

## WASTE(D) IDEA MANAGEMENT

by Sebastian Kunert

### Context

The company in this case study is a 100% subsidiary of a global waste management corporation based in Germany. The approximately 65 employees sell and distribute used paper, glass, plastic, metal, and composites. That is to say, they organize the buying, the transport, the sorting, and, finally, the selling to producers. The company is highly profitable, with lean processes and highly skilled, motivated staff.

However, it worries that its business might get outsourced due to the highly standardized nature of its services: organizing purchases, transport, sorting, and selling of waste. These activities are hardly unique. As a result, dissociation takes place mainly by costs and gains. To make things worse, the parent corporation started a merger process and new departments for sales & distribution now appear inside the holding. As a consequence, being innovative, being the first in new markets, and being the first with new (integrated, sustainable) customer services is the key for long term survival.

The company's business performance is as good as their ability to change is bad. An innovation survey (questionnaire throughout the company, interviews with 12 selected employees) revealed that

- the high amount of work led to little motivation to innovate
- innovations were hardly encouraged by management or honored by colleagues
- a culture of lone wolves hindered cooperation
- the reward system emphasized short term goals in the main business

In sum, this company was not a market leader but instead chased after lost opportunities.

### Innovation

Two members of middle management came up with the suggestion for an idea management tool. It included a formalized process to gather, select, evaluate, and reward new ideas. Furthermore, they defined a jury, a list of gratifications and a call for proposals based on the company's strategy. The development & implementation was participative (survey feedback, enlarged project group, updates on team meetings and annual Employee Day). For dissemination they announced a competition to find a mascot and more than twenty suggestions were posted.

### Domain

Public

Private

Non-profit

Commercial

Business: food safety

Start up (0-1yr)

Growth (1-5 yrs)

Mature (5yrs+)

Micro (Staff <10)

SME (10 – 250 Staff)

Large (250+)

Regional

National

Multinational

### Methods

Longitudinal

Cross-sectional

Access

Exemplar

Random

### Innovation

Top Down

Bottom-up

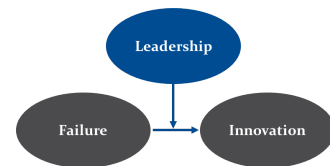
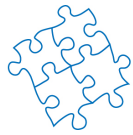
Product

Process

Organizational

Radical

Incremental



## Failure

Top leadership canceled the project shortly before roll out (“If they’ve got the time to do that, there are free capacities to do usual business!”; “Being innovative is part of the job and shouldn’t be rewarded on top of it!”). The participation activities mainly addressed staff members, not senior management. As a result, the invention was created by middle management (team leader level) and supported by lower level employees but it suffered from upper level authorization requirements.

## Transformation

The implementation of an idea management process was not only a simple tool realization. It was a big innovation with consequences for the company’s processes (how do ideas come to life), structures (to judge ideas gives power) and culture (staff co-decides strategy). Moreover, this tool revealed a main reason why innovation was so rare. Top Management was afraid of resource demanding changes, of time waste in a fast and highly competitive business, and of giving away power in a masculine culture.

The transformation succeeded when the two inventors started a completely new approach towards participation (this time addressed towards top management). They searched for a power promoter, presented their project in management meetings, made cost calculations, and highlighted the gains for the greater corporation. Most importantly, they gave control back to management by starting a pilot instead of an entire roll out, by limiting the reward list, and by authorizing the topics to be announced.

## Role of Leadership

Middle management experienced common symptoms of a sandwich position between staff and top leaders. Typically, many inventions fail because of poor, insufficient or misaddressed communication. In this case, an upward and a downward communication strategy was needed because both audiences focused on different aspects.

## Further Reading

Jensen, M. T. (2003). *Organizational Communication*. R & D report no. 1/2003. Kristiansand: Agderforskning. ([www.agderforskning.no/reports/fou03\\_01\\_organizational\\_communication.pdf](http://www.agderforskning.no/reports/fou03_01_organizational_communication.pdf)).

Armenakis, A. A. & Harris, S. G. (2001). Crafting a change message to create transformational readiness. *Journal of Organizational Change Management*. 15 (2), pp. 169-183

## Failure

- Caused externally
- Caused internally

- Step1 Invent
- Step2 Select
- Step3 Implement
- Step4 Capture

## Transformation

- Internal to Organisation
- External to Organisation
- Delivered by Organisation
- Delivered by Others

## Role of Leadership

- Strategic Recovery
- Employee-led Recovery

- New Leader Engaged to lead transformation
- Existing Leader-led transformation

- Recovery Strategy Published
- Recovery Led by Operational Activity

- Strategy Announced
- Recovery Evolved

## Learning outcomes

- Innovation (-management) always leads to change (-management)
- Innovation always needs an all-embracing communication strategy