



1to1 Magazine
10/05/2007
Issue: October 2007
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With all due respect to the consulting industry, one of the best resources for improving an organization's performance is one that companies already have in place: their employees.

When it comes to driving innovation, improving customer service, and streamlining processes, frontline employees often practically percolate with ideas. They're the ones who see patterns to customer complaints and discover the internal policies that hinder their efficiency. And they have opinions on how to change things for the better.

So why aren't more bosses paying attention to them? "For most managers, employee ideas are the single biggest untapped resource available to them," says Alan G. Robinson, a professor at the Isenberg School of Management at the University of Massachusetts, Amherst, and coauthor of *Ideas Are Free*.

That may be starting to change. While evidence suggests that a corporation's higher-ups are often believed to have the best ideas, thanks to an increasing focus on innovation, some company leaders are beginning to realize the power of their people. "Innovation is tied to new product development, new processes, and new services," says Gartner analyst Ed Thompson. "What most organizations are trying to do is create a bigger hopper of suggestions, an ideas funnel. And how do we fill the hopper with better ideas? The two sources that are being exploited now more than ever before are employees and customers."

Growing from within "is the safest and best growth of all," adds Erich Joachimsthaler, author of *Hidden in Plain Sight*. "If you want to do that, and leverage your organization, you have one chance: Find a way to tap into the diversity of your workforce, and make sure it's not an occasional reactive approach but a proactive approach that rewards employees for their insights."

Far from the neglected, dust-gathering suggestion boxes that hang in employee cafeterias—which, incidentally, have dismal success rates, according to Robinson, averaging just half an idea per person per year—modern processes for collecting and mining employee feedback can have measurable effects on an organization.

"Managers who know how to tap these ideas are able to lead their units to levels of performance that are much higher than they could otherwise reach," Robinson says. "The state-of-the-art in managing ideas is now frighteningly good—some companies get more than two implemented ideas per person per week."

Such approaches can be as varied as companies themselves. At Grapevine Canyon Ranch in Pearce, AZ, employees jot down ideas onto small cards and bring them to a meeting each week; the ideas are discussed, built on, and critiqued. The ideas are often small—one change was that in addition to stocking guest rooms with expensive stationery, visitors were provided with small "calling cards" to use to exchange addresses with each other so they could keep in touch—it shows an attention to detail that customers notice. In fact, Grapevine Canyon Ranch boasts a 400-member-strong "repeater's club" of guests who have made three visits to the Ranch, and nearly 40 percent of its guests return, says ranch owner Eve K. Searle.

At Aon Reed Stenhouse, the Canadian division of Aon Corp., the process for collecting employee feedback is more formal. About a year ago, the company began working with ResponseTek to implement software to distribute and disseminate the company's employee feedback surveys on an ongoing basis to coincide with specific processes like benefits renewal and to gather feedback around specific business projects. (The program is similar to the model the company already used to collect customer feedback.) Using the solution, employees can comment on everything from how they renew their benefits packages to corporate culture initiatives. "The feedback allows us to target specific [employee] development opportunities," says David Cliche, vice president, communications and marketing. Thanks to employee feedback, the company designed a new form for its online performance management process, which has resulted in greater employee participation. It also helped to find a greater pool of volunteers for project teams.

Just as important as the feedback itself was getting the message back to employees that their suggestions were not made in vain. Using the survey tool, "[we] communicate back to employees that as a result of what they told us, there were some things we were going to do to improve," Cliche says.

And that's good for business. Cliche adds: "There's absolutely a correlation between how satisfied and engaged your employees are [and] how well they're able to deliver your company's brand and service model to clients."

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