

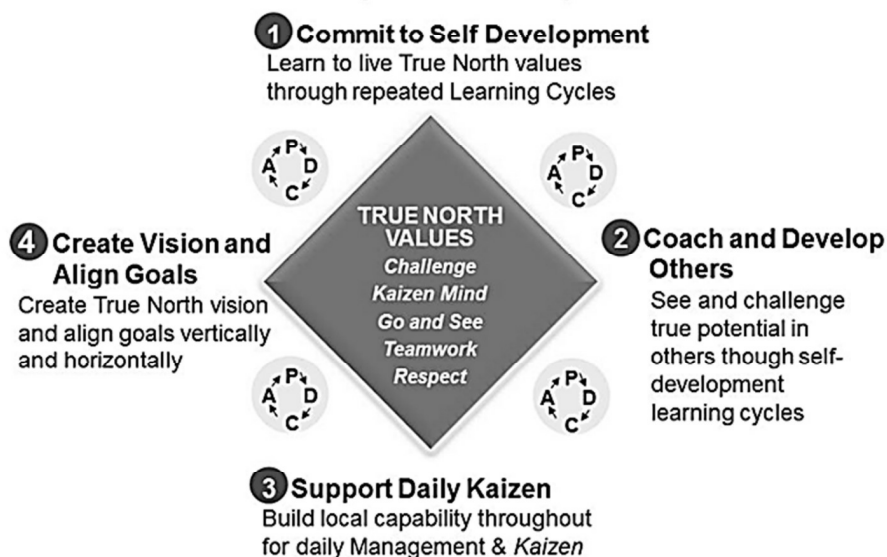
CHAPTER 4

COMMIT TO SELF DEVELOPMENT

What are you trying to Self-Develop?

By now it should be clear that there is a method for Continuous Improvement, and there is a method for respecting people. They go hand in hand. You cannot be effective in Continuous Improvement in Toyota unless you are respecting people – your customers, your partners, and your team members. True North in Toyota is defined by The Toyota Way, which defines how leaders should think, feel, and behave. Toyota develops leaders over long time horizons and we have summarized a process for companies wishing to learn from Toyota in a four-step Lean Leadership Model. This chapter provides an overview of the model (see Figure 4-1) and then focuses on the first of four steps, self-development through challenge and reflection.

Lean Leadership Development Model



Source: *The Toyota Way to Lean Leadership*

Figure 4-1. The Lean Leadership Development Model (The Diamond Model)

The guiding principles for developing yourself as a leader are the True North values core to your organization. We put Toyota's at the center of the leadership development model. These must be thoroughly understood, but beyond that, you must develop yourself to live the True North Values through repeated learning cycles. You must plan-do-check-act your way over and over until the values are in your DNA—the way you think and act. Toyota's values do not have to be yours, but they provide useful guidance in thinking through your organization's values. It is worth reviewing them one more time.

Challenge: We welcome competition.

The environment is always going to challenge any organization, and there will always be internal challenges. The key is whether "challenge" is viewed as a hardship inflicted on us or the natural order of a complex universe in which challenges push us to adapt and grow stronger. As an example, *The Toyota Way 2001* says, "We welcome competition." You won't hear Toyota complain about competition from American, Korean or German companies, which are all getting stronger. They welcome this competition because it forces them to become even better. Without the challenge of this competition, they might weaken and customers will suffer. They want the spirit of competition in every individual within Toyota.

Facing challenge with a positive outlook is a value, because without that challenge there is no pressure to improve. Studies show that learning and performance will degrade if people are under more stress than they can handle. However, there is an equally important finding that if people are not challenged enough and under-stressed they will stagnate, also decreasing performance and learning. This has been called the Goldilocks principle of stress.

This suggests there is an optimum level of challenge. Think of a bell-shaped curve of performance (see Figure 4-2). Maximum performance is when there is the right level of stress, neither too little nor too much.



Figure 4-2. Finding the balance in Degree of Challenge

Kaizen Mind - I will achieve the challenge by following the right process.

How you meet the challenge is through a Kaizen mind. By Kaizen mind, we mean that you are confident that with dedication and a systematic process of improvement through PDCA you can meet the next challenge. You might be challenged to cut in half the time to do your task. It seems impossible, you have never done it before, but you know that if you break down that 50% into smaller pieces, take steps one by one, and follow a good process of problem solving you will move closer and closer to that target and eventually achieve it.

You need both the confidence and a good process to work through step-by-step to meet the challenge. Some attempts will be backwards steps. You will fail, but that's okay. You will pick yourself up, learn, and try again.

Go and See - You can learn the most at the *Gemba*.

There is also a value in Toyota of going and seeing, which sounds odd as a value because you are simply going and seeing something.

However, the value is that you can really learn the most from the *gemba*, the place where it is actually happening. There is huge value to going and seeing and learning

first hand, not relying on indirect reports, not relying on averages, nor statistical databases from months past, but seeing the actual place as it is today.

Gemba means the place where "IT" is happening. It can be where you make the part, provide the service, the customer is using your product, a supplier is preparing your materials, or wherever else value is being added.

Teamwork - Teamwork and individual performance are two sides of the same coin.

Teamwork is highly valued as it is in many organizations. What is a bit unusual in Toyota is that teamwork and individual performance are not considered two opposites. They're considered two sides of the same coin. You really cannot have great teams without highly developed individuals and individuals will improve and perform the best when they are a part of an effective team.

Respect - Customers, Society, Team Members, Partners, Communities in which you do business.

Finally, respect has many aspects to it. It includes respecting customers, society, team members and partners, and the communities in which you do business. Shutting down a location where you employ people, while expedient from a business perspective, violates this value. You are putting people out of work and damaging the economic welfare of the community. This does not mean your company should go down with the ship if you are near bankruptcy, but doing damage to team members, community and society because of a business decision is to be avoided if at all feasible.

These are Toyota's values, and you probably have your values for your company written down somewhere. Critically evaluate them. If you think they need adding to or changing, fine. If they are already strong and comprehensive enough then start thinking about how to engrain them more deeply in your leadership culture.

Ensuring Your Values are Engrained

Can you as a leader actually get to a point where those values are so engrained in you that you wouldn't think of violating them? They just come naturally; it's the way you are.

There is a funny story an American Toyota executive told me. When he joined Toyota, they gave him a card with Toyota core values on them like a cheat sheet. He carried this card in his wallet with him all the time. He would refer to it just to remind himself of the values. One day he went into the plant and realized he forgot his wallet in the glove compartment of his car. He panicked and started to rush back to his car to get his wallet with the card in it. Suddenly, he stopped himself and realized he did need the card. These values were so engrained in him that he didn't need the cheat sheet anymore. That was a very liberating moment for him, a turning point in his career.

Western Leadership vs. Toyota Leadership

What type of leadership is necessary to drive this thinking vision of the Toyota Production System and how is it different from the western style of leadership with which we are most familiar?

Considering first the western, tool-based approach to Lean, we use the same style of leadership we are most comfortable with and have learned from business school or perhaps our mentors (see Figure 4-3). At the root, a financial plan drives this behavior. If our shareholders want money (and we view our product as money), then money should drive every decision - that is in the financial plan. We should aim for quick results in order to increase the money. We can control sales to some degree by paying salespeople on commission, but the rest of the organization has one lever for profitability, cost reduction.

The traditional Western top executive is the face of the company. What the stakeholders want is confidence that the senior leaders, particularly the people they talk to, are the heroes. I am entrusting you as the CEO to make me money. If you appear fallible then I am going to get nervous. As long as you appear like a superhero who never fails, I am happy. The traditional Western leader has to be strong, proud, and act like a superhero. To get to that point you have to demonstrate that you can get results repeatedly. The way you do that is by achieving financial objectives at every step on the ladder. The person who becomes the CEO has climbed the ladder the most quickly. If you want to be a CEO – if that is your goal entering a company – then you had better learn to climb fast. If there are a few people in the way, you climb over them. If you have to push a few off the ladder, that is okay too.

What you are really doing is getting results, but they are very specific results. They are financial results that are easily understood by shareholders, and the damage you do along the way does not really matter as long as you are not bringing the company into the courtroom.

People, on the other hand, are a bit of a nuisance, because as you are trying to climb the ladder they have emotional needs. They do not show up to work, and they do not always follow or even understand your instructions. People are imperfect machines. If you program a computer correctly, it does what you tell it to do, but people are machines that can be stubborn and resist. What we need to do is to use people properly and learn which levers to pull to get people to behave as we want.

<i>Traditional Western Leader</i>	<i>Toyota Leader</i>
Work to a financial Plan	Reach for True North Vision
Quick Results	Patient
Proud	Humble
Climb Ladder Rapidly	Learn Deeply and gradually Earn Way up Ladder
Results at all Costs	Need the Right Process to consistently get the Right Results
Achieve Objectives through People	Develop People through process improvement

Figure 4-3. Traditional Western Leader versus a Toyota Leader

Let's contrast that with Toyota's ideal leader who is part of the Thinking Production System. They are trying to achieve the unattainable goal of perfection. In order to do that, they realize that there are many steps. They also realize that they do not exactly know how to achieve True North so they have to try many things. The more quickly they can run experiments, the more quickly they can move in the direction of True North. They need to be patient. As a senior leader, they cannot make the improvements. They cannot do the work. They are dependent on the people who report to them. Understanding this leads to humbleness. "My job is to serve the people who can actually do the work; help them in any way I can." This is often referred to as servant leadership.

There is tremendous premium placed in Toyota on what you know - not financially, but in terms of the processes and the business. For example, Sakichi Toyoda learned from the ground up to work with his hands, make wooden things, and eventually invented new, more automatic looms. Kiichiro Toyoda learned from the ground up how to make a car. People generally do not advance in Toyota unless they learn deeply from the ground up. Learning deeply and then eventually moving horizontally and learning deeply again is the right way you get up the ladder. This takes patience. You are spending a lot of time at one level learning. Finally, someone will suggest you are ready for another challenge and will give you a promotion. You wait patiently until that happens.

You need the right processes to get the right results. There is a strong belief that kaizen, which includes respect for people, and a very methodical approach of going through PDCA over and over again, will get you closer to the True North. It will get you

to a target you set on the way to True North. We do not know exactly how to get there. If somebody asks us to cut the time it takes to change over a machine by 80%, we say, "Yes I will do it." We have no defined solutions for how. We know that we are going to need a team of people - lots of brains. We know we are going to have to try a lot of things, but if we are an experienced leader, we have repeatedly met our objectives. We have the confidence that if we follow the right process to work with a motivated team of people we will get the right results.

In the process of getting those right results, Respect for People says to get the best out of my people I must train and develop them. So, we have on one hand the results we are trying to achieve – we are trying to conquer the challenge – and on the other hand, we have people we are trying to bring along with us so they are strengthened. Through this investment, they will become more skilled at Continuous Improvement.

How do you work to become a Lean Leader?

How do you work toward the ideal of the Toyota leader? Many leaders would say, "Look, we have been raised to follow the Western Leadership Model. We have learned how to make the numbers. We have learned to be impatient. The people selected to be leaders are selected because they are impatient, because they want results now. Now you are telling me I have to be nice, patient, humble and good to my people and encourage them. This is the opposite set of behaviors. How can I go from one extreme to another?" Certainly changing any complex behavior is difficult, and we know from neuroscience research, even painful. This means we have to really want it, which is why Toyota works so hard at selecting leaders who are passionate about learning.

Step one – Commit to self-development. Learn to live True North values through repeated learning cycles.

We have learned a few things. We know that when people have established habitual routines and ways of thinking etched in their brains over decades, it is really hard to change. Perhaps we should blow up the company and start over. We could bring in some coaches who are really experienced and then bring in people and raise them from the start in the True North values. In Toyota's experience, it takes about ten years before you can act like a mature Toyota leader. You must have all of the routines etched in your brain for that.

Few companies could afford to shut down and rebuild themselves over ten years, and a great deal of expertise would be lost. Better is to work hard to change the leadership you have. Who is in a position to change the thinking of leadership? I can tell you from decades of experience as a consultant it is not me. I have never been able to talk a CEO into changing his mindset. For one thing, I am just one of those people that they have climbed over all their life, and I am a paid consultant, which makes me even less credible. CEOs have very strong wills. That is why they got where they are.

The good thing is that because they have such strong wills they have been able to accomplish anything they really set their mind to their entire careers. If they set their mind to changing the way they behave, they can often do it. It requires extreme dedication, and it does not happen in one try. You do not take the weekend golf lesson special and become a great golfer if you lack the fundamental skills. If you play golf badly and you have a lot of bad habits, you do not change those habits unless you practice repeatedly over a long period of time with a coach who is watching you, telling you what you are doing wrong, suggesting how you might alter your swing, and assigning you practice routines. My golf instructor informed me not to take a lesson unless I have three days after the lesson to practice what he taught me, not play on the course, but practice at the driving range. Then I am ready for my next lesson.

The challenge of self-development is: (1) it takes a deep commitment; (2) You need a coach; and (3) You need to practice. For CEOs or executives who are running a mile a minute to solve today's problems it is hard for them to carve out their time and it takes even more dedication. What I am assuming now is that you as a leader – and this same process applies whether you are a first line supervisor, a manager, a director, or a CEO – have decided you want to change. The way you have been leading has gotten results, but it has led to people who are not engaged. It has led to you solving most of the problems and doing most of the thinking for people. You are frustrated, and you think there must be a better way. How do you get leaders to be like the Japanese leaders who taught Gary Convis? Gary had to try to become one of these leaders, which was a struggle. He had been with Ford for 20 years and had developed a lot of bad habits.

When Gary was hired to run NUMMI there were a lot of things they liked about him. For one, while at Ford, he was acting like a Toyota leader. He was the quality manager and he would actually stop production, (nobody stopped production in Ford). He would go to the workplace, he would talk to the workers, and he would identify the problem and its root cause. He was acting like a Toyota leader in his mind and in many ways, he was. The NUMMI management said that they were impressed that he had this leadership potential, but they had done an exhaustive search before they settled on Gary and what sealed the deal was that Gary repeatedly asked questions, listened, and wanted to learn.

Anyone who has taught knows that you cannot teach somebody who does not want to learn. You can get them to take notes. You can get them to feedback on a test what they hear and read, but you cannot teach somebody, except at a very superficial level, unless they want to learn. You are always looking for that one student who is passionate about learning, whatever it is – a musical instrument a sport. You are an engineer and you are trying to train the next generation of engineers, and you find that spark in someone who really wants to learn.

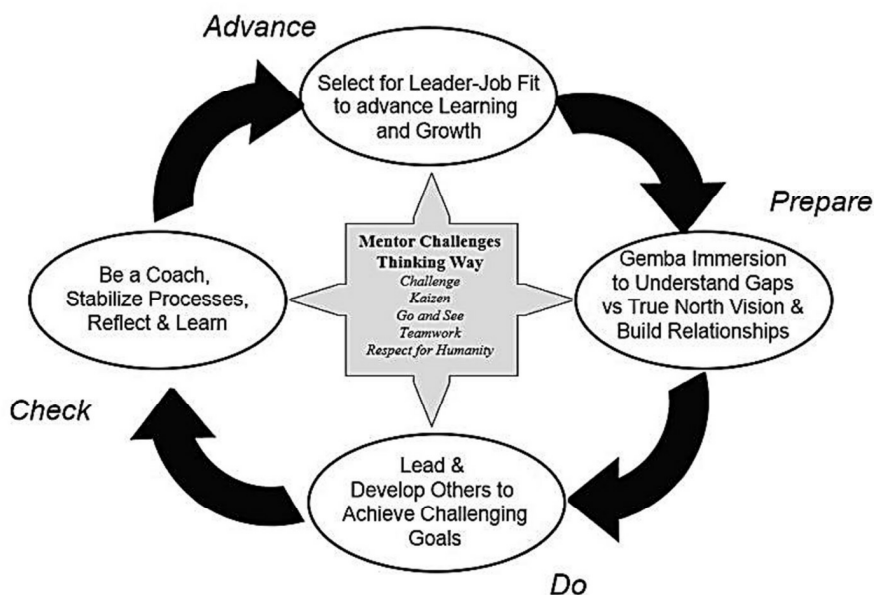
The first step is to find people who are willing to commit to self-development. What you want them to learn is the True North values of the company. The only way they can learn it is by taking little steps. At first, they have to learn some basic routine patterns of behavior, and then, as they develop, what they learn is more precise and

more elaborate. The Improvement *kata* provides one systematic way to learn through practice one-step at a time.

That is what the Japanese were doing at NUMMI in California. They were trying to teach, particularly Gary, because as plant manager he was in the most critical position, and then everybody in the hierarchy up to the team leader of a small group how to develop themselves – how to learn and how to think in The Toyota Way.

Leadership Self-Development Learning Cycles (PDCA)

The Lean Leader is taking on increasingly difficult challenges, meeting those challenges, learning, and then taking on the next challenge. They are following the PDCA cycle to learn (see Figure 4-4).



Source: *The Toyota Way to Lean Leadership*

Figure 4-4: Leadership Self-Development Learning Cycles (PDCA)

You get a new assignment that your superiors and human resources have concluded will help the organization and further develop your leadership skills. For example, you have been a manager in the assembly department and now you have been selected to be a manager in the shipping department because that will broaden you and prepare you for higher levels of leadership. The first thing you will do on your new job in