

Engaging Employees in the Innovation Process

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Abstract: There is a lack of broad participation in most idea generating programs in American organizations. In this paper, we consider ways to increase the participation rate in generating ideas across organizations. These approaches include measuring innovation rates and reporting them, encouraging continuous improvement in idea generation, raising participation in programs such as Business Process Reengineering and Quality Circles, and training in creativity that includes team efforts at ideation. We also consider the importance of encouragement in helping employees to take the risks necessary to generate ideas.

Key words: idea generating programs; innovation; measurement of ideas; job descriptions; continuous improvement; business process reengineering

JEL codes: L20, M10, O32

1. Introduction

We are interested in identifying the factors that lead to innovation in organizations. Our general model is that *ideas + implementation = innovation*, and thus we focus on ways to increase the generation of ideas across the organization.

1.1 Background

Our experience in observing and introducing innovation systems in organizations has shown that the Pareto Principle applies in that approximately eighty percent of the ideas are suggested by approximately twenty percent of all employees. Often over half of employees do not suggest any ideas. We do not believe that these employees are inherently deficient in creative ability but rather that existing systems for generating innovation do not engage them sufficiently. We considered this large number of employees in organizations who typically do not suggest many ideas and recommend ways to make them more innovative.

1.2 Methodology

This paper presents a general approach for involving all members of an organization in an idea generating program. We recommend a system of measuring ideas and rewarding members for their innovative contributions. Without a measurement system, managers and workers do not have an objective measure of individual and group innovative outputs.

In order to identify improvement opportunities within employees' areas of influence, we recommend looking at their job descriptions. The tasks that are enumerated on their job descriptions should be analyzed for ideas for

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improvements. We consider motivation and draw from the research on “flow” as an explanation for how creative people are motivated and inspired to perform remarkable work in a variety of fields. We believe that once employees experience this feeling they will be motivated to do more creative work and it will continue to be a driving force for generating ideas.

The remainder of the paper discusses the concepts of continuous improvement, working in teams, and business process reengineering as ways to increase the generation of ideas and concludes with a discussion of how encouragement should be used by managers to support effort toward innovation.

2. Measurement of Innovation

The units of measure we recommend for measuring innovation are ideas suggested and ideas implemented. We rate the ideas suggested by their estimated dollar value in savings or revenues potential. When an idea is implemented it should again be rated on savings or revenues produced. This system of rating ideas is discussed in detail in an earlier paper (Fischer, 2009).

Monitoring the innovation rate for individuals and departments is invaluable for increasing innovation rates. It is the innovation scorecard. The innovation measurement system lets everyone know how they are doing compared to others in the organization and it allows individuals to track their improvement in innovation over time. Reporting the number of ideas is not sufficient; there needs to be a calculation of the dollar value of ideas. There should be monthly reports on innovation rates.

3. Job Description/Tasks

Employees should be given clear job descriptions of their tasks to maximize the efficiency and comfortability of their role in their department and thus to allow them to be more innovative. According to Wrzesniewski and Dutton (2001), tasks are grouped together to give a directional approach to an employee allowing them to have an understanding of their role and purpose in an organization. In order to create a fulfilling workplace that optimizes innovation, employees must be clear on what their specific roles are in the organization.

Job descriptions, the basis on which an employee is aware of his or her responsibilities, need to be focused on the task in which that person is to complete and what it is dependent on (Dayal, 1969). While redesigning an employee’s job description, the employer must be careful not to assign too many tasks to one employee. Condensing a job description into a specific task layout will clarify and focus an employee’s knowledge and expectation of what is to come. Others have suggested that lower specificity of the task may be a condition for greater innovation (Lyons, 1971). Allowing employees to have creativity in their job and not dictating every aspect of the job will create an optimal space for brainstorming, creativity, and innovation to take place. One important way that an employee’s task allocation will allow for innovative thoughts to occur is through giving control back to the employee for crafting their job (Wrzesniewski & Dutton, 2001). Allowing an employee to play an active role in creating their job description and task allocation will allow for a more innovative environment. Wrzesniewski and Dutton (2001) write about the theory of job crafting. Job crafting is the process where employees will reconfigure their cognitive, task, and/or relational boundaries to shape interactions and relationships with others at work. Job crafting theory resembles role innovation theory in that there is an assumption that employees can act upon the job to create a better fit.

The more an organization allows for an employee to fully engage and play a role in reengineering their

everyday tasks at hand, the more innovative they will be. In a survey done by *People Management* (2010), the number one way to increase employee satisfaction at work is to give control back to the employee. Allowing an employee to have a specific job description in which they help to create their required tasks and give opinions on how the tasks can best be achieved will allow an innovative environment to be fostered. Innovation is important for an organization because it allows for employers to create their own ideas as well as to discover how it can be implemented in the organization, and finally to physically find a way for it to be achieved (Carmeli, Meitar & Weisberg, 2006). This process could be expensive if an outside consultant is hired to do the work, but meaningful to an employee if it is included in their set of job tasks. Workplace satisfaction cannot be easily achieved without goal clarity in the workplace (Burke, 2010) and to do so, there first have to be clear and straight-forward job descriptions.

4. Flow

Flow is a concept based on the work of Mihaly Csikszentmihalyi (1990); it is a state of mind in which people are so intensely involved in an activity that nothing else seems to matter (Demerouti & Fullagar, 2013). This concept has been looked at across many different fields of activity. Flow is a concept that happens internally and can be achieved through controlling one's consciousness that allows one to be in control of the quality of their experience (Csikszentmihalyi, 1990). According to Demerouti and Fullagar (2013), a sign of flow is action-awareness merging in that involvement in the activity becomes spontaneous or automatic. This type of concentration will lead to optimal workplace enjoyment when properly executed.

According to Burke (2010), there are many ways for employers to promote flow in the workplace. These include: clarify their goals, determine performances, make feedback available, help employees acquire the skills needed to do their jobs, allow employees some freedom and control, make it possible for employees to concentrate on their jobs, and allow employees some control over time. A lot of these examples involve the employee being in some control over their job, which is parallel with the theory presented allowing employees to create their job descriptions and use their creativity to make it unique and correct. An article by Niles (2011) further contributes to this idea when he states that "career flow" combines work with creativity to manage an effective career. While employers strive to allow their employees to have a feeling of flow and job satisfaction at work, it is also an important state of mind in which innovation can be cultivated.

A way to achieve flow is by restructuring an employee's job description and tasks. It was previously mentioned that tasks must be influenced and created with employees themselves in order to promote innovation. Demerouti and Fullagar (2013) go on to state that tasks must be meaningful in order for flow to occur. If an employee is the one structuring and breaking down their job description, not only will there be room for flow to occur, but also for them to find the meaning and satisfaction they want out of their tasks and to mold it into their job description. Niles again points out that goals must be identified in order for career flow to take place. This again proves the need for effective job descriptions with clear tasks, so employees can look at the goals and objectives of their work; this will create a positive work experience that leads to flow.

Creating flow involves many things, most of which switch the dynamics of leadership and overall employee morale. It was found that trust based working hours allowed firms to be more innovative, and firms that used this had a corresponding increase of 3 to 7% in the area of innovation (Godart, Gorg & Hanley, 2017). Allowing employees to choose their hours, contract, and work schedule is likely to promote flow in the workplace (Ceja &

Navarro, 2011). One potential way for employees to feel as if their work is effortless and time is forgotten is to give them the flexibility that they desire. There is a mutual respect and acknowledgement between an employee and their tasks that make them more appealing if they are done in the most trusted way.

Other research suggests that to achieve flow in the work place is to create the perfect balance. Researchers have identified that flow occurs when people perceive a balance between the challenge of a situation and their own skills to deal with this challenge. Flow experiences are suggested to be intrinsically rewarding because they allow employees to become intensely involved in an activity and stretch their abilities to limit (Ceja & Navarro, 2011). Promoting the correct mix of challenge and task skill is a solution that will allow employees to feel as innovative and joyful as possible, thus leading to high job satisfaction.

No matter how an organization and employee work together to decide what is the best way to achieve flow, it will require them to look at their job more innovatively. Flow is important to an organization because its basic characteristics will promote a job that is enjoyable to the employee and beneficial to the company. Flow allows a person to be so engrossed in the task at hand that they forget about time and nothing else is thought about or worried about, instead the employee is totally confident in the task they are performing and are not concerned about what they will get out of it (Csikszentmihalyi, 1990). Creating flow in a workplace is an enticing way to offer the best workplace satisfaction for both the employee and the organization. Flow will help to engage the whole workplace in innovation, especially the people who have not been very innovative.

5. Continuous Improvement

We believe that the best way to increase innovation is to encourage continuous improvement as has been successful in Total Quality Management and numerous other interventions for increasing quality, productivity, and overall organizational effectiveness. Everyone has their own pace in adapting to change and this should be respected. Setting specific innovation goals is not as successful as promoting continuous improvement. The fear of failure associated with change inherent in many people may be reduced if they are allowed to develop their creative abilities on their own terms and on their own schedule.

6. Teams

There are some people who are naturally good innovators or “innovative champions”. These innovators may be shared across different teams. Multi-teaming allows groups to share individuals’ time and brainpower across functional and departmental lines. It increases efficiency too (Mortensen & Gardner, 2017). As we are allowing more employee flexibility within their tasks and job description, we should also be allowing flexibility within teams. People who can promote innovation across all areas of an organization can create the most effective workplace. A lot of times there is a lack of understanding that tasks are not interdependent of one another (Dayal, 1969). In a survey of more than 500 managers in global companies, we found that 81% of those working on teams worked on more than one concurrently (Mortensen & Gardner, 2017). If companies can take this way of thinking with innovators and have them cross teams, there could be a lot learned and a lot of efficient innovation would be created.

In relation to employee tasks and their job description, cross-teaming could be incorporated to make tasks relative from the start of employment. This may be a difference that employees are not used to when thinking about their daily tasks. In order to promote innovation there may have to be a reorganization and unclear roles

promote less group productivity (Lyons, 1971). Adding the sub-groups and departments that proven innovative champions need will require thought and responsibility as it may be unique to the company. The organizational structure of an innovative multi-team project reflects the task specialization, roles, responsibilities, and decision-making authority within and across sub-teams (Glynn, Kazanjian & Drazin, 2010). The responsibility that innovative champions and leaders in the workforce are given will exceed other employees. Compensation will be given to those who are given these responsibilities and contribute to the overall innovation of an organization. Group incentives ensure that some of that increased productivity increases the realized incentives of the possessor of knowledge, so that he has the incentive to share knowledge in the workplace (Siemsen, Balasubramanian & Roth, 2007). Incentivizing the group of innovation leaders that the corporation uses across teams will allow them to be a more innovative group than they already are. Compensation is needed to incentivize those leaders whose tasks involve being an innovative champion for a larger portion of the organization.

7. Business Process Reengineering

We have noted that in numerous situations the higher levels of innovation in Japanese manufacturing organizations have one common characteristic. The employees focus on ideas in their immediate work areas. Their prodigious innovative output is in part a result of two factors: 1) employees understand their own work area better than anyone else, and 2) if ideas are suggested by employees for their own work area, they are more likely to implement them. Ideas that originate from outside of a work area are much more likely to be resisted by employees required to accept them.

Business Process Reengineering is an approach for developing change that involves the employees working on a specific process. They are encouraged to provide ideas for reengineering the process. This is a good opportunity for employees to become engaged in the creative process to create change in their specific jobs and other jobs within their business process. The facilitators should try to draw everyone who has an impact on the process into the reengineering effort. It is not only a way to generate ideas from those most familiar with the process, it also generates ideas that have a high acceptance rate and are more likely to be implemented.

8. Encouragement

The creative process needs a special type of encouragement. First, employees need to know that the organization values innovation and that they are expected to participate in the innovation process. This should be clearly stated and regularly reinforced by management. Second, management should reinforce its value of innovation by including it in the organization's review and rewards process. The ideas submitted by employees should be rewarded with pay increases, promotions, recognitions, and other methods of reinforcing employee output. If innovation is only a voluntary process without any rewards it will not be at anywhere near an optimal level. An organization should weight innovation in the review and rewards process at a high rate to ensure that it is given the desired emphasis. Employees will work on idea generation when they realize that management is committed to it and that it will be recognized and rewarded. The innovation system must be perceived as equitable for employees as well as the organization. The innovation measurement system and the employee performance review system are essential in encouraging innovation.

As previously discussed, there are many reasons why a significant number of employees will never want or care to be innovative. Management must recognize their responsibility for making these employees excited to be

innovative and should help them find job satisfaction and experience flow. According to Klein and Sorra (1996), there are many challenges in making employees innovative; one of the challenges is that ideas and decisions are often made by senior management. Intimidation and fear of being wrong are two causes of employees not wanting to be innovative. Klein and Sorra go on to say that the climate for innovation is important; they mention that innovation needs to be monitored and praised by managers and supervisors. Encouragement is needed in order to create an environment that allows for optimal innovation, especially for the people who are the furthest away from being the organization's "innovation champions".

Getting management on board with an organization's innovation process is necessary to get full employee involvement in the process and to provide feedback and encouragement to the employees they supervise. Rosabeth Moss Kanter (2000) encourages every workplace to create an environment that allows for discussion and creativity to promote innovation. Along with that she stresses the need for managers to encourage their team, give them feedback, and tell them what they are doing both correctly and incorrectly in order to foster the optimal place for every employee to be an innovator. This managerial feedback is an important role in the process of encouragement given by leaders. Rotundo and Sackett (2002) state that the most common ways to measure job performance is a supervisor's or manager's rating of an employee's overall performance. Without the push from one's manager or supervisor to become innovative, many will not take on the challenge. Encouragement, support, and feedback can motivate an employee who normally would not jump at the opportunity to make their job function more innovative.

9. Summary

We found that in most organizations large numbers of employees do not engage in the innovation process. We present several techniques that may be introduced by management to assist these employees to become more innovative. We discuss an approach toward measuring innovation that will allow organizations to manage innovation better. Job descriptions and tasks are considered as a structured basis for innovation. The sense of flow energizes workers to be innovative. We consider the techniques of team building and Business Process Reengineering as ways to increase innovation. There is a great need for management to encourage their employees to be more innovative.

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