



Case study - Suggestion scheme

Initial situation

Factory 4, a medium-sized garment factory in Sri Lanka, had no real system in place to recognize or reward workers. The result not only affected the factory's efficiency and productivity but also contributed to a lack of commitment on the part of workers, which led to high absenteeism and high turnover rates. As the factory's general manager put it, "morale was low, and there was a general show of indifference" on the part of the factory's workers.

Recommendations made by the FIP team:

- Devise a simple programme for soliciting suggestions for factory improvement from workers.
- Outline the objectives of that suggestion programme.
- Increase workers' awareness of the mutual benefits to be gained from improvements in the factory.
- Give feedback on workers' suggestions. Recognize, reward and implement the best suggestions.

Actions taken to meet the recommendations:

- Formed a lead team of factory managers, workers and supervisors, totaling 86 persons as well as 12 sub-teams to design the suggestion programme and oversee its implementation.
- Identified objectives for the suggestion programme (to save costs by using workers' ideas for improvement and to enhance relations between factory management and workers).
- Posted notices and held meetings, including meetings between small groups of workers and the factory manager, explaining the suggestion programme and emphasizing the mutual benefits of factory improvement.
- Identified the subjects to which workers' suggestions should be directed, namely, reduction of defects and review of incentive schemes.
- Installed boxes to collect suggestions in the canteen and on the production floor.
- Opened the suggestion boxes once a week at an assembly of workers and sub-team members and gave feedback on workers' suggestions.
- Publicly recognized, rewarded with cash and implemented the best suggestions.

Results and impact:

These changes boosted morale at the factory. Once they were included in the process of factory improvement, workers became vested in the factory's improvement and began to work harder to reduce defect rates, reduce costs and improve quality. In the end, the time spent reworking defective products was also reduced.

Relations between the factory's workers and management were also greatly improved. Recalling what had been lacking at the factory, the factory's general manager noted that "in all these years we never explored the possibility of looking to workers for constructive ideas for factory improvement. Implementing the suggestion box scheme and recognizing and rewarding workers' suggestions tapped into our employees' knowledge and, in the end, saved us money, encouraged workers to participate, developed our relationship with them, reduced overall waste and improved quality."