

Managerial danger signs along the Toyota Way

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Who would have ever thought? Toyota, once the hallmark of quality, continuous improvement and everything excellent, falling from grace. Not just falling, but plummeting. It begs the question, who got it wrong? Did they just get off track or were we all duped?

I, like many, was once a believer. My first car was a Toyota, as was my second, third and fourth. With each car, my husband thought the quality was declining, but I dismissed his commentary. After all, it was a Toyota. And Toyota meant quality. End of discussion.

But then I did some work for Toyota and through this started to hear stories of emotionally unintelligent, arrogant managers, of an emphasis on production and a lack of interest in people, of a traditional autocratic management style.

Much of my work was helping my client deal with these old-school managers. But I still didn't connect the dots. After all, this was Toyota. A few rogue executives could surely not define the culture.

When things started going wrong in recent months, I, like many others, started reflecting on my Toyota experiences in the past and what had clearly been signals that all was not well suddenly become glaring beacons.

For me, the issue is not that the company had problems with the product. That's not unique. It was the way it handled these problems – with an arrogance and cowardice that I find both disturbing and fascinating.

The fall of Toyota will be analyzed by many in years to come, but there's one aspect of the story that bears close reflection, particularly by those who are at the top of an organization. It's the alignment between public persona and internal reality – or in Toyota's case, the lack of it.

Toyota had, up until now, a stellar reputation. It was known for quality, professionalism and innovation. Consumers were willing to pay a premium for its products, and competitors tried to emulate the company. Toyota was seen to be at the pinnacle of organizational effectiveness. And with this position, many (including me) assumed its leadership practices were of the same standard as its product: innovative, excellent, relevant. How wrong we all were!

Consider how Toyota's executives handled the crisis. Rather than having the leadership courage to address it head-on, they hid from the media. When they did make an appearance (and often it was not done by their own free will) they demonstrated a total lack of emotional intelligence and extreme arrogance, projecting blame at everyone other than themselves.

I don't believe the behaviours that emerged at this time of crisis were new; it's simply that we got to see them. Toyota may have had an innovative product, but clearly its management practices were a long way from being state of the art.

EXECUTIVEWORKS

Internal brand must be aligned to external brand. If you brand yourself as being reliable, your managers must be consistent and dependable. If you say you're state of the art, your executives cannot lead in ways that reflect old paradigms. If you're trying to develop trust in your customers, you must make sure you do the same with your employees.

It is in this regard I fault Toyota. While its management practices might have worked in the past, they seemed to have failed to develop with the times. An overemphasis on loyalty and a rigid hierarchy meant that challenging those higher up was frowned upon. Outside perspectives were neither gathered nor valued. The place became an island, convinced that market supremacy assured continued success. But in today's world, how can quality flourish when management practices remain embedded in days long gone?

We had judged Toyota's management process on its external branding – and we got it wrong. It was therefore inevitable that sooner or later the house of cards was going to come tumbling down. Such misalignment and deceit will only take you so far. A rigid, deferential hierarchy may have worked in years gone by, but it is an outdated leadership style that has no place in today's world – as we clearly saw in the executives' public appearances. What was nowhere in sight was humility, a willingness to learn and an appreciation of contradictory viewpoints.

Executives today would be wise to learn from Toyota's mistakes. Unless the image you project to the public reflects the reality of how you manage your business, you're on very shaky ground. If there's a disconnect between your external and internal brand, it's only a matter of time until your own house of cards collapses.

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