present. That's why it's a trap. The essential keys to resisting the temptation to backslide are actually quite simple. As with many people process, however, slight variances one way or the other can spell the difference between success and failure.

What's in a name? A lot!

When it comes to escaping the flaws of traditional suggestion programs, the first imperative is to change the language. For starters, the word "program" should be avoided entirely and replaced with more integrated and organic terms like "process" or "system."

Next, get rid of the word "suggestion." It's too flimsy and tentative to be a formal, integral part of an organization's essential systems and processes. As a general descriptor, we have coined the phrase "ImaginAction System" to highlight the distinction between a systemic process and a discontinuous program. It also helps to emphasize that the purpose of the system is not to generate *suggestions*, but rather to produce *implemented improvements*.

To be sure, merely changing the description or the name will not transform a program into a systemic process by itself. Nevertheless, language does matter, and it is a simple and logical place to start in order to get people oriented in the right direction.

Basic Building Blocks

The fundamental elements underlying an effective system that generates large numbers of improvements are actually quite simple. It boils down to the following things:

1. **Ease:** Make the process easy and efficient.
2. **Accountability:** Put the responsibility for reviewing and approving the vast majority of potential improvements in the hands of supervisors who are close to the action, rather than a distant manager or remote suggestion committee.
3. **Engaged Participation:** Encourage employees to participate, and respond to their ideas quickly and supportively.





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“What kind of impact would it have on your organization’s performance if every single employee was aware of and took care of all the little things they have control over every day?”

4. **Empowerment:** Give employees the responsibility and authority to implement their own improvement ideas, requesting support from their supervisors and others where needed.
5. **Rewards and Recognition:** Use a reward structure that values all improvements equally regardless of size or value. Offer modest rewards so the main focus is on improvements and simple recognition, not costly incentives.

Perhaps the most significant and surprising aspect of the “ImaginAction System” is its emphasis on small improvements. The reason is simple. If you want to create a culture that embraces improvement practices as part of the daily fabric of the organization’s lifeblood, it requires frequent repetition. Large improvement opportunities are rare in most organizations – or they’re too complex for most employees to undertake. So they tend to be small in number and usually handled as a special management project instead of a routine employee activity. When the focus is on “the little things that count,” each employee’s span of influence is expanded, and everyone can contribute.

If you question the merits of emphasizing, documenting and rewarding small improvements, ask yourself this question. “What kind of impact would it have on your organization’s performance if every single employee was aware of and took care of all the little things they have control over every day?” In the long run, the implementation of hundreds or even thousands of small improvements can have far greater impact on both the culture and the bottom line than a few dozen large projects that involve relatively few employees.

That goal is accomplished using another feature of the “ImaginAction System” that often raises eyebrows. Whenever an employee implements an improvement, his or her name is entered into a random drawing – one entry per improvement regardless of the size or value of that improvement. Using that approach, all employees have an equal opportunity to win rewards regardless of the size and value of the improvements they implement. Once again, the main purpose is to create a culture of continuous improvement rather a competition to win the largest incentives. Importantly, the rewards are relatively modest so the focus is on the intrinsic value and motivation of making improvements more than the incentives themselves.





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The Process

Building on those basic principles, here are key steps and criteria for designing an effective employee improvement system and getting it operational.

Step 1 – Preparation for Implementation

1. Provide training and direction for supervisors, who are the principal players in the review and approval process. In general, supervisors must learn how to be effective coaches, providing encouragement and support for employees in pursuing improvement opportunities on a daily routine basis. One particularly important coaching skill for supervisors to learn is how to redirect employees ideas that appear to be off-target or inappropriate without criticizing or discouraging their efforts.
2. Conduct learning sessions for all employees, explaining procedures for participating in the process, covering the following points:
 - a. Improvements of all sizes are accepted and valued equally for opportunity to win rewards.
 - b. Focus improvement efforts on areas where employees have the greatest knowledge and over which they have some measure of control.
 - c. Look for opportunities in any aspect of any process that can make work easier, faster, cheaper, better or safer, focusing on removing time, materials or resources from all processes.
 - d. Place priority on improvements that will streamline or strengthen a process, not just fix an isolated problem.
 - e. Get approval and support for implementing ideas from immediate supervisors, who are equipped and expected to help with employee improvement efforts.

Step 2 – Creation of Reward Structure

1. Set up periodic random drawings (weekly, bi-weekly or monthly)
2. Establish a modest, yet meaningful amount that drawing winners will receive (\$25-\$100 value is recommended, non-monetary rewards are preferred because rewards should not be the focal point or main driver of the process)





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3. Enter person's name into the drawing once for each implemented improvement, with possible options:
 - a. Enter name multiple times for improvements made in designated high-priority areas, such as safety, waste control, etc.
 - b. Enter names of multiple people for same improvement if more than one person worked on it
4. Establish percent of total names entered that will be drawn as winners (Recommend 10%-20% depending on size of organization)
5. Conduct quarterly reviews, acknowledging results and conducting further drawings for unusually high levels of participation
6. Establish number of implemented improvements to qualify for annual "hall of fame" (Recommend 15-20 per year)

Step 3 – Process Mechanics

1. When an employee has an idea for an improvement, he/she discusses it with his/her immediate supervisor.
2. The supervisor reviews the idea and responds to the employee in one of the following ways:
 - a. Give approval, and ask employee if he/she requires assistance in getting the improvement implemented
 - b. Give provisional approval, pending review with other people who may be affected by the proposed improvement
 - c. Advise the employee on adjustments that need to be made before the idea can be implemented
 - d. Explain why the idea cannot be implemented and why it does not qualify for the entry into the drawing
3. Employees are given ownership and responsibility for implementing the improvement, requesting support from their supervisors and getting other employees involved as needed.
4. After the improvement has been implemented, the employee completes a form that describes what was done and gives it to the supervisor.
5. The supervisor signs the form and submits it to the process administrator who takes the following action:
 - a. Log the improvement into a shared database
 - b. Enter name(s) into the drawing for that period





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- c. Names not drawn for that period are not carried over to the next drawing; new implemented improvements are required for each drawing

Step 4 – After the Drawing

1. Post names of drawing winners in a prominent location(s)
2. Supervisors review all improvements logged into database to examine for possible replication in other areas





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That gives them an opportunity to engage with employees in a way that goes beyond the monitoring and directing style of management that characterizes the typical supervisor-worker relationship.

Impact on Supervisors

Among the many benefits of the "ImaginAction System" is the way it shifts the role of supervisors to serve more like a coach to employees than just a scheduler, assignment giver or referee. For starters, supervisors are the initial approval point for the vast majority of improvement ideas that employees initiate. That gives them an opportunity to engage with employees in a way that goes beyond the monitoring and directing style of management that characterizes the typical supervisor-worker relationship.

In addition, many ideas brought to supervisors are not quite on target initially, which gives them the opportunity to provide coaching and direction to employees on how to shape it in a way that makes it more workable. What's more, the interaction allows supervisors to acknowledge employees for their contributions and thank them for participating in the process. Compare those dynamics with dropping an idea in a suggestion box for someone to pick up and run through the typical suggestion committee.

Beyond the opportunity the process affords to improve the working relationships between supervisors and the employees who report to them, the process is also an excellent tool for supervisors to accomplish their own goals. It is appropriate and even encouraged for supervisors to guide employee improvement efforts toward the priorities that the supervisor has set for his or her area of responsibility. That way, supervisors have a built-in incentive for supporting employee participation in the system.

To ensure that employees maintain a continuing focus on the improvement process, supervisors also are encouraged to include discussions about improvements during regularly scheduled team meetings. That's one way to ensure that the process is seen as an integral part of day-to-day work as opposed to an occasional sidebar activity.

Since the work of the supervisor is so critical to the system's success, specific requirements for supporting the improvement process should be included in the job descriptions of all supervisors. Likewise, specific objectives and key performance indicators (KPIs) should be set for supervisor performance related to the improvement process.





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Role of Senior Management

Although senior management has limited involvement in the day-to-day activities associated with the system, they still play an important role in its ongoing effectiveness. That role begins with placing review and discussion of the system on the agenda of standing senior management meetings. After performance targets have been established, those numbers should be reviewed by senior management with the same scrutiny and regularity given to other key metrics and indicators.

Just as supervisors are encouraged to focus employee improvement attention on department priorities, senior managers should identify goals and priorities that employees can help the organization achieve. That focus helps provide focus for improvements and justification for investment in the system.

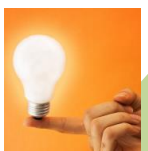
On a periodic basis, senior managers also should communicate directly with the employees about the improvement process – preferably through existing regular meetings and communication venues. During those sessions, management should emphasize the importance of employee improvements in achieving company goals. They also should reinforce the value of focusing on small improvements that employees can control in their areas of responsibility. Celebrating and acknowledging contributions being made by employees participating in the process is also important.

Since the “ImaginAction System” is designed to generate ideas for improvements of all sizes, senior management can help prioritize and implement larger improvements that are beyond the scope of what supervisors may authorize and manage on their own.

Hardwiring the System

Aside from making the system a core element in all department discussion meeting and management agendas, other things can be done to hardwire the process into daily operations:

1. Include the role and responsibility for the improvement process in each person’s job description
2. Make participation in the improvement process part of all performance reviews
3. Link participation in the improvement process to company, department and individual bonuses





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4. Guide improvement efforts to focus on KPIs (key performance indicators) that are tied to company goals and priorities
5. Make continuous improvement part of all discussions and meeting agendas related to organizational performance

A cautionary note is important here. While the participation in the improvement process should be strongly encouraged and supported, it should not be mandatory. And while management should set aggressive goals for participation levels, be wary of setting quotas for the number of improvements or the financial impact that they are expected to have. You have to be vigilant to ensure that the improvement process is used as a carrot, not a club. Otherwise, employees will eventually resent the program and stop participating altogether.

The Payoff

Results from the "ImaginAction System" vary depending on numerous factors. Increases of 200%-400% in the number of implemented improvements over previous programs are not uncommon. Participation levels also vary from a low of two implemented improvements per year per employee – which is still greater than most suggestion programs – to as high as 50 implemented improvements per employee per year.

Another important participation metric is the percent of employees who implement at least one improvement annually. With the "ImaginAction System," the number of participating employees each year runs from a low of 50% to a high of 85%.

In general, organizations that excel with the system are those that embrace all the essential characteristics for integrating the process systemically into daily operations. They also tend to be organizations that are determined to achieve significant culture change and see the improvement process as a core mechanism for engaging all employees in the change effort. One thing is common among all organizations that succeed with the "ImaginAction System" regardless of the level of improvement they achieve. They are not looking merely to tweak and rev up their existing programs. Rather, they are committed to developing a system for improvement that produces breakthrough results.

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