

## Don't suggest suggestion schemes

According to an article in the Observer a scheme is being launched to use £20m over four years as prizes for the best ideas for improvement in the NHS. This is supposed to help fund efficiency savings of £2.3bn, an impressive ratio if only it were possible. But it will fail, although of course the reports won't say so. We have been here before.

25 years ago as a newly-appointed Managing Director I contemplated a pile of papers on the corner of the desk. It consisted of scores of suggestions for improvement. It had been looking at me for a week now, a result so I was told, of my predecessor's well known enthusiasm for grand schemes. £5 for every suggestion, holiday vouchers for the best. Surely they were a gift for the new boss.

Far from it. Almost none were any use. Many were sensible on the face of it, but not actually useful. For instance "improve the adhesive on the garment labels." (This was a laundry company). Well, yes, labels did come off, rendering the garment useless. Better adhesive might help. But the actual problem could be in the glue, the fabric, the temperature of the iron, its pressure, the detergents, drying oven conditions and so on. It was of course a system, a collection of interacting processes and characteristics that needed optimising in order to get the best outcome. No quick fix available. Change one factor, probably make others worse.

I did abandon the system, not easy as my predecessor was now my boss, grand schemes having led to his promotion. Eventually, when we had developed a programme of understanding our processes, a team did make a permanent impact on the problem, along with others in the suggestion pile, and many more besides that which were not even seen as problems from inside the organisation. Ideas for improvement then emerged as part of the regular work and their resolution incorporated into the regular team briefing system. But we all could have done without the false dawn of the publicity around the original scheme.

I and others have seen this experience replicated countless times since then. However, no-one in the government seems to have noticed.

### Why are prizes for suggestion schemes so wrong-headed?

In the first place you don't need to bribe people to come up with ideas. All you need to do is to visit the workplace and listen, and wait to be overwhelmed with ideas about solving problems. People want to do a good job, they want their workplace to be more effective. It's a natural human instinct especially in those who join organisations like the NHS. Some of these ideas will be useful, some not, money prizes don't help the discrimination.

In the second place the organisation itself is generating most if not all of the problems through its policies. Stupid targets, irrelevant data, mealy-mouthed definitions (anyone for waiting in the ambulance until A&E are ready, so as to hit their targets?) Countless suggestions will be turned down in spite of being useful.

In the third place the effort to create changes and deploy them across the organisation is collective, not individual. Why reward one when the work is done by many?

In the fourth place the suggestions that will emerge will almost certainly have been made before, perhaps even implemented elsewhere. If that disqualifies the reward it will feel unfair to the suggester, if it pays out it's unfair to its predecessor.

I could go on through several more objections.

### **How can suggestions help?**

Suggestion schemes have their place but require the whole organisation to be ready. There are no shortcuts.

1. The organisation must be understood as a system of interdependent processes. Everyone needs to be clear about the aim and their place in it.
2. People need to be able to self-organise at a local level to manage and improve their part of the system - their processes - in order to adapt it to the variety of people they encounter, and to be disciplined in understanding the variation continually generated over the passage of time.
3. People need to feel appreciated, supported in their innate desire to do the right thing, recognised by their peers and management.

When this has been achieved, people will see opportunities, most will be dealt with locally and those that need escalating will have a proper route.

If all this seems too much it is already being achieved in some leading manufacturing companies. After decades of diligent leadership, the overall system is understood, reliable processes have been developed and followed consistently, people are trained and supported in systematic process management and improvement. In some cases employees make suggestions up to 10 times per year; almost all are adopted in the context of understanding the consequences for the rest of the system. Payments are not made.

### **Transformation is required**

As with so many attempts to reduce costs, in business as in government, this scheme is doomed, although because its promoters will write the reports, we will never be told about it. The only reliable way to permanently control costs is through effective and efficient processes. The patient or consumer experiences a better service whilst errors are minimal and costs fall. There is no instant pudding, however much money is thrown at it.

Jan Gillett, Jane Seddon.

Process Management International

[www.pmi.co.uk](http://www.pmi.co.uk)