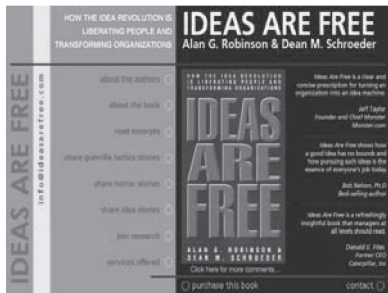


Book Review IDEAS ARE FREE

Alan G. Robinson & Dean M. Schroeder

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It may be a trivial statement to say that organizations need to change themselves as they are operating in an ever-changing environment. However, this is absolutely a valid statement, as we can see that things surrounding us are constantly changing. The important question is how we, as a collective group of individuals in an organization,

can keep up with these changes. Organizations must, therefore, possess some kind of mechanism to create a momentum of change for preventing themselves from becoming inert entities and for helping people to become ready to move toward the better.

Human resources are a critical mechanism for change in an organization. They need to be developed and nurtured, making them competent and ready to drive the organization through these changes. However, many organizations spend large amounts of time and money searching for good ideas outside their organization. They basically look over the sources of good ideas where they are at the closest, each individual in the organization.

“Ideas are Free” is a refreshingly insightful book recommended for leaders at all levels. It shows how the idea revolution is liberating people and transforming organizations. The fact is, because they are the ones doing the day-to-day work, front-line employees see a great many problems and opportunities that their

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managers often do not. However, most organizations do very poorly at tapping into this extraordinary potential source of revenue-enhancing and saving-generating ideas. This book shows precisely how to take advantage of the virtually free and perpetually renewable resources of employee ideas. True excellence and a sustainable competitive advantage are only possible with the attention to detail that comes from getting and implementing large numbers of ideas from employees.

Talking about the book title, “Ideas are Free,” the word free has literally two meanings. The first meaning is “not fixed or held back, able to move about without hindrance, or unrestricted.” The second meaning is “without payment or costing nothing,” and this is exactly the meaning that can be applied to ideas from people in the organization. The authors have successfully shown how a good idea has no bounds and how ideas generated from people in the organization can enhance performance.

This book is written by Alan G. Robinson and Dean M. Schroeder. Alan G. Robinson is currently teaching at the Isenberg School of Management, University of Massachusetts. He has consulted for more than a hundred companies and government agencies in eleven countries. Dean M. Schroeder is the Herbert and Agnes Schulz professor in the College of Business Administration at Valparaiso University. He is the founder of two companies, and as an outside CEO, has led turnarounds of two others.

The book has its origins in the late 1980s, when the authors were in the faculty of the University of Massachusetts. Before going into academe, Dean M. Schroeder, one of the authors, had headed a number of organizational turnarounds and major change initiatives, and had learned that the employees of distressed companies could often identify and solve critical problems which management had either missed or ignored. Invariably, they had penetrating insight into the issues that their companies faced and good ideas about how to address them. The question was why their managers had made no use of this free and willing resource.

Around the same time, Alan G. Robinson, the other author of the book, came to ask the same question. He was studying how leading Japanese companies were managed. Many of them had higher productivity and better products than

their Western counterparts, and he wanted to understand why. Through professional contacts and family members living and working in Japan, he was able to access to twenty Japanese companies that many others were not able to obtain. He found that these companies placed a great deal of emphasis on something that most Westerners had largely overlooked.

The Japanese managers were asking ordinary employees—the ones that staffed the offices, worked in the factories, and served the customers—for their ideas. These ideas were small ideas, everyday commonsense ideas that would save a little money or time, make their jobs easier, improve the customer's experience, or in some other way make the company better. However, all of these ideas could add up to a significant competitive advantage.

The journey that led to “Ideas are Free” began as a process of informal discovery. The two authors gathered general information about how different organizations deal with employees' ideas, visited some that did it well, and studied the history of efforts to promote employee ideas around the world. Their goal was to figure out how organizations can successfully promote employee ideas and to understand the nature of the extreme change that pursuing ideas can create. The research turned out to be quite extensive, as it took the authors to seventeen countries and into more than 150 organizations, representing a broad variety of industries—financial services, retailing, health care, manufacturing, hospitality, agriculture, publishing, high technology, transportation and logistics, telecommunications, not-for-profit organizations, and government—and ranging in size from small, family-owned businesses to large, multinational corporations in both union and nonunion environments. The authors studied best-practice companies and those that were struggling or were just being launched. They compared what worked with what did not, developed hypotheses, tested them against a spectrum of organizations, and repeated the process until they were confident that they had distilled the general principles needed for success.

After reading this book, you will find the concept of seeking employees' ideas compelling—it is clear how this will lead to high employee involvement and superior performance. Strangely, the vast majority of companies we are familiar with seem to ignore this huge opportunity. Most of them are far better at

suppressing ideas than promoting them. In this book readers will find that radical change does indeed take place when managers begin encouraging and implementing large numbers of employee ideas. The implications are vast and profound: for improving performance, organizational culture, and the quality of people's lives. Although few of the companies that are managing ideas well are publicizing their success, it is clear that the number of these companies is growing.

The book is organized into eight chapters. It begins with the introduction to the concept of idea revolution in Chapter 1. What is in an idea and how do ideas drive a culture of high performance? Ideas are the engine of progress. They improve people's lives by creating better ways to do things. They build and grow successful organizations and keep them healthy and prosperous. Without the ability to get new ideas, an organization stagnates and declines. An idea begins when a person becomes aware of a problem or opportunity, no matter how small it is. The chapter concludes with a description of a clear link between an organization's ability to tap ideas and its overall performance.

Chapters 2 and 3 deal with two fundamental principles of managing ideas that are highly counterintuitive—the importance of going after small ideas rather than big ones, and the problems with the most common reward schemes and how to avoid them. Most problems and opportunities that employees spot will be relatively small, so most of their ideas will be small, too. Managers who see little value in these ideas cut themselves off from most of the potential benefits of employees' ideas. The important points are that in many ways small ideas are more valuable than big ones, and going after small ideas is the best way to get big ideas. However, whenever managers begin seeking ideas from their employees, the issue of rewards inevitably arises. There are no instant formulas for rewarding employees for their ideas according to the authors, and managers must be aware of the pitfalls of rewards.

Chapters 4 and 5 describe how to make ideas part of everyone's job, and how to set up and run an effective process for handling ideas. Instead of taking out of the job expectations of employees, why not put it explicitly in? And why not manage the organization for ideas instead of simply for conformance and control? That is, make getting ideas part of every manager's job—for supervisors, middle

managers, and senior leaders; and design policies, structures, and operating practices to smooth the way for ideas rather than to obstruct them. The authors go on to lay out the characteristics of a good idea system, a set of procedures that ensures that employee ideas are handled clearly and fairly.

Chapters 6 and 7 show how to take a good idea system and make it great by focusing employee ideas on the areas where they are most needed and by helping employees to come up with more and better ideas. Once a good process to handle ideas has been set up, the next step is to think about how to focus employees on problems or opportunities of real importance. When ideas are needed on a specific topic, the most straightforward thing to do is to ask for them. The challenge is to identify the right issue, and to define it in a way that is meaningful to employees. Additionally, it makes a lot of sense to help employees come up with more and better ideas. The starting point for thinking about how to do this is to understand how people spot problems and opportunities and develop ideas from them.

Chapter 8, the final chapter, shows how good idea systems have a profound impact on an organization's culture. Nowadays, many organizations struggle with poor cultures. Although most managers would agree that a dysfunctional culture results in lower performance, elements of culture, such as trust, respect, commitment, and involvement, are difficult things to manage. However, organizations with effective idea systems have learned that there is a strong link between culture and the flow of employee ideas. The idea system—whose performance can be measured and managed—provides such an effective way of improving corporate culture.

The book is written in a story-telling style, using straightforward, conversational English that is at the same time powerful and inspirational. Any reader with an average command of the English language can easily follow the authors and get the points they make. Real examples are often displayed throughout the book to solidify the practical side of the content. Though these cases of actual organizations seem to be rather short and fragmented, they are very helpful in making the matter strong, credible and easy to understand. Moreover, at the end of each chapter (except the first and eighth chapters), the

authors provide “Guerrilla Tactics”—actions to promote ideas that any manager can take on his or her own authority and which require little or no resources.

For myself, once I picked this book up and began to read it, I found myself submerged in a sea of interesting and useful information. I could not help but nod my head along with many of the authors’ statements. How on earth had authors just answered many of the questions that I had had on my mind for a long time? Being a university teacher in the area of organizational behavior and adult learning, I have always been interested in how to modify people’s behavior in an organization through learning and development. “Ideas are Free” is a magnificent book, one that gave me lots of ideas on how to do just that. People learn and are developed through a good idea system in an organization and at the same time the organization is turned into an idea machine, ready for any changes that emerge.

For anyone who wants to be a better leader in this era of great change, this book is highly recommended!

Reference

Robinson, A.G. & Schroeder, D.M. (2004) **Ideas are Free**, San Francisco: Berrett-Koehler Publishers, Inc.