



August 3, 2010

ANTHONY J. VEGLIANTE  
EXECUTIVE VICE PRESIDENT, CHIEF HUMAN RESOURCES OFFICER

KELLY M. SIGMON  
VICE PRESIDENT, ENGINEERING

SUBJECT: Management Advisory – eIDEAS Timeliness and Transparency  
(Report Number DA-MA-10-003)

This management advisory presents the results of our review of the eIDEAS program (Project Number 10YG023DA000). Our objective was to identify opportunities for the U.S. Postal Service to enhance the timeliness of the eIDEAS process and transparency of the resulting management actions. We conducted this self-initiated review based on a hotline complaint. See [Appendix A](#) for additional information about this review.

The eIDEAS program is a web-based application that allows Postal Service employees to submit ideas online or at one of the kiosks located in processing plants. The Postal Service encourages employees to contribute constructive ideas to improve customer satisfaction, generate revenue, increase productivity, and improve competitiveness. Given the current financial condition of the Postal Service, it is appropriate to evaluate the timeliness and transparency of the eIDEAS program to help management identify those ideas with tangible benefits.

## Conclusion

We found the eIDEAS program was not timely and management's resulting actions were not transparent. Specifically, while the eIDEAS program guide stipulates evaluators assess ideas within 7 days of submission, we found level 1 evaluators took an average of 2.2 years to process employee ideas, while level 2 and level 3 evaluators<sup>1</sup> took an average of 1.1 years and .57 years, respectively, to process ideas. Additionally, we noted that while the number of ideas submitted has grown by 26 percent from fiscal years (FY) 2004 to 2009, the number and value of awards has declined by more than 88 percent. Although, we did not assess the quality of employee suggestions received, this trend suggests further evaluation is warranted by management to measure program success.

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<sup>1</sup> Level 1 idea evaluation is typically performed by the supervisor, postmaster, or manager to whom the submitter reports. Level 2 evaluation is performed by the submitting organization's executive (or designee). Level 3 evaluation is performed by a representative of the headquarters functional area to which the idea most closely relates.

Our survey of employees who submitted ideas revealed that untimely evaluations, insufficient management commitment and communication, and insufficient program transparency were perceived as inhibitors to the program's success. Program management indicated that system limitations such as electronic reminders and employee separations contributed to the backlog in open statuses. These challenges prevent the full realization of the eIDEAS program's purpose, which is to improve customer satisfaction, generate revenue, increase productivity, and enhance competitiveness.

In our benchmarking analysis, we found that federal and private entities have similar idea programs. The National Aeronautics and Space Agency (NASA), the Department of Defense (DOD), and the state of Washington evaluate and/or reward ideas within 20 to 45 days of submission. The DOD considers a benefit-to-award ratio when implementing its ideas program. NASA, the DOD, and the state of Washington also use a committee to evaluate ideas.

In regard to the hotline complaint, Postal Service Engineering developed a solution to the Delivery Barcode Sorter (DBCS) problem with damaged stacker gates that was field tested and repair kits were procured. Additionally, the Postal Service Maintenance Technical Support Center (MTSC) is currently working on a maintenance bulletin to inform field sites of the fix. The OIG hotline office will communicate with the complainant as appropriate. See [Appendix B](#) for our detailed analysis of this topic.

We recommend the executive vice president, chief Human Resources officer, in coordination with participating vice presidents:

1. Re-evaluate the Postal Service's level of commitment to the eIDEAS program and implement program modifications as appropriate.
2. Take action to improve the timeliness of the evaluation process and the transparency of resulting management actions.

## Management's Comments

The Postal Service agreed with the first recommendation and will take appropriate action to resolve the identified issues by August 30, 2010. Specifically, management agreed to reinforce its commitment to the eIDEAS program and will issue a letter to all Postal Service officers reemphasizing the importance of the program and the need to communicate this message to all levels of the organization. Management is also exploring the addition of eIDEAS to the Postal Service's LiteBlue website which is expected to expand the reach of the program.

The Postal Service also agreed with the second recommendation and will take appropriate action to resolve the identified issues by January 30, 2011. Management agreed to build upon steps previously taken to address timeliness, which include eIDEAS programming enhancements, reactivation of automatic reminders, and development and delivery of program coordinator training. Additionally, management stated that the letter to all Postal Service officers mentioned above will stress the importance of acting on all employee ideas promptly and diligently, as well as the need to thoroughly document in eIDEAS all evaluation actions, test results, and target timeframes for implementation. Furthermore, management is reviewing the eIDEAS program policy for possible revision to more clearly define program criteria, responsibilities, time lines, and processes. See [Appendix C](#) for management's comments in their entirety.

## Evaluation of Management's Comments

The U.S. Postal Service Office of Inspector General (OIG) considers management's comments responsive to the recommendations and management's corrective actions should resolve the issues identified in the management advisory.

The OIG considers all the recommendations significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations should not be closed in the follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Miguel Castillo, director, Engineering and Facilities, or me at 703-248-4546.

E-Signed by Mark Duda   
VERIFY authenticity with ApproveIt  


Mark W. Duda  
Deputy Assistant Inspector General  
for Support Operations

Attachments

cc: Edward L. Gamache  
Cathy L. Lowry  
Vinay K. Gupta  
Cullen S. Kiely  
Corporate Audit Response Management

## APPENDIX A: ADDITIONAL INFORMATION

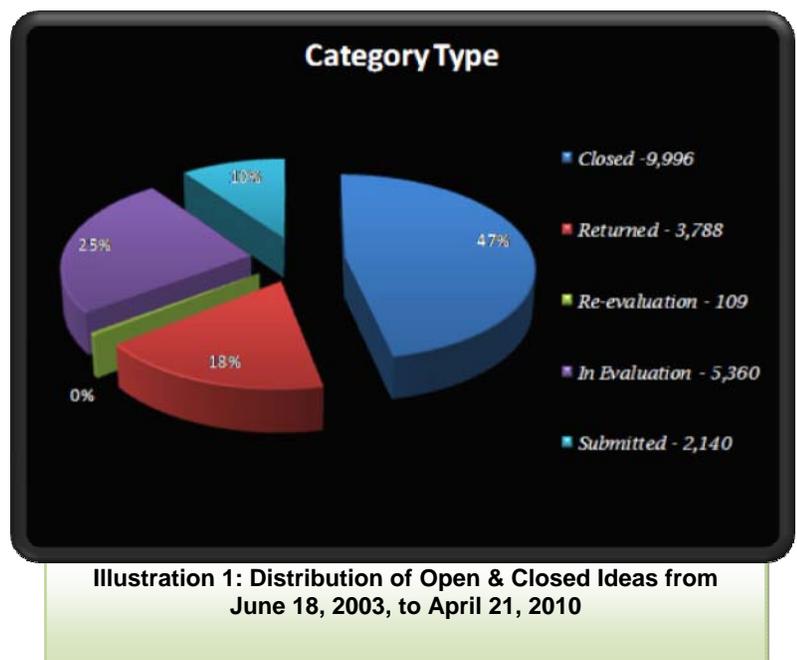
### BACKGROUND

The eIDEAS program is a web-based application that allows Postal Service employees to submit ideas online or at kiosks located in the processing plants. The Postal Service encourages employees to contribute constructive ideas to improve customer satisfaction, generate revenue, increase productivity, and improve competitiveness. Ideas and suggestions are routed to the appropriate supervisor with an e-mail and regular reminders announcing that an idea is waiting for review. Supervisors can approve ideas online and forward them to the district, area, and national levels.<sup>2</sup>

The eIDEAS system is also linked to eAwards<sup>3</sup> so that when an idea is implemented, supervisors can easily initiate the process for rewarding the employee. According to program guidelines, as a proposed idea works its way through the approval process, the employee who submitted the idea receives e-mail updates on the idea's progress and can check its history and status at any time. If the submitting employee believes an idea has been incorrectly rejected, they can request a re-evaluation online.

### OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to identify opportunities for the Postal Service to enhance the timeliness of the eIDEAS process and transparency of the resulting management actions. To accomplish our objective we conducted interviews with the program coordinators and managers and examined relevant data. Specifically, we analyzed the eIDEAS database to assess the timeliness of evaluating submitted ideas and assessed the level of awards. As depicted in Illustration 1, there were 21,393 ideas — 9,996 ideas in closed status; 3,788 in returned status; 109 re-evaluation status; 5,360 in evaluation status; and 2,140 in submitted status.



<sup>2</sup> Local supervisors usually complete level 1 evaluations. District or area managers usually complete level 2 evaluations. National - level personnel or functional vice presidents usually complete level 3 evaluations.

<sup>3</sup> The eAwards program gives supervisors the authority and ability to deliver "on-the spot" award certificates up to a certain dollar value to employees, tying rewards and recognition more closely to performance.

- Closed status indicates an idea has received a final evaluation and whether or not it is being adopted at any level.
- Returned status indicates more information is needed on a submitted idea.
- Re-evaluation status occurs when an employee submits a one-time request to re-evaluate an idea that was closed without being adopted.
- Evaluation status is when an idea is evaluated for its appropriateness and eligibility and its merits; and/or whether to close, adopt locally, or escalate the idea for further consideration or return it for more information.
- Submitted status shows that an employee has submitted an idea for evaluation.

We focused on the 11,397 ideas with an open status of either submitted, in evaluation, returned, or in re-evaluation.

We also conducted an e-mail survey of Postal Service employees who submitted ideas through the eIDEAS system as well as benchmarked government and private entities.

We conducted this review from April to July 2010 in accordance with the Quality Standards for Inspections<sup>4</sup>. We discussed our observations and conclusions with management on May 18, 2010. We did not test the data reliability of the eIDEAS system data.

## **PRIOR AUDIT COVERAGE**

There was no prior audit coverage related to this project.

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<sup>4</sup> These standards were last promulgated by the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE) in January 2005. Since then, The Inspector General Act of 1978, as amended by the IG Reform Act of 2008, created the Council of the Inspectors General on Integrity and Efficiency (CIGIE), which combined the PCIE and ECIE. To date, the Quality Standards for Inspections have not been amended to reflect adoption by the CIGIE and, as a result, still reference the PCIE and ECIE.

**APPENDIX B: DETAILED ANALYSIS**

**eIDEAS Evaluation Timeliness and Award Trends**

Although the eIDEAS program allows 7 days to evaluate ideas, our analysis of open status cases showed ideas remained with level 1 evaluators for an average of 2.2 years.<sup>5</sup> Ideas remained with level 2 and level 3 evaluators for an average of 1.1 years and .57 years respectively. Ideas were in open status for an average of 2 years, in submitted status for an average of 1.5 years, and in evaluation status for an average of 1.7 years as demonstrated in Chart 1. The eIDEAS program manager indicated the backlog of ideas in open status occurred due to system glitches relating to electronic reminders and the difficulty in closing ideas from employees now separated. Although these causes may contribute to untimely evaluations, the extensive time taken to close an idea could bring management’s commitment to the success of the eIDEAS program into question.

**Chart 1: Ideas Evaluation Timeliness By Category and Approval Level**  
(Open Statuses: June 18, 2003 – April 21, 2010)

Idea Status	Level 1		Level 2		Level 3		Total Count of "OPEN" Status	Average of Days in "OPEN" Status
	Count of Idea Status	Average of Days in Current Status	Count of Idea Status	Average of Days in Current Status	Count of Idea Status	Average of Days in Current Status		
In Evaluation	4,571	686	636	361	153	188	5,360	634
Requested Re-Evaluation	77	796	23	539	9	660	109	731
Returned	3,669	1,059	119	771			3,788	1,050
Submitted	1,621	591	400	388	119	201	2,140	531
<b>Grand Total</b>	<b>9,938</b>	<b>809</b>	<b>1,178</b>	<b>415</b>	<b>281</b>	<b>209</b>	<b>11,397</b>	<b>754</b>

Source: eIDEAS Database.

When an idea is approved, management can award non-cash and cash awards up to \$10,000. The complainant and surveyed employees expressed concern about management’s commitment to the eIDEAS program.

As depicted in Illustration 2, since FY 2004, while the number of submissions has increased, the number of awards has decreased along with the corresponding payouts.

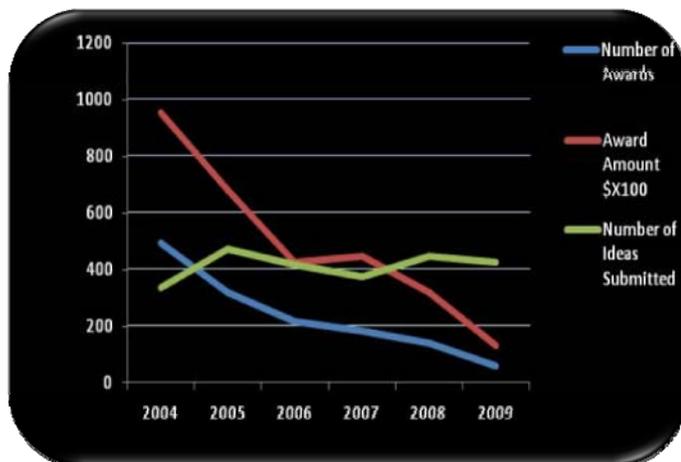


Illustration 2 - Award Trends

<sup>5</sup> 2.2 yrs = 809 days; 1.1 yrs = 415 days; .57 yrs = 209 days; 2 yrs = 754 days; 1.5 yrs = 531days; 1.7 yrs = 634 days.

Although, we did not assess the quality of employee suggestions received, this trend suggests further evaluation is warranted by management to measure program success.

### Survey of Participating Employees

To corroborate the hotline complaint and highlight potential causes for the opportunities noted, we surveyed employees who had submitted ideas that were in open status. Twenty-seven percent (67 of 250) of employees responded to our survey. The survey results revealed similar employee frustration and perceived inhibitors to the program's success. Specifically:

- Fifty-two percent (35 of 67) of respondents believe management could process the submitted ideas more timely. For example, one respondent indicated that management should provide *“Faster return on ideas submitted.”*
- Forty-six percent (31 of 67) of respondents think management is not serious about the eIDEAS program. One respondent asserted, *“Employees rarely have resources available to them to determine revenue potential and/or expenses associated with implementation. If the idea is good, then let the executives (versus supervisors) determine if it should go forward.”*
- Sixty-four percent (43 of 67) expressed a desire for improved communications. One respondent said *“Have management communicate with the employee if the idea is not accepted.”*
- Forty-three percent (29 of 67) expressed concern with the lack of transparency with the evaluation process. For example, one respondent stated *“After each step is processed both reviewer and applicant should be notified.”*

### eIDEAS Program Benchmarks

We benchmarked the Postal Service's eIDEAS program against government entities including NASA, DOD, and the state of Washington. All institutions we reviewed have an employee suggestion program.

In reference to timeliness, we sought the average time an institution takes to evaluate and award an idea. Our benchmarking results revealed:

- NASA, DOD, and Washington evaluate and/or reward employees for proposed ideas within 20 to 45 days of submission.
- DOD measures tangible and intangible benefits for an awarded idea. Additionally, DOD uses a benefit-to-award ratio to establish program consistency.
- NASA, DOD, and Washington state use a committee to evaluate idea submissions rather than using individual evaluators, as the Postal Service does.

Overall, these benchmarks suggest the Postal Service has the opportunity to enhance the timeliness of the eIDEAS process and the transparency of resulting management actions.

### **eIDEAS Complaint Resolution**

On February 24, 2010, a Postal Service mechanic filed a hotline complaint in reference to an idea he submitted via the eIDEAS system. Initially, his idea to save DBCS maintenance costs was locally evaluated and accepted and later closed on September 2007.

Subsequently, the complainant requested a re-evaluation of his idea and his submission was reopened in June 2009. The same evaluator closed the case a second time in July 2009, citing the same reason, which was that another solution was preferred. To date, the complainant has not seen management implement the alternate solution on the workroom floor.

According to Postal Service management, Engineering tested an earlier eIDEA which was similar to the idea cited in the hotline complaint. Engineering developed a satisfactory design concept for a two-piece stacker gate which was deployed to the field in limited quantities in early 2010. Components required for the modification of DBCS stacker gates are currently available for field deployment. Additionally, the Postal Service MTSC is working on a maintenance bulletin to inform field sites of the fix for damaged DBCS stacker gates.

## APPENDIX C: MANAGEMENT'S COMMENTS

ANTHONY J VEGLIANTE  
EXECUTIVE VICE PRESIDENT  
AND CHIEF HUMAN RESOURCES OFFICER



July 28, 2010

LUCINE WILLIS

SUBJECT: eIDEAS Timeliness and Transparency (Report Number DA-MA-10-DRAFT)

Thank you for the opportunity to review and comment on the subject draft management advisory. I have reviewed the report and generally agree with the findings and recommendations. The following is our full response to the recommendations contained in the report.

The OIG's report recommends that the executive vice president, Chief Human Resources Officer (CHRO), in coordination with participating vice presidents:

**Recommendation 1:** Re-evaluate the Postal Service's level of commitment to the eIDEAS program and implement program modifications as appropriate.

**Response:** Management agrees with the intent of this recommendation and will reinforce its commitment to the Ideas Program. A letter will be issued to all Officers of the Postal Service, reemphasizing the importance of the program and the need to communicate this message to all levels of the organization. We will continue to evaluate, strengthen, and improve the Ideas Program to the extent possible, in consideration of the current fiscal environment. Target date for completion is August 30, 2010.

Regarding program modifications, we are currently exploring the addition of eIDEAS to our LiteBlue website. We expect this action to expand the reach of the eIDEAS program by allowing our employees the opportunity to offer their suggestions to improve the Postal Service utilizing any computer with internet access and at their own convenience.

**Recommendation 2:** Take action to improve the timeliness of the evaluation process and the transparency of resulting management actions.

**Response:** We agree with the intent of this recommendation and will build upon the steps previously taken to address timeliness, which include eIDEAS programming enhancements, reactivation of automatic email reminders, and the development and delivery of program coordinator training. To further address the issues of timeliness and transparency, the letter to all Officers will stress the importance of acting upon all employee ideas promptly and diligently, as well as the need to enhance communications by thoroughly documenting in eIDEAS all evaluation actions, the explanation for such actions, any testing results, and, where applicable, the target timeframe for implementation.

In addition, we are currently reviewing the Ideas Program policy, which may be found in Part 630 of the Employee & Labor Relations Manual, for possible revision to more clearly define program criteria, responsibilities, time lines, and process. We believe these enhancements will improve

475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-4000

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response times and may reduce the number of frivolous ideas submitted. As a consequence, this will allow our managers to focus their attention and resources to address legitimate suggestions for improvement in a more timely manner. Any proposed changes will require vetting through our internal stakeholders. Target date for completion is January 30, 2011.

We do not believe that this report contains any proprietary or business information and may be disclosed pursuant to the Freedom of Information Act. If you have any questions about this response, please contact Vinay Gupta at 202 268-5113.



Anthony J. Vegliante

cc: Edward L. Gamache  
Vinay Gupta  
Cathy L. Lowry  
Cullen S. Kiely  
Corporate Audit Response Management

ENGINEERING



July 28, 2010

ANTHONY J. VEGLIANTE

SUBJECT: Draft Management Advisory – eIDEAS Timelines and Transparency  
(Report Number DA-MA-10-DRAFT)

We appreciate the opportunity to review and comment on the subject draft Management Advisory. This response is for Engineering directed eIDEAS.

We agree that some evaluators took additional time outside the established guidelines to evaluate some eIDEAS; however, complex processing equipment eIDEAS require additional time to thoroughly evaluate, test, and properly assess.

In response to the OIG Audit, Engineering will be taking the following actions:

Recommendation 1:

Re-evaluate the Postal Service's level of commitment to the eIDEAS program and implement program modifications as appropriate.

Response:

Management agrees with this recommendation. The Vice President of Engineering will issue a letter to all Engineering employees reinstating the committee to the eIDEAS Program. This letter will be sent by the end of August 2010.

Recommendation 2:

Take action to improve the timeliness of the evaluation process and the transparency of resulting management actions.

Response:

Management agrees with this resolution. In order to emphasize timelines, the eIDEAS coordinator for Engineering will require a 30-day update status for all open eIDEAS under evaluation. This will begin September 1, 2010. The list will be furnished to the Vice President of Engineering for information and necessary action.

  
Kelly M. Sigmon  
Vice President

cc: Mr. Forte  
Mr. Shipe

8403 LEE HIGHWAY  
MERRIFIELD VA 22082-8101