

**AN INVESTIGATION  
INTO THE  
PROCESSING OF AN  
EMPLOYEE'S SUGGESTION**

November 1997

**The Los Angeles County  
Citizens Economy and  
Efficiency Commission**

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The Mission of the Economy and Efficiency Commission is to examine any function of County government at the request of the Board of Supervisors, on its own initiative, or as suggested by others and adopted, and to submit recommendations to the Board directed toward improving local government economy, efficiency, and effectiveness.

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# Executive Summary

At the request of Supervisor Antonovich, the Economy and Efficiency Commission undertook an investigation of the processing of an employee's suggestion. The Commission did not conduct an evaluation of the total Employee Suggestion Awards (ESA) Program. Thus, it is important to consider in evaluating the results of this investigation, that this anecdotal information may or may not reflect general program operations. The Commission's investigation has developed a set of suggestions addressing the findings presented below that appear to have possibilities for further productive review.

## Major Findings:

1. A suggestion program, like any incentive program, can only achieve its objectives through continual organizational attention and program maintenance.

Currently, the Employee Suggestion Awards Program may be contributing to an atmosphere of confusion, distrust and possible negative feelings toward the County, rather than achieving laudable and positive objectives.

2. Responsibilities and accountability should be clearly established within the program.

There is confusion in the program documentation, and among those responsible for its conduct, as to how the Employee Suggestion Awards Program is to operate. The program has also failed to adequately resolve the confusion as to who is responsible for achieving the program's objectives.

3. The credibility of the program relies solely on the priority placed upon it by management and the recognition of this priority by employees.

If a commitment to the success of the program is not, or cannot be made, it is likely that the program's activities will result in a negative experience for everyone.

4. The time frame and methodologies for processing employees suggestions should be clearly identified.

Without this clarification, departments and individuals are able to use whatever time frame or methodologies they determine to be applicable to their circumstances.

5. The individuals assigned to positions within the Employee Suggestion Awards Program have been inconsistently prepared to assume these duties.

A lack of information has prevented participants in the program from being as effective as possible. The need to effectively transfer the required information becomes increasingly critical as individuals are temporarily assigned or reassigned.

6. A need exists for the timely recognition of suggestions that may involve more than one department.

Such recognition would significantly contribute to insuring that the processing of these types of suggestions is accomplished within the agreed upon time frames.

7. This program has the unique opportunity to seek opportunities to replicate departmental suggestions that are applicable countywide.

Currently, the decentralization of the program leads to a “departmental compartmentalization” of suggestions. The program can easily be expanded to capitalize upon the potential value that each suggestion may have in another department(s), thus, insuring that they are identified and their value maximized.

8. Circumstances involving interjurisdictional suggestions can offer the County a valuable opportunity to significantly contribute to the overall improvement of local government.

It is easy to recognize that suggestions resulting in savings to the County, can also contribute to the efficiency and effectiveness of other agencies, and/or jurisdictions, e.g., other counties, MTA, special districts, etc.

9. The Employee Suggestion Form should be designed to sufficiently inform the employee of the process, while being easy to understand and complete.

An easy-to-use form will encourage employees to participate in the program and facilitate departmental evaluation of the suggestion.

10. The complexity of suggestion processing, particularly when dealing with interdepartmental or interjurisdictional suggestions, increases program confusion.

Although the program recognizes the possibility of interdepartmental suggestions, the procedures do not adequately address this circumstance. Further, it does not address actions to be taken on those suggestions that may have interjurisdictional impacts.

11. A major failing in reporting on program efficiency and effectiveness is the report's inability to adequately identify levels of departmental participation.

Without evaluating departmental participation, the management of the Employee Suggestion Awards Program will not be able to determine how to effectively improve overall program participation, or how to capitalize on the efforts of departments with significant levels of activity.

12. Internal reporting, as it is currently structured, does not facilitate an effective evaluation of the processing of suggestions, nor does it provide the capability to control or manage the response time for a specific suggestion.

Internal reporting should facilitate an evaluation of a suggestion by enabling such items as the following: a comparison of cost vs. benefit, the overall effectiveness of the program, how well the suggestions have been implemented, and how a suggestion may apply to the operations of another department or jurisdiction.

13. The critical element in program communication is to insure that adequate information is provided to employees on how the program works, how they can participate, and the advantages of their participation.

It is evident that timely communication plays a central role in the effectiveness of the Employee Suggestion Awards Program and is essential in achieving the support of top management.

14. Primary attention should be placed upon developing a means to appropriately recognize participation in the suggestion program.

The program must take considerable care in recognizing the individual(s) that is generating the suggestion(s).

15. A number of issues that are addressed in the guidelines are either out of date or, as demonstrated throughout the investigation, are being ignored.

To be effective, the program should maintain up-to-date operational procedures and the means to insure that these procedures are being followed.

16. There are a number of issues that could be addressed in the guidelines to improve and expand the program.

The program has an opportunity to develop strengthened procedures that will meaningfully enhance the operations of this program.

## Suggestions for Further Program Investigation and Evaluation:

1. Program management should conduct an evaluation of the Employee Suggestion Awards Program.
2. A team, composed of employees at all organizational levels and representing different county departments, should conduct the suggested program evaluation.
3. Consider a means of periodically evaluating alternative program structures and forms of awards.
4. Develop an improved methodology to influence program performance positively.
5. The Employee Suggestion Awards Program should be simplified.
6. Keep administrative costs low.
7. The Chief Administrative Office should provide leadership in the management and operation of the Employee Suggestion Awards Program.
8. Consider evaluating the funding sources available to the Employee Suggestion Awards Program.
9. Develop a dynamic program to communicate to departments the potential program benefits.
10. Develop clear and concise standards for suggestion submission.
11. Identify and enforce times within which actions are required in response to submitted suggestions.
12. Consider opportunities to improve the Department Employee Suggestion Awards Committee's (DESAC) awareness of the Employee Suggestion Departmental Evaluation Form.
13. Consider modifying the Employee Suggestion Departmental Evaluation Form.
14. A mechanism should be established to keep abreast of the status of the DESACs.
15. Attempt to fill program positions as soon as possible.
16. Individuals within the Employee Suggestion Awards Program should be adequately prepared.
17. Additional duty assignments should recognize and reward individuals.
18. Clarify the procedures to be used in the identification of suggestions for interdepartmental or interjurisdictional coordination.
19. A review process should evaluate all suggestions for possible countywide application.
20. Place all suggestions into a database to simplify their organization, management, and evaluation.
21. Consider informing the local governmental community of the suggestions made and implemented within Los Angeles County.
22. Keep the suggestor apprised of the status of his/her suggestion.

23. Consider a tear-off type section on the suggestion form to acknowledged its receipt and status.
24. Expand the distribution of program forms to program participants by electronic means.
25. Allow for the suggestor to make an appeal based upon flexible circumstances.
26. Pay particular attention to the perception of fairness within the program.
27. Achieve agreement on the award amount to reduce appeals and employee dissatisfaction.
28. Review the departmental reporting requirement to maximize program improvement.
29. Review program participation statistics.
30. Develop an automated suggestion control system.
31. Clarify the appeal procedure in a published summary information sheet.
32. The Awards Program should be made public and readily available to interested parties.
33. The Employee Suggestion Awards Program should be actively and continuously publicized.
34. The program must receive support from the highest levels of management to remain viable.
35. The program office should maintain and publicize a master status list of suggestions.
36. A simplified Employee Suggestion Awards Program should be communicated to everyone.
37. Evaluate all suggestions submitted during the year from each department with the objective of identifying and recognizing the top suggestion for the year.
38. Rewards - or perhaps the chance of a reward via a vehicle such as a sweepstake drawing - should be provided to all those who submit a suggestion.
39. Revising the program guidelines to reflect the appropriate program procedures.
40. Consider adding additional items to the guidelines to improve the relevancy of the program.
41. Consider developing strong labor involvement.
42. Encourage management, particularly human resources personnel, to support and publicize the program.

## Conclusion

An Employee Suggestion Awards Program can be a boon to the county - as long as the program can find a way to communicate effectively, reward appropriately, and maintain sustained motivation for those making the suggestions.

# Authority for Investigation

On August 4, 1997, Supervisor Antonovich requested the Chief Administrative Officer (CAO) and the Economy and Efficiency Commission to investigate the matter of the suggestion made by Mr. Bruce Schneider concerning "Wheeling Power for Energy Cost Savings." After discussions with the CAO, both parties agreed that the CAO would "develop a coordinated central response . . . on behalf of the affected entities" in responding to Mr. Schneider. Both parties also agreed that the Commission would ". . . conduct an investigation into the procedural delay in the evaluation . . ." of the suggestion.<sup>1</sup> The Commission is submitting this report on the investigation into the procedural delay in response to the request of Supervisor Antonovich.

## Scope of the Investigation

Since the request from Supervisor Antonovich was to investigate the matter of the processing of Mr. Schneider's suggestion, the Economy and Efficiency Commission did not undertake an overall evaluation of the Employee Suggestion Awards Program. Thus, it is important to recognize that the anecdotal information that the Commission has developed during this investigation may or may not reflect all the program's operations. The appropriate use of the information included in this investigation is to identify areas for further review and possible improvement within the total program structure.

Throughout this investigation the Commission used County Ordinance (Chapter 5.60 - Employee Suggestion Awards) as the primary document in evaluating the program's operations. The investigation also used the published *Employee Suggestion Awards Guidelines* as a source of information on how the program was designed to operate. The suggestions that the Commission has developed are based on the information provided in these two documents and on discussions that were held with individuals involved in the processing of this suggestion.

The anecdotal nature of the approach that the Commission has taken in this investigation required that each section conclude with "suggested areas for further investigation," rather than "recommendations for program revision." It is the responsibility of the appropriate program authority to use the information provided in this investigation to make their recommendations and incorporate improvements in the Employee Suggestion Awards Program.

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<sup>1</sup> Memo from David Janssen, CAO, to Mr. Schneider, Subject: Employee Suggestion Re: Wheeling Power for Energy Cost Savings, August 26, 1997.

# Purpose of the Program

Title 5, "Personnel", of the Los Angeles County Code, Section 5.60.020 states that ". . . the purpose of the employee suggestion awards program is to promote efficiency, quality, effectiveness, and economy in county government by recognizing and providing honorary, cash, United States Savings Bonds, or merchandise awards to individual county employees for suggestions which make possible the reduction, elimination, or avoidance of expenditures of public money; result in increased revenues; or, result in measurably improved efficiency in the operation of the functions of the county."

# Program Responsibilities

Los Angeles County Code, Section 5.60.030, Subsection B (1), states that the Chief Administrative Officer, "Shall exercise responsibility for the basic administrative framework necessary to provide continuity and consistency among departments for requests for change and the general direction of the employee suggestion awards program . . .". Subsection B (4) expands upon the program responsibility by stating that "Actual administration of the program is the responsibility of individual departments." Subsection C (1) further clarifies departmental responsibility by stating that department heads, "Shall exercise general supervision and control over the administration of the employee suggestion awards program of the county of Los Angeles and the enforcement of the guidelines, policies, and regulations of the program; . . ."

The program guidelines, which are compatible with County Code, specify that, "The Chief Administrative Officer (CAO) is responsible for the basic administrative framework providing for continuity and consistency." The guidelines clarify the decentralized approach defined in the Code by establishing that the Department Employee Suggestion Awards Committee (DESAC) will "Administer the Employee Suggestion Awards (ESA) Program within the department."<sup>2</sup> Additionally, the guidelines specify that, "The Quality and Productivity Commission (QPC) and the Labor Management Advisory Committee on Productivity provide advice and support to the CAO on the program."<sup>3</sup> They further state that a Suggestion Awards Administrator be appointed to provide advisory assistance and that the Quality and Productivity Managers Network Employee Suggestion Awards Subcommittee (QPMN-ESA) also provide support for the program.

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<sup>2</sup> County of Los Angeles Employee Suggestion Awards Program, Regulations Governing the Administration of the Employee Suggestion Awards Program of the County of Los Angeles, Section II - Organization and Responsibilities, Subsection D(1), Departmental Employee Suggestion Awards Committee (DESAC).

<sup>3</sup> County of Los Angeles Employee Suggestion Awards Program, Regulations Governing the Administration of the Employee Suggestion Awards Program of the County of Los Angeles, Section I - Employee Suggestion Awards Program.

# Processing the Suggestion

## General

An investigation has little value if it cannot be used to improve operations or to assist in avoiding future occurrences of the identified difficulties. Thus, this investigation uses the anecdotal information made available in evaluating the processing of this suggestion to propose areas for further investigation.

## Sequence of Events in Processing this Suggestion

The following events occurred in the processing of Mr. Schneider's suggestion:

**December 5, 1995** - Mr. Schneider's suggestion covering Wheeling Power for Energy Cost Savings was submitted to the Internal Services Department (ISD) Departmental Employee Suggestion Awards Committee (DESAC) according to instructions in the County of Los Angeles Employee Suggestion Awards Program, Section IV - Employee Procedures, Subsection C.

**December 6, 1995** - The suggestion was logged in and forwarded by memo to the General Manager, Facilities Operations Service (FOS). This memo requested a review of the employee suggestion and response by January 26, 1996.<sup>4</sup> The FOS General Manager subsequently forwarded this memo to the Energy Management Division (EMS) for comment.

**January 24, 1996** - The Energy Management Division (EMS) responded by memo to the ISD DESAC representative stating that the suggestion had "been preceded by EMD's ongoing efforts to maximize the County's economic benefit from co-generation plants under ISD's direction (Pitchess, Olive View, and Civic Center)."<sup>5</sup> This memo also recommended forwarding the suggestion ". . . to appropriate departments having responsibility over other plants . . .". Seven other electric generation sites are referred to in the suggestion, Puente Hills Landfill, Commerce

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<sup>4</sup> Memo from Fernando Castro to Jim Abbott, Subject: Employee Suggestion Re: Wheeling Power for Energy Cost Savings, December 6, 1995.

<sup>5</sup> Memo from Hip Lui to Fernando Castro, Subject: Employee Suggestion Re: Wheeling Power for Energy Cost Savings, January 24, 1996.

Waste-to-Energy, Spadra Landfill, Rolling Hills Landfill, Calabasas Landfill (all reported to be under the control of the Sanitation District), San Gabriel Dam (Public Works), and Twin Towers/Central Jail (ISD/Sheriff). It is in this memo that the need for interdepartmental coordination is first identified.

**March 19, 1996** - After identifying the need for interdepartmental coordination, the ISD DESAC representative sent a letter to the Chair of the Quality and Productivity Managers Network Employee Suggestion Awards Subcommittee (QPMN-ESA). The letter requests that the suggestion “. . . be forwarded to the appropriate departments having responsibility over other plants.”<sup>6</sup> The Chair of the QPMN-ESA Subcommittee was also a member of the Sheriff’s Department DESAC, an agency with which the suggestion was to be coordinated.

**March 1996** - The Chair of the QPMN-ESA Subcommittee was reassigned within the Sheriff’s Department. Due to this reassignment, he was no longer a member of the Sheriff’s DESAC. Neither was he able to continue his duties as the Chair of the QPMN-ESA Subcommittee. He reported his inability to remain as Chair to the Chair of the Productivity Managers Network. (Note: The position of Chair, QPMN-ESA was not filled until September 1997, a lapse of a year and a half.) Files, including the suggestion under investigation, remained in this individual’s possession until they were transferred to the next Sheriff’s Department Employee Suggestion Awards Committee (DESAC) representative.

**September 1996** - A representative of the Sheriff’s Department Employee Suggestion Awards Committee (DESAC) was assigned in September 1996. At this time, the suggestion files of the individual previously occupying this position, including Mr. Schneider’s suggestion, were transferred to him. Additionally, a limited number of documents covering the operation of the Employee Suggestion Awards Program were transferred at this time. The Sheriff’s DESAC representative held Mr. Schneider’s suggestion for committee evaluation until a sufficient number of suggestions were received to justify convening a meeting of the Sheriff’s DESAC.

**December 5, 1996** - A newly assigned ISD DESAC representative, attempted to resolve the status of this suggestion. He sent a memo following-up the March 19, 1996-letter to the Chair, Quality and Productivity Managers Network Employee Suggestion Awards Subcommittee (QPMN-ESA) apparently unaware that he had been reassigned and no longer held this position.<sup>7</sup>

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<sup>6</sup> Letter from Fernando Castro to Ed Fehrenbacher, March 19, 1996.

<sup>7</sup> Memo to Ed Fehrenbacher from Don San Antonio, Subject: Employee Suggestion, December 5, 1996.

**January 7, 1997** - Mr. Schneider sent a memo the L.A. County Sheriffs Department to provide “. . . an update to my (Mr. Schneider’s) prior suggestion which will be more comprehensive as to the benefits and possible implementation . . . ”<sup>8</sup>

**January 28, 1997** - The ISD DESAC representative and the Sheriff DESAC representative held a conversation during which it was apparently indicated that the suggestion would be reviewed by mid-February and that the Sheriff’s DESAC would provide their findings at that time.

**April 21, 1997** - The ISD DESAC representative sent a second memo to the Sheriff’s DESAC representative to ask about the status of the Wheeling Power suggestion.<sup>9</sup> (Note: The ISD DESAC addressed this memo to the Chair of the QPMN-ESA Subcommittee. Since the position of Chair QPMN-ESA was not filled, it appears that the ISD DESAC representative assumed that the Sheriff’s DESAC representative had been appointed to Chair the QPMN-ESA Subcommittee.)

**July 1997** - Mr. Schneider makes an inquiry of Supervisor Antonovich's office as to the status of his suggestion.

**August 4, 1997** - A request to investigate and report on the status of this suggestion is forwarded to the Chief Administrative Officer and the Economy and Efficiency Commission.

**September 1997** - The Sheriff’s DESAC has reported that they plan an evaluation meeting for September. The Sheriff’s DESAC representative also reported that he is planning to forward the results of this meeting to the Quality and Productivity Commission Office.

## Discussion

### General

Based upon the County Code and the published guidelines, the Employee Suggestion Awards Program has been designed to capitalize upon the ability of county employees to submit their ideas for improving the County’s procedures, products or policies. The objective of the program is to encourage suggestions that reduce county costs and contribute to the accomplishment of the county’s

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<sup>8</sup> Memo to L.A. County Sheriffs Department from Bruce Schneider, Subject: Employee Suggestion Re: Wheeling Power for Energy Costs Savings, January 7, 1997.

<sup>9</sup> Memo to Victor Rempulla from Don San Antonio, Subject Employee Suggestion #136 - Wheeling Power For Energy Cost Savings, April 21, 1997.

mission. This program has been developed to embrace the principle that each individual in the County recognizes that it is in everyone's interest to develop and operate a successful and productive organization.

Since the program has a need for intimate and continual employee involvement, it does not lend itself to the "set it and forget it" philosophy. It is evident that **suggestion programs, like any other incentive program, can only achieve its objectives through continuous organizational attention and program maintenance.**

The issues that the Commission have identified in the course of the investigation of Mr. Schneider's suggestion have brought to light several areas that will require attention by program management to maintain the viability of the program. If program management chooses not to address these areas, and possibly others that they may identify during a general program review, the program, rather than achieving laudable and positive objectives, may contribute to an atmosphere of confusion, distrust and possible negative feelings toward the County.

Current guidelines establish a decentralized suggestion program, with operational departments responsible for its administration.<sup>10</sup> As a result, the program assumes both the advantages and disadvantages of decentralization. A decentralization is an understandable approach when the organization is attempting to encourage departmental participation and support. It is also helpful means of allocating the workload involved in evaluating suggestions. In addition, it places the evaluation of a specific suggestion, which may possibly involve technical considerations, and the funding of suggestion awards at the departmental level, where it may appropriately reside. On the other hand, a decentralized approach can result in uneven participation, procedural confusion, and a variance in the support among departments, if clear and meaningful policies and significant program directions are not established and maintained.

### *Suggested Areas for Further Investigation*

1. An evaluation of the program that considers maximizing the cost/benefit of the processes, and reviews how well the objectives of the program are being accomplished should be conducted. The information gained in this evaluation would improve the effectiveness and viability of the program.
2. A team, composed of employees at all organizational levels and representing different county departments, should conduct the suggested program evaluation. The objective of this team should be to restructure the program to make it as simple, easy to use, active and effective as possible. Restructuring could include such efforts as:

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<sup>10</sup> Los Angeles County Code, Ch. 5.60.030, Organization and Administration, Section B, Subsection 4.

- ✓ formulating the suggestion program to be as responsive as possible to employees' needs,
- ✓ benchmarking with programs of other organizations, particularly other local government programs,
- ✓ simplifying the entire process, with attention to lessening the paperwork and processing in submitting and evaluating suggestions, and,
- ✓ minimizing variation in suggestion processing and program participation among departments and/or departmental locations.

3. A restructuring of the Employee Suggestion Awards Program should consider a means of periodically evaluating alternative program structures and forms of awards. This evaluation would allow employees to be flexible in selecting the type of award they desire. Rewards could be expanded to include a wider spectrum of items such as: additional training opportunities, dinners, theater tickets, preferred parking spaces, etc.

4. Program management should develop a methodology to improve its ability to influence program performance positively. This may require increased attention to such items as: the measurement of participation, suggestion implementation rates, turnaround time, identified savings, etc.

## Program Responsibilities

There is confusion in the program documentation, and among those responsible for the program's execution, on how it is to operate. The documentation also fails to adequately resolve the confusion about who is responsible for achieving the program's objectives. As noted above, County Code specifies that the Chief Administrative Officer "shall exercise responsibility for the basic administrative framework and the general direction of the employee suggestion awards program . . .,"<sup>11</sup> but this office does not have a structure in place to provide this direction or support. This may be attributable to the generally accepted understanding that the Quality and Productivity Commission is responsible for the Employee Suggestion Awards Program, although program guidelines specify that "The Quality and Productivity Commission (QPC) and the Labor Management Advisory Commission on Productivity provide information and advice to the CAO on the program".<sup>12</sup>

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<sup>11</sup> Los Angeles County Code, Ch. 5.60.030, Organization and Administration, Section B, Subsection 1.

<sup>12</sup> County of Los Angeles Employee Suggestion Awards Program, Regulations Governing the Administration of the Employee Suggestion Awards Program of the County of Los Angeles, Section I - Employee Suggestion Awards Program.

The perception of the status of the QPC in administering the Employee Suggestion Awards Program is further evidenced in the comments made during the November 4, 1994 Board meeting during which Supervisor Antonovich stated, "Since 1986, the oversight of the Los Angeles County Suggestion Awards Program (ESA) has been the responsibility of the Chief Administrative Officer, the Quality and Productivity Commission and the Quality and Productivity Managers Network, whose members administer the program within their departments."

No documentation is available to support the "generally accepted" responsibility for program administration of either the Quality and Productivity Commission or the Productivity Managers Network Suggestion Awards Subcommittee (QPMN-ESA). In reality, the documentation places both of these organizations in a support role. This "informal agreement" concerning the role of these organizations can, and has, raised questions of accountability, while creating confusion that may directly or indirectly discourage departmental emphasis on the program. It is also possible that a lack of accountability or confusion as to organizational or individual responsibility can lower the program's priority.

The departmental sensitivity to the program's priority is a logical response since they recognize a need to focus their scarce resources on the mission oriented tasks and on those areas that the Board has identified as a priority. The assignment of clear organizational responsibilities that reflect expectations is necessary to assign accountability and define the role of each participant in this program. Without a clear definition of responsibilities, the ability to achieve program objectives will be seriously restricted.

It appears that vagueness in the definition of program responsibilities was a factor in Mr. Schneider's decision to seek assistance from a Supervisor's office in resolving his situation. For example, his January 7, 1997 memo to the Sheriff's Department shows that he was not aware of the role of the QPMN-ESA. If he were, this memo would have been more appropriately addressed to the Chair of this subcommittee. The program should not be structured to encourage the suggestor to become involved in the internal operations of the Employee Suggestion Awards Program, e.g., personally coordinating his/her suggestion with departments.

### *Suggested Areas for Further Investigation*

5. Every attempt should be made to insure that the Employee Suggestion Awards Program is simplified so that everyone involved understands what needs to be accomplished and how it is to be accomplished, e.g., such items as how a suggestion is processed or how the County calculates the award amount. Most of this effort will require clearly defining the roles and responsibilities of the individuals and organizations involved in the programs' implementation.
6. Every effort should be made to keep administrative costs low by resisting the tendency to create such things as new forms, or increasing the need for the

participation of additional personnel, or overly complicated processing to accomplish the objectives of the program.

7. The Chief Administrative Office should provide leadership in the management and operation of the Employee Suggestion Awards Program. This is based upon his authority specified in both the ordinance and the guidelines as “. . . responsible for the basic administrative framework . . .”. This is particularly relevant when considering the impacts of interdepartmental and interjurisdictional coordination. If it is the CAO’s or the Board’s desire that the Quality and Productivity Commission assume this responsibility, the Commission should actively pursue this leadership role.

## Departmental Involvement

The suggestion made by Mr. Schneider has received differing levels of attention. This variability may be understandable if departments differ in their view of the value of the program. Departments may not want to commit the resources necessary to fulfill what they may consider to be uncertain requirements of a functional nature, e.g., the program may not be perceived as providing a sufficient cost/benefit return. This feeling could be reinforced within the department if it is the department’s predominate experience that most suggestions fall into some of the following categories; do not make sense, are old ideas, are not original, or are too costly to implement. It may also be understandable given the significant amount of time that can be expended in evaluating a suggestion’s claims of benefits that may be difficult, if not impossible, to measure or prove.

The stated intent of the Board to capitalize on good, and possibly extraordinary, suggestions should offset possible departmental concerns over uncertain program results. The potential beneficial impacts of this program could be felt in such areas as: soft money, indirect costs, positive influence on employee morale, the County/Board hearing the voice of the employee, and providing a constructive channel for employee thoughts. This continuing conflict between that which is wanted and that which is possible should be resolved at the operating level, with the establishment of priorities from above. Without substantiative support and direction, the program has a significant potential for alienating those individuals who chose to participate.

To address this type of experience with the program, the development of submission standards for suggestions should be expanded. Expanded standards can serve the suggestor, the suggestions’s evaluators, and the program’s structure by clarifying and simplifying the process. Further attention may have to be given to such items as: what makes up an appropriate suggestion, what is part of an individual’s job, what is eligible for an award, and to those suggestions that have a wider anticipated benefit, e.g., the entire County. Although the program has been designed for departmental “administration”, any departmental response will reflect on the employee’s perception and operations of the entire County. Thus, the County has an investment in insuring that departments respond in an appropriate and timely manner to employee suggestions.

The County and the departments must decide to make this program happen or not. If the program is to be effective, it will require encouragement and the commitment of staff and resources to achieve program objectives. **The credibility of the program relies solely on the priority placed upon it by management and the recognition of this priority by employees.** If the commitment is not or cannot be made, it is likely that the program's activities will result in a negative experience for all involved and would not be of value to continue.

### *Suggested Areas for Further Investigation*

8. Consider evaluating the funding sources available to the Employee Suggestion Awards Program, e.g., Productivity Investment Fund (PIF).
9. Develop an aggressive dynamic program to communicate to departments the potential benefits that can result from participating in the Employee Suggestion Awards Program.
10. An effort should be made to develop clear and concise standards for submission that are understandable by the suggestor and all of those responsible for the conduct of the program.

## Departmental Suggestion Evaluation

In the case of Mr. Schneider's suggestion, the first step of the process used by the Internal Services Department seemed to have been responded to appropriately. The request for evaluation was made by memo within the department and a determination on the departmental response was returned to the ISD DESAC representative within forty-nine days. At the point that the ISD DESAC representative received the memo from the ISD Energy Management Division (EMD), a determination was made that the suggestion required additional evaluation by other departments.

The suggestion was then forwarded by memo to the Chair of ESA, with a request for interdepartmental coordination. At this point the evaluation process began to weaken. The time of the suggestions' processing between receipt of the memo from EMD to it being forwarded to ESA was fifty-six days. This delay was the result of a confusion in processing requirements and other priority assignments of the ISD DESAC.

Since the individual occupying the dual positions of QPMN-ESA Chair and Sheriff DESAC representative was in the process of being reassigned, the suggestion had to wait to be transferred to the individual assuming the position of Sheriff DESAC representative. This wait was approximately five months. When the suggestion was transferred, the newly assigned Sheriff DESAC representative determined that he should hold this suggestion until there were enough

suggestions to justify convening a meeting of the DESAC. It was approximately one year before sufficient suggestions were available to justify convening this meeting.

As illustrated in the processing of Mr. Schneider's suggestion, there is some confusion regarding the time requirements for considering suggestions by those responsible for evaluating suggestions. This confusion may be compounded by a conflict within the program guidelines regarding the time necessary for the conduct of the evaluation. For example, Section V (Departmental Employee Suggestion Awards Committee Procedures: Processing and Suggestion), Subsection A, 7 states that "Every effort should be made to have disposition completed within 120 calendar days." Section IX (Time Limits), Subsection A, states that "Evaluations and recommendations of the DESAC are to be completed and sent to the Department Head within 90 calendar days, or as soon as possible after receipt of the suggestion by the Committee. Upon receipt of the evaluation by the Department Head, he/she has 90 days to render a decision." The conflicting statements within the guidelines can contribute to an increased level of confusion within the program.

The form established for use in departmental evaluations<sup>13</sup> does not appear to have been used in this evaluation. If it was used, the form was not provided to the Commission. The use of this form may increase the confidence of the evaluator that all of the appropriate issues have been considered. It can also be used to identify accountable individuals and to track the progression of the suggestion. As will be noted later in the Suggestion Submission Form section, this form could be modified with tear off sections that would simplify the keeping the suggestor informed as the progress of his/her suggestion.

An additional opportunity available in a modification of the Employee Suggestion Departmental Evaluation form would be to incorporate potential impacts of a suggestion to overall county operations. A consideration of these types of criteria could provide departments with the full scope of issues that may be important to the County, e.g., legal implications, county impacts, and impacts on negotiating positions. It could also be used to alert other departments of the range of issues that had been, or could be, considered when faced with applicable interdepartmental or interjurisdictional suggestions. The use of this form could become increasingly important since those assigned to evaluate suggestions do so as an additional duty, and are often transferred from this responsibility.

### *Suggested Areas for Further Investigation*

11. Identify and enforce times within which actions are required in response to submitted suggestions.

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<sup>13</sup> County of Los Angeles Employee Suggestion Awards Program, Regulations Governing the Administration of the Employee Suggestion Awards Program of the County of Los Angeles, Attachment III, Employee Suggestion Departmental Evaluation.

12. Consider opportunities to improve the DESAC's awareness of the Employee Suggestion Departmental Evaluation Form.

13. Consider modifying the Employee Suggestion Departmental Evaluation Form to accomplish such things as:

- ✓ encourage its use in an improved evaluation process.
- ✓ simplify its use in keeping the suggestor informed as to the status of his/her suggestion.
- ✓ make it a source document in preparing the Annual Program Report to the Board.

## Departmental Employee Suggestion Awards Committee (DESAC)

One of the Departmental Employee Suggestion Awards Committees (DESAC) involved in this investigation was composed of only one individual. Since the Quality and Productivity (QP) Manager was neither a member, nor the chair of this committee, it is not clear at what level this individual chose to participate in this process. This approach is not consistent with the intent of the direction in the published guidelines which states that "Committee membership should represent a cross section of the organizational units within the department. It is recommended that the QP Manager chair this committee."<sup>14</sup> In this instance, the program did not appear to have the level of participation that the guidelines originally anticipated in the program's design.

Program management being responsible for the operation of the ESA was either unaware that the position Chair of QPMN-ESA was vacant or chose not to fill the position. The failure to take action to assign an individual to the ESA Chair compromised the capabilities of the program to operate effectively, particularly in the area of interdepartmental coordination. It also appears that program management does not have in place a means to inform themselves of the status of each departmental employee suggestion awards committee. This explains the fact that program management was not be aware of the Sheriff's DESAC status that allowed Mr. Schneider's suggestion to remain unevaluated for an extended period of time.

The individuals assigned to positions within the Employee Suggestion Awards Program have been inconsistently prepared to assume these duties. Some individuals did not have any information about how to fulfill their duties and responsibilities. These individuals were left to their own resources to investigate what actions were necessary to process suggestions appropriately. Although these

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<sup>14</sup> County of Los Angeles Employee Suggestion Awards Program, Regulations Governing the Administration of the Employee Suggestion Awards Program of the County of Los Angeles, Section II - Organization and Responsibilities, Subsection D, Departmental Employee Suggestion Awards Committee (DESAC).

individuals attempted to respond to their assigned duties to the best of their abilities, this lack of information prevented them from being as effective as they could have been. The requirement to communicate essential program information becomes increasingly critical as individuals are reassigned or when they serve in this position on a temporary basis.

Since an assignment to the DESAC is an additional duty, having the program guidelines and the ordinance available to individuals will positively influence the program, particularly if these documents are properly maintained. Additionally, it may prove valuable to have a structured orientation or certification program available to these individuals. It is in the program's, and the County's, interest to assign individuals that are trained and "certified" to participate and conduct the program. Consideration could be given to some form of recognition for this additional certification and for continued participation, e.g., recognition on their performance evaluation, etc.

### *Suggested Areas for Further Investigation*

14. Program management should establish a mechanism that will enable it to keep abreast of the status of the DESACs.

15. Program management should attempt to fill program positions as soon as possible to insure that the objectives of the program are being carried out.

16. Individuals occupying the positions within the Employee Suggestion Awards Program should be adequately prepared (e.g., "certified") to undertake these duties by the program authority. At a minimum, they should be provided with the appropriate documentation. The levels of training could also be increased.

17. Additional duty assignments should recognize and reward individuals occupying positions within the Employee Suggestion Awards Program for the efforts demanded of them. Consideration can be given to recognizing their contributions, e.g., recognition on their performance evaluation.

## **Interdepartmental Coordination**

A need exists for the timely recognition of suggestions that may involve more than one department. Such recognition would significantly contribute to insuring that the processing of these types of suggestions is accomplished within the agreed upon periods of time. This identification of the need for coordination may require an initial evaluation by the DESAC to ascertain additionally impacted departments. The process may also involve other individuals in the technical aspects of the suggestion. The DESAC could be responsible for insuring that the initial evaluation is conducted and a response is made within a reasonable time to enable the initiation of this coordination.

Although the program guidelines specify that the DESAC “Forward suggestions impacting multiple County Departments to the Chair of the Quality Productivity Managers Network Employee Suggestion Awards (QPMN-ESA) Subcommittee”,<sup>15</sup> no information is provided about when this coordination should take place. Assuming that the guidelines anticipated that this coordination would take place simultaneously is reasonable, as this approach would reduce the total departmental review time for the suggestion. By not specifying the time requirements for the coordination of interdepartmental suggestions, it is possible that the processing can be expanded by the time required for departments to sequentially complete their response. It can also be expanded by the time taken in processing the transfer of the suggestion to another affected department(s) and the total time taken by that department(s) to conduct their evaluation.

It is “inferred” within the guidelines<sup>16</sup> that the QPMN-ESA Subcommittee Chair is tasked with the responsibility of determining the appropriate department(s) with which to coordinate a suggestion. If the submitting department has not already identified the department(s) with which to coordinate, the QPMN-ESA Subcommittee Chair is left with the task of making a decision that he/she may not have the technical expertise to make. If this is the case, time will be added to the evaluation while the QPMN-ESA Subcommittee Chair investigates what department(s) will require coordination. Although inferred, this situation is not specifically addressed in the guidelines.

Those individuals responsible for the program may not fully understand the processing of those suggestions requiring interdepartmental coordination. Thus, if the program does not fill a critical position like the QPMN-ESA Subcommittee Chair, a suggestion, although forwarded to another department(s), will likely not be properly processed. This situation arose in the processing of Mr. Schneider’s suggestion.

It is possible that additional coordination requirements may arise in his case. The Public Works Department may become involved in considering the suggestion’s impacts on the San Gabriel Dam electric generating site over which it is reported to have control. No documentation was made available to this Commission that suggests that any action has been taken to include Public Works in this suggestion’s evaluation. If this is the case, the time required to complete the coordination with this department will further expand the suggestion’s processing.

**This program has a unique opportunity in the evaluation of departmental suggestions; it can seek opportunities to replicate those suggestions that have countywide applicability.** Currently,

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<sup>15</sup> County of Los Angeles Employee Suggestion Awards Program, Regulations Governing the Administration of the Employee Suggestion Awards Program of Los Angeles County, Section II - Organization and Responsibilities, Subsection D - Departmental Employee Suggestion Awards Committee (DESAC) (7).

<sup>16</sup> County of Los Angeles Employee Suggestion Awards Program, Regulations Governing the Administration of the Employee Suggestion Awards Program of the County of Los Angeles, Section II - Organization and Responsibilities, Subsection E - Quality and Productivity Managers Network Employee Suggestion Awards (QPMN-ESA) Subcommittee (2).

the decentralization of the program leads to a “departmental compartmentalization” of suggestions. The program can easily be structured to capitalize upon the potential value that each suggestion may have in another department(s). Taking this approach will go a long way towards insuring that each suggestion is recognized and its value maximized. To some extent, the culture of the county may have to be considered to encourage individuals and departments to be more attuned to cooperation on functional projects.

### *Suggested Areas for Further Investigation*

18. Clarify within the guidelines the procedures to be used in the identification of suggestions for interdepartmental or interjurisdictional coordination. This would include putting into place a mechanism that provides for the “immediate consideration” of the interdepartmental or interjurisdictional coordination requirements.

19. An active organizational review process should be undertaken to evaluate all suggestions for possible countywide impact.

20. Enter all suggestions into a program database to simplify their organization, management, and evaluation. This approach would also encourage the use of applicable suggestions by other departments or jurisdictions.

## **Interjurisdictional Coordination**

The scope of the coordination problem discussed above is further complicated if a suggestion affects other governmental jurisdictions, e.g., special districts, cities, etc. It happens that Mr. Schneider’s suggestion may also affect the existing electric generation sites maintained by the Sanitation District. No acknowledgment was made within the documentation provided to the Commission to suggest what action to take to coordinate this suggestion with an organization external to the County. As a result, it is not clear to those responsible for this type of coordination whether any action should or should not be initiated in these circumstances. If it is determined that such coordination is of value, several issues will arise, e.g., determining the savings generated from a suggestion, how to award the employee, how to involve other jurisdictions in participating in the award, etc.

The difficulties that this situation creates should not preclude the County from involving other jurisdictions in the suggestion program. The County has a unique opportunity to offer local government an opportunity to significantly improve their operations. It is not difficult to recognize that suggestions that can result in savings to the County, can also contribute to the efficiency and effectiveness of other agencies, and/or jurisdictions. These suggestions can potentially be used profitably and expanded upon by other jurisdictions, e.g., local governments, special districts, MTA, school districts, etc.

### *Suggested Areas for Further Investigation*

21. Consider publishing, and/or by other appropriate means, informing the local governmental community of the suggestions made and implemented within Los Angeles County. The objective of this effort would be to enhance the contributions that Los Angeles County can make to local government efficiency and effectiveness.

## **Submission Form**

The Suggestion Form is likely the first point of contact that the employee will have with the Employee Suggestion Awards Program. This form should be designed to sufficiently inform the employee of the process, while being easy to understand and complete. An easy-to-use form can contribute to encouraging employees to participate. As has been mentioned previously in this investigation, the form should be designed to facilitate the evaluation of the suggestion and to encourage a quick response to the suggestor as the status of his/her suggestion.

A revised form should contribute to an improvement in such items as; understanding the processing of suggestions that are determined to be appropriate for implementation, how an appropriate award amount is established, etc. One means of encouraging an improved response time would be to incorporate techniques like a tear off section that could be returned to the suggestor immediately. This would enable the employee to be informed of the receipt and initial process of the suggestion. It could also be used in various ways to keep the suggestor informed at various stages throughout the evaluation process.

In expanding upon a revised form's capability to contribute to this education and simplification process, attention should be given to the design of the information sheet that is included as Attachment I, page 2 of the Employee Suggestion Awards Program Guidelines. This information sheet could be a valuable tool in insuring that the suggestor understands the requirements in submitting a suggestion, the rights that the suggestor has to an impartial evaluation, and the appeal process to the departmental decision. Currently the program attachment, which suggests that it is a summary of the ESAP, does not identify any appeals procedure available to the suggestor.

In an era of improved access to information processing equipment, e.g., organizational and private computers, etc., consideration should be given to making all of the program forms available through these means. This could include providing forms on a disc, or distributing them by E-Mail, through the Internet, and/or through an intranet.

### *Suggested Areas for Further Investigation*

22. Keeping the suggestor apprised of the status of his/her suggestion should be a paramount consideration within the program and should be continually emphasized in the guidelines and by those that are responsible for the program's operation.

23. Consider the possibility of incorporating a tear-off type section on the suggestion form so that its receipt can be acknowledged immediately and that the suggestor can be informed as to the status of the suggestion throughout the process.

24. Consider expanding the distribution of program forms to program participants by electronic means.

## Appeals

After evaluation by the department, the Employee Suggestion Awards Review Committee (ESA RC) is the final organizational appeal available within the program “. . . for resolution of appealed suggestion award rejections, award amounts, implementation process or schedule.”<sup>17</sup> Under this criterion the circumstances of Mr. Schneider’s suggestion did not lend themselves to an appeal to ESA RC since, even if its existence was known to Mr. Schneider, to date he has not been officially informed of the rejection of his suggestion. Rather, his suggestion has been involved in an extension of the “normal” processing time. There is no provision within the guidelines to address this extended processing situation. Consideration should be given to expanding the procedures guidelines<sup>18</sup> to insure the availability of courses of appeal prior to rejection or to respond to other circumstances that have not been anticipated, but could be encountered.

The complexity of an appeal process on a suggestion with interdepartmental or interjurisdictional impacts compounds difficulties within the program. Although the program guidelines recognize the possibility of interdepartmental suggestions, the process of how they are to be handled has not been sufficiently clarified. The simplification of cross-departmental or cross-jurisdictional issues will require additional effort on the part of program management to insure effective coordination and communication, while protecting the rights of the suggestor.

A major concern in the design of the appeals process should be to insure that it is not only fair and impartial, but that the process is clear and timely in its execution. The accomplishment of these objectives will contribute to the creation of positive feelings on the part of all of the participants of the program.

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<sup>17</sup> County of Los Angeles Employee Suggestion Awards Program, Regulations Governing the Administration of the Employee Suggestion Awards Program of the County of Los Angeles, Section II - Organization and Responsibilities, Subsection F - Employee Suggestion Awards Review Committee (ESA RC).

<sup>18</sup> County of Los Angeles Employee Suggestion Awards Program, Regulations Governing the Administration of the Employee Suggestion Awards Program of the County of Los Angeles, Section II - Organization and Responsibilities, Subsection C - Department Heads, (9) and Subsection F - Employee Suggestion Awards Review Committee (ESA RC).

### *Suggested Areas for Further Investigation*

25. Consider provisions within the program guidelines that allow for the suggestor to make an appeal based upon flexible circumstances that may have not been anticipated, e.g., unusual processing time.
26. Pay particular attention to the perception of fairness within the program. Although an appeal process is currently in place, it is generally unfamiliar to both to those making suggestions and to those responsible for the program's operation.
27. Achieve agreement on the award amount in an effort to reduce appeals and any employee dissatisfaction with his/her award amount.

### **Program Reporting - External**

An Employee Suggestion Awards Annual Report, in the form of a memorandum from the Quality and Productivity Commission, is currently the means by which program status is reported to the Board. This memorandum informs the Board of the number of suggestions by department that have been received, implemented, under evaluation, rejected, and already considered. Its objective appears to inform the Board of the volume of suggestions received, but since suggestions can be carried over from previous years, e.g., Mr. Schneider's suggestion would likely be carried over for two years and perhaps be included in the statistics of one or more departments, it is not clear how one could interpret the data to make informed program decisions. Also since there is no assignment of value to the suggestions, except for two examples noted in the 1996 Annual Report (July 1, 1996), it is difficult to determine the impact this program is having or the impact of the implemented suggestions. Neither is there any attempt to consider the costs incurred in the conduct of the program from which a basic cost/benefit analysis could be conducted. The form upon which the statistics are reported can be interpreted in different ways, e.g., how to report the carryover of suggestions from previous years. Thus, the data that is provided may be open to misinterpretation.

**Not being able to identify the levels of departmental participation is a major failure in the design of the Annual Report submitted to the Board.** Without an evaluation of departmental participation, those responsible for the management of the Employee Suggestion Awards Program will not be able to determine where emphasis should be placed to improve overall participation or where to put its efforts to capitalize on significant levels of program activity.

To demonstrate the importance of the departmental participation information, the 1996 Annual Report includes statistics on eighteen (18) departments submitting program activity reports. Nine (9) other departments submitted a form indicating no activity in any category. Nine (9) departments made no submission.

Of the eighteen (18) departments submitting reports indicating activity, two (2) received no suggestions for the year and six (6) received one suggestion for the year. With nine (9) of the reporting departments indicating no activity in any category and with no forms submitted for nine (9) departments, 50% of the county's departments had no employee suggestions in 1996 and approximately 17%, or six (6) departments, had only one suggestion submitted. Thus, approximately 67% of county departments had one or no suggestions during 1996. In addition, five (5) departments, which submitted 222 of the 249 suggestions submitted for the year, represented approximately 90% of the participation in the program.

In 1995, of thirty-seven (37) departments, twenty-three (23), or approximately 62%, either reported no activity in any category or submitted no activity report. Of the remaining departments, three (3), or approximately 8%, had only one suggestion in 1995. The 1995 level of participation, with one or fewer suggestions throughout the year, was approximately the same as 1996 with 70% of the departments in the county. As in 1996, five (5) departments in 1995 represented approximately 87% of the suggestions submitted in the program. Four of the five departments included in the 1996 (90%) participation figure were also included in the 1995 (87%) participation figure.

Although departments are required to submit statistics covering the suggestion categories identified above, there is no statistical requirement placed upon the Employee Suggestion Awards Subcommittee to identify such items as suggestions that relate to more than one department or to other jurisdictions or agencies. The ESA subcommittee might be the most realistic organization to consolidate departmental statistics and to insure that double counting is minimized, e.g., Mr. Schneider's suggestions could be included as both a carryover and as a unique suggestion in more than one department. The service of providing information on the number of suggestions that have interdepartmental or interjurisdictional application could have important ramifications in the design of the program and in the construct of program documents. The ESA subcommittee might also serve a role in communicating suggestions to other departments and assisting the replication of these suggestions where possible. By doing this the opportunities that are offered by the program can be increasingly capitalized upon.

### *Suggested Areas for Further Investigation*

28. Review the departmental reporting requirement to insure that program improvement, is being maximized.
29. Review program participation statistics with two objectives:
  - ✓ to encourage the contributions that are made by the departments with the majority of the suggestions, and,
  - ✓ to encourage the participation of those departments that have not had significant activity in this program.

## Program Reporting - Internal

As a result of lack of or low participation by most departments, departments are generally able to manage and control their suggestion program using manual systems. Some departments have an automated system that is used to control suggestions and to provide basic information for the annual report, e.g., the Sheriff's Department, but there is no system for countywide control and management. Such an approach may prove profitable in facilitating the control and management of suggestions, particularly at the County level. A centralized information system could be made available to departments, particularly those with higher levels participation, thus insuring compatibility and communication with a system maintained by the Employee Suggestion Award Subcommittee or its representative.

A program of this nature should be designed to be user friendly, providing custom data entry screens to input, edit and retrieve employee suggestions. Standard reports would include such items as: monthly tracking of suggestions received, processed, accepted, total cost savings, listings of outstanding and processed suggestions, etc. The program should also have the capability to print letters to employees informing them of the status of their suggestions. A quick review of commercially available Employee Suggestion Awards Program software indicates that a program that accomplishes these types of objectives would cost approximately \$100.00. An additional benefit would be available in taking this approach by facilitating the research necessary to determine whether action had previously been taken on a "new" suggestion or to assist the employee in renewing a suggestion prior to the two (2) year time limit. Making the process as simple as possible should be a paramount concern in the operation of this program

Internal reporting, as it is currently structured, does not enable an effective evaluation of how suggestions are processed, nor does it provide the capability to control or manage the response time for a specific suggestion. It does not facilitate an evaluation of the suggestions to enable a comparison of cost vs. benefit, the overall effectiveness of the program, how well the suggestions have been implemented, or how a suggestion may apply to the operations of another department or jurisdiction.

### *Suggested Areas for Further Investigation*

30. Consider the development of an automated suggestion control system that would enable program management to take appropriate and timely actions in the operations of the program.

## Communication

### Within the Program

In the course of processing Mr. Schneider's suggestion, several individuals attempted to communicate telephonically, but the communication was either misunderstood or forgotten. This was the cause of some confusion. In other instances, the documentation necessary to effectively communicate the duties of the position was not provided to the individual. Again, this was a cause of some confusion.

There are no procedures specified within the program documentation as to the actions required, specifically notifications, upon the transfer of an individual from his/her duties as either the ESA subcommittee chair or a member of DESAC. Thus, when the ESA Chair was transferred, the information was not adequately communicated or, if communicated, no action was taken to replace this individual.

When effective communication is lacking within a program, there is significant difficulty in achieving employee and/or management acceptance. It is evident that timely communication plays a central role in the effectiveness of any suggestion program and is necessary to achieve the support of top management. The program must also be adequately communicated to employees so that they are able to recognize what they have to gain as a result of their participation. For example, some of those responsible for the operation of the suggestion program were not aware that there was an Annual Report submitted to the Board.

Each department, together with the Auditor-Controller when considering the impacts of major suggestions, has an important role in insuring that this program works as designed. They are tasked with evaluating the appropriateness of such factors as costs, benefits, etc. In accomplishing this objective, care must be given to insuring that the employee is not put into an adversarial position throughout the process of determining whether a suggestion is effective, that the idea is not one that should have been done as a part of their job, has proven worth, and/or is cost effective. Rather, the program should be one of cooperatively seeking improvements in the operations of the County. Increased attention to the development of standards may prove to be both cost effective and employee friendly in addressing this situation.

### Response to the Suggestor

There was no documentation made available during this investigation to indicate that Mr. Schneider was being kept informed of the status of his suggestion, although ISD states that he was informed of the receipt of the material and one individual mentioned that he had talked to Mr. Schneider on the phone. The DESAC is directed in the program guidelines to "Prepare commendation or rejection

letters with explanations to suggestors.”<sup>19</sup> As noted previously, the DESAC is also required to forward suggestions that have interdepartmental consequences to the Chair of the ESA, but in this instance it is not clear when the DESAC would prepare a response to the suggestor. A question could arise as to whether the response letter is prepared after the departmental evaluation or upon receipt the letter from the ESA, if it is referred to that subcommittee.

The ESA is tasked in the guidelines with preparing “. . . suggestion approval or rejection letters with explanation to the appropriate Departmental Employee Suggestion Awards Committee (DESAC).” It appears that such a letter from the ESA would serve to restate the action already taken by the department, unless several departments are involved. If several departments are involved, do each then send a letter to the suggestor? Any confusion on this point will display itself in inadequate communication within the evaluation process and to the suggestor. The consequences of inattention to this matter will increase the response time to the suggestor, reduce overall enthusiasm, and lessen the commitment of everyone involved to achieving the program’s objectives.

## Communication with County Employees

There are problems in communicating the intent and objectives of a program of this nature to both county employees and the departments. Compounding these problems is the size of the employment base within the County. These communication problems are evidenced by the variable participation rates within departments. An improvement in these rates will require attention to publicizing the advantages and benefits of this program to the individual. Such efforts could capitalize on the capabilities of mail, E-Mail, notices, reports, award announcements (e.g., program lottery award announcements), promotional materials and program brochures, etc.

**The critical element in this communication is to insure that adequate information is provided to all employees on how the program works, how they can participate, and the advantages of their participation.** If employees have not been informed about the program or have not been informed as to how to participate, it is easy to understand how they can feel that management is less than serious about their participation.

### *Suggested Areas for Further Investigation*

31. Identify the appeal procedure in the information sheet covering a summary of the Employee Suggestion Awards Program. Also identify these procedures in Section II, C, 9 of the program guidelines.

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<sup>19</sup> County of Los Angeles Employee Suggestion Awards Program, Regulations Governing the Administration of the Employee Suggestion Awards Program of the County of Los Angeles, Section II - Organization and Responsibilities, Subsection D - Departmental Employee Suggestion Awards Committee (DESAC) (11).

32. The results of Awards Program should be made public and readily available to interested parties within the scope of the Quality and Productivity Commission's Annual Report. Such a report should include such statistics as the number of awards by category and organization, the amounts of the awards, the level of recipients, and other relevant data. The report could include the identification of individuals where it is appropriate to properly recognize their contribution.

33. The program should be actively and continuously publicized.

34. The program must continually seek and receive support from the highest levels of County management to remain viable.

35. The responsible program office should maintain and publicize a master status list of suggestions, including all relevant data on the suggestion. This information should be designed in such a manner as to be easily made available to other local government organizations, e.g., MTA, other jurisdictions/governments, special districts, etc.

36. A simplified Employee Suggestion Awards Program should be communicated to county employees, county management and to those responsible for the program's operation.

## Recognition

The Employee Suggestion Awards Program is currently designed so that a cash award of more than \$7,500, which requires Board approval, is based upon "... a percentage of savings achieved during the first 12 months following implementation of the suggestion."<sup>20</sup> "Awards up to and including \$7,500 are made by the employee's Department Head."<sup>21</sup>

An alternative approach to innovation and productivity awards is to have employees involved in the introduction of their suggestion(s). The traditional awards system focuses on financial rewards and bottom-line savings to the company. Consequently, small ideas that bring small savings and small employee rewards may go unsubmitted or unimplemented. By changing the focus to employee involvement, ideas could be equally rewarded with smaller or recognition rewards. For example, a department may, after a preliminary screening, award something small, e.g., a coffee mug, to

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<sup>20</sup> Attachment VII-Page 1, Employee Suggestion Awards Program Documentation Guidelines for Awards Requiring Board of Supervisors Approval.

<sup>21</sup> County of Los Angeles Employee Suggestion Awards Program, Section VIII - Awards, Subsection A - Classification of Awards, paragraph 1, subparagraph (a).

encourage the submission of all suggestions. This approach has an advantage of giving recognition as soon as possible, not waiting on a determination of whether the suggestion will be implemented. More extensive awards can be made when a suggestion is determined to have greater significance to the county and has proved to be valid and measurable. The objective of an approach of this nature is to create an environment in which small ideas can be suggested and implemented. These small suggestions may prove to provide continuous improvements that are capable of building upon one another.

Regardless of the basic approach used in the suggestion program, primary attention should be placed upon the development of a means to appropriately recognize participation in the program. The program must take care to recognize individuals and to insure that recognition is given to those that are generating the suggestion(s). The reward process must also take special care to avoid any perception of unfair or unequal application.

### *Suggested Areas for Further Investigation*

37. Evaluate all suggestions submitted during the year from each department with the objective of identifying and recognizing the top suggestion for the year. The county should select the top suggestions that have been submitted and recognize them with a special award that could be presented at the Annual QPC Awards Ceremony.

38. Rewards - or perhaps the chance of a reward via a vehicle such as a sweepstake drawing - should be provided to all those who submit a suggestion.

## **General Guideline Concerns**

The program guidelines of the Employee Suggestion Awards Program require a general review. A number of issues that are addressed in the guidelines are either out of date or, as demonstrated above, are being misapplied or ignored. The point of a review is not necessarily to conform the practice of the program to the guidelines, but rather to insure that the guidelines assist those participating in it by reflecting the appropriate program practices. The following two items are cited to illustrate some of the difficulties within the guidelines that require further consideration:

1. The guidelines state that “. . . all suggestions concerning generic Countywide safety hazards, or suggesting general Countywide safety improvements . . .”<sup>22</sup> be sent to the Risk & Management Insurance Agency (RIMA), an agency which no longer exists and whose function has been transferred to the Chief Administrative Office.

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<sup>22</sup> County of Los Angeles Employee Suggestion Awards Program, Regulations Governing the Administration of the Employee Suggestion Awards Program of the County of Los Angeles, Section V - Departmental Employee Suggestion Awards Committee Procedures: Processing the Suggestion, Subsection B - Safety Suggestions.

2. The guidelines state that the Chief Administrative Officer designate a member of the CAO staff “. . . as the County Suggestion Awards Administrator and Chair, Employee Suggestion Awards Committee (ESA RC).”<sup>23</sup> The position of County Suggestion Awards Administrator has never been filled and, although the CAO has designated a representative to the ESA RC, the provision that the CAO representative be the Chair, of the ESA RC not been observed.

In addition to the need for revision to current provisions, there are a number of issues that could be addressed in the guidelines to improve and expand the program. Examples of the types of issues that should be considered include:

1. Making provision within the guidelines to periodically follow up on the suggestions that are made and implemented. The current guidelines do not specify any review of implemented suggestions.
2. Consideration should be given to the process of succession of subcommittee chairs.
3. A role of the OPMN-ESA in administering the Suggestion Program is to “. . . provide support for the program.” Although this is a general statement, the clarification of additional roles could more appropriately focus this effort. This focus may include such items as: marketing the program, supporting cross department suggestions, updating procedures, etc.
4. Meaningful consideration should be given to the need for the continual training of program participants. Note: the last training session was conducted approximately three years ago.

The easiest course of action in the development of an Employee Suggestion Awards Program is to adapt the traditional Awards Program Model to the perceived need of the organization. This course of action is probably not the most effective in achieving the results that this program is capable of providing. It will take serious effort and thought on the part of program management to develop a program that is specifically designed to the demands of Los Angeles County and its employees.

The circumstances faced by Mr. Schneider in the processing of his suggestion demonstrate the difficulties that can result from a program that does not effectively respond to the needs of the organization it was designed to support. The most egregious element contained within the example provided by the processing of Mr. Schneider’s suggestion is the time required to make a

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<sup>23</sup> County of Los Angeles Employee Suggestion Awards Program, Regulations Governing the Administration of the Employee Suggestion Awards Program of the County of Los Angeles, Section II - Organization and Responsibilities, Subsection A - Chief Administrative Officer, (5).

determination of its suitability. If this situation continues to exist, it will not only have a negative affect on the employee making the suggestion, but will have a negative impact on the organization. The organizational impact will be influenced by the negative feelings that are developed by its employees, the loss of potential benefits to be gained in a specific suggestion, and by the lost of the suggestions that are never submitted.

### *Suggested Areas for Further Investigation*

39. Consideration should be given to revising the program guidelines to reflect the appropriate program procedures.
40. Consideration should be given to adding additional items to the guidelines to make the program increasingly relevant.
41. Consideration should be given to developing strong labor involvement. The program will require continual support and there is a possibility that labor may provide this in the form of a portion of the benefit/reward.
42. Attempts should be made to encourage management, particularly human resource personnel, to support and publicize the program.

## Conclusions

An evaluation of this program should look beyond the limits imposed by more traditional suggestion programs. The program can be rethought in anticipation that there is an expectation that everyone can think and contribute. A significant portion of the reward to the individual may lie primarily in the satisfaction of meaningful involvement in the process and increased control by the individual over his/her own destiny. This can differ from the traditional system's method of "buying ideas" from employees.

In the traditional suggestion system model, there's little or no involvement by the suggestor in the implementation of their idea. Recognition should be given to the possibility that the reward to the individual may lie in having the ability to be personally involved in the implementation of their own ideas after approval. The emphasis on this type of program structure lies in creating an increasingly noncompetitive atmosphere that is more open to the discussion of alternative ideas. Considering these types of alternatives will require that attention be paid to the threatening implications that such an approach may have on management personnel. It would also require increased concern for program openness and for improved opportunities for employees to have the improvement tools they need to identify problems and come up with solutions.

Suggestion programs can be a boon to the county - as long as the program can find a way to communicate effectively, reward appropriately, and can maintain sustained motivation for those doing the suggesting.