



How Toyota Is Rejuvenating the Idea of Corporate Culture

Antoine Henry de Frahan

Toyota has just become the world leading carmaker, leaving GM and the others behind. In the US, Toyota is investing, hiring employees, and making profits, while the US carmakers are cutting thousands of jobs and drowning into abyssal losses. An article by Charles Fishman¹ highlights the features of the Toyota culture that explain this outstanding success. Because, and that's important, it's all about culture. "Toyota is not just another workplace, but a different way of thinking about work." What is this culture made of?

Competitiveness is not about competing with others. It is about improving yourself.

"Toyota's competitiveness is internal, self-critical. It is rooted in an institutional obsession with improvement, a pervasive lack of complacency with whatever was accomplished yesterday", Fishman writes.

This corroborates my own observations: weak organisations (and people) look at the outside to explain their misfortune. If they are not successful, it's because the competition is so strong, or because the boss is unfair, or because the employees are lazy, etc. It's always "the others". This victimisation ("I am the product of external circumstances") is at the opposite of far more empowering "I take responsibility for my life" philosophy, where people take responsibility for their situation and work on themselves self to improve it.

¹ "No Satisfaction", *Fast Company*, Dec. 2006 – Jan 2007
www.fastcompany.com/magazine/111/open_no-satisfaction.html

Effective change is not about organisational convulsion.

“Toyota doesn’t have corporate convulsions, and it never has. It restructures a little bit every work shift.” “Continuous improvement is tectonic. By constantly questioning how you do things, you don’t outflank your competition next quarter. Your outflank them next decade.”

Myriads of micro improvements every day, rather than spectacular, bloody shake-ups (and often ineffective) reorganisations. Isn’t that a very challenging idea indeed for those of us accustomed to endless organisational convulsions?

Managers are not bosses. They are process improvers.

“The supervisors and managers aren’t “bosses” in any traditional American sense. Their job is to find ways to do the work better.” Quite an interesting and unusual definition of a manager’s role.

The business is not about the product. It’s about the process.

“The focus is not on how to make cars, but how to make cars better. The cars that are made are just a by-product of the larger mission. It’s not just the product, it’s the process.” “The process is paramount. Toyota also has a process for teaching you how to improve the process.” And most importantly, we must “improving the process by which we are improving all the processes.”

Process-focus becomes a way of thinking. As an employee reports, “When I am mowing the grass, I’m thinking about the best way to do it. I’m trying different turns to see if I can do it faster.”

Problems first

The American corporate culture is very much about bragging about achievements and successes. Not the same at Toshiba. "Even with projects that had been a general success, we would ask 'What didn't go well so we can make it better?'" "

"You can't solve problems unless you admit them."

"There is a presumption of imperfection. Perfection is a fine goal, but improvement is much more realistic, much more human. Not a 15% improvement by the end of the quarter, a 1% improvement by the end of the month."

It's not about goals. It's about the process.

"Typically, people take an all-too-American approach to the idea of improvement. It's episodic, it's goal-oriented, it's something special."

"There is no set of goals, because goals mean there's a finish line, and there is no finish line. It's a way of looking at the world. Once you realise that's it's the process itself – that you are not seeking a plateau – you can relax. Doing the task and doing the task better become one and the same thing. This is what it means to go to work."

The work is not about achieving goals, it's about doing the work, and doing it better. Quite a challenging view for those of us trained to see "goal-setting" as the cornerstone of managerial skills. ■