



# Considering the Suggestions System in Gachsaran Oil & Gas Production Company

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## ABSTRACT

**Objective:** Suggestions system is a new managerial system that its implementation in an organization enables us to utilize the employee's suggestions and opinions as the organization major capital in order to improve the performance of the organization. **Methodology:** This system puts the emphasis on the small and constant improvement. **Results:** In this research, we plan to consider the suggestions system in Gachsaran Oil & Gas Production Company. The method of data collecting is Field work method and library method and, **Conclusion:** in the end, strengths and weaknesses of suggestions system in Oil Company will be presented.

## 1. Introduction

A suggestion, in general, is a change in present situation which brings about some advantages. These advantages can be partial and limited to a unit or can be general and executable in an organization (Iranmanesh, 2004). The suggestions system is a technique which utilizes the employees' thoughts and opinions in problem-finding, solution-finding and problem-solving in an organization. According to this system, all employees, from the superior level to the inferior level, are able to offer their suggestions, ideas, innovations and opinions to overcome the performance inadequacies, improve the methods and enhance the production quality. It is worth mentioning that the suggestions system does not just criticize but offers the solutions as well (Pakdel et al., 2001).

In the second half of 2000, the system of accepting and considering suggestions was applied in Gachsaran Oil & Gas Production Company as a strategy to exploit the innovations and creativities, and meanwhile, by spending some expenses, it has brought numerous advantages. The statistics resulted from monitoring the function and performance of suggestions system show that despite spending expense, each employee offers less than three suggestions a year and the amount of confirmed suggestions in the organization is 0/04. Additionally, the percentage of employees' participation does not meet a proper distribution and only a few of employees (one sixth) offer their suggestions (Majidi & Akbar-Beigi, 2010)

Considerations of the researcher in the process of suggestions show that the speed of this process in units, teams and groups is very slow and it takes a very long time to consider a suggestion. Therefore, we decided to consider the executive impediments according to employees' point of view as the key part in this system in Gachsaran Oil & Gas Production Company and then utilize the results to reinforce the strengths and overcome the weaknesses and finally, improve the total management system (Alvani, 2003).

## 2. Materials and methods

### 2.1 What is a suggestion?

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According to Oxford it is the action of calling up an idea in someone's mind by associating it with other things. A process by which an idea, by connecting to other ideas, is converted to a thought (Sohrabi, 2006). Suggestion refers to each kind of thought, opinion or solution that helps us solve a problem and improves and develops operative processes and results in productivity. Suggestion is usually presented in the specific forms. Offering the suggestion as an innovative behavior can be considered from two aspects: A) an innovative behavior, B) an innovative performance. Creative behavior considers those suggestions to be innovative that are related to creative personality and thought. Creativity means automation, being active, having a long term attitude and the ability to overcome impediments (Sohrabi, 2006).

## **2.2 What is the suggestions system?**

System is a set of coherent components that have interactive impressions and try to achieve a common goal. Suggestion is a thought and opinion that in case of being executed, will result in positive change, problem solving, improvement of affairs and methods and finally, increase the productivity (Moghimi, 2005).

The system of employee's suggestions refers to the employees' attempts that lead to save money, enhance the quality of the production, enhance the efficiency in workplace and provide better service for customers (Moghimi, 2005).

Collecting the employee's suggestions and opinions to improve the processes and productivity is known as suggestions system. It is a technique which enables us to improve our methods and proposes frequently and helps employees to utilize their knowledge and information in the areas of productivity and improvement and put them into practice.

This process includes representing the suggestions, ideas, innovations and opinions to overcome problems and inadequacies in an organization. In this case, we even use the customers, employees' family and other related persons' opinions.

The system of suggestions or "preparedness of the thoughts" is one of the most important ways to improve and develop the productivity that, by enhancing the employee's participation, achieves their mental findings and creative ideas to solve the problems and achieve efficiency.

This system provides an environment in which employees, customers, contractors and all other interested people can easily represent their opinions and suggestions to overcome inadequacies and then receive a reward according to benefits of that suggestion. By establishing the system of suggestions, the employees put their creative thoughts and ideas into practice that results in developing the organization. This system is full of planning and harmony, so it encourages the purposeful and explorer employee to be active and creates a dynamic, harmonious and self-control organization to overcome its inadequacies (Tusi, 2004). The suggestions system is a systematic procedure to receive and assess the employee's opinions in order to improve productivity. The suggestions system is a part of participatory system that encourages the employees to participate individually or with others and creates dynamism to improve processes, plans and methods (Emaeel-Pour & Bayani, 2008).

The suggestion system is an inseparable part of "Individualist Kaizen". To assure the efficiency of suggestions system, the managers should establish some appropriate plans. The suggestions system not only does create "Kaizen consciousness" but it also provides some opportunities to be able to talk to their supervisors and colleagues. It also provides an opportunity for the managers to help the employees with their problems. These suggestions, therefore, provide a valuable opportunity to establish a mutual relationship between the members of organization and to improve the employees' personal position (Rabi'ee et al., 2002).

## **2.3 The purposes of suggestions system**

The purposes of suggestions system are as follows:

1. Trying to respect and admire the managers who take the enormous responsibility of organizing affairs. The managers who accomplish their duties to provide the people comfort and welfare.
2. Creating a salubrious and free environment to represent and criticize the opinions and enhance the information and abilities by assessing the employees' suggestions.
3. Creating an appropriate environment to exploit and utilize the employees' thoughts and experiences by making the employees more dependent on organization
4. Helping the employees to take responsibilities and reveal their abilities to provide effective services
5. Establishing mutual relationship between the employees
6. Reducing the stress and tensions by providing an appropriate environment to think, discuss and solve the problems.
7. Creating an enjoyable environment
8. Creating an appropriate environment to development, efflorescence and innovation by persuading people to participate in the organization
9. Helping the employees to participate in the organization
10. Creating the requirement to bring about some changes to improve the affairs (Eghtedari, 2008).

The main function of suggestions system is to improve the communication from the highest level to the lowest one. The improvement of the communication indicates the importance of the suggestions system which results in:

1. Enhancing the amount of management information by employees' participation
2. Providing the possibility to study the plans and overcome the problems by managers
3. Identifying the level of employees' abilities to determine their educational requirements
4. Getting the employees to think of their suggestions before presenting them that may lead to development of them
5. Enhancing the employees' morale and the quality of their performance and creating mutual relationship between the employees and managers.
6. Improving the function and enhancing the benefits by applying practical suggestions

Achieving these purposes and utilizing the benefits of suggestions system needs constant development and improvement by comprehensive and constant assessments. Assessment is an inseparable part of each activity since with measurable data, on one hand, we can improve the executive activities (which are the main goals) without applying extra sources, and on the other hand, it pays considerable attention to the expected efficiency and proper results (Eghtedari, 2008).

### **3. Discussion and results**

#### **3.1 The history of suggestions system**

##### **3.1.1 The history of suggestions system in the world**

Japan was the first country that represented and applied the system of accepting and considering suggestions in a fundamental and strategic way in 1721. In this year, there were some small boxes in Japan to collect people's suggestions. This was done by the eighth Shogun known as Yokoshimin Tokogava and all the citizens were allowed to drop their suggestions, requests and even complaints in the boxes. Shogun believed that this method is the best mechanism to understand people's opinions and attitudes toward the government's policies.

After Japanese, it was Swedish who created royal committee in such an institutionalized and strong manner that no country can reach this success so far. In 1742, the royal committee involved the people's opinions in organizational decision making since they perceived that it is highly important for people to see that their opinions are taken into consideration.

After Swedish, it was Dug Vance in Italy who installed a manifest in his palace mentioning the benefits of people's suggestions.

In 1770, the English Naval Fleet applied the system of accepting and considering suggestions for the first time. It showed that they wanted to hear their soldiers' opinions without being punished because of performance. Establishing the system of accepting and considering suggestions removes the fear of expressing the opinions whereas before this system expressing the opinions might lead to death penalty.

In Russia, it was Peter the Great who invited people to offer their opinions and suggestions and was able to strengthen his empire by this way.

In Scotland, for the first time, the young William Danny ordered his staff to represent their opinions on reducing the expenses of shipbuilding in 1871.

##### **3.1.2 The history of suggestions system in Iran**

In 1986, the Iran's Research and Self-Sufficiency Center considered two major plans known as "Management System" and "Research System" that were the main reasons of the fast promotion and development in some countries like Japan and Germany that were destroyed during World War II. These researches and studies resulted in providing an executive plan based on advanced management system in 1987 when a circular was sent to all affiliates to implement that system which was known as "Suggestions System" by the ministry of Heavy Industries.

According to this circular, the suggestions system was implemented in some affiliates with cooperation and consultation of Research Center. It is worth mentioning that the plan was implemented in the companies "Iran Radiator",

"Nord", "Steel Parts Production" "Akam Felez" and "Suliran" in 1988 as a trial period and since it worked well it was implemented in seven other companies.

In 1998, since this system had brought about beneficial results in foreign and domestic industrial companies and since the employees' participation had played a very important role in enhancing the efficiency of organizations and employee's satisfaction and ability, the Government of Republic Islamic of Iran in a session in 1998/8/19 confirmed that:

"The system of accepting and considering suggestions is established in all ministries, institutions, companies, banks and other organizations that the application of the law requires their naming based on scheduling of the circular as well as a by-law which is represented by Iran Administrative and Recruiting Organization."

In this resolution, Iran Administrative and Recruiting Organization was obliged to provide instructions and bylaws and implement them in some volunteer provinces and ministries on a trial period and after assessing the performance of the system and removing possible problems, establish and institutionalize it in all other organizations. According to the resolution of Superior Administrative Council, Iran's Administrative and Recruiting Organization was selected as the executer of this plan and in 1998/8/18, they began to provide and prepare the basic requirements to implement the system. Four ministries and provinces were selected among the volunteers and with their cooperation the plan was implemented on a trial period. These four ministries were the Ministry of Health and Medical Education, the Ministry of Information and Communication Technology, the ministry of Defiance and Armed Forces Logistics, the Ministry of Jihad Sazandegi and the ministry and four provinces were Azarbayjan Sharghi, Khorasan, Kordestan and Yazd. It is worth mentioning that these ministries had provided the requirements of introducing and establishing of this system before the confirmation of the resolution and this experience caused them to welcome this system. The Public Management Education also organized a technical council, equipped its educational facilities and with the cooperation of the four provinces implemented the resolution in all affiliates of the four ministries successfully. By the end of 1999, a report was released regarding to the procedure of implementation of the trial plan in the four provinces and according to the suggestions of this report and removing the present problems it is hoped that this resolution will be implemented in ministries and public organization completely (Tusi, 2004).

##### **3.1.3 The history of the suggestions system in the Ministry of Petroleum**

The Assistant of System of Quality and Productivity Participation was one of the assistants of the Ministry of Petroleum which was established by the minister of petroleum after the resolution by assistant's council of the Ministry of Petroleum (No. 28/1-3595 Date: 2009-2-4) in order to implement the participation system and high-quality management system in the petroleum industry in 2000 and its responsibilities are guidance, scheduling, adjustment and representing proper regulations.

This assistant, in order to institutionalize the activities, first provided an executive statute and by-law for participation system and then sent it to the board of directors in main organizations and affiliates to be confirmed. In October of 2000, a conference was organized by the administrators of the petroleum industry to introduce the participation system, infrastructure of universal advanced management and Islamic management and led to organizing several seminars in different parts of the country that received enthusiastic welcome. On 2001/3/11, the great conference of public introducing of participation system in order to begin accepting the suggestions was organized which is considered the official starting point of suggestion accepting in petroleum industry.

### 3.2 The suggestions system in Gachsaran Oil & Gas Production Company

The secretariat of System of Quality and Productivity Participation in Gachsaran Oil & Gas Production Company was established in second half of 2000 when the chief executive officer appointed the executive director and the members of cooperation council. According to the reports of the conference, the participation system, infrastructure of universal advanced management and Islamic management were established in winter 2000 by with the presence of engineer Frivar Batman Gilich and chief executive officers and administrators and with the message of the chief executive officer of petroleum national company. This process resulted in several conferences and distribution of several placards and organizing explanatory meetings that received enthusiastic welcome by the employees. The festival of the best of the participation system has been hold for several years and the secretariat of Gachsaran Oil & Gas Production Company has been able to win the first rank as the most active secretariat in the first half of 2001 and second rank in 2002 and the fourth national position in the 10<sup>th</sup> conference and 4<sup>th</sup> national festival of participation system and also achieving the superior license of management for the chief executive officer in Gachsaran Oil & Gas Production Company in 2012.

### 3.3 Organizational structure of the system of accepting and considering suggestions in Gachsaran Oil & Gas Production Company

The suggestions system may follow different structure which we will mention some of them briefly including the famous secretarial pattern (Rahnavard, 1999).

In one of these patterns, one or more persons offer(s) his/her/their suggestion to the delegate of the participation. The delegate records the suggestion and then delivers it to his/her supervisor. The manager considers the suggestion and the represents his/her written opinion to his/her superior (for example assistant of the organization). He also considers the suggestions and then represents his/her written opinion to the committee of suggestions. Finally, the committee of suggestions decides to accept or reject the suggestion.

In another pattern, one or more persons offer(s) his/her/their suggestion to a council of volunteer managers and employees. The council considers the suggestion and in case of being confirmed, promulgates it according to the organization policies (Rahnavard, 1999). In another pattern, suggester offers his/her suggestion to the council or committee of suggestions and this council or committee considers the suggestion and decides to reject or accept it.

In these patterns, the suggester offers his/her suggestion based on administrative hierarchy to the secretariat. The secretary should propound the suggestions in the meeting of unit/team/group/council without mentioning the name then the suggestion is considered by assessor group to promulgate its rejection or acceptance (Rahnavard, 1999).

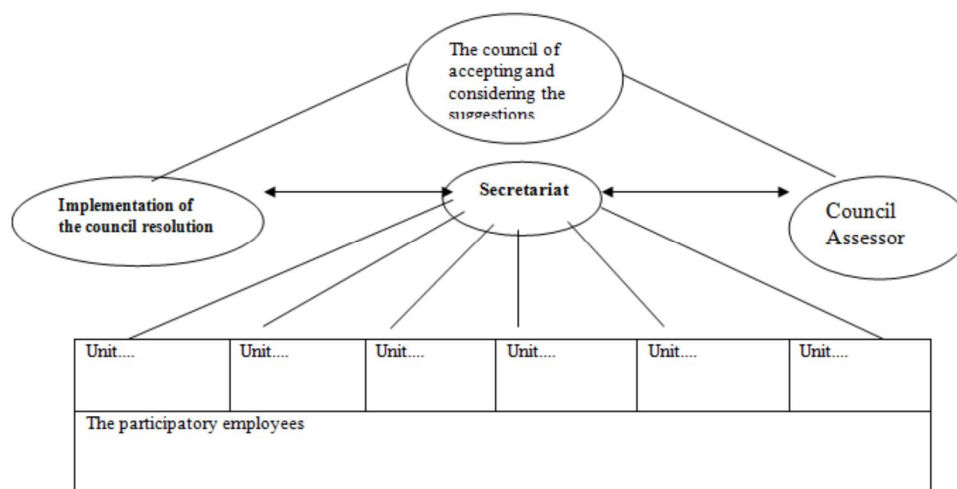


Figure 1. The secretarial pattern of suggestion system

In all of these patterns, the members of the committee can be selected as follows:

1. With appointment of superior managers
2. With appointment of employees
3. With appointment of both managers and employees (Rahnavard, 1999).

Organizational structure of the system of accepting and considering suggestions in Gachsaran Oil & Gas Production Company is defined as:

1. The cooperation council of suggestions system comprises of 15 delegates of managers and chief executor officer:

All the suggestions are considered and confirmed and then are delivered to the related units/groups/teams in the secretariat of the suggestions system and finally, are propounded in the meeting of the cooperation council to final consideration and also to determine the amount of reward.

2. **Development Council:** Development council is comprised of chief executor officer and other managers. The cooperation council also comprised of 21 members. In this council, the suggestions are considered that have been propounded in cooperation council but the chief executor officer and other superior managers of the organization should confirm them as well.
3. **The secretariat of suggestions system:** it comprises of secretary and the expert of participation system which 69 secondary secretary work for unit/team/group of this secretariat.

This secretariat possesses 52 units, 11 teams and 6 groups in order to receive and consider and then confirm or reject the suggestions in all sections of Gachsaran Oil & Gas Production Company.

### **3.4 The preventing influential factors according to Yaghubian**

According to Yaghubian the preventing factors influential are divided into three categories:

#### **3.4.1 Environmental factors:**

Environmental factors are the variables that affect the organization from the outside or are transferred by workers or employees into the organization so the organizations cannot change them. One of these factors is the attitude of the society toward the participation and its concept and purpose. In regular situation, we usually tend to work individually rather than in a group. In our country, there is a clear tendency toward individualism even in public organizations. This characteristic, which is deep-rooted in our organizational culture, is, without a doubt, one of the major preventing factors in participation (Rahnavard, 1999).

One of the most important factors is economical factor that affects significantly the employees' behavior and their tendencies and reactions.

In this economic situation the employees and workers can hardly meet their economic needs, and subsequently, they do not have enough motivation to cooperate, consult and offer their suggestions. Political and social changes also affect our tendencies and behaviors significantly and these effects are also transferred by workers and employees into the organization unintentionally. When poverty threatens security and existence of the family it is very difficult to be aware of superior and mental needs like participation, freedom of thought and freedom of speech.

Environmental factors are divided into two parts:

#### **3.4.2 Cultural factors:**

It refers to the dominant culture in an organization that persuades us to work in a group or individually. It also creates an environment in which we can show our creativity, flexibility, independency and the ability to take risks.

#### **3.4.3 Political, social and economic factors:**

It refers to the dominant political, social and economic condition in a society.

#### **3.4.4 Structural factors:**

It refers to all physical and non-humanistic elements, factors and conditions that are united together methodically and construct the framework, form, body and statute of the organizational system. Ambiguity in purposes and regulations and incoherency in policies and structures are the examples of structural factors (Khanifar et al., 2009).

Structural deficiency as the basic factors and also "synthetic discipline" and "selective discipline" may destroy the important constructive factors in an organization and also threaten the natural and physical structures, financial and physical structures and humanistic and financial structures.

The factors that threaten the structures of an organization are organizational structure, improvement of methods, informational mechanized systems, payment, selection and recruitment system, job appointment and promotion and assessment of performance.

It is all physical and non-humanistic elements, factors and conditions that are united together methodically and construct the framework, form, body and statute of the organizational system. Ambiguity in purposes and regulations and incoherency in policies and structures are the examples of structural factors (Khanifar, et al., 2009). The official structure of an organization is in a specific form of duties and responsibilities that include the organizational hierarchical structure.

#### **3.4.5 Behavioral factors:**

It is the human behavior and communication that form main content of organizational system by behavioral norms, informal relationships and specific

united patterns. Attitudes, values, hypothesis and different behaviors are considered the content of an organization. The behavioral factors can be considered the major preventing factors in establishing the participation system. In the organization (without considering the productive or service structure) several factors can bring about positive effects (promoters) or negative effects (preventers) such as expectations, attitudinal preventers, managerial factors and employees-related factors.

## 4. Conclusion

### 4.1 Weaknesses of Gachsaran Oil & Gas Production Company

According to studies based on the average results of questionnaires, the major problems in implementation of suggestions system are as follows:

high organizational hierarchy – ascending centralized decision making – high organizational formality – complexity and bureaucracy in regulations – high organization centralization – discordance between informal structure of suggestions system and confirmed structure of organization – lack of flexibility in organizations – inappropriate feedback of suggestions system – absence of considering , assessment and implementation of suggestions in a proper time – not paying attention to the employees’ influence and creativity in the suggestions system in annual assessments – not paying attention to the employees’ influence in promotions and recruitment process – lack of directness in regulations of suggestions system – the absence of organizational position for executer director for suggestions system in organization formal structure.

### 4.2 Strengths of Gachsaran Oil & Gas Production Company

- The managers believe in suggestions system and support it well enthusiastically
- The suggestions system has enhanced the tendency toward carrying out researches
- There is a profound belief in cooperation and participation among the organization staff
- The forms and programs for offering suggestions are available, easy-to-understand
- The staff are familiar with offering suggestions and suggestions system

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