



UNEARTHING THE MYSTERY OF TOYOTA'S SUCCESS

BY MICHAEL BALLÉ



**Toyota Kata:
Managing People
for Improvement,
Adaptiveness and
Superior Results**
Mike Rother

If you're involved in lean work in any capacity, whether in management, as a coach, or as a participant in lean events, the book *Toyota Kata: Managing People for Improvement, Adaptiveness and Superior Results* (McGraw-Hill, 2009) by Mike Rother is a game changer. Rother unearths a deep mystery about Toyota's success—the secret of what makes it a real-life example of a learning organization, not just at the senior level, but all the way to team leaders and team members. In a research tour de force, he succeeds in capturing the double-loop learning mechanism that Toyota has developed. To cap it off, Rother illustrates Toyota's vaunted managerial practices simply and with great examples.

Beyond shedding light on lean, this book offers deep insight into how learning mechanisms can feed into business strategy to avoid the problem of creating grand visions that turn out to be grandly wrong. I suspect (or at least hope) that Rother's insights will

TEAM TIP

Don't underestimate the power of coaches! Toyota's problem solving occurs under the guidance and control of a coach who makes sure the problem-solving process itself progresses with every cycle.

open the door to another form of strategy formulation for organizations of all kinds.

Toyota As a Learning Organization

As a student of organizational learning, I find it hard to resist the attraction of Toyota's management model; over the years, the firm has developed a unique approach explicitly based on learning, both at the detail and strategic levels. In particular, it has developed practices and processes to:

Linking the quality of problem solving and learning to the presence of a coach sheds a new light on why Toyota is so much better than any other company at solving both detailed and strategic problems.

1. **Contextualize learning by constantly insisting on genchi genbutsu: going to the real place to see the facts at their source.** Indeed, it's well known that true information needs both context and data, just as knowledge needs both information and understanding. By making "go and see" the cornerstone of its managerial approach, Toyota has developed a process deeply imbedded in reality, in which decisions are based on the understanding of problems and their real-life impacts.

2. **Create learning labs in the day-to-day work environment.** As with double-loop learning, the learning lab is a recurring feature in organizational

learning approaches, but the many attempts have mostly been tried off-line as simulations (either real-life or with computers). Toyota, on the other hand, has developed a practice of structuring any working environment as a "learning lab" through its know-how of visual management. Any operator can see from her environment whether she is ahead or late, doing a good job or not, and how to call for help if the slightest thing seems strange. In this way, she can either learn her job in greater detail or make a suggestion for improvement.

3. **Use the systemic nature of supply chain environments as a key to learning rather than suffer from endemic Forrester effects (growing oscillation over time).** By developing "pull systems," Toyota has learned to link all steps of the chain in a smooth flow, along with the discipline to do so. Pull systems across the value stream act both as an architecture to improvement and as platforms for cross-functional problem solving.

4. **Share knowledge.** The practical understanding of systemic interactions in the company has led it to focus explicitly on knowledge sharing both up and down the line and across functions. Most of this knowledge sharing occurs though joint problem-solving sessions in which people from different locations and backgrounds confront their perspectives and develop new ones.

5. **Constantly create knowledge, from detailed kaizen (continuous improvement) to radical innovation.** To a large extent, it can be argued that *kaizen* in its many forms is Toyota's management method; it is applied all the way from operators improving their workstations

to top executives committing to develop the car of the future. This fundamental commitment to the scientific method of observation (*genchi genbutsu*), theory formulation (standards), focusing on anomalies (problems), experimenting (*kaizen*), measuring (check), and reformulating and generalizing (*yokoten*) is the engine of progress in the firm's management approach.

True North

In *Toyota Kata*, Rother touches on these various aspects of organizational learning. He argues that the way Toyota implements this framework is by having standardized its problem-solving approach and teaching its employees how to use it again and again, under various conditions, in the pursuit of an ideal or "true north."

This is quite a profound take on the learning process, one that has

already been illustrated in various ways by other Toyota observers (and Rother himself in other writings). To my mind, Rother's deepest contribution is in highlighting the importance of coaching in problem solving (turning single-loop learning into double-loop learning). Toyota's problem solving does not occur in a vacuum, but under the guidance and control of a coach who makes sure the problem-solving process itself progresses with every cycle.

This insight explains many enigmatic aspects of Toyota's organization, such as its use of *senseis* or "coordinators." It also illuminates a share of its current difficulties, as it has grown much faster than its capacity to grow a stock of such coaches. Linking the quality of problem solving and learning to the presence of a coach sheds a new light on why Toyota is so much better than any other company at solving

both detailed and strategic problems.

In many ways, this book can be seen either as the result of 20 years of research on Toyota and the Toyota Production System or as one of the breakthrough stepping stones that will usher in a new era of management thinking. Thumbs up! ■

Michael Ballé is associate researcher at Telecom ParisTech and managing partner of ESG Consultants. For the past 15 years, he has focused on how companies use lean techniques to develop a lean culture as part of his research on knowledge-based performance and organizational learning. He has written several books and articles about the links between knowledge and management (*Managing With Systems Thinking, The Effective Organization, Les Modèles Mentaux*), and more recently, co-authored two business novels, *The Gold Mine* and *The Lean Manager*. Michael is co-founder of the Projet Lean Entreprise and the Institut Lean France.