CHAPTER 3

CONCEPTUAL FRAMEWORK

3.0 INTRODUCTION

The concepts and theories related to the employee’s suggestion system are discussed in this chapter. The main focus of this chapter is to identify the factors that influencing the effectiveness of suggestion system. For this purpose, the data are collected from text books, websites and research articles and discussed under the following sections:

3.1 Overview of Employee Suggestion system
3.2 Models for successful suggestion system

3.1 AN OVERVIEW OF EMPLOYEE SUGGESTION SYSTEM

This section explains the meaning, objectives, importance, process and the elements of a successful suggestion system.

3.1.1 Employee Suggestion System

The employee’s suggestion system is a tool that helps organizations to use their employee’s creative abilities to sustain in a competitive business environment. Under the suggestion system the employees from top management to floor workers are asked to offer suggestions or ideas for improvement in their work.
By implementing an employee’s suggestion system, organizations can reduce costs, increase profits, improve working conditions, enhance employee’s motivation, involving employees in organizational decision making and improve the overall performance of the organisation. Initially, the suggestion system was used in factories or manufacturing organizations only, but now the system is used in offices, service organizations like hospitals, bank etc.,

The Employee’s suggestion system is formal programs to collect, evaluate, implement and reward employees for their ideas to improve the organizations. Baluch, N., et al. (2013) define the suggestion system is a formal procedure that encourages employees to think innovatively and creatively about their work and work environment resulting in the creation of ideas that eventually lead to tangible benefits to the organisation. In the word of Yusof and Aspinwall (2000) an employee suggestion system is a formalized mechanism which encourages employees to contribute constructive ideas for improving the organization in which they work.

A suggestion system can be a formal suggestion system or informal suggestion system. The formal suggestion system consists of formal process for receiving and administering employee’s suggestions. Whereas, the informal suggestion system, there is no formal process for receiving and administering employees’ suggestions.

3.1.2 Objectives of Employee Suggestion System

- To provide an opportunity for the employees to participate in the development and growth of the organisation
• To foster employees’ creativity for the betterment of the organization
• To improve the productivity and increase profit
• To encourage employee’s ideas to reduce cost and eliminates waste
• To promote better relationships between employees and management

3.1.3 Importance of Suggestion System

a) To reduce cost: Employees are encouraged to come up with new ideas to reduce cost and increase profit and overall efficiency of the organisation.

b) To improve work methods: Through suggestion system employees are motivated to find new ways to carry out their work that leads to reduce waste, save time and cost.

c) To motivate employees: suggestion system is a motivational tool in which the employees are encouraged to develop suggestions or ideas, for that the employees are rewarded and recognized.

3.1.4 The Elements for Successful Suggestion System

a) Simplicity of suggestion: The suggestion system should be simple and it’s easy to understand clearly by all the employees.
b) **Promotion and Publicity:** Organisation should give wide publicity about the existence of suggestion system in organizations. Organisation can promote the suggestion system by displaying posters on the notice board or through an intranet.

c) **Effective administration:** Effective administration of the suggestions involves a formal process of receiving, acknowledging and evaluating of suggestions. Effective administration also includes the process of implementing and monitoring the selected suggestions.

d) **Reward and Recognition:** A suggestion system must reward the best suggestions and recognize the employee’s effort. The reward must be fair and consistent and it should be communicated to the employees.

e) **Top Management involvement:** The top management interest in suggestion system is necessary for suggestion system sustainability. The top management must have support and commitment for the success of suggestion system.

### 3.1.5 Process of Suggestion System

The suggestion system is a process involves sets of interrelated activities. The process of suggestion system consists of three stages such as generation and submission of ideas, Evaluation of ideas and implementation of ideas. Figure 3.1 presents the process of an employee suggestion system.
The process of employee suggestion system consists of three stages as follows:

**Stage I - Generation and submission of suggestions:** The process of an employee’s suggestion system starts with the generation and submission of ideas. Generation and submission of ideas refer to stimulate employees to generate ideas and encouraged employees to those ideas.

**Stage II - Evaluation of suggestions:** Evaluation of suggestion is the process of reviewing and evaluating the submitted ideas and scrutinizing the best and suitable ideas for further consideration.

Figure 3.1 Process of Employee suggestion system
Stage III - Implementation of suggestions: Accepted suggestions are implemented. After implementing the suggestions it should be monitored for further development.

A successful suggestion system must consist of all these three phases. There are many factors influencing the suggestion system process in an organization. In the following section some theoretical models have been discussed to identify the various factors that have influenced the success of suggestion system.

3.2 MODELS OF SUCCESSFUL SUGGESTION SYSTEM

The various models for an effective suggestion system and the factors that influence its effectiveness are identified and discussed as follows:

3.2.1 The model of predictors of submitting suggestions

Frese, M., et al. (1999)\(^3\) established a model to identify the predictors of submitting suggestions as given in Figure 3.2. The model consists of three central parameters of submitting suggestions namely, having ideas, submitting suggestions and rewarding suggestions. To make a suggestion, the employees must have ideas, that can be submitted to the suggestion scheme and then the suggestions are rewarded depending on the quality of the suggestion. The results of the analysis is revealed that initiative at work, higher order need strength, self-efficacy and expected improvements in work are predicting having ideas and submitting suggestions.
The process of having ideas and writing and submitting suggestions can be influenced by several variables.

**Having ideas** refers to the number of ideas produced by the employees. Two important variables, namely, Job content factors and person factors are playing a significant role on having ideas.

- **a) Job content factors:** Job content factors consist of job control and job complexity. Job control implies that employee’s ability to experiment with their work. Job complexity refers to the degree of complexity in work indicates that the employee is able to develop and use their skills to carry out their challenging task. Hence, more complexity job influence employees learn more and
this makes employees’ think of new ideas to improve the production.

b) **Occupational personality:** Occupational personality dimensions namely, subjective initiative, higher order need strength, control aspirations, and interest in innovation are important about having ideas.

- **Subject initiative:** Subjective initiative is also known as proactive or personal initiative which influences employees to think ideas.

- **Higher order need strength:** Higher order need strength related to employee involvement in work leads to use creativity in their work to generate more suggestions and ideas.

- **Control Aspiration:** Control aspirations related to the employee’s willingness to take charge and actively search information in various situations that leads to employees are motivated to develop ideas to change the work situation.

- **Interest in innovation:** Employees with high interest in innovation are paying more attention to produce more ideas and suggestions because they want to change work for the better.

**Writing and submitting suggestions** related to whether it is possible for the employees to submit the suggestions. The employee’s decision to submit suggestions depends on three factors, namely, system responsiveness, suggestion
inhibitors and supervisor support The Key variables influence writing and submitting suggestions are:

a) **System Responsiveness:** System responsiveness refers to the organisation acknowledgement to employee’s suggestions. The employees will be more likely to submit ideas if their suggestions are treated fairly and implement the suggestion if possible.

b) **Suggestion inhibitors:** Suggestion inhibitors are the factors it may be easy for the employees to put an effort on innovation rather than the submitting a suggestion.

c) **Supervisor support:** Supervisor should encourage and assist employees to submit suggestions. The supervisor is responsible for creating an environment that supports employee to submit suggestions.

The variables such as self-efficacy and motives are influenced both having ideas and submitting a suggestion.

a) **Self-efficacy:** self-efficacy refers to employees believe in their capabilities to organize and carry out task to achieve target. Employees should believe in their ability to produce and submit suggestions.

b) **Motive:** Reward and good work are motivational tools that create positive impact on employee’s attitude towards the suggestion system. The employees are motivated to generate and submit suggestions if they think they can improve their work. If the
Reward is an important motivator for employees to develop and submit suggestions.

### 3.2.2 The creativity Transformation model for the success of suggestion system

Van Dijk, C. and Van Den Ende, J. (2002) discussed the creativity transformation model to identify the organizational condition for the successful use of suggestion systems. It is realized from the results that alignment, accessibility of suggestion system, idea responsiveness, use of rewards and processing of ideas are the most predominant factors that help to transform employee’s creativity into ideas. The creativity transformation model for transferring employee’s creativity into useful ideas is presented in figure 3.3.

![Creativity Transformation Model](image)

**Figure 3.3 The creativity transformation model**

*(Van Dijk, C. and Van Den Ende, J., 2002)*
The creativity transformation model consists of two main organizational factors such as organizational culture and organizational culture that affect the functioning of suggestion system. The functioning of suggestion system divided into three phases namely, idea extraction, idea landing and idea follow-up. In Idea extraction phase, the Company’s need to extract ideas from the employees. It involves the employee’s willingness to share ideas with the organisation. Hence, it is possible only if the organisation should create an environment that stimulates employees to communicate their ideas. Idea landing is a phase in which the employees have submitted their ideas. Organisational culture and structure should support employees in lading employee’s suggestions. Idea follow-up phase related to processing of employees’ ideas such as receiving, evaluation and implementation of suggestions. In this phase, organizational structure is an important factor that regulates the processing of ideas. The key factors influencing these three phases that is used in the model are:

**Encouragement:** Encouragement is the process of motivating employees to develop ideas. It is possible only if culture is supporting employees’ creativity. Many organizational culture dimensions such as alignment, possibility of reflection and emanation of idea receptiveness are important to extract ideas from employees.

- **Alignment:** It is an aligned environment with set of signal that shapes employees attitude towards creativity.

- **Possibility of reflection:** Organization should create a work that provides prospects to the employees to find ideas.

- **Emanation of idea receptiveness:** Company should clarify the image of innovation and welcome the creative initiatives.
Organisational Support: Organisation support refers to the extent to which support is available to introduce ideas effectively into the suggestion system. Idea landing or introduction of the idea is determined by various organizational support factors such as idea responsiveness, accessibility of suggestion system and the broadness of the scope.

- **Idea Responsiveness:** Idea responsiveness refers to a reaction that is given to the employees by their manager / supervisor when the employees are presenting their ideas.

- **Accessibility of suggestion system:** Accessibility refers to whether it is easy for the employees to access suggestion system and whether the system is available to offer suggestions. If the suggestion system is inaccessible that will reduce employee participation in the suggestion system.

- **Broadness of the scope:** The broadness of the scope related to availability of wider scope that the employees can submit ideas for all work areas in the organisation rather than in his work area.

Committed resources: Committed resources refer to the organisation should facilitate necessary resources to process the ideas. This factor includes intensity of evaluation, use of rewards and processing of ideas.

- **Intensity of evaluation:** Organisation should allocate necessary resources to evaluate the ideas.

- **Use of rewards:** It refers to the degree to which the organisation offers appropriate rewards that will motivate employees to generate and submit suggestions.
- **Processing of ideas**: Processing idea relates to acceptance of ideas for implementation which stimulates employees to submit more suggestions.

### 3.2.3 The model for useful suggestions management

Prodan, I. and Ahlin, B. (2008) present a model for useful suggestions management based on the case studies of three Slovenian organizations. The model was tested in two organizations and recognized that implementation of the model for useful suggestions management promoting employees’ creativity throughout the organization.

![Figure 3.4 Model for useful suggestions management](Prodan, I. and Ahlin, B., 2008)
A model of useful suggestion system management is presented in Figure 3.4. The key factors of the model are:

**The management’s decision to promote useful suggestions:** The top management of the organisation must have a motive to be an innovative organizations which will influence employee’s creativity to generate ideas. The top management should formulate innovation and suggestion system policy to involve all levels of employees in the suggestion system. The company needs to have an atmosphere that appreciates novelties, encourages employees to share and implement novel ideas.

**Designating goals connected with useful suggestions:** Companies should create short-term, middle term and long term goals related to useful suggestions. The goals can be related to a number of ideas submitted by employees and a number of useful suggestions implemented by the employees.

**Preparations for the promotion of useful suggestions:** Organisation should create a group of members for implementing the useful suggestions, identifying the current status of the company’s suggestion system, appoint a committee for reviewing useful suggestions and formulate the suggestion system regulations to promote useful suggestion system.

**The design of the promotional material:** Organisations should design posters and brochure which helps to promote and publicity the company’s suggestion system among employees. A suggestion form also should design to facilitate the employees to offer their suggestions and ideas. The aim of promoting the suggestion system is to quickly familiarize the employees with the information
on how to present their idea, where to get the form, where to file the form, who will review the submission and what the rewards for useful suggestions are, etc.

**Informing and training employees:** The organization should educate and train employees on generating and submitting suggestions. Particularly, the training should be given to new employees.

**Improving interaction among employees:** Company should encourage cooperation among employees in identifying new ideas and to implement the suggestion system successfully.

**Searching for useful suggestion submission:** Organization can search useful suggestions in an organisation by way of publishing the problems in internal newspaper or notice board. It can stimulate employee’s creativity and employees can submit their suggestions to the system.

**Evaluation of the model:** After implementing the suggestion system an organization should get feedback from the employees to identify the employees likes and dislikes about the company’s suggestion system.

### 3.2.4 The model of organizational support and readiness for implementing the suggestion system

**Zaman, A., et al. (2012)** studied the relationship between organisational support and readiness for implementing the employee suggestion system. It is obtained from the results that organizational Support and readiness are significantly influencing the establishment of suggestion system.
The model of organizational support and readiness for implementing the suggestion system is presented in Figure 3.5. The key variables of the model are:

**Organisational support:** Organisational support refers to the employee’s perception towards the support and infrastructure given to the employees. It influences the employee’s behavior and attitude to organizational commitment that leads employee’s participation in the suggestion system.

**Readiness:** Readiness includes Cultural readiness, structural readiness, managerial readiness and individual readiness.

- **Cultural readiness:** Cultural readiness refers to creating a conducive environment by adopting an organizational culture that encourages teamwork and cooperation, providing opportunities, fair in treating employees and offer training that will affect employees readiness to generate useful ideas.
- **Structural readiness**: Structural readiness related to an organisation hierarchy and structure that shows the power and responsibility of the organizational members. Organizational rules and guidelines are based on the structure which significantly influences employee’s readiness towards the suggestion system.

- **Managerial readiness**: Management style and managers support that create a supportive atmosphere in working environment influences employee’s behaviour in an organisation.

- **Individual readiness**: Individual readiness refers to the employee’s positive attitudes to implementing the suggestion system. Nature job, job security, sense of belonging to the organization is some of the factors that can increase the employee’s readiness in implementing the suggestion system.

### 3.2.5 Employees’ suggestion-making behavior model

Girardelli, D. (2014)\(^7\) developed a model to identify the factors influencing employee suggestion-making behaviour using the theory of planned behaviour (TPB). The purpose of assessing the employee’s suggestion making behaviour is to predict the employee’s participation in the suggestion system.

The five constructs of theory of planned behavior namely **behavior**, **behavioral intentions, attitudes, subjective norms, and perceived behavioral control** are taken to assess the occurrence of employee’s suggestion making behavior. It is identified that the employee’s suggestion making behaviour is positively related to the strength of an individual’s intention to perform suggestion making.
The employees’ suggestion-making behavior model is presented in Figure 3.6. Key factors of the model of suggestion making behavior are:

**Behavior Intention**: Behavior intention refers to the employee’s specific behavior and intention to make suggestions. The intention to make suggestions consist of three constructs namely Attitude, subjective norms and perceived behavioral control.

**Attitudes**: Attitudes are employee’s perception and action to make suggestions. The employee’s attitudes to make the suggestion system is influenced by three variables namely, trust, reward and supervisor/management support.

- **Trust**: Trust refers to the employees beliefs that the organization really considers the employee suggestions.
- **Rewards**: Rewards or incentives used to stimulate employee’s effort and intention to submit suggestions.

- **Supervisor/management support**: Supervisor or management support refers to the employee’s willingness to submit suggestions if they are motivated by top management and supervisors.

**Subjective norms**: Subjective norms are employee’s perceived support to perform a specific behavior. If employees perceived that their peers are encouraged suggestion making behaviour, then the employees are more likely to submit suggestions.

**Perceived behavioral control** (PBC): Perceived behavioral control refers to employee’s perceived control over his or her abilities to make suggestions.

**Self-efficacy**: Self-efficacy is related to employees abilities to make suggestions.

**Proactive personality**: Proactive personality refers to employee’s likelihood to search opportunities, to show initiative and take actions to generate suggestions.

Hence, positive employee’s attitudes, readiness and initiative are crucial to stimulate employee’s participation in the suggestion system. Lack of employee’s interest and low level of the employee’s participation in the suggestion system affects its effectiveness. Therefore, organizations should increase employee’s positive attitudes towards the suggestion system by creating a conducive environment and providing support to employee’s suggestion making.
Based on the literature review as discussed in chapter 2 and the above discussion of various suggestion system models, the model is proposed for this present study as shown in the Figure 3.7. There are many factors influencing the effectiveness of suggestion system, that are grouped under three key factors, namely, organisation factors, individual factors and suggestion system factors.

The conceptual framework for the present study is developed around these three factors referred as “three factor model” that are supposed to influence the effectiveness of suggestion system. A conceptual model is developed by the researcher with the help of these three factors such as organisation factors, individual factors and suggestion system factors to identify the key variables of the study on which the entire study is focused.

**Factors influencing Effectiveness of suggestion system**

**Organisational Factors**
- Organisational culture
- Organisational climate
- Top management commitment
- Supervisor support

**Individual Factors**
- Creative Behaviour
- Initiative Behaviour
- Employee Motivation

**Suggestion system Factors**
- Suggestion submission
- Suggestion evaluation
- Suggestion implementation

**Effectiveness of Suggestion system**

![Figure 3.7: Proposed Conceptual Framework](image)

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3.3 CONCLUSION

Across the world, most of the organizations widely used the Employee suggestion system as a tool to sustain in a competitive environment. But, in many organisation the suggestion system was not effective and not in use for a longer period. It is the need to identify the factors that make the suggestion system more effective. In this respect, “the three factor model” is developed to explore the factors that are contributing to the effectiveness of suggestion system.
REFERENCES


References from Text book


References from websites:
