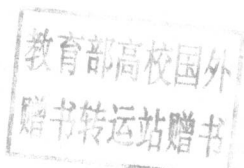


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IDEAS ARE FREE

How the Idea Revolution Is Liberating
People and Transforming Organizations

Alan G. Robinson
Dean M. Schroeder



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IDEAS ARE FREE

To Margaret, Phoebe, and Margot

To Kate, Lexie, Liz, and Tori

P R E F A C E

Performance expectations for managers keep going up. Managers are continually asked to do more, but to do it with less. For top management, the standard response to flagging profits and increasing competition has become budget cuts and layoffs. Middle managers and supervisors suffer the consequences, as they are left with too few resources and people to do the work. They are forced to operate in survival mode, putting in long hours to deal with an endless stream of urgent problems. Almost never do they have the time to think beyond this month's results. In addition, they are under constant scrutiny, and their jobs are not secure.

Ironically, help is closer than they realize—in the people who work for them. They are the ones who *do* the work, and they see many things their managers don't. On a daily basis, they see what is frustrating customers, causing waste, or generally holding the organization back. Employ-

ees often know how to improve performance and reduce costs *more intelligently* than their bosses do. Yet they are rarely given a chance to do anything about it. No one asks them for their ideas.

Over the last century, many managers have recognized the huge potential in employee ideas and tried to tap it. But few have been truly successful. Those few found that they had fundamentally changed their organizations and helped them reach extraordinary levels of performance. Today, most managers either don't realize the full power of employee ideas or have never learned how to deal with them effectively. That is why we wrote *Ideas Are Free*.

The book has its origins in the late 1980s when we both were on the faculty of the University of Massachusetts. Before going into academe, Dean Schroeder had headed a number of organizational turnarounds and major change initiatives, and had learned that the employees of distressed companies could often identify and solve critical problems which management had either missed or ignored. Invariably, they had penetrating insight into the issues that their companies faced and good ideas about how to address them. Why, Dean wondered, had their managers made no use of this free and willing resource?

Around this time, Alan Robinson came to ask the same question. He was studying how leading Japanese companies were managed. Many of them had higher productivity and better products than their Western counterparts, and he wanted to understand why. Through professional contacts and family members living and working in Japan, he was able to gain unusual access to twenty Japanese companies. Alan found that these companies put a great deal of emphasis on something that most Westerners had largely overlooked.

The Japanese managers were asking ordinary employees—the ones who staffed the offices, worked in the factories, and

served the customers—for their ideas. *Small* ideas. Not creative whiz-bang new product or service ideas, but *everyday common-sense* ideas that would save a little money or time, make their jobs easier, improve the customer experience, or in some other way make the company better. Some of the companies Alan studied were getting and using extraordinary numbers of ideas—in some cases almost one per person per *week*. And these ideas accumulated into significant competitive advantage.

We both found the concept of seeking employee ideas compelling—it was clear how this would lead to high employee involvement and superior performance. Strangely, the vast majority of companies we were familiar with seemed to ignore this huge opportunity. Most of them were far better at *suppressing* ideas than *promoting* them.

The journey that led to *Ideas Are Free* began as a process of informal discovery. We gathered general information about how different organizations deal with employee ideas, visited some that did it well, and studied the history of efforts to promote employee ideas around the world. Ever since the Scottish ship-builder William Denny put up the world's first industrial suggestion box in 1886, a wide variety of approaches to promoting employee ideas have been tried. Even Stalin tried to coax improvement ideas from front-line workers in the Soviet Union as part of his effort to catch up with the West.

We found that radical change did indeed take place when managers began encouraging and implementing large numbers of employee ideas. The implications were vast and profound—for improving performance, the organization's culture, and the quality of people's lives. Although few of the companies that were managing ideas well were publicizing their success, it was clear that the number of these companies was growing. And the deep transformation that these organizations experienced as

ideas began to flow smoothly made us realize that we were looking at something quite revolutionary.

Our goal then was to figure out how organizations can successfully promote employee ideas and to understand the nature of the extreme change that pursuing ideas can create. The research turned out to be much more extensive than we anticipated. It took us to seventeen countries and into more than 150 organizations, representing a broad variety of industries—financial services, retailing, health care, manufacturing, hospitality, agriculture, publishing, high technology, transportation and logistics, telecommunications, not-for-profit, and government—and ranging in size from small family-owned businesses to large multinational corporations, in both union and nonunion environments. We studied best-practice companies and those whose attempts were struggling or just being launched. We compared what *worked* with what *didn't*, developed hypotheses, and tested them against our spectrum of organizations. We repeated the process until we were confident that we had distilled the general principles needed for success.

As people learned of our research, we found ourselves being invited to help many organizations that wanted to promote employee ideas. The hundreds of managers we worked with helped us further refine, clarify, and strengthen the concepts we now present in *Ideas Are Free*.

Tapping the potential in employee ideas is not a matter of merely buying into the concept and becoming more receptive and welcoming to them. There is a considerable amount to know, much of which is counterintuitive. We believe every manager should read this book, from the front-line supervisor to the CEO.

We hope that you enjoy *Ideas Are Free* and that it makes you a better leader.

ACKNOWLEDGMENTS

This book would not have come about without the help of a great many people.

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Perhaps the hardest part of our journey was the writing of the manuscript, which went through many drafts as we struggled to articulate what our data were telling us. Gwen and J. Alan Robinson helped us immeasurably in this process, always asking probing questions and challenging us to simplify and clarify our ideas.

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Alan Robinson
Amherst, MA
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Dean Schroeder
Valparaiso, IN
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CHAPTER 1

THE IDEA REVOLUTION

What will future generations say about the way we practice management today? What will they consider our most conspicuous failure?

We believe they will accuse us of having squandered one of the most significant resources available to us: employee ideas. Every day, all over the world, millions of working people see problems and opportunities that their managers do not. With little chance to do anything about them, they are forced to watch helplessly as their organizations waste money, disappoint and lose customers, and miss opportunity after opportunity that to them are all too apparent. The result is performance far lower than it should be and employees who do not respect or trust management and who are not fully engaged with their work.

At the same time, their managers are under constant pressure to do more with less. But with so much of their