

# Improving Efficiency and Absenteeism at Mattel

*Don Payne, Director of Human Resources Development, Mattel, Inc.*

Productivity improvement—can it really be achieved through human resources development training, or is it a subject better left to efficiency experts and systems engineers? According to Don Payne, director of human resources development at Mattel, Inc., companies can achieve substantial results in productivity improvement. It is possible if they apply sound and tailored human resources management strategies.

Understanding that pre-packaged productivity programs don't work like many other personnel panaceas, Payne used the LIFO® Training model to design a specific program which led to measurable results in productivity improvement.

In this case, the LIFO Training model was used in a plastics manufacturing company. The firm was experiencing rapid sales growth, and management operated in an informal, personal, hands-on-manner. Systematic procedures and documentation were unpopular in this environment. This management style was successful until the company expanded from a one plant operation to a two plant operation, with the second some miles distant from the first. Plastic production and warehousing were retained at the main plant, while packaging and distribution were now at the new facility.

Lacking systems which permitted logical, formal interaction between the two operations—which was directly impacting the company's productivity level—management soon realized the need to intervene and identify solutions to their problems. The company

president asked for help from Payne (a licensed LIFO Trainer since May, 1973) to identify improvement opportunities and strategies.

Payne used a productivity checklist to help isolate critical problems and help identify behaviors necessary for success between the two plants. A structured training program was designed and presented to key members of the management group. Relying on the LIFO Training model to diagnose problems and identify possible solutions, the workshop encouraged individuals to apply specific strategies and action plans where productivity improvement was desirable. All goals and action plans were based upon those behaviors which would account for the greatest success in specific situations.

#### **Examples were:**

- Strengthening the helping relationship among departments
- Setting challenging targets
- Providing timely, meaningful feedback on performance
- Following up on actions and commitments
- Asking more questions and holding people accountable for their actions
- Allowing the hourly workforce to participate in decisions that affect them

“The most important part of the intervention was the use of LIFO® Training to get people to look at the options available to them in order to initiate needed changes and improvements,” states Payne. “The opportunity for improvement was apparent—managers had

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to discipline themselves to apply the appropriate style in specific situations to meet their goals.”

By identifying their style preferences, the team was able to spot low-strength areas and build them up. “A large part of the program design was, directed at participants practicing and becoming comfortable with productive aspects of the least preferred Controlling Taking and Conserving Holding styles and strengths,” Payne adds. As a result, the Supporting Giving/Adapting Dealing predominant group extended behavioral options to include Controlling Taking/Conserving Holding behavior in those situations requiring it.

### Results

At the end of the six month period, the following results were reported.

1. Manufacturing efficiency (man hours vs. scheduled product off the end of the production line) increased from 65% of standard to 95% of standard.
2. Absenteeism decreased from 30 people out of 150 being absent on a daily basis, to 5 out of 150.
3. Material handlers were reduced from 28 to 13 yet were able to handle the same amount of work as 28; and devised a plan for handling twice as much work during peak period without adding staff.
4. Shipping (both distribution and interplant transfer) had reduced staff by 10% and had consolidated interplant shipments to conserve labor and fuel. Graphs showing monthly improvements in efficiency were posted.
5. A formal planning system had been designed for production planning—now packaging knew what it would be packing out for the next six months rather than day to day. The greatest assistance in this change came from top management who (a) origi-

nally requested the help, (b) were involved in identifying the improvement goals and (c) supported and reinforced the required style changes. 