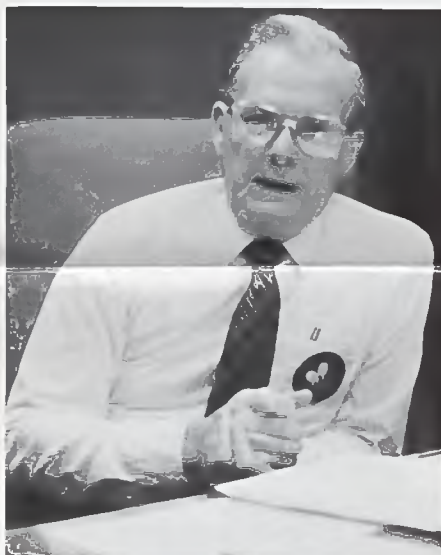


FOCUS ON OE: John Golden Answers Questions on "Organizational Effectiveness"

Q: — We're hearing talk about something called Organizational Effectiveness: "OE". What is it? Why are we doing it?

A: — Organizational Effectiveness is difficult to describe because we have so little experience with it, but I hope our comments can furnish some insight. You could say that OE is simply a better way of managing. It isn't a formal training program as such; it's more like a philosophy, a way of thinking.

"But the reasons for it are very clear. Our world has changed drama-



The reasons for Organizational Effectiveness are clear.

tically. Not too long ago, we were one of a few producers of quality X-Ray film. Now, quality film is available from both European and Asian sources. Their quality is improving, and their prices are lower. Competitive pressures are intensifying.

"Added to that is the nationwide effort to lower medical costs. As Medicare and other insurers limit the amount of money they will pay for specific hospital procedures, the cost of medical X-Ray film is one of the things that will come under scrutiny. For instance, if a doctor decides that two X-Rays are enough, even though he would have liked to see another—that cuts down the size of the market.

"So we have to be more effective, to keep a share of that market, to become more competitive in domestic and world markets."

Q: — You say OE is "not a program". What's the difference?

A: — "Our training programs deal with specific subjects such as safety,

problem solving, writing, procedures and courses like the recent eight week program for control mechanics.

"OE, on the other hand, is a way of managing which works to improve productivity by involving and developing everyone, at all levels in the organization. It enables each person to identify, develop and implement changes to increase their effectiveness, and thus make the plant more competitive."

Q: — How will OE improve our business? Can you give an example?

A: — "Certainly! Although OE is just beginning, there are several things we've already done that are organizationally effective:

"When reduced demand for base necessitated the shutdown of a casting line, we effectively avoided a layoff—people went into a "maintenance helper" group. They moved into a different line of work very smoothly. The mechanics supported them. And they did an outstanding job!

"A study of reinspection in the Finishing Area showed that diverting some material to recovery would be more economical than handling it sheet-by-sheet. This allowed six to eight operators to be reassigned and eliminated the need for new hires.

"Those involved recognized the problem and were willing to participate in the solution.

"Power and Grounds people know of our plans to have certain cleaning jobs done by outside vendors. This is important; it reduces our costs by permitting reassignment of permanent employees into other slots—again, avoiding new hires in an uncertain market.

"Have you noticed? In each case, the understanding and cooperation of the people involved is a key part of each change. I can't emphasize enough the importance of this positive attitude, the willingness to be part of the answer to a problem.

"In the Organizational Effectiveness seminars that Norm and I are currently doing, I quote a professor at

the Massachusetts Institute of Technology, who says:

"Giving up coffee breaks isn't important. What is important is an interest by employees in searching out more efficient production processes and a willingness by them to embrace or accept the change."

"Doing business that way will contribute greatly to our continuing job security."

Q: — Is OE something unique to our plant, or are some other DuPont sites doing this?

A: — "All Photosystems plants have OE efforts in various stages of development, as do a number of DuPont plants in other departments. The textile fibers plant at Kinston has had an ongoing program for 6 years, now, and their progress in becoming more competitive is absolutely outstanding."

Q: — How about outside DuPont, or foreign competitors such as Japan?

A: — "A number of companies are involved in similar activities—their ef-



The important thing is willingness to change.

forts may be called by different names, but the objective is the same, increased competitiveness.

"Our major competitor in medical X-Ray has been taking positive action, partly by trimming the fat from their organization, and by offering early retirements.

"I have no firsthand knowledge of foreign competitors, but I believe it's safe to conclude that they are also very active in programs to reduce costs, raise quality and increase their productivity."

Q: — I see what you mean by "A new way of thinking". How are we going to learn about this? Will there be training sessions for everyone?

A: — "Understanding OE is going to take some time, and of course there will be training sessions to follow. Actually, the current seminar effort is intended to set the stage for further training. Even after we understand the principles, applying them is going to call for a great deal of time and work.

"Along the way, anything we can do to upgrade quality, lower manufacturing costs and improve productivity will make our products more competitive in the market—and I suppose that brings us back where we started, looking for a definition.

"When a person does what they can, as an individual, to make a better product at the lowest possible cost—that's organizational effectiveness."



Understanding and cooperation are key parts of problem solving.