

Toyota Culture!

Matthew Horvat¹

How do world-class organizations do it? The question seems to be on everyone's mind. We assume it takes a great product, good marketing, good employees, and discipline. World Class organizations are characterized as getting better and better. In the construction industry we are beginning to know this as 'Lean Construction'. Maybe you have experience with TQM or have been in a lecture that mentioned Deming's 14 Management Points. Now, you or your firm is investigating Lean Construction. Lean involves an organizational change and that means culture. What does culture really mean? Just how can a continuous improvement effort really change things?

The difficulty starts when we first try to look inwards to our firms in the construction industry. We say our culture is about 'safety first'. We define ourselves by 'getting the bid below the budget'. Perhaps someone in the firm gets an award for good performance. All this and more is part of our culture. It is difficult to gain a deep understanding of our culture and the shared values that we act upon. We are left wishing things would change, and even take some actions, but do not see the complexity or the interrelationship of all the parts of our culture.

From his time with the firm and from his best selling book, *The Toyota Way*, Jeffery Liker (and co-author Michael Hoseus) were clued in that there is something special about the culture of Toyota. In *Toyota Culture* the author's have done a deep analysis and provided insight to this top performing company. They start by defining culture at Toyota as a set of principles that we live by. To frame the manifestation of culture, the authors have identified two critical and mutually supporting value streams - the people and the products. The author's call this the Human System.

People define culture. The authors first describe the excruciating detail that is placed on the methods used to hire and train workers. The mission of Human Resources is attracting, developing, engaging, inspiring for life. Although this could be 'bolted on' to any HR department, Toyota goes to great lengths to ensure success. Hiring takes months. When a candidate is finally selected, then the engagement really begins.

People define culture by the way they work. The book identifies the tools that are provided to the people to thrive in this high performing environment. People are not only empowered to do rigorous problem solving, but they are provided the framework and coaching to be successful at it. The manner that two-way communication is described is a useful lesson for all managers.

Culture isn't just about providing the lowest level employees empowerment either. Strategic deployment plays a part, as do teamwork and stable employment. Once seeing

1 Matthew Horvat PE, GMBA, MSE is a coach at Lean Project Consulting. mhorvat@leanproject.com 602-618-1442



the breadth and depth of the culture at Toyota one begins to realize the meaning of the Pillars of Lean: Respect and Continuous Improvement.

Everything that Toyota does is tied together around these philosophies. In the last section, the author's again provide a guide about how you too can create this type of culture. Rest assured it is not without re-thinking current practices and discipline. Your identity will be shaken when understanding the shape of the culture at Toyota.

Toyota Culture comes with my highest recommendation. The study of transforming culture is extensive. It takes dedication to notice and understand how your values create your culture. The challenge, following your study of Toyota's culture, will be to develop your organization's values, and therefore the culture.

Liker, Jeffery K., and Hoseus, Michael (2008) "Toyota Culture: the heart and soul of the Toyota way" McGraw-Hill ISBN 978-0-07149-217-1. Preview here at Google Books (<http://bit.ly/e8RMUp>).

