



Human Resources & Health and Safety



Do you employ staff?

Employee Suggestion Schemes

The Benefits

When people hear the phrase “Employee Suggestion Scheme” they tend to picture an old-fashioned box hanging on the wall in a forgotten part of the office, but that isn’t necessarily the case. Employee suggestion schemes are still current and relevant and can be used to encourage innovation and problem solving within the workplace, two competencies many employers seek! When an employer welcomes the larger workforce to contribute thoughts and opinions, they are bringing diversified thinking into the Company. This is important because it is often the “ground floor” employees who can see how a situation needs to be improved, so it is important to open the door to their suggestions! An employer who encourages open communication and an employee voice is likely to reap the benefits of a more engaged and motivated workforce. If employees feel that their thoughts are welcome and appreciated, they are more likely to feel valued and part of the Company. As well as this, employees who feel valued and appreciated are more likely to feel committed to their employer and passionate about their role!

In Practice

For a suggestion scheme to work it needs to be well planned, supported by all levels of management and regularly publicised. When designing the scheme employers need to make it easily accessible for all employees, for example, if some employees are based in the field with limited access to computers, an email only system may not be the best idea. Employees will not engage with a suggestion scheme if they don’t feel it is accessible to them, which is why British Gas implemented an email submission system for office workers, and a paper submission system for their field workers.

Employees need to understand exactly what the scheme is for. A suggestion scheme should not be used to voice concerns or raise complaints; it should be solely used to generate ideas and solve problems. To prevent confusion,

suggestion scheme rules and guidelines should be clearly communicated, although these rules should not be too restrictive as this could hinder the desired innovation. Employees should also feel confident that their suggestions will be heard. People are less likely to engage with a suggestion scheme if they believe it to be a farce. Clear communication is key, employees should be told how suggestions will be evaluated and whether their suggestion is being acted upon. If an employee's suggestion is not going to be used, they should receive an explanation for the Company's decision, so they can understand why. This should hopefully prevent a rejected suggestion putting an employee off from making valuable suggestions in the future.

Employers should also consider how they will reward successful suggestions. If an employee makes a suggestion that benefits the Company, they deserve some recognition for their innovative thinking. It should be recognised that, by making the effort to voice their thoughts and opinions, they have changed the Company for the better. Some employers choose to reward employees with an appropriate gift or additional annual leave, etc. Other employers choose to give employees a financial reward, whether this is a standard lump sum that applies to every successful participant, or an amount of money that is a fraction of the financial gain received by the Company (if applicable). However, employers should be aware that rewards such as these are classed as a "benefit in kind" and will often be subject to income tax unless they are covered under "Schedule E", more information on this is available from the HMRC.

Success Story: Pizza Express

Pizza Express, like many bars and restaurants, historically had their serving staff start their shifts preparing the lemons that would garnish customers' drinks. Then, every time the prepared lemons ran out, a server would have to stop their current task to prepare more. This is very normal for the industry, but one day a Chef decided it could be improved. He wrote to Head Office and suggested that the Chefs chop the lemons throughout the day, as they regularly chop and prepare other vegetables. Pizza Express liked his suggestion and implemented the change. The Chef's suggestion resulted in significant savings in server staff hours, which resulted in significant financial savings for the Company!

Success Story: Sainsbury's

Sainsbury's regularly ran a "two for £2.50" offer on Mangoes, which understandably saw their popularity rise. However, one store employee noticed that, due to the Mangoes being packaged in fives, this often led to product wastage. The employee utilised the employee "Tell Justin" suggestion scheme, proposing that Sainsbury's altered the packaging to allow for even numbers. Sainsbury's then started packaging the Mangoes in sixes rather than fives, which saved the Company approximately £60,000.

How Can We Help

If you have any queries relating to the content of this newsletter, or any other HR related topic, please don't hesitate to contact us at hradvice@hasslefreehr.co.uk