Feedback and Follow-Through: Cornerstones of Innovation

Bruce D. Fischer
Elmhurst College

Matthew Rohde
Elmhurst College

We conducted research on innovation at two field sites. Our objective was to identify factors that inhibited the suggestion of ideas by employees. We found that the two most commonly mentioned factors were management's lack of follow-through on idea submissions and a lack of feedback on why ideas were not accepted. This paper presents the details of the research and a discussion of the importance of these two variables, as well as other variables, to the innovation process.

BACKGROUND

As the field of innovation management expands, many questions have been raised about the effectiveness of incentive plans and other cash rewards in organizations. Prior research has shown that incentive plans can be effective if structured the right way. Plans that allow for early failure and reward long-term success seem to encourage a sense of innovation (Ederer & Gustavo, 2012).

The effectiveness of extrinsic rewards such as incentives and cash rewards for innovation might also be tied to the type of work that an employee is doing. Baer, Oldham, and Cummings (2003) showed that extrinsic rewards, including monetary incentives and recognitions, are more likely to spur innovation and creativity in employees performing simple jobs. Employees working in more complex jobs were less likely to be influenced by extrinsic rewards. Cognitive styles were also important, and those who had an adaptive cognitive style working on simple jobs were very likely to be motivated by extrinsic rewards (Baer et al., 2003). On the other hand, others consider cash and incentive plans to be a rather poor way to go about motivating employees. As opposed to bolstering employee motivation and performance, incentive plans or cash rewards may cause employees to feel a sense of entitlement. Essentially, cash rewards have a short motivational lifespan (Bragg, 2000).

Undoubtedly, there is more than one way to go about motivating employees and encouraging innovation. Money is one aspect of motivation, but it is certainly not the only part. Successfully motivating employees might also be contingent upon organizational culture, opportunities presented to employees, and recognition and reward programs, to name a few methods (Campbell-Allen, Houston, & Mann, 2008).

Another way to motivate innovation is to combine financial incentives with recognitions and rewards. By combining these two, management can help support innovation by backing up incentives with motivators that are less financially based. This might include formal and informal rewards to help encourage innovation. Non-traditional forms of recognition and rewards, such as sending innovators to conferences or trade shows, can also be a form of motivation (Tushman & Nadler, 1986).

In the event that an organization chooses to use recognition and reward programs, the organization must understand that workers value different things. Age can play a large factor in what employees value. Baby boomers, those within the 45-66 year age range, value work environment. Baby busters in the 35-44 year age range have a desire for more personal time. Interestingly, Generation X employees in the 25-34 year age range highly value opportunities for career advancement (Verespej, 1999). Employers should keep this in mind and tailor their recognitions accordingly (Campbell-Allen et al., 2008).

There are a variety of other ways to bolster innovation, including feedback. According to De Stobbeleir, Ashford, and Buyens (2011), feedback helps improve creative performance by giving the innovator multiple perspectives on their innovation. They found that feedback can help individuals find innovative solutions that do not adhere to the status quo, but rather take a product or process in a new direction.

Knowledge sharing is also believed to enhance creativity and stimulate innovation. By engaging in knowledge sharing employees are given direct feedback that is pertinent to their given project or goal, which can help them develop their innovation skills. Moreover, employees may also be given abnormal or atypical ideas during knowledge sharing which may serve to bolster innovation (Schepers & van den Berg, 2007).

In their research on feedback in innovation tournaments, Wooten and Ulrich (2012) showed that direct feedback helps improve the quality of ideas. They found that innovators were more likely to submit multiple ideas when direct feedback was used, thus showing that innovation and feedback walk hand-in-hand together.

Also critical in the relationship between innovation and feedback is the type of feedback one receives. Positive feedback has been shown to help develop creative performance to a greater degree than negative feedback (Zhou, 1998). When negative feedback must be given it is often helpful to deliver the feedback in an informational manner, where the feedback giver imposes no demands or restrictions (Zhou, 1998).

Feedback will not immediately lead to a spike in innovation, however. In order for managers to truly improve creative performance and bolster innovation, there must be a long-term commitment to providing feedback to employees (Zhou, 2008).

METHODOLOGY

Research for this paper was conducted over a two-year period at two separate organizations. We investigated innovation among white-collar employees at a large, regulated utility. They allowed us to have a brief introductory meeting with the department's employees to explain our project's scope and purpose. The department was fairly large, including around 30 people with a variety of job titles. Employees' job titles included accountant, marketing specialist, and mechanical engineer among others. Over a period of three months, interviews were conducted with 16 of the employees on a volunteer basis. During these interviews the employees were asked to comment on the culture of the company, how to motivate innovation, management techniques/performance in managing innovation, and innovation in general. Detailed notes were taken on the interviews, and a content analysis was performed on the notes to identify common themes and recurring issues.

A second research project was conducted at a mid-sized manufacturing firm. The company allowed us access to the database for its innovation program, which was implemented in 2008. Using records from the database, we were able to collect data about the program and its progression.

DISCUSSION OF FINDINGS – UTILITY COMPANY

Throughout the course of our interviews at the utility company, there were a variety of recurring topics. Table 1 contains a list of key points the interviews.

TABLE 1
CONTENT ANALYSIS OF THE INTERVIEWS AT THE UTILITY COMPANY

Issue	Number of Responses (out of 16 interviews)	Percentage of All Interviewees Mentioning the Issue
Lack of follow-through	10	62.5%
Lack of feedback	10	62.5%
Insufficient time to generate ideas	8	50%
Manager gives innovators extra work	4	25%
Managers do not ask for ideas	4	25%

Follow-Through and Innovation

A majority of our interviewees mentioned a lack of follow-through as a primary issue in innovation motivation in their organization. When an idea is not acted upon, it serves to erode employee motivation to innovate. Certainly not all ideas will be implemented, but all ideas must be acknowledged. Letting ideas linger without acting upon them suggests that managers do not value employee ideas, nor do they value the time and effort that employees invest in coming up with ideas.

Failing to act upon ideas also gives employees very little direction in their innovative endeavors. Often employees will look to other ideas for a definition of what an innovation is and how to get it implemented. Without ideas that are implemented or at least acted upon, employees may have no good examples of the innovation process. On the other hand, seeing an idea implemented shows employees that the time and effort invested in coming up with an idea is worthwhile. An implemented idea can be a beacon of light for employees coming up with ideas, especially when there are many ideas being generated.

Implementing ideas can demonstrate that managers do indeed listen to employees, even in extremely competitive environments. Although not all ideas will be implemented, giving employees a sense of follow-through can be achieved by acknowledging all ideas.

Merely recognizing that an employee took the time and effort to develop an idea is critical to motivating innovation. Employees need to know that their idea has been heard. Letting an employee know that managers value ideas can make a world of difference. Recognizing and thanking employees for their time and effort is a substantial way to motivate innovation.

Feedback and Innovation

Ten employees in our study mentioned feedback as an innovation issue. Often times ideas would be submitted to management, but the idea would later be rejected. While the actual rejection of the idea was not an issue, the lack of reasoning behind the rejection was problematic. Employees wanted to know why management did not accept their idea. Without an understanding of where they fell short in previous innovation endeavors employees may feel discouraged. Worse yet, employees may actually rebel and decide not to look for ways to improve the organization.

As demonstrated by our interviews, feedback does play an important part in innovation. It would appear as though employees are not only open to management feedback, they desire it. The relationship formed between managers and employees may play a large role in employees' desire for feedback. Employee engagement may be especially low in large, bureaucratic, corporate departments and employees may feel they are merely cogs in the corporate machine. When a manager gives feedback to someone on an idea, there is an opportunity for a relationship to be formed between manager and employee. This relationship can make employees feel like managers are invested in them. Once employees feel a sense of investment from their manager, and by extension their company, they will be more likely to look for ways to innovate on behalf of the company.

Negative Feedback

Undoubtedly circumstances will arise when a manager must give an employee some negative feedback that might detract from the manager-employee relationship. For this situation, previous research by Zhou (1998) becomes particularly helpful. Making negative feedback information-based, without any manager expectations, demands, or restrictions, may help to lessen the personalization felt by the employee. By delivering feedback in this manner, the employee is more likely to feel that the manager is trying to help the situation and not just imposing their own agenda on the employee.

The Relationship Between Time and Innovation

A substantial eight out of 16 employees interviewed felt that time was also a barrier to innovation. Many employees noted that people were simply too busy to think of ideas, or that the notion of developing ideas gets drowned out by the heavy workloads they have. Innovation is an investment in the future of the company, but it is also an investment of time and energy for employees. Managers must recognize that if they want employees to innovate, adequate company time must be given for them to explore ideas. Lightening workloads for a short period of time might be helpful so employees can critically look at the products and processes around them. While not all companies can take Google's perspective and allow employees to spend 20% of their time innovating, as little as an hour a week might be helpful for employees to generate ideas.

Manager Interest and Innovation

The notion of managers asking for employee ideas further reinforces the importance of a manager-employee relationship in innovation management. While it may sound simple, asking employees for their ideas can be a substantial way to go about motivating innovation. By asking employees for their ideas managers demonstrate three key concepts: management cares about what employees have to say, employees are competent, and that employees have worthwhile input. If employees have not already had ideas about how to improve the company, this sense of value from the manager may encourage them to innovate.

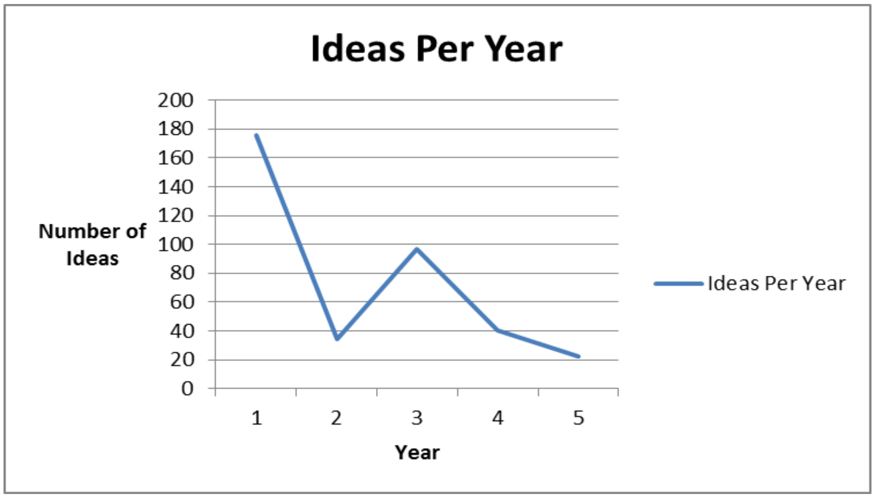
DISCUSSION OF FINDINGS – MID-SIZED MANUFACTURING COMPANY

Data from the mid-sized manufacturing company are shown in Figure 1.

The company collects ideas on a month-to-month basis. At the end of the month each idea and its submitter's name is entered into a drawing for a $50 gift card and one winner is chosen each month.

It is interesting to note the breakdown of ideas per year. In the program's first year (2008) it generated a substantial amount of ideas. Many of these ideas can be attributed to the president at the time, who generated over 40 ideas himself that year. After 2009, however, the company saw a marked decrease in the amount of ideas generated. This sharp decrease in ideas is intriguing, and may be the result of multiple influences. A rough economic situation could certainly be a factor since there was a 40% layoff at the company. Employees might have been more focused on the core aspects of their jobs instead of innovating. Since the program's implementation another president has taken over. This might also have caused employees to focus more time and energy on their core job duties. The current president did express support for innovation by keeping the program in place, which should have reassured employees and kept idea generation strong.

FIGURE 1
IDEAS PER YEAR AT THE MID-SIZED MANUFACTURING COMPANY



We learned from the program's coordinator that employees would wait to submit ideas until a month when there were few ideas submitted. Often employees asked the coordinator how many ideas have been submitted, and if there were only a few they would throw in an idea to improve their chances of winning the drawing.

The employees have taken the focus away from helping the company with their ideas, and turned the program into a way to serve their own monetary needs. By providing a monetary reward as a motivator for submitting an idea, a company runs the risk of having the intention of an innovation motivation program distorted. When an innovation program is newly unveiled, the freshness of the program and the excitement energizes the employees. While the monetary reward is nice, it is not the sole motivator for idea submissions. Rather, the deeper motivation for submitting ideas is the excitement of submitting an idea in the new program.

As time wears on, however, some ideas do not turn into implemented innovations. Employees begin to find motivation in the monetary reward instead of the excitement and personal satisfaction derived from suggesting improvements. As shown by the results from the mid-sized manufacturing company, monetary rewards ultimately fail to motivate employees to innovate. If an employer wants to successfully motivate their employees, they must draw on the excitement that motivated employees so well at the beginning of the program.

SUGGESTIONS FOR MANAGEMENT

Based on our findings, we believe the following suggestions are practical and applicable for managers:

a. **Follow through on employee ideas**. Acknowledge employees when they submit ideas. Letting ideas sit without acknowledging the employees who submitted them can make employees feel like management is not listening to them.
b. **Provide feedback**. Give employees feedback during each step of the innovation process. Feedback can enhance the manager-employee relationship and help bolster employee creativity.
c. **Ask employees for their ideas**. Employees can be a wealth of ideas, and asking for their input may also improve their innovative morale and spur them to innovate.

d. **Set aside innovation time**. Set aside at least one hour a week for employees to examine the products and processes surrounding them. Do not expect the employee to make up lost work during this hour, but rather expect that they actively think about how to improve the company. This hour should be scheduled into the employee's work week and not during their lunch hour.

CONCLUSIONS

It appears that innovation is less closely tied to incentives and rewards than previously thought. Employees want to see follow-through on ideas. Employees also desire more feedback. Managers should use feedback frequently to spur innovation. Asking for ideas is also pivotal to encouraging employees for ideas, as it shows employees that the manager is welcoming of ideas. Employees also see time as a barrier to innovation. Without a few hours to examine the products and processes around them, employees will not innovate optimally.

Rewards are not an effective way to motivate employees to innovate. While such plans may work in the short term, they are less effective in the long term. When rewards are used to motivate innovation, employees care less about the intrinsic benefit of submitting ideas and more about how the cash reward can benefit them.

SUMMARY

Motivating employees to innovate is not as simple as providing incentives or rewards. Rather, motivating employees relies heavily on the manager-employee relationship. By providing adequate follow-through, a manager can ensure that employees remain excited to innovate. Even when an idea is not implemented, acknowledging an employee for their idea shows support. Feedback, especially positive feedback, develops the manager-employee relationship and exposes employees to new ideas. To start employees on the path of innovation, management must ask employees for their ideas and also set aside time for them to think about innovations.

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