# Traveling the Road to Redemption: Toyota Motor Corporation's Rhetoric of Atonement As Response to the 2010 Recall Crisis

By

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Submitted to the graduate degree program in Communication Studies and the Graduate Faculty of the University of Kansas in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

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Date Defended: June 28, 2012

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Date approved: July 10, 2012

#### **Abstract**

This dissertation is a case study of Toyota Motor Corporation's movement from communicative failure to communicative success during the massive 2010 auto recall. It is the author's contention that the movement to success was accomplished through a sub-genre of apologia known as atonement. Atonement not only provided a way for the automaker to repent, demonstrate mortification, and take actions to address the needs of its audience of Toyota owners, but also provided a way for Toyota to return to the narratives, ideology and values that are part of the Toyota Way.

#### **ACKNOWLEDGEMENTS**

The acknowledgements for my Master's Thesis was extensive and those thanked there for their support, love, and encouragement, are similarly acknowledged here. However, my Kansas Ph.D. adventure, and subsequent dissertation, requires acknowledging a whole new host of mentors and friends.

First, my gratitude to Dr. Robert "Robin" Rowland for his superb academic and personal support. Not only did he guide me towards becoming a stronger rhetorical critic, but he also allowed that growth to include my passion for creating a damn good story along the way.

Personally, he was there when my life took an unexpected and serious health turn. He demanded I take the time to take care of me. What he probably doesn't know is that a large part of that healing process involved carrying forward with the dissertation research and writing because it provided some sense of normalcy during a period that wasn't normal at all.

Second, my thanks to the other fabulous members of my dissertation committee who were equally supportive and encouraging during the dissertation process and the dark times. Beth Innocenti for her, "You can do this," attitude; Debbie Ford, for her sharp organizational rhetoric commentary; Tracy Russo for her acute editing eye and thoughtful commentary, and Suzy D'Enbeau for her contribution of journal articles that have expanded my perception of organizational scholarship.

Third, my gratitude and love to the wonderful women of the R.S.G.: Beth, Greta, Krista, Jaclyn, Robin, and Sue. We groaned and grew together, marked comps and dissertation defenses, celebrated NCA appearances and awards, and life in general. No matter how far apart we may be geographically, the soul of our friendship continues. Blessing on you all.

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## **Toyota Crisis Timeline**

August 28, 2009	San Diego crash kills four members of Saylor family
September 28, 2009	Toyota announces recall plans for 3.8 vehicles for floor mat issues but no date for recall established
October 3, 2009	Akio Toyoda's "litany of apologies" press conference
January 21, 2010	Web-site announcement of pedal recall
January 26, 2010	Production line shut down
January 31, 2010	"A Temporary Pause" announcement
February 2, 2010	"An Open Letter to Toyota Customers" message
February 5, 2010	"There's Been A Lot of Talk About the Recall" message
February 7, 2010	Toyota "Commitment" video
February 9, 2010	Akio Toyoda's Washington Post letter
February 11, 2010	Toyota "Restore" video
February 23, 2010	Akio Toyoda's Wall Street Journal letter
February 26, 2012*	Toyota "Customer Perspective" video
February 26, 2012*	Toyota "Dealer Perspective" video
March 2, 2010	Toyota Kentucky "Team Member Perspective" video

<sup>\*</sup>Dates are based on video up-load date to You Tube

#### Chapter 1:

#### **Accelerating Towards a Communication Disaster:**

#### Overview of the Toyota Crisis & Literature Review

#### INTRODUCTION

In the fall of 2009 Toyota Motor Corporation found itself facing what would eventually become one of the largest automobile recalls in the history of the industry. What started as a recall of cars with faulty floor mats soon burgeoned into a recall of cars with allegedly faulty accelerator pedals. Over the next eight months the recall morphed into a variety of issues including faulty brakes, steering problems, stability control systems, drive-shaft issues, and even rusty spare tire cables. By April of 2010 Toyota had recalled some 9,000,000 cars including such familiar models as Toyota Corolla, Corolla Matrix, Camry, Avalon, Tacoma and Tundra trucks, the luxury Lexus and the "flagship" of the Toyota fleet, the eco-friendly Prius.

The financial effect was devastating. According to *New York Times* 'reporter Nick Bunkley, Toyota's market share for January 2010 was 14.1 percent as compared to January 2009 when the company had finished with a 17.9 percent market share. In early February *Kelly Blue Book* analysts dropped the used-car value for recalled Toyota models between one and three percent; by February 12, those numbers had been decreased by an additional 1.5 percent. Over all, Toyota sales for February 2010 were down nine percent as compared with February, 2009 sales, making it the only major automaker to suffer a sales decrease.

Toyota faced other financial issues. According to Micheline Maynard of the *New York Times*, Toyota found itself facing "billions of dollars in lawsuits." Moreover, as reported by Curt Anderson and Ieva M. Augstums of the *Chicago Sun Times*, insurance companies were mounting investigations on ways to recoup payouts to Toyota owners whose vehicles had allegedly accelerated suddenly, resulting in injury and in some cases deaths. Finally the company faced and eventually paid a \$16.4 million dollar fine from the National Highway Traffic Safety Administration (NHTSA).

Other problems also plagued Toyota. The company was accused of withholding information regarding the accelerator problems. <sup>10</sup> Questions were raised about the relationship between Toyota and the NHTSA because Toyota had hired former NHTSA employees. <sup>11</sup> More damning were the questions raised about the lack of investigation into complaints about Toyota by the NHTSA. Eric Lichtblau and Bill Vlasic likened the process to "a Kabuki dance of sorts," in which the federal agency would open an investigation, the auto giant "would promise answers," and "nothing would come of it." Toyota's lack of cooperation in addressing problems also ran counter to the almost sacred "Toyota Way," the company's core values. According to Aida Sevilla Mendoza, the Toyota Way involves both "high-lighting and solving problems instead of hiding them," as well as "instilling a self-critical culture that fosters continuous and unrelenting improvement with perfection as the ultimate goal." Clearly, the company fell short of its professed philosophy.

Finally, Toyota was criticized for its crisis communication. The company was slammed for their overall slow response to safety issues – even before the 2009 recall. James Kanter, Micheline Maynard, and Hiroko Tabuchi characterized the problem as "part of a lengthy

pattern." Advertising Age reporters Michael Bush and Rich Thomaselli noted that as the crisis moved from January into February of 2010, Toyota's management was mostly silent and what was being communicated was characterized as "a mish-mash of legalese." The president of Toyota was faulted for a two-week delay in responding publically when the crisis peaked in February of 2010. In an interview with San Francisco Chronicle reporter Carolyn Said, Buford Barr, a Santa Clara University marketing and advertising lecturer, lamented that "Toyota has broken every rule of good crisis management that I have ever taught." Buford, whose number one example of poor crisis communication had been Exxon during the 1989 Valdez disaster, went on to note that, "now Toyota is going to take over that 'bad' slot." Given the extent of the financial repercussions, the allegations of withholding information, and the faulty nature of its crisis communication, Toyota Motor Corporation was in dire straits.

Yet author James P. Womack, who, according to *The New York Times* has "written extensively about Toyota," offered a cautionary note in the midst of the crisis. In early February, Womack told *The Times* that "betting against Toyota has been a good way to lose money." His words proved prophetic. By late March Toyota was rebounding. According to *New York Times* reporter, Nick Bunkley, Toyota sales rose 41 percent in March of 2010 over March 2009 figures. Sales of the 14 models initially recalled shot up 48 percent. Moreover, 60 percent of those sales were to past Toyota customers. One company executive noted that although incentives were offered, "I don't believe anyone would buy a new car or truck from a brand they didn't trust." That trust had rebounded was evident in that Toyota's brand reputation index rose from a February 2010 low of -7.8 to 19.6 in June of 2010. Most surprising were the results of a July 2010 rating by Wall Street that ranked the 10 biggest brands that "lost substantial chunks of their

brand valuation."<sup>22</sup> Toyota was on the list, but was dead last. *Daily Finance* columnist Douglas McIntyre noted that although the company had lost nearly \$6 billion of brand value in the first half of the year, "Toyota's 2010 story had one surprisingly twist: U.S. vehicle sales haven't fallen."<sup>23</sup> In fact, McIntyre argued, Toyota sales were up 9.9% during the first half of 2010.

Curiously, all of these positive indicators occurred even as Toyota continued to recall vehicles. How was this possible? Exactly how was the embattled car maker negotiating the shifting terrain of recalling vehicles, while working to regain audience trust in its damaged brands? One possible explanation is that Toyota substantially altered its crisis communication and appropriately addressed the crisis. I contend that Toyota engaged in a rhetoric designed move the car maker back on its path of quality, to the Toyota Way. In the following pages I build this argument by first arguing for the importance of image maintenance as an over-arching purpose for all organizations in which messages of branding and values are paired to create congruency between an organization and its publics. Second I move beyond this discussion of image maintenance strategies to defining what a crisis is towards a larger discussion of image repair. This entails a review the literature related to apologia in which scholars alternately argue for perspectives based on purpose and motive as driving strategic responses or arguments for why crisis situations drive the strategic responses. Fourth, I argue for another perspective in which constraints, particularly cultural constraints, play an important role in crisis rhetoric. Finally, I review literature on apologia as shaped by cultural constraints and how this applies to Toyota.

#### The Importance of Image Maintenance

In order to understand Toyota's communication during the 2010 recall crisis, it is helpful to understand the concept of organizational image. The following section is not intended to be an exhaustive review of the literature related to the concept of image. My intent is to define image from an audience viewpoint, and to highlight two broad strategies, branding and corporate citizenship, that play a role in maintaining the audience's favorable view of an organization.

Image, branding, and corporate citizenship

At all times organizations should work to maintain a positive image with their various stakeholders. Following Keith Michael Hearit, I define image from the perspective of the audience; "a receiver-based interpretation that people make about organizations based on individuals' intermittent past experiences with an organization." It is because organizational messages are open to interpretation that image maintenance is important. Rowland and Jerome have argued that image maintenance is an over-arching purpose for all organizations because of the need to maintain positive relationships with stakeholders. 25

Image maintenance is accomplished through strategies of identification in which, to paraphrase Kenneth Burke, the purpose is to join the interest of the organization with the interest of its audiences; to "display the appropriate "signs" of character needed to earn the audience's good will."<sup>26</sup> The audience's good will is earned in two ways. First, the organization strives to made its products known through branding. Second, the organization strives to prove that it is a good corporate citizen by advocating for, and identifying with, larger social values.

First, the organization works to establish identification through branding messages or what Hoffman and Ford defined as the use of "visual and verbal strategies used to call forth

identity in the minds of the audience."<sup>27</sup> Rhetorically, branding acts as an enthymeme in that the slogan or visual trigger taps other associations. Chaim Perelman argued that the importance of enthymemes lies in their ability to create presence because in "prolonging the attention given them, their presence in the consciousness of an audience is increased."<sup>28</sup> For example, the Nike "swoosh," triggers an association with the Nike slogan – "Just do it" – which links to the Nike product of athletic wear and ultimately to the company itself. In other words, audiences do not have to see the written Nike slogan in order to associate the slogan with the symbol.

Additionally, branding creates presence based on the audience's perceptions of quality and what Dawar and Pillutla defined as brand trust or "reliability, dependability, and trustworthiness."<sup>29</sup> Thus branding messages link an organization to its goods and services and to desirable qualities that the audience expects of the organization via its goods and services.

The second way in which organizations work to earn the good will of their audiences and thus enhance their image is to engage in strategies designed to espouse shared social values. Organizations must demonstrate that they are both decent and caring social members.<sup>30</sup> The modern corporation acts in such a way that it is perceived by its publics as being a single actor.<sup>31</sup> For example such statements as "IBM announced today" or "General Motors has decided to" are a natural way of talking about corporate actions. Cheney and McMillan have argued that when society frames the many voices of an organization as a "society entity," the audience "is invited to treat the organization as a person speaking." By extension then, the organization is expected to hold to the norms and values of society as if it were an actual person. In turn, Keith Hearit contends that organizations are deemed legitimate when "corporate activities are congruent with the values of the social system in which they [the organization] exist." Denise Bostdorff and

Steven Vibbert argued that organizations build and maintain their images by engaging in "values-advocacy" or "epideictic advocacy" through messages designed to create a shared sense of values that both audience and organization share.<sup>34</sup> When an organization professes congruence with causes and issues that a community values, the audience is more likely to view the organization as part of the community, as a "good corporate citizen" rather than a monolithic outsider.<sup>35</sup> The on-going interactive process of maintaining corporate image through branding and advocacy is similar to Ware and Linkugel's apologia strategy of bolstering, which is "any rhetorical strategy which reinforces the existence of a fact, sentiment, object or relationship."<sup>36</sup> Thus through branding, identifying with and adhering to the values of the society in which it operates, an organization will be deemed a legitimate member of that society.

Organizational crisis and product recalls

Scholars have defined organizational crises in different ways. According to Pearson and Clair, an organizational crisis is a "low-probability, high-impact situation that threatens the viability of the organization." Ulmer, Selnow and Seeger extended this definition arguing that a crisis is "a specific, *unexpected*, and nonroutine event or series of events that create high levels of *uncertainty* and *threaten* or are perceived to threaten an organization's high priority goals." Thus organizational crises can be defined as discrete, disruptive events that take an organization by surprise.

Another approach to defining organizational crises is characterized by the argument that organizations are complex systems that occasionally break down, and these break downs are part and parcel of organizational life. According to Astrid Kerstan, such a perspective of crisis asks that scholars and practitioners see a crisis as "a stage in the organization's development, a natural

expression of the way it operates and an element of its normal functioning."<sup>39</sup> In this perspective a crisis is not something that happens to an organization, but rather is something that happens as part of the organizing process. Moreover, because crises events are part of an ongoing life-cycle of an organization, they offer the chance for the organization to learn from the experience.

Product recall crises provide this opportunity for learning. According to Dirk Gibson product recalls occur "relatively frequently" and are "one of the most consistent of American economic phenomena" with an average of six recalls a day."<sup>40</sup> In the case of automobile recalls there are millions of vehicle recalls each year.<sup>41</sup> For example, Rick Newman pointed out that in December 2009 alone "there were at least eight separate recalls that each involved thousands of passenger cars."<sup>42</sup> Despite the frequency of automobile recalls there is no denying that auto makers suffer when their car woes are made public. According to Kathleen Cleeren and her colleagues, when recalls occur, consumers may elect to purchase competing brands, or in the case of cars, a competitor's brands. The result is that the company is likely to face "a damaged image and a substantial drop in consumer trust."<sup>43</sup> For example, it took Audi ten years to regain the trust of consumers following a series of sudden acceleration issues in the mid-1980s. <sup>44</sup> In short, a product recall crisis seriously damages the image that consumers hold of the automaker.

Thus, when a crisis hits an organization the congruency between the organization and its audiences is disrupted. In terms of branding, company logos and slogans now become linked with the crisis. The result is a negative association between an organization and its products. A 1995 study conducted by the advertising agency DDB Neelham found that out of 2645 consumers surveyed, 85% considered how a company handles a crisis to be the one of the top five factors that influence consumers' decisions of what and from whom to purchase products. <sup>45</sup>

Moreover, the legitimacy of a crisis-ridden organization may be questioned by the society in which it operates in what Keith Hearit characterized as "the emergence of public animosity" towards the organization. Although Bostdorff and Vibbert argued that values advocacy can build up a reservoir of credibility that can be called upon to deflect criticism, this may not be adequate in a crisis situation. For example, a petroleum company espousing views of environmental concern may be perceived as hypocritical by an audience when the same company downplays the negative environmental effects of an oil leak. The effect of a crisis then is that it demands responses that go beyond those used to maintain a favorable image of the organization by consumers. In short, organizations shift their message strategies from a singular focus of image maintenance to a dual focus on image maintenance and image repair.

#### LITERATURE REVIEW

#### An Overview of Apologia

Given the extent to which organizations go to establish and maintain their image as legitimate providers of goods and services within society, it makes sense that when faced with a crisis, the modern organization also engages in discourse designed to address the crisis and reestablish congruency with their audiences. This discourse is known as apologia or what Ware and Lingkugel defined as "a public speech of self-defense, the apology." Not surprisingly scholars have sought ways of both explaining and predicting how organizations have and should engage in apologia. In this section I review the literature on differing approaches to personal as well as organizational apologia. These approaches can be defined in three ways. First, there are scholars who argue that purpose and motive states drive apologia messages. Second, there are scholars who argue that the crisis situation drives the rhetorical responses of individuals and

organizations. Finally, a third argument is that there are constraints acting upon the individual and organization that function to shape the apologia.

Purpose, motive states and strategies

Current research on how organizations shape crisis discourse owes much to Ware and Linkugel's 1973 conceptualization of apologia. Ware and Linkugel contended that apologia is a separate genre and thus constitutes "a distinct form of public address," in that occasions arise when what is questioned is not the policies that a person espouses but rather a person's "moral nature, motives, or reputation." In other words, a person's image is at stake. A number of studies have illuminated the ways in which people in the public eye have confronted and defended themselves when accused of public and private transgressions. 49

According to Ware and Linkugel, when faced with charges of impropriety, a speaker purposefully sets out to absolve, vindicate, explain or justify actions in light of the charges leveled. <sup>50</sup> Depending on one's purpose, a speaker may use four dominant strategies: denial, bolstering, differentiation, and transcendence. <sup>51</sup> Taken together, purpose and strategy result in a typology that aids the critic in categorizing different speeches of defense. However, Ware and Linkugel were careful to note that the combinations of strategies are not fixed because each speech of defense is "in some sense unique," that is, each speech arises out of different circumstances and each speaker uses a variety of stylistic devices. Thus Ware and Linkugel invited other scholars to expand and elaborate on their original argument. This invitation led to a myriad of different approaches, all aimed at pinning down the rhetorical situation in personal and organizational apologia.

Some scholars have argued that apologia is best understood by the critic when considered in partnership with the kategoria, or accusatory discourse that triggers apologia. Halford Ryan contended that the two can be compared by examining the structure of the speeches themselves. According to Ryan, by evaluating "the issues in the accusation," the driving motivation of the accuser can be compared to what motivates the accuser to respond to the accusation.<sup>52</sup> In creating what Ryan characterized as a "speech set," a critic has a more rounded view from which to critique the success or failure of both sides. In a similar vein, Keith Hearit argued that inasmuch as an accusatory stance questions the ethics of an organization, the organization engages in what Hearit defined as "kategoria-based apologia." <sup>53</sup> In a sense, such an approach turns the tables by leveling counter-arguments about the ethics of the accuser. In doing so, the apologists rhetorically dissociates themselves from the charges, in effect distancing themselves from the charges of wrongdoing. The strategy of disassociation allows the apologist to "bifurcate a unitary concept (i.e., the accusation of wrongdoing)" by claiming that the charges do not represent the reality of the situation and thus are nothing more than an appearance of impropriety. Thus, through a turn of terminology, an organization redefines the rhetorical battlefield to its advantage.

Another scholar who built on Ware and Lingkugel's work is William Benoit. Benoit developed an expanded typological system for addressing apologia. Benoit's theory of image restoration and its attendant typology consists of five broad categories: denial, evading responsibility, reducing offensiveness, corrective action, and mortification. Additionally, Benoit argued that within three of the broad categories – denial, evading responsibility, and reducing the offensiveness of the act -- lie variations of the broader category. For example within Benoit's

category of denial one can either out-and-out deny the accusation, or one may shift the blame to another party. Evading responsibility may involve strategic variations of claiming the accused was provoked to such actions, that the accused acted on good intentions and things went awry, that the actions are defensible, or that the precipitating event was an accident. The category of reducing the offensiveness of an event may involve strategic variations of bolstering, transcendence, minimizing, differentiation or compensation. Additionally, the accused may elect to turn the tables and attack their accuser.

Using the image repair typology, Benoit and his colleagues have analyzed a number of organizational crises and their attendant strategic responses. These studies have included such varied contexts as an analysis of Texaco Oil Company's response to accusations of racism, Exxon Oil's attempts to repair its image in the wake of the Exxon *Valdez* oil spill, Firestone's image restoration efforts in light of their recall of defective tires, USAir's apologia following the fatal 1994 crash outside of Pittsburgh, and Sears' corporate discourse when accused of fraudulent car repairs in 1992.<sup>54</sup>

One important conclusion of the analysis of this organizational discourse is that creating a narrative of corrective action is a key component of successful apologia. In both Sears' and Texaco's crisis communication were clear indications of the importance of a consistent narrative of corrective action. In the case of Sears, this narrative failed because the company first attacked the California Consumer Agency that led the investigation but then switched to messages of corrective action which, Beniot argued "invited suspicion." In contrast, Texaco created a believable narrative in that there was congruency between the messages and the subsequent actions – the narrative "evolved over time." However, corrective action involves deeds as well

as words. Czerwinski and Benoit contended that USAir's attempt at corrective action amounted to "an attempt to gloss over its problems," rather than offer effective corrective action. <sup>57</sup>

Moreover, there must be congruency between what an organization promises and what the public perceives. Exxon tried to argue corrective action, but the highly visible oil spill damage and Exxon's slow response made this an ineffective strategy. Overall then, corrective action on the part of the organization must be perceived as genuine and pro-active by the audience; actions and words must be congruent.

As widely applied as it is, Benoit's image repair theory does not address all facets of apologia. Ware and Linkugel, Ryan, and Benoit addressed how apologists create strategic messages responding to a crisis. However, as Huxman and Bruce argued, the characteristics of the situation must be considered when critics evaluate the success or failure of a particular apology.<sup>58</sup> Thus the relationship between situational characteristics and strategy formed the springboard for other research approaches to organizational crisis discourse.

Situational characteristic and strategic responses

As argued earlier, organizational image is an audience construct based on how the organization conducts itself as a social actor. Thus an audience attributes characteristics to an organization. Building on this perspective, Timothy Coombs proposed Situational Crisis Communication Theory (SCCT), arguing for a "theory-based system for matching crisis response strategies to the crisis situation." In this perspective the crisis event is the driving force behind why an organization responds and how it responds.

Situational Crisis Communication Theory builds on Coombs' earlier works in which he proposed that it is the audience's perception of the crisis that drives the strategic responses of the

organization. Foundationally, SCCT is grounded in Attribution Theory because, "different crisis situations facilitate certain attributes of organizational responsibility for a crisis, and these attributions can lead people to certain feelings and behaviors." Another key component of Coombs' theory takes its cue from a relational management perspective which is "embedded in a movement that places the organization-stakeholder relationship as the center of the public relations practice." Between these two theoretical perspectives, Coombs developed a "repertoire of crisis-response strategies." Coombs' five category repertoire integrates Benoit's image repair typology with Allen and Caillouet's strategies for image maintenance. However, Coombs moved beyond a repertoire of strategies to the creation of a four-part attribution-based matrix of crisis-types. Coombs tied his matrix to how different audiences "might view evidence, damage, and performance history." In his later research, Coombs focused on the effect of prior crisis events on how stakeholders' view the organization's responsibility regarding the crisis. Coombs' research demonstrates the importance of audience perceptions as related to the type of crisis in considering how organizations should shape their crisis rhetoric.

From the preceding discussion it is clear that existing crisis communication research, though grounded in the rhetorical genre of apologia, has evolved into a range of different approaches. It is also evident that the primary focus on this research has been to understand how organizations respond to crises in order to predict how organizations should respond when faced with a crisis. However, as Rowland and Jerome have previously argued, if the purpose of research is to develop theory, then focusing on what strategies can be used or the specifics of the situation will not suffice. For example, in the case of strategic responses, a recent meta-analysis conducted by Sora Kim, Elizabeth Johnson Avery, and Ruthann W. Lariscy found that theory

and practice have not been congruent. These researchers concluded that although denial is "only useful when the crisis challenge is unwarranted," the organizations studied by scholars largely used denial, despite the crisis context. <sup>67</sup> Moreover crisis communicators seemed unwilling or unable to effectively combine crisis strategies. According to Kim, Avery, and Lariscy there is a "general gap between theory and practice, and future research should illuminate its cause." It is clear that often what is prescribed is not practiced in the field.

The problem with situational approaches is that typologies depend on similarties among crisis situations. However, it is Keith Hearit's contention that crisis research has overemphasized the similarity rather than the dissimilarity of crisis events. For example product recalls are as are as nuanced and unique as the recalled product. Thus qualitative differences influence crisis responses. For example, recalling faulty baby strollers is qualitatively different than the recall of implanted body parts as was the case when Sulzer Medica recalled some 17,5000 hip implants in 2000.<sup>69</sup> Alerting the public to return strollers to stores or manufacturers is vastly different from alerting the public to return themselves to the operating room to have the offending part removed and replaced. Moreover, as Hearit pointed out "it does not follow that a particular type of crises situation invariably necessitates the same strategy every time it occurs." However adding the idea of constraint to the crisis rhetorical situation can help critics build defensible theories of apologia. The idea of constraint does not lessen the importance of the type of crisis event but it also acknowledges that other factors may be in plays that guide an organization in deciding what strategy to use or to not use. Thus, constraints serve to shape rather than determine the organization's apologia.

Apologia shaped by rhetorical constraints

The concept of rhetorical constraint played a central role in Lloyd Bitzer's foundational essay in which he laid out the precepts of the rhetorical situation. Bitzer argued that constraints influence what the speaker says in relation to a situated audience. In an important extension of Bitzer's work, Rowland argued that genres arise from a configuration of three forces: a recurring situation that demands the need for a response, the purpose as it relates and is limited by the need, and societal limitations. These three forces act as both exigence, the need for the rhetorical response, and constraints. For example, the death of a loved one creates the need for a eulogy but also serves as the impetus for the appropriate response. This does not mean that a speaker must act in a certain predicable way but that a speaker "will choose to act that way because of the intersection of purpose, felt need, and societal factors." Thus, the combination of purpose, need, and societal limitations create strategic demands that are not rules and should not be viewed as absolute predictors of a response.

In consideration of the third force, societal factors, Rowland noted that genres are culturally bound, that they "exist within the general assumptions of the culture." In terms of the present study, cultural assumptions include social and cultural norms regarding communication from an Asian-based corporation to its global, and in particular, American audience. Thus, not only are the societal factors of the American audience acting as a societal force, but the societal factors of Japanese culture also exert a force on both the perceived needs and the purpose of Toyota's response.

#### **Cultural Considerations of Rhetorical Constraints**

In considering organizational apologia, scholars acknowledge that social and cultural factors are important considerations. Taylor contended that cultural variability is "a fact of life" for the modern globally oriented organization interested in finding the best way to predicting how international audiences will respond to crisis messages.<sup>75</sup> Falkheimer and Heide maintained that the nature of the modern crisis revolves around the problems and issues faced in communicating with and across different cultures. <sup>76</sup> For example, when five sub-contractors, two of them Turkish Muslims, died during a Dutch construction project, crisis personnel had to contend with the cultural norm that dictates that men and women be notified separately of the deaths.<sup>77</sup> Hearit argued that cultural variability constitutes one reason why researchers are likely to have "difficulty in delineating crisis types." <sup>78</sup> In a related vein, Krishnamurthy Sriramesh contended that in looking at public relations practices in Asia, scholars should be aware of the idiosyncratic nature of communication practices within each culture.<sup>79</sup> When cultural constraints are examined within a Japanese context, two elements stand out: How cultural expectations of behavior constrain communication and how cultural expectations affect the nature of apologia. Japanese communication norms as rhetorical constraints on Toyota

Japanese norms of communicative behavior differ from those in the United States in that the Japanese put more of an emphasis on implicit rather than explicit message conveyance. Japan is considered a high context culture, in which, according to Takashi Inoue, "the tangible material exchanged is limited." Hence, meaning and information are encoded within the context and within non-verbal cues to a greater degree than in the West. In comparison, the United States is considered a low context culture in that messages are largely verbal and explicit.

Differences in communication also influence how apologia is practiced in Japan in general and by Toyota specifically. Ware and Linkugel's original argument for apologia was contextualized as being thoroughly Western in its approach. They concluded that when people speak in defense of themselves, they are following "a culture of Occidental culture firmly established by Socrates, Martin Luther, Robert Emmet, and thousands of lesser men." Such a Westernized approach emphasizes the explicit nature of the individual speaking in the public forum in an attempt to persuade an audience. Japanese scholar Rochi Okabe characterized the Western approach as one in which individuals are expected to justify their actions, which entails verbally explaining "logically and discursively why something is true or good or desirable." In contrast, Japanese concepts of rhetoric embody consensus seeking towards the establishment of harmony, through rhetorical strategies that emphasize the speaker's use of "intuition, adaptability, and aggregation."

Differences in explicit versus implicit communicative behaviors may explain why

Toyota's early rhetoric was viewed as less than successful with its American audience. For
example, Alexander Edwards, President of Strategic Visions, an automotive research firm, while
recognizing Toyota's attempt to "do the right thing," faulted the company's for communicative
efforts that "were not stated very clearly," that, in turn, created "more uneasiness with
customers."

84 In its coverage of Akio Toyoda's congressional testimony, CBS news
characterized Toyoda's testimony before Congress as one in which "American directness
confronted Japanese subtlety," noting Toyoda's proclivity for giving "long indirect answer(s)."

Moreover CBS described Japanese corporate leaders as "affable cheerleaders," whose job it is to

"ensure stability and harmony." What is evident then is that neither the company nor its president approached apologia in a manner expected by its American audience.

Closely aligned with the notion of high context communication is how silence is viewed in terms of apologia. Generally speaking, the Japanese take a nuanced view of the communicative and rhetorical significance of silence. Okabe argued that silence is the "highest form of ritualistic self-expression and self-realization."87 Silence, as ritualized communication behavior, carries great rhetorical weight in that the audience, or what Okabe defines as the "rhetorically sensitive," places as much as, if not more, importance on the non-verbal or extraverbal elements.<sup>88</sup> In fact, these elements sometimes "assume greater importance in fulfilling the ritualistic function."89 For the Japanese, ritualized behavior serves as a way to forge community connections across and through successive generations. Moreover, it is Okabe's contention that rituals or rites serve the purpose of connecting members of a society in such a way that wholeness is achieved. Creating connections to achieve wholeness shifts the rhetorical purpose of apologetic messages. Rituals, in terms of apologia, "do not justify or explain; they only affirm and reassure."90 Thus, when Akio Toyoda spoke at a February 17, 2010 press conference, he neither explained nor justified his long silence. He simply stated: "My appearance was late. That's been done, and I am sorry. But now I'm here."91

In contrast, an American audience is likely to construe silence on the part of an organization embroiled in a crisis as problematic. <sup>92</sup> Akio Toyoda and his company were roundly criticized for the length of time it took to respond to the crisis. In an interview with *San Francisco Chronicle* reporter Carolyn Said, communication firm director Matthew Benson faulted the company for "not communicating more proactively early on," and for the failure of

Toyota management to quickly "step up." In an essay for *The Wall Street Journal*, Jeff Kingston, director of Asian Studies at Temple University Japan, characterized Toyoda as being "MIA for two weeks," and faulted the company's for its "slow initial response." According to Hitotsubashi University business professor Sherman Abe, Toyota failed to be as assertive as needed, in terms of assuring consumers that the immediate problem was being addressed.

Additionally, Japanese finance professor Yukio Noguchi observed that the crisis showed that Toyota was not "very good at communicating with its customers." James Wiseman, the U.S. Toyota spokesperson, acknowledged that "we could have communicated better as a company. However he also assured reporters that, "we have taken significant steps to address these issues." Additionally, James Lentz, president of Toyota Motor Sales U.S.A., observed that Toyota President Akio Toyoda and other Japan-based company executives "had a sense of just how stirred up things were in the U.S." So the company recognized that neither it nor its president had communicated in a manner which would have resonated with its American customers and perhaps might have limited the damage to its image.

However, as promised by Wisemen, steps were taken to overcome audience perceptions of Toyota's communication behaviors as non-responsive and un-caring. First, Akio Toyoda, president of Toyota, characterized his experience of testifying on Capitol Hill as "a turning point." Moreover, he vowed to "return to the Toyota Way," which he defined as "core principles," of "respect for people and continuous improvement." Viewed in this way, the Toyota Way constituted a constraint on Akio Toyoda and his company's rhetoric during the recall. Clearly, the core values of the Toyota Way constitute a cultural expectation within the company, and thus returning to these core values was viewed as an integral part of overcoming

audience perceptions that Toyota had not lived up to standards of being a credible corporate citizen.

Some media experts expressed optimism about Toyota's eventual turnaround. In comparing Toyota's crisis with Tiger Wood's crisis, Rick Newman argued that both would mount "an impressive comeback," and predicted that Toyota would "come up with new ways to win over skeptical customers." According to Gita Johar, Matthias Birk, and Sabine Elinwiller, the keys to restoring Toyota's image were "various activities of communication and action." Yet Matthew Seeger cautioned that the "intercultural barriers create an additional set of serious challenges." Thus, because of the influence of both American and Japanese communicative culture, traditional discursive approaches to apologia with the emphasis on what Ware and Linkugel argued was the "public speech of self-defense" may not fully illuminate the nature of Toyota's rhetoric during the recent recall crisis. What is needed is a way to explain how the company's rhetoric functioned to overcome the cultural constraints, move it back to its core values as expressed in the Toyota Way, and thus reestablish trust with its American customers.

#### Study Methodology, Rhetorical Artifacts and Chapter Progression

In order to illuminate how Toyota's crisis rhetoric functioned to overcome constraints and reestablished trust with its American customers, this study uses a broad inductive approach and a range of artifacts for analysis. In the following sections I preview the artifacts for analysis, and describe what my inductive approach will entail. The chapter concludes I end with a preview of how the study will unfold.

Rhetorical artifacts for study

I have selected both print and video artifacts. My rationale for choosing these artifacts is that Toyota was conducting a multi-media atonement campaign that, in the words of former Procter & Gamble Marketing Chief Jim Stengel, encompassed "a massive one-on-one campaign." Moreover, the selected artifacts illustrate Toyota's efforts to create an inclusive, customercentered narrative or what Chris Gidez characterizes as "the compelling story," in which the company tells its audience that "they've got the fix, they have the means to maintain or rebuild that trust." Thus, Toyota's compelling story is spun out in both print and video artifacts.

The print artifacts consist of notices, letters, and editorials. In chronological order these documents are: "A Temporary Pause," dated January 21,2010; the "Open Letter to Toyota Customers" letter dated February 2, 2010, and "There's Been A Lot of Talk About The Recall," on February 5, 2010. These print announcements were followed by editorials written by Toyota President, Akio Toyoda. The editorials appeared in the February 9, 2010 issue of the *Washington Post* and February 23, 2010 issue of *The Wall Street Journal*.

The second set of artifacts consists of video ads that ran in February of 2010. These ads, which premiered during the first day of the 2010 Winter Olympics, appeared on television and were posted on *You Tube*. The *You Tube* videos constitute what senior brand strategist Christopher Baccus contended was "one of the most effective mechanisms" used by Toyota "thus far." The videos selected for analysis included "Toyota Commitment," "Toyota Restore," "Customer Perceptions on Toyota," "Dealer Perspective on Toyota," and finally, "Toyota Members Discuss the Toyota Recall." All of these videos are available on the Toyota Website. The challenge of this study then is to find the compelling, personalized, narrative

strategies that Toyota used to overcome cultural constraints, return to its core values as embodied by the Toyota Way, reestablish trust with their customers and thus repair its image.

Using an inductive approach for the study of Toyota's apologia

According to rhetorical critic Karlyn Kohrs Campbell, the "academic critic explores and analyzes whatever acts will aid in explaining the essential processes of human symbolization." Thus, the critic moves beyond the message itself to discover what deeper symbolic processes are at work within the message. In order to facilitate exploration and explanation of Toyota's strategic responses to the recall crisis, this study uses an inductive approach guided by a broadbased analysis scheme. Guide is the key word here for it is not the researcher's intent to impose an interpretation on the study artifacts but rather to let the data emerge from the artifacts, illuminate the deeper symbolic processes at work and ultimately lead to a theoretical explanation.

The analytic process is a three-fold process developed initially by Kohrs-Campbell and later refined by Kohrs-Campbell and her students. <sup>109</sup> The final stage, interpretation, takes into consideration the intrinsic analysis of the text itself and the extrinsic analysis of the contextual factors. In terms of the present study, the interpretive stage involves analyzing the selected Toyota artifacts for strategies and themes that will be compared to the previously explained existing theories of apologia in order to illuminate possible explanations for Toyota's successful rhetoric. Second, I draw on available data regarding audience reaction as the crisis unfolded, crystalized and was finally resolved in order to make judgments about the efficacy of various descriptions of themes and strategies in along with consideration of audience reaction. Third, I will develop a theory-based description of the trajectory of Toyota's crisis apologia as it struggled with its initial response, found its footing with its subsequent responses and finally

emerged from the crisis with a renewed congruency of trust with its customers and a renewed commitment to the Toyota Way.

Progression of study chapters

In chapter two I explore the history of Toyota Motor Corporation and how investorfocused Western business practices introduced in the mid 1990's weakened the foundational
roots of the company and created the exigence for the recall crisis. This is followed by an
exploration of the relationship of Shinto and the Toyota Way, as the foundational roots of
Toyota. In chapter three I present a theory-based approach to apologia as a way of explaining
how the embattled car maker could work towards reestablishing trust in its brands with its
customers. Chapter four constitutes an analysis of this rhetorical approach in terms of the
inception of the crisis, the crisis, and the resolution of the crisis respectively. This analysis will
not only include the rhetorical responses but the specific acts that Toyota took regarding the
recall of cars, how it worked with its dealerships and the supplier of the faulty accelerator pedals,
and finally, what the automaker did to fully address the repair issues so that further reports of
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study.

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## Chapter 2:

# History of the Crisis & the Toyota Way

It is my contention that Toyota's recall crisis and initial poor communicative response was the result of Westernized business practices that promoted myopic, investor-minded, profit-driven actions. These practices took hold over a roughly 14-year-period under three company presidents who were not members of the Toyoda family. These leaders introduced Western business practices that produced rampant growth but threatened the quality-centered, customer-focused culture of the company, as exemplified by the Toyota Way. I contend that these practices threatened the Toyota Way, initially limiting the effectiveness of the company's apologia. However, as I will show, the company turned towards its Shinto roots in order to effectively atone for its actions to its American customers.

In the following sections I present a brief history of Toyota Motor Company and the Toyoda family which guided the company for over thirty years. Next, I explain how Toyota Motor Company passed out of the hands of the Toyoda Family members to executives focused on promoting American business practices. It was practices focused on growth and profits that created the exigence for the recall crisis. Finally, in the third and fourth sections I present concepts associated with Japanese Shinto which Robert Carter has argued is "the most significant source of Japanese ethics," and I show how Shinto informs the Toyota Way.

#### **History of Toyota Motor Corporation and the Inception of the Recall Crisis**

It is impossible to write of the Toyota Motor Corporation without drawing the Toyoda family into the discussion. In the following sections I trace the founding of the company and the

powerful philosophical influence that the Toyoda family brought to bear on the company for 30 years. Second, in the subsequent section, the recent history of the company illuminates possible reasons why the recall crisis of 2010 drove Toyota off the road. The inception of the crisis suggests that when powerful non-family members assumed control of the company, a culture based on continuous learning and respect for people as integral forces for producing quality cars was sublimated by a focus on profit and growth.

## A brief history of Toyota and Toyoda

The Toyota Motor Company grew out of a loom company founded by Sakichi Toyoda in 1926. Eventually Toyoda looms became the preeminent product of their type and, in 1929, Toyoda sent his son, Kiichiro, to England to negotiate and subsequently sell the design patent rights for the loom to an English loom maker. Moreover, Kiichiro was also sent on to the United States to study automobile development and production. With part of the resulting profits from the sale of the loom patent, Sakichi Toyoda tasked Kiichiro to develop what would become Toyota Motor Company.

Between the company's establishment in 1937 and the crisis of 2010, six of Toyota's 11 presidents, including current President Akio Toyoda, have been Toyoda family members. 

Jeffrey Liker argues that Toyoda family members all brought a similar philosophy to the company. Namely, according to Liker, "they all learned to get their hands dirty, learned the spirit of innovation, and understood the values of the company in contributing to society." 

But the philosophy of doing well for society through hard work and innovation was not simply a mind-set. Kiichiro and his brother-in-law, Risaburo, compiled the Five Principles of Toyoda, thus setting the cultural tone that guided the Toyota Motor Company for almost 60 years. In this study I consider culture to be the philosophical roots that create a sense of being for Toyota as reflected

in the Toyota Way and through the leadership of the Toyoda family.<sup>3</sup> Although there were periods in which the company periodically passed out of the Toyoda family, those leaders were either Toyoda family by marriage or had worked closely with the family in the fledging days of the loom and car businesses.<sup>4</sup>

It was under Eiji Toyoda, who served as president from 1967 to 1982 that Toyota grew and prospered.<sup>5</sup> In his term, Eiji worked to establish the Toyota Foundation aimed at funding research, as well as the Toyota Technical Institute whose goal was to educate "young adults burning with a desire to learn." <sup>6</sup> Upon Eiji Toyoda's retirement in 1982, the company came under the leadership of Shoichiro Toyoda, Kiichiro's eldest son, who oversaw the establishment of the Guiding Principles of Toyota, as well as the establishment of the Toyota Earth Charter, which is based on the Guiding Principles.<sup>7</sup> Thus, even as Toyota Motor Corporation grew and prospered, it never lost sight of the importance of learning or of its place in contributing to the larger society.

However, in the early 1990s a series of events landed the company in the hands of non-family members. In 1992, Shoichiro was succeeded by his younger brother, Tatsuro, who only served three years before stepping down due to illness in February of 1995. Five months later, Toyota went outside the Toyoda family and tapped Hiroshi Okuda for the top job." For the first time in 27 years, Toyota Motor Company was in the hands of non-family members and it would remain that way until Akio Toyoda was put in the driver's seat in early 2009. Under these new leaders the company's focus shifted from people, learning, and quality to profits and growth. *How Toyota lost its way* 

Toyota's fall from automotive grace and its subsequent poor communication practices in the early days of the 2010 crisis were the result of a shift in culture that transpired between 1995 and 2009. The shift occurred under three financially-focused non-Toyoda family members and resulted in what Peter Brown characterized as a company in which "the ethic changed." Part of the ethical shift started under Hiroshi Okuda, who was selected as president in 1995. According to Hans Greimel of *Automotive News*, Okuda was an "independent minded, and aggressive," leader who "aspired toward a more Western-style financially driven company." Upon being selected to lead Toyota, Okuda promised that his up-coming tenure would be one in which he would "make product planning and development more flexible, raise domestic market share and increase the pace of overseas operations." Okuda made good on those promises. Furthermore, according to *Bloomberg Businessweek* reporters Alan Ohnsman, Jeff Green, and Kae Inoue, Okuda and his team embarked on "one of the most aggressive overseas expansion in automotive history." Between 1995 and the end of 2009, the number of overseas plants reached 50, nearly doubling previous Toyota plants outside Japan. Along with increased production came a new array of Toyota designs including "the boxy Scion xB to the one-ton Tundra pickup [and] the hybrid Prius."

Perhaps Okuda's biggest move was to list the company on the New York Stock Exchange in 1999. Peter Brown maintained that this move created a change in Toyota's learning culture in which most workers "tried to do things a tad better every day," which reinforced the ethic of "building bullet-proof vehicles that offered value to buyers." Brown argued that because "the NYSE rewards only growth," Toyota's culture shifted from one focused on meeting the needs of its customers in terms of unsurpassed quality, to a culture where investor interests predominated . So within a short five - to - seven - year period, the profit bug had begun to, in effect, alter the DNA of the company.

Toyota's focus on investor interests increased in 2002 when Okuda's successor, Fujio Cho, also a family outsider, announced the ambitious "Global 1," program with a very public vow to increase the company's global market share from 10.7 percent to 15 percent. <sup>17</sup> The result of "Global 15" would have seen Toyota catch and surpass then number – one - ranked General Motors; but it came at a price: Toyota would have to grow by 50 percent. <sup>18</sup> This move weakened the company's reputation for quality in terms of products and the innovative drive for learning that had long been foundational to the Toyota Way.

The "Global 15" initiative had deleterious effects on the quality of Toyota's vehicles. In an editorial for *Advertising Age*, Ken Wheaton argued that quality suffered as the company "became fixated on growth." Aida Sevilla Mendoza echoed this assessment, arguing that the company slid into the ditch over a period of several years as non-family CEOs "sacrificed quality for faster growth and fatter margins." The effects of the growth-focused policies became apparent when Toyota began recalling vehicles at much higher rates than previously in its history. For example, the company had recalled 8,379 vehicles in 2000, garnering a reputation for have "the fewest recalls among the six largest players in the U.S. auto market." However, by 2005 Toyota recalled more than 2.3 million vehicles, and in 2007 the company settled a classaction lawsuit filed by customers' complaints over a build-up of oil sludge in vehicles' engines.<sup>22</sup>

The concern about quality as related to safety and training was evident within Toyota's rank-and-file. In 2006, Tadao Wakasuki and other long-time Toyota employees sent a two-page memo to Toyota President Katsuaki Watanabe.<sup>23</sup> Wakasuki charged that safety considerations were being sacrificed by Toyota in pursuit of profit. According to *Times of London* reporter, Leo Lewis, Wakasuki and his colleagues charged that "cost-cutting and speed had become the dominant ethos at the expense of experience and thoroughness."<sup>24</sup> Moreover, "top to toe" safety

checks were no longer conducted on 100 per cent of cars."<sup>25</sup> In another incident, related to safety, the 2006 Camry was found to have a headliner that would catch fire because the supplier, Toyota Boshoku, was under pressure to cut cost.<sup>26</sup>

The Wakasuki memo also addressed the weakened state of people development within the company. According to Morgan O'Rourke, the quality of Toyota vehicles was a direct result of the company's practice of continuous improvement. When Toyota "rapidly expanded over the last decade," O'Rourke observed that "this devotion to quality seems to have been left behind."<sup>27</sup> Toyota's culture, that had long honored and observed continuous learning as an integral part of quality, was withering as a result of the profit-growth focused business practices. Wakasuki and his colleagues lamented "the general decline of craftsmanship at Japan's most famous manufacturing company." Technology Professor Bill Fischer also linked the weakened learning culture with the focus on market growth. Writing in the March 12, 2010, issue of *The Edge*, Fischer argued that Toyota's "tacit knowledge," which had been passed from generation to generation of Toyota employees, simply could not be transmitted within the company's growth arena which encompassed "new product areas in new geographic markets with new factory settings."<sup>29</sup> "Toyota," asserted Fischer, "failed in that while pursuing growth, it neglected to pay attention to things that it already knew as an organization (sic)."30 In other words, the demand of expanding the market out-paced the learning curve of Toyota employees.

Eventually, Toyota's rapid financial expansion fell victim to a larger world-wide financial crisis. In 2008, there was a global economic crisis triggered by the meltdown in the United States subprime mortgage crisis, and this too adversely affected Toyota. In early 2009 the company reported that for the first time in 37 years of business, Toyota was facing operating losses two years in a row.<sup>31</sup> Takamitsu Saito, deputy economics news editor for *The Daily* 

*Yomiuri*, asserted that "one reason for the deterioration is that the firm's policy of rapid expansion has backfired." Saito also noted that Toyota was responding to the crisis by, in part, "drastically cutting costs." <sup>33</sup> However, Saito also cautioned that such a move could further damage the company if it "cut costs in areas necessary for maintaining quality." <sup>34</sup>

Thus, quality considerations coupled with profit losses were elements that Akio Toyoda inherited when he climbed into the driver's seat as president of Toyota Motor Corporation in June of 2009. With the company once again in the hands of the founding family, Akio Toyoda made it clear that Toyota Motor Corporation would return to the Toyota Way. First, Toyoda openly criticized and characterized the company's focus on growth as being "growth that is larger than the size of the company." Toyoda also vowed that he would return the focus of the company to one in which "customers and the rank-and-file," would be put first. This followed earlier declarations by the new president that the company should adopt a new motto: "Getting back to where it started." This finally, in October of 2009, Toyoda abandoned the 15 percent global market share goal because, according to a Toyota executive, "It is not the Toyota Way to aim for 15 percent or 10 percent." Clearly, Akio Toyoda realized that his company needed life-support if it were to return to a place of cultural health. His comments demonstrate that he knew that quality depended on returning to the Toyota Way, in which there was a customer-first focus instead of a focus on growth and profits.

When the recall happened, Toyota had to atone for its lack of quality that was the result of the Western style business practices that had undermined the Toyota Way. In order to return to the Toyota Way, the company turned to the curative power of the Eastern based philosophy, Shinto, in order to effectively atone for its actions. Shinto not only is deeply ingrained in Japanese culture but also informs the Toyota Way.

## Shinto as the Way of Nature & the Toyota Way

Although other Eastern religions such as Buddhism, Zen Buddhism, and Confucianism are practiced in Japan, Floyd Hiatt Ross wrote that Shinto is not merely influential but constitutes for the Japanese, "the most authentic expression of their basic attitude towards life."<sup>39</sup> Asian scholar Thomas Kasulis echoed this argument noting that Shinto's "basic values and patterns have filtered into Japanese culture as a part of tradition."<sup>40</sup> As such, Kasulis argued, Shinto is best conceptualized as a sort of spirituality that is "reflected off or refracted through the most mundane events." <sup>41</sup> Because of its pervasiveness within Japanese culture, Shinto provides a perspective on the Toyota Way. Towards that end, I begin with an exploration of Shinto as a worldview and its relation to living an ethical life through seven distinct virtues.

The Shinto Worldview: Walking the way of nature

At the heart of Shinto is a conviction that the world, including humans, exists in a dynamic interdependent relationship. Through this interdependence entities achieve completeness through each other. <sup>42</sup> Such a perspective is different from the Western conception of relationship as an external relationship between two entities.

Central to the dynamism of interrelatedness are *musubi* and *kami*. According to James Boyd and Ron Williams, *musubi* is a "generative, creative force," <sup>43</sup> a "dynamic, evolutionary power which produces, fecundates, brews, and ferments." <sup>44</sup> Inherent in the notion of production and fermentation is another connotation of *musubi* which, Boyd and Williams argued, carries "connotations of 'combination,' 'joining,' and 'binding together." <sup>45</sup> In this sense, *musubi* is akin to the Force in *Star Wars:* It surrounds life, flows through life, and binds life together.

If *musubi* is a generative force, bubbling with potentiality, then *kami* is *musubi* incarnate. *Kami* is a particularly hard concept to define in the Western sense, but Shinto scholars are adamant that kami is not "god," or "God," in the Western sense. <sup>46</sup> As opposed to Western concepts of a transcendent, omnipotent God, Robert Carter observed that *kami* is "immanent in the world," and as such *kami* is experienced as "mystery, superior quality and the awesome." Thus, one experiences *kami* in glorious sunsets, a brilliant scholar, a raging storm, or a category-five tornado. As such examples illustrate, there is no clear-cut delineation between good and evil within Shinto. According to Floyd Hiatt Ross, "bad," *kami* is simply viewed as "violent or troublesome," while good *kami* "specialize in making things work out for the best." Moreover, even when *kami* is troublesome or violent there lies within it the potential (*musubi*) for productivity in that out of bad will come good. Thus, in the Shinto worldview people have the ability to harness *musubi* towards greater creative ends and social harmony.

*Musubi* and *kami* are not only crucial to understanding Shinto as a worldview, but also for understanding ethics of behavior as manifested through communication. Fundamental to Shinto ethics is the conviction that there is a "way of nature" the *kami-no-michi*, "according to which men should walk." At its heart *kami-no-michi* is the way towards goodness that involves "personal happiness, harmony of self-integration, growth, and creative development and expression (transformation), as well as familial, communal, and the wider social happiness, harmony or integration, growth, and creative development." The process of walking in the way of nature involves an on-going cultivation of several virtues in order to realize purity or *harai*.

The first virtue associated with a person's path towards excellence as part of society is inextricably tied to *michi*, which, according to Robert Carter, is the equivalent of character or integrity. A person of *michi*, a person of integrity, is one who seeks the ideal path, through a life

exemplified by harmony, or *wa*, growth, and personal development infused with creativity. The implication of growth and development is that it demands of those walking the path that they remain ready and willing to 'adapt to new demands while at the same time staying centered, balanced, and agile." *Michi* then is concerned with a person's growth as part of life rather than growth as an outcome.

A person of *michi* also strives to be a person of *makoto* or sincerity. *Makoto* may be the most important of the virtues for it is *makoto* that lies at the heart of social interactions and creates *wa* (harmony). Robert Carter asserted as much, arguing that across the many religious traditions observed in Japan, including Shinto, "sincerity is always front and center." <sup>52</sup> Kasulis, adds to this definition noting that *makoto* also means "truth" and "genuineness." Rhetorically, *makoto* is significant because one enacts *makoto* through the "careful avoidance of error in word or deed." This means that when action does not follow contrition then the community does not view the public figure or organization as being trustworthy. However, when words become deeds, then one is perceived by the community as being trustworthy. Moreover, through sincerity and harmony there emerges the third virtue, that of *akaki* or cheerfulness.

Finally, *michi, makoto*, and *akaki* are bound up with *kensha* or "a spirit of thankfulness." *Kensha* is manifested by "sincere effort, hard work, and steadfastness." When given spontaneously and from the heart, *Kensha* becomes *kenshin*. Given the stress on communal harmony or *wa*, *kenshin* can be characterized as "devotion to the common interest." Hence, the path of the virtuous may be summed up as one that encourages people to develop their potential (*musubi*), by following exemplars of virtuous living (*kami*) in such a way that integrity, sincerity, cheerfulness, and the spirit of giving one's best is reflected in one's words and deeds.

The Toyota Way: Reflections of Shinto

Within a Shinto perspective, organizations such as Toyota are responsible for pursuing a virtuous corporate life that contributes to society and is reflected in the words and deeds of the company. In turn, words and deeds are interpreted by an audience, especially a Western one, as a positive indicator of the company's congruency with the values of the society in which the company operates. In other words, the degree to which *makoto* as sincere words is congruent with *makoto* as sincere actions influences whether or not the organization is viewed as being worthy of society's trust.

Trust lies at the root of Toyota's recall. *Washington Post* reporter Blaine Harden characterized the Toyota Way as "a cult of quality," and when Toyota strayed from its path, the result, according to Noreen O'Leary, were disillusioned Toyota owners who had brought their vehicles for "a brand promise that has let them down and they're feeling betrayed." Finally, Matthew DeBord noted that "Toyota doesn't just build cars and trucks. It creates a state of mind, and that state of mind enables absolute trust in Toyota." Clearly, the Toyota Way was viewed by audiences as being at the heart of Toyota quality and hence the trust that Toyota owners placed in the Toyota brand. But it was not just external audiences with whom the trust was violated. Because the Toyota Way, like Shinto, perceives relationships as being interdependent, the actions of the individual are as much a contributor to the audience's perception of quality and hence trust as the corporate persona of the company itself. Thus, in order to understand why Toyota had to atone for violating its core values, this section explores the relationship between Shinto and the Toyota Way.

The foundational principles of the Toyota Way were first articulated by the founder of the company, Sakichi Toyoda and are known as "Five Main Principles of Toyoda." These five

principles reflect how a person of *michi*, a person of integrity, should walk in the way of nature as exemplified by the Toyota Way and its twin pillars of "respect for people," and "continuous learning." For example, according to the first principle, employees demonstrate their commitment to walk in the Toyota Way by observing the principle to "always be faithful to your duties, thereby contributing to the company and to the overall good." Employees who faithfully undertakes their job are manifesting "sincere effort, hard work, and steadfastness," the hallmarks of *kensha*. Additionally, sincere dedication to one's duties is bound to, influences, and ultimately achieves completeness by contributing to the overall good because, as Robert Carter maintains, in the Shinto worldview, "we are always in relationship," with the world. 62

The second and third principles, although articulated separately, are interdependent and therefore complete each other. The second principle advises that one should "always be studious and creative, striving to stay ahead of the times," while the third principle states that one should "be practical and avoid frivolousness." In Shinto, creativity is the generative force or *musubi*, but within the five principles the raw potential of creativity must be tempered with studiousness and practicality. Moreover, being practical and studious reflects the ability to stay centered and balanced. The capacity for centeredness and balance allows the Toyota employee to stay agile and take on new challenges, which is how one "stays ahead of the times." In observing principles two and three, the Toyota employee is honoring the pillar of continuous learning.

Continuous learning, or *kaizen*, is the backbone for Toyota's production philosophy as typified by the Toyota Production System (TPS). According to author Jeffrey Liker, Professor of Industrial and Operations Engineering at the University of Michigan, the Toyota Way undergirds TPS in that *kaizen* can only be realized through group processes in which production processes are scrutinized for possible improvement based on data collection, problem solving and a sense

of self-management.<sup>63</sup> In terms of Shinto ethics, the backbone for the success or failure of these group-driven production processes is *makoto*. Recalling that the enactment *of makoto* is partially fulfilled when one is sincere in one's deeds, or actions, then sincerity, in terms of self-management, becomes critical to the Toyota Way. For example, quality is dependent on the sincere actions of team members to scrutinize data and engage in problem solving towards a greater goal of improvement.

In contrast to principles two and three with their emphasis on learning and perfecting processes, Toyoda's fourth principle addresses how relationships influence the work environment. Toyoda advises the employee to "always strive to build a homelike atmosphere at work that is warm and friendly." This is not what one would expect to find in a set of present-day corporate principles. However, warmth and friendliness contribute to and are part of *kami-no-michi* and therefore contribute to the sphere of social happiness that, Robert Carter argued, involves the familial. Moreover, it is Carter's contention that "cheerfulness and sincerity are basic expressions of one's attitudes towards others, towards the world and one's place in it." Arguably, a good work environment plays a vital role in staying centered, focused and dedicated to one's duties.

Finally, the fifth principle serves to complete the circle in that the theme of harmony, articulated in the first principle as contributing to the "overall good," is reiterated again as the employee is encouraged to "Always have respect for spiritual matters, and remember to be grateful at all times." Again, it is important to note that within Japanese culture to respect spiritual matters is not a dictate to worship in a particular way, but rather expresses an attitude in which there is a realization that the whole world is sacred because of the immanent presence of *kami*. Because the potential to produce well lies within each person, it makes sense to remember

to be thankful for the ability to do well; it is only natural to demonstrate *kensha*, the "spirit of thankfulness."

The "Five Principles of Toyoda" constitutes the ideological foundations of Toyota. Internally, the principles are grounded in Shinto, and thus the Toyota Way is the kami-no-michi of company employees. In 1992, Toyota established its "Guiding Principles" that reflect the kami-no-michi of the company in the wider world. While these seven principles do not mirror the "Five Principles of Toyoda," they do honor the pillars of "respect for people," and "continuous learning," and thus they also reflect Shinto themes and ethics. For example, the theme of growth is evident in the declarations that Toyota will "work with business partners in research and manufacture to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships," as well as pursuing growth through harmony with the global community via innovative management." The pairing of *musubi* as creative potential and creativity tempered by continuous learning is not only reflected in management innovation but also in principles that speak to the company's promise to "create and develop advanced technologies," and to foster a culture "that enhances both individual creativity and the value of teamwork." <sup>70</sup> Finally, respect for people is evident throughout the seven principles. For example, Toyota recognizes that achieving harmony, or wa in the wider world is dependent on the company's ability to "respect the culture and customs of every nation," as well as "undertak[ing] open and fair business activities to be a good corporate citizen of the world." 71 Moreover, the Guiding Principles are reflective of Shinto's most important virtue: *makoto*. Explicitly, Toyota recognizes the importance of "honoring mutual trust and respect between labor and management."<sup>72</sup> Because Shinto views all aspects of the world as existing in a dynamic reciprocal relationship, it make sense that there can be no harmony with business partners,

customers, and other nations if there is no harmony within the organization itself. Thus, in declaring trust and respect between management and labor, Toyota strives to be a company of *makoto*, or sincerity. Recalling Robert Carter's assertion that sincerity is "always front and center," as the active indicator of the trustworthiness of an individual, or in this case, the company, then the seven "Guiding Principles" and the "Five Principles of Toyoda," are those active indicators.

Taken together, the ancestral precepts of Sakachi Toyoda and the modern day guiding principles constitute the core values of Toyota Motor Company which are rooted in Shinto. A final example of the influence of Shinto on the Toyota Way is that Toyota is one of several Japanese corporations that have their own Shinto shrines. This is not an unusual occurrence. Japanese scholar Naofusa Hiari observed that one function of the Shinto shrine is that it constitutes the "spiritual homeland of the community." Company shrines then are an explicit symbol of the importance of the familial and communal goodness that contribute to the 'way of nature."

Toyota's company shrine, The Toyooki Shrine, was built in 1925 when the company first went into business. According to Honda Soichiro, each year on the "founding day," in January, Toyota executives and managers gather to "pray for the prosperity and safety of Toyota" in a ritual that not only honors the founding of the company but also "promotes the unity and harmony of the whole company." Moreover, each fall since the mid 1980's Toyota executives have undertaken a three hour pilgrimage of sorts, driving the latest Toyota models from the company headquarters in Nagoya to the Ise Grand Shrine in order to "call down the blessings of the gods" for the coming car sales season. <sup>76</sup> The establishment of a company shrine and the

yearly vehicle pilgrimage demonstrate Toyota's explicit and public recognition of Shinto as being foundational to the Toyota Way

How Western practices violated Shinto

As I argued earlier, changes in Toyota's business practices radically changed the culture of the company from one that was intent on respecting people and encouraging on-going learning, to one in which profit and growth drove the company's actions. The shift away from people and learning also marked a move away from Shinto principles. For example, Shinto holds that because the virtues of walking the way of nature are interrelated, when one virtue is downplayed or ignored, the other virtues are similarly affected. Hence, when the company failed to honor the virtue of *michi*, which moves one to live a life of integrity marked by creative growth and concern for the greater good of society, *makoto*, or sincerity was also jeopardized.

Clearly, during the 14 years during which Hiroshi Okuda, Fuijo, and Katsuaki Watanabe ran the company, sincerity was questionable. When the company expanded faster than it could train its workforce, pushed economy to the point that suppliers created sub-par parts, and ignored the sage advice of its senior line workers, quality ultimately suffered. Because Toyota quality provided a sense of trust between the company and its consumers, *mokoto* suffered. In short, Toyota was not viewed as being trustworthy. In moving away from the Toyota Way, the company left its path of *kami-no-michi*, where individual creativity and growth were viewed as contributing to the greater social good and not just to the bottom line. Thus, in order to regain the Toyota Way the company had to find a rhetorical response that would explicitly address the expectations of the American Toyota audience and regain the trust of that audience.

#### **NOTES**

<sup>1</sup> For a detailed chronology of Toyota leaders please see Appendix A.

- 2 Jeffrey L. Liker, "The Toyota Way" (New York: McGraw-Hill, 2004), 19.
- In other words, culture is ontological in nature or as Michael Pacanowsky and Nick O'Donnell-Trujillo so succinctly put it, "a culture is not something an organization has, a culture is something an organization is." See Michael E. Pacanowsky and Nick O'Donnell-Trujillo, "Organizational Culture as Performance," *Communication Monographs* 50 (1983):146.
- 4 For a history of non-Toyoda family leaders see Eiji Toyoda, *Toyota: Fifty Years in Motion*, (Tokyo: Kodansha International,1987).
- 5 Liker, 19.
- 6 Toyoda, Toyota: Fifty Years in Motion, 150.
- 7 "Toyota Earth Charter," Toyota Motor Corporation, accessed April 30, 2010, http://www.toyota/global.com/sustainability/
- 8 Hans Greimel, "A Scion's Battle for the Soul of Toyota," *Automotive News*, March 1, 2010, LexisNexis Academic
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- 16 Ibid.
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- 24 Ibid.
- 25 Ibid.
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- 30 Ibid.
- Takamitsu Saito, "Toyota Expansion Comes At Cost," *The Daily Yomiuri* (Tokyo), May 13, 2009, LexisNexis Academic.
- 32 Ibid.
- 33 Ibid.
- 34 Ibid.
- 35 Hiroko Nakata, "Toyota to Focus on Regions," *The Japan Times*, June 26, 2009, LexisNexis Academic.
- 36 "Toyota Are [sic] to Shake-Up; Business in Brief, *Daily Record* (Glasgow), June 26, 2009, LexisNexis Academic.
- 37 Saito, "Economic Forum: Toyota Expansion Comes At Cost."
- 38 Greimel, "For Toyota Heir, Ordeal is a Personal 'Kaizen'."
- 39 Floyd Hiatt Ross, Shinto: The Way of Japan, (Westport CT.: Greenwood Press, 1983), preface,

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- 40 Thomas P. Kasulis, *Shinto: The Way Home*, (Honolulu: University of Hawai'I Press, 2004), 1.
- 41 Ibid.,3.
- 42 Ibid.
- W. Boyd and Ron G. Williams, "Japanese Shinto: An Interpretation of a Priestly Perspective," *Philosophy East & West* 55, no. 1 (2005): 34, http://www.jstor.org/stable/4487935.
- 44 Ibid., 42.
- 45 Ibid., 34.
- There is a Shinto cosmology with attendant myths. However as Thomas Kasulis observes, ancient Shinto did not regard humankind as "a toy for divine amusement," and thus while rivalries existed between *kami*, they were played out solely in the celestial realm. See Kasulis, 71-91.
- Robert E. Carter, *Encounter with Enlightenment: A Study of Japanese Ethics* (Albany: SUNY Press, 2001), 40.
- 48 Ross, Shinto: *The Way of Japan*, 37-38.
- 49 Ibid., 49.
- 50 Carter, Encounter with Enlightenment, 46.
- 51 Ibid., 47.
- 52 Ibid., 47.
- Kasulis, Shinto: The Way Home, 24.
- 54 Carter, Encounter with Enlightenment, 48.
- 55 Ibid.
- 56 Ibid.
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- 62 Ibid., 36.
- 63 Liker, The Toyota Way, 24.
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## Chapter 3:

## The Rhetoric of Atonement

Organizational crises demand that embattled organizations respond with messages that address the perceived wrong-doings and repair the organization's image. To this end organizational apologia includes a repertoire of strategic responses that an organization can muster to address the crisis. However, there are instances when the evidence of wrongdoing is so overwhelming that denying or justifying actions, attempting to transcend the situation or bolstering individual or organizational values would be perceived as disingenuous and perhaps hypocritical. I contend that poorly managed product recalls constitute one of those instances.

For example, in their study of Firestone's apologia during the 2000 tire recall, Blaney, Benoit, and Brazeal argued that Firestone's use of corrective action, bolstering, and blameshifting was ineffective. These authors contend that Firestone's apologia amounted to messages that were perceived as, "There is nothing wrong with our product and we are recalling it." Clearly, such a message could be perceived as both disingenuous and hypocritical by consumers caught up in the recall. As Dirk Gibson has argued, "socially responsible corporations are deeply concerned with the safety and well-being of their product purchasers." Elsewhere, Robert Rowland and Angela Jerome have noted that expressing concern for the victims of a crisis is an extension of the image maintenance strategy of demonstrating that an organization is both "caring and decent." Thus, when an organization fails to respond in a timely and compassionate manner to a recall, it sends a message that, in effect, tells the audience that the organization is neither concerned with nor cares about the audience's perceptions of what is considered safe.

Therefore, what is needed in cases where the evidence of wrongdoing is so overwhelming that denying or justifying actions, attempting to transcend the situation or bolstering individual or organizational values would be perceived as disingenuous and perhaps hypocritical, is a different kind of apologia. Joy Koesten and Robert Rowland contend that the appropriate rhetorical response is one of atonement.

In this chapter I build a case for why atonement was the appropriate response for Toyota's communication to its customers and why atonement rhetoric provided a way for the company to return to the Toyota Way. First, I introduce Koesten and Rowland's conception of atonement rhetoric, how it functions and why it best addresses situations in which contrition is demanded. Next, I argue for a rhetoric of atonement as the best strategic response for addressing the Toyota communication crisis. This section highlights atonement's rhetorical strength in addressing the cultural communicative constraints faced by Toyota as well as how atonement provided a way for the company to atone for its failure to act in an ethical manner as prescribed by the Toyota Way.

#### **Atonement Rhetoric as Ritual Response**

In their argument for atonement rhetoric Koesten and Rowland contend that within those instances that preclude the use of apologia strategies of denial, justification, transcendence, or bolstering, only a "formal act of contrition," the acceptance of responsibility coupled with "words and actions indicating genuine remorse and suffering for committing the sin, "will suffice.<sup>5</sup> As a formal act of contrition, atonement constitutes what Shlomo Deshen defines as a "rite of transition." In other words, atonement is a ritualized response.

Rituals are significant events to the life of a community because they are both social and collective.<sup>7</sup> Deshen maintains that rituals "constitute major stages in the life of the individual and

the human group." Moreover, rituals are often liminal events in which the day-to-day acts of the individual and community are set aside or transcended in order to enter into what Deshen argues is "wise, considered and detached contemplation on the nature of society." As sometimes transcendent events, rituals have clearly delineated beginnings and endings that mark them as "distinct events in the flow of social activity." Within the ritual itself are distinctive acts that that are recognized by members of the same culture and so they serve as a form of identification. <sup>11</sup> In the case of atonement the crucial acts that create identification and serve other functions are repentance, prayer, and charity. <sup>12</sup>

These three ritual acts provide a way for an organization to assuage guilt; they fulfill what Kenneth Burke defined a purgative- redemptive function. Through an admission of guilt, the offending organization undergoes a rebirth, or a "process of socialization," through which the organization is redeemed in the eyes of the society. Moreover, as a rhetorical response, the three acts of atonement constitute a discursive and public act. Through atonement as a rhetorical rite of transition responding to a crisis, the organization demonstrates that it has undergone a change of attitude and accepts responsibility for its sins by fixing the relationships ruptured by its harmful acts. In order to understand how atonement functions, a more in-depth exploration of repentance, prayer, and charity is called for.

*The significance of repentance in the atonement response* 

The first step on the path of atonement is repentance, or admitting to the sinful act, "in an attempt to gain forgiveness and long-term image restoration." <sup>14</sup> In the context of a public figure or organization seeking forgiveness through atonement, repentance means that the speaker must "acknowledge wrongdoing and ask for forgiveness." <sup>15</sup> For example, in his apology to the families and survivors of the Cold War Tuskegee syphilis study, President Bill Clinton explicitly

acknowledged the clandestine and "deceptive" nature of the experiments as well as offering an explicit apology. <sup>16</sup> However, in a subsequent study of atonement, Angela Jerome argued that successful atonement does not always involve the offending party explicitly asking for forgiveness. According to Jerome, "the rhetor must acknowledge the wrongdoing and create the *public perception* [my emphasis] that forgiveness was sought and/or given from the wronged party/parties." <sup>17</sup> Thus if one does not explicitly ask for forgiveness, there must be some communicative act that the audience interprets as seeking forgiveness.

The significance of prayer in the atonement response

The second transitional element, prayer, is generally thought of as a private, spiritual act. However, in the case of public figures and organizational rhetors, looking inward can consist of an examination of "the existing policies and circumstances that could perpetuate similar offenses and examine ways to change the environment." However, inward reflection does not serve the rhetor's purpose of atonement unless there is mortification, the outward manifestation of reflection. A changed inward stance must be publically declared if the atonement is to be successful. Benoit argued that mortification includes "an apparently sincere apology, expression of regret, [or] request for forgiveness." <sup>19</sup> Kenneth Burke defined mortification as the "deliberate slaying of one's appetites and ambitions."<sup>20</sup> In other words, mortification is intentional and carries with it suffering in terms of admitting one's sinful acts or shortcomings. For example, in the aftermath of the Monica Lewinsky affair, Bill Clinton publically slew personal appetites and ambitions when he renounced "the pride and the anger which cloud judgment." <sup>21</sup> However, as Koresten and Rowland have argued, if the audience does not perceive the mortification to be authentic "the atonement will not be perceived as genuine." <sup>22</sup> Drawing again from Kenneth Burke, I contend that successful mortification clearly communicates to the audience that the

rhetor has, in effect, put to death those actions and attitudes that caused the sin in the first place.

The atonement will be viewed as successfully by the audience when the offending party clearly demonstrates the death of prior attitudes and actions.

*The significance of charity in the atonement response* 

The final step towards atonement is charity. It is through charity, the act of righting the wrong, that the offending party demonstrates that a change in attitude is not only realized in the spiritual sense but made real in the material sense. Charity can be demonstrated in a number of tangible ways and, in the case of organizational atonement, concrete and measured steps in how the offending situation will be avoided in the future are paramount. For example, Bill Clinton not only apologized to the Tuskegee victims and survivors but outlined the steps government would take to make sure such abhorrent actions would not happen again. Charity, in this case, was manifested not only through reparations, but also in the inception of a bioethics watchdog commission and the signing of an executive order directing a review of procedures when human subjects are used.<sup>23</sup> Thus, another facet of charity is that out of tragic instances good can emerge and society will be the better for it.

Taken together, the acts of atonement create a clear and demonstrated change of attitude to the wronged party and the audience as a whole. Seeking atonement means that seeking forgiveness is communicated, that mortification has been endured, and that charity is evident both in attitude and material reparation.

## Atonement as Toyota's Appropriate Response to the Crisis

In chapter one I argued for an alternative way of looking at organizational apologia by focusing on the constraints that shape the organization's response. Toyota's discourse with its customers was constrained and shaped by cultural forces that influence communication and

public relation practices in Japan. It is my contention that atonement was the best strategic response for addressing the cultural constraints allowing Toyota to effectively express concern, explicitly take the kind of action that communicated atonement to its American audience, while moving the company back to the Toyota Way.

Bridging cultural differences: Atonement rhetoric as ritualized response

As I argued in the first chapter, there are some differences between Western and Eastern communication behaviors and those behaviors affect the nature of organizational apologia. Primary to this dichotomy is the preference of American audiences for explicit discourses in which the emphasis is on the person's achievements or failures, as opposed to the Japanese preference for an implicit approach in which the needs of the community are paramount. In short, the Japanese apologist responds to the perceived need of re-establishing sincerity (mokoto) because it is only when the apologist is viewed as being sincere by the community that harmony or wa is realized. Moreover, Japanese communicative processes are ingrained as ritualized practices that reaffirm the importance of community and wholeness. <sup>24</sup> This explains the Japanese proclivity for corporate apologists to exhibit silence, perform a 45-degree –bow, and then resign. Taken together these acts non-verbally communicate to the Japanese audience that the apologist is contrite, realizes that sincerity has been violated and has taken action by resigning. In other words, the apologist has atoned, but in a way that only "speaks" to the Japanese audience. In Toyota's case the recall demanded a response that functioned to address the American audience's expectations for explicit explanations and actions, while also moving the company back to the Toyota Way. As a strategic response, atonement rhetoric not only bridged the cultural differences, but provided a way for the company to move back to its own cultural roots.

Atonement's effectiveness in bridging cultural constraints is due in large part to its nature as ritualistic response. As such, atonement serves to bring the community together by bridging the division between the community and the apologist.<sup>25</sup> In terms of the American audience, the atonement ritual created identification *between* Toyota and its external community of customers. Additionally, this ritualized response was a public act and is therefore evident and explicit.

A second facet of this explicit and public act is that atonement is a process. In the Western sense, the three elements of atonement function together to create what the audience interprets as atonement. Essentially, the audience is engaged in a process where they "analyze and dissect things into elements in order to understand their true nature properly."<sup>26</sup> Western audiences "see" three different elements and judge the overall effectiveness of the atonement by how well each element is addressed. Koesten and Rowland underscore this point when they argued that the audience must be able to interpret the apologist's actions or words as indicative of repentance. Thus, if the audience is not convinced that the apologist has repented, then the subsequent stages of prayer and charity may not be effective either. Toyota's challenge was to explicitly demonstrate that the company was moving through the atonement process in a way that clearly addressed the needs of its customers. The company needed to demonstrate its repentance in such a way that the audience would interpret the act as repentant. Moreover, the company had to demonstrate that the policies or circumstances that created the crisis have been examined and effectively put to death. Finally, Toyota needed to extend charity to its customers in order to demonstrate that steps had been taken to make sure a similar recall did not happen in the future. In the following section, I argue that Toyota's rhetoric of atonement in addressing the expectations of its customers was married with an equally repentant strategy in which the company atoned for its failure to live up to the mandates of the Toyota Way.

Atonement rhetoric as a way back to the Toyota Way

When Akio Toyoda was officially elected as president of Toyota Motor Corporation, it marked the first time a Toyoda had run the company in 14 years, as well as marking a shift from the policies of that era. Toyoda's rhetoric reflected his disdain for his predecessors' focus on growth. For example, Japan Times reporter, Hiroko Nakata noted Toyoda's determination to "review his company's aggressive global expansion," as well as Toyoda's explicit criticism of his company's foray into global expansion as being "growth that is larger than the size of the company."27 Clearly, Akio Toyoda was not of the same mindset as his growth-focused predecessors. Moreover, Toyoda also acknowledged the failure of the company to adhere to the Toyota Way when he declared, during his June 2009 acceptance speech, that that it was his intention to steer the company out of its economic slump by "putting customers first and the rank-and-file first."<sup>28</sup> Akio Toyota's pre-crisis rhetoric makes it clear that part of his tenure as president would be to return the company to its cultural roots where respect for people was a hallmark of the Toyota Way. The need for this return became critical during the recall because the recall was linked to a failure to adhere to the Toyota Way. For example, according to author Peter DeLorenzo, the Toyota Way, with its emphasis on people and learning, had been largely ignored during the growth period. DeLorenzo asserted that "when you start shortcutting timehonored practices in a company that's so big on tradition, like Toyota, things fall through the cracks," resulting in a company where "becoming No. 1 was more important, per se, than the time-honored calling cards of safety and quality."<sup>29</sup> Ken Wheaton argued in an editorial for Advertising Age that Toyota had been so focused on "displacing General Motors as the world's largest automaker that it lost the 'Toyota Way'." Moreover, Wheaton contended that not only did Toyota need "astute crisis communications and a lot of luck," to deal with the recall, but the

company would also need "to get back to that Toyota way."<sup>31</sup> Given the need for Toyota to atone for its faulty initial handling of the crisis, it is also clear that atonement needed to also address the company's failure to adhere to its own philosophical roots. Again, the ritualized process of atonement coupled with its triune elements of repentance, prayer, and charity functioned to effectively move Toyota back to the Way.

Shlomo Deshon maintained that the effect of the atonement ritual within a community is that people return to their everyday lives "after having been exposed to the essence of their culture, and after having attained profound instruction about themselves in the context of that culture."32 This theme of recognition and instruction was particularly important as Toyota embraced the atonement ritual. Atonement allowed the company to step outside of the day-today workings of the company to reflect publically, as a community, on the importance of the Toyota Way and to commit themselves to following the Toyota Way. Moreover, atonement provided the way to honor the Shinto virtues on which the Toyoda Way was based. Essentially, the kami-no-michi of Shinto and the Toyota Way are parallel paths that address personal ethics and organizational ethics.<sup>33</sup> Organizationally, atonement provided the way for Toyota to reestablish social harmony within its community by repenting for the company's failure to follow the Toyota Way. This was accomplished through organizational narratives in which Toyota employees, including Akio Toyoda, rededicated themselves to the Toyota Way. This rededication was manifested through the multiple acts of charity through the massive recalls, new consumer-focused safety programs, and the reparations paid for its delinquent initial handling of the recall. At the same time these acts of public, communal repentance bridged the divide between Toyota Motor Corporation as apologist and the American car public as community.

In the preceding pages I have developed a plausible claim for a rhetoric of atonement as the way in which Toyota addressed the recall crisis and returned to its ancestral roots of the Toyota Way. In the following chapter I develop this claim by looking at Toyota's public relations campaign of early 2010. This campaign, consisting of letters, and short personal narratives of Toyota employees and customers, sought to rebuild the ruptured relationship between Toyota and its customers through a ritualized process of public, communal repentance.

# NOTES

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### Chapter 4:

Regaining the Road: Toyota's Rhetoric of Atonement

### A Fatal Accident and Near-Fatal Early Responses

Toyota's road to redemption via atonement was carried out in an approximately four and- a- half-week campaign between late January and early March of 2010. Through a series of written and visual messages, Toyota explicitly repented for its lack of customer-focused communication in the early days of the recall crisis, reflected on policies and actions that had precipitated the recall, and then set out a plan of action to address the recall with a concurrent shift in policies and actions taken regarding those policies. In the case of the policies and actions that had played a part in a lack of customer-focused communication, Toyota also successfully demonstrated a shift in the company's culture from one centered on growth and expansion back to the foundational philosophy of the Toyota Way. In the following chapter I trace the trajectory of Toyota's atonement beginning with the crash that killed a California Highway Patrolman and his family in August of 2009, Toyota's failed attempts to explicitly atone for the crash, and the subsequent four months that marked the start of the recalls. Those failed attempts are followed by a "brief pause," that, I argue, constituted a liminal moment designed to separate Toyota's previous bungled communication efforts from the subsequent atonement rhetoric. On down the road to redemption, I illuminate atonement at work through the written and visual atonement messages and conclude with evidence of the success of the campaign through audience reaction. August 2009 – January 21, 2010: Accelerating Towards Disaster

On August 28, 2009 off-duty California Highway Patrolman Mark Saylor, and three of his family members, were killed when, according to Chris Woodyard *of USA Today*, the loaner

Lexus ES Saylor was driving began "racing out of control at more than 100 mph and Saylor could not stop it." Rachel Raskin-Zrihen of the *Vallejo Times Herald* reported that a 911 cell phone call from a passenger indicated that the accelerator was stuck and Saylor could not free it; the car eventually "clipped a Ford Explorer, smashed through a fence, hit an embankment and burst into flames."

This single accident focused attention on the relationship between floor mats and jammed accelerators in Toyota vehicles. Clarence M. Ditlow, executive director of the Center for Auto Safety, pronounced the California accident "a watershed event," contending that Saylor was "an experienced highway patrol officer," and "if he couldn't bring the car under control, who could?" Ditlow also noted the well publicized 911 call detailing the family's final moments. Clearly, the California accident should have prompted an immediate response from Toyota.

Unfortunately it did not.

Toyota's effort to address the growing recall crisis between September of 2009 and January of 2010 was characterized by a marked inconsistency between words and actions. While there were instances where atonement seemed imminent, that rhetoric was either never fully developed or was buried in messages designed to address the fiscal issues Toyota was facing. Toyota's first action following the San Diego crash was to order dealers to inspect the floor mats in both Toyota and Lexus vehicles. Then, according to Nick Bunkley of the *New York Times*, Toyota announced that it would recall some 3.8 million cars to deal with the floor mat issue. No timeline for the recall was announced. At the time of Bunkley's article, both Toyota and NHTSA were "urging owners to simply remove the driver's side mat while Toyota works out a solution." So while there was some movement towards rectifying what may have been a cause of the San Diego crash, there was no immediate response by Toyota expressing care and concern

for the Saylor family specifically or an announced plan of action to reassure Toyota customers in general.

However, in October of 2009, Toyota President Akio Toyoda did attempt to atone for the loss of life. The setting for what Hiroko Tabuchi characterized as a "litany of apologies to astonished reporters," was a press conference at the Japan National Press Club. <sup>6</sup> The beleaguered Toyoda was responding to news of the company's continuing annual losses, but he also addressed the fatal San Diego crash. According to Tabuchi, Toyoda "wailed" that "four precious lives have been lost. I offer my deepest condolences. Customers bought our cars because they thought they were the safest. But now we have given them cause for grave concern. I can't begin to express my remorse." While offering condolences and linking Toyota vehicles to safety concerns, Akio Toyoda's effort to atone during his emotional news conference failed in a number of ways. First, he failed to move beyond a tepid acknowledgement of wrongdoing to communicating in a way that would signal his audience he was asking forgiveness on behalf of the company. Second, in speaking to an audience of Japanese reporters, Toyoda failed to directly address the American audience. Third, Toyoda buried his expression of remorse in a laundry list of other concerns including the company's decision to close a production plant in California, the failure of the company to design cars that would entice younger drivers, and a declared desire to return the company to profit, "so we can start paying taxes and go back to contributing to society."8 At no point did Toyoda speak to the floor mat recall, what the company was doing to address the issue, or when that recall, promised a month earlier, would commence. There was no movement rhetorically towards reflection -- the company had been engaged in addressing what had to change in terms of the link between safe cars and customers' concerns – or towards charity - what action the company would take. Indeed, some experts dismissed Toyoda's tearful apology. Robert Dujarric, director Temple University's Japanese-based Institute of Contemporary Japanese Culture contended that "sometimes, this apology business is a way to avoid taking real action or responsibility." It was only in November of 2009, two-and-a-half months after the San Diego crash and one month following Akio Toyoda's "litany of apologies," that the Toyota sent out letters to customers outlining the nature of the floor mat issue, declaring that the company would "remedy your vehicle at no charge," while again urging drivers to remove driver side floor mats. Simply put, Toyota failed to create a consistent narrative that indicated repentance, reflection with mortification, and charity.

Toyota continued to fumble towards atonement throughout the early winter of 2009 and into 2010. When the second recall for sticking accelerators was issued on January 21, 2010, the announcement appeared on the company's website. The lack of explicit, public communication only served to compound growing perceptions that Toyota did not care about its customers. Matthew Benson, head of a San Francisco corporate communications firm, underscored this point when he observed that "companies often start out looking at issues as narrow operational or financial problems," and that "if they don't deal with the communications piece," than such problems can morph into "very, very, big reputation problem[s]." Clearly, Toyota was not meeting standards of communication that would clearly signal a shift to a new attitude towards the needs of customers accompanied by a shift in action to explicitly demonstrate that attitude change. However, Toyota's communication would drastically shift in late January as the company finally "got it" and atoned for its previous failure to communicate care and concern for Toyota drivers by explicitly and quickly dealing with the recall by making statements and taking other steps to demonstrate repentance.

January 26 – January 31: A temporary pause to communicate a shift in attitude & action

The shift towards atonement occurred Tuesday, January 26, when Toyota shut down production at five of its North American plants, and suspended sales of eight Toyota models. In his February letter in the Washington Post, Akio Toyoda explained his decision to shut down production as having "pulled the andon cord for our company." The andon cord is a device on the Toyota production line that allows team members to shut down the line "if there's a production problem." This act was immediately noticed and commented upon by the media. For example, the production halt was characterized as "unusual," by Nick Bunkley of the New York Times, and viewed as a "self-imposed ban," by Roger Vincent and Ken Bensinger in a Los Angeles Times article. <sup>14</sup> Thomas Sloma-Williams, writing in the March 2010 issue of *Quality*, argued that the halt in production was part of Toyota's larger recall efforts that demonstrated "a degree of courage its peers do not possess." The effect of taking the action to shut down the line successfully communicated that the car company, as a whole, had recognized that there was a problem that needed attention. However, because American audiences place a premium on actions coupled with words, Toyota needed to quickly follow- up pulling the "andon cord" with an appropriately customer centered discourse.

Toyota did just that when the halt in production was followed on Sunday, January 31, with a full-page announcement that was carried in 20 newspapers across the United States. The announcement headline simply read: "A temporary pause. To put you first." Below the headline was a pause button, and at the bottom of the page was an explanation as to "Why we've temporarily stopped some of our plants." The announcement acknowledged that in "rare cases sticking accelerator pedals have occurred in some of our vehicles," and the halt in production had been called in order to "focus on the vehicles we've recalled." Toyota characterized the

production halt as an "unprecedented," action but one that was "the right thing to do for our customers." Noreen O'Leary of *Adweek*, while criticizing Toyota's sole use of its website for the January 21 pedal recall, viewed the temporary pause announcement in a more favorable light. O'Leary characterized the announcement as one in which Toyota "spoke more directly to the consumers." Clearly, the act of bringing the production line to a halt and announcing that shutdown in an explicit, timely manner was viewed as a positive move for Toyota customers.

The production halt and subsequent announcement together created a liminal moment signaling a shift to Toyota's subsequent atonement. Larry Smith of the Institute for Crisis Management argued that the pause ad was "intended to buy Toyota a bit of time, to ask people to give them a chance." <sup>21</sup> However, the pause message also indicated a shift of attention and action within Toyota. Kenneth Burke explained the general principle when, in citing George Herbert Mead's Mind, Self, and Society, argued that the power of language lies in its ability to create both overt and incipient action. <sup>22</sup> Burke maintained that attitude functions not only as "substitute for an act, it can likewise be the first step towards an act." <sup>23</sup> In the case of the temporary pause announcement, Toyota was taking the first step towards atonement. In recognizing and anticipating the attitudes of others, the Toyota customer, the company demonstrated an attitudinal shift that would move it towards modifying its actions so that the customer would be put first.

## **Toyota's Rhetoric of Atonement**

The "Temporary Pause," message allowed Toyota to move beyond its previous failed communication in order to fully engage in rhetoric where atonement was evident through messages that were repentant, humbling and action – oriented. At no time did Toyota explicitly atone for poorly installed floor mats and potentially defective accelerator pedals. Toyota did

explicitly atone for failing customers by failing to adhere to the Toyota Way. By using the company's historical commitment to building quality, reliable, and safe vehicles, Toyota characterized its failure not in terms of specific car-related anomalies, but rather as a breach of trust between the company and its customers. Thus, throughout Toyota's messages during this period, repentance and reflection with mortification were framed within a larger narrative of the company's history of customer commitment based on the Toyota Way. This narrative and the attendant atonement were carried out in a series of consistent, coordinated, written and visual messages, with a defined trajectory that clearly indicated a change in Toyota's approach to handling customer concerns and business practices.

February 2010: Written expressions of atonement

Toyota's written messages consisted of announcements framed as personal letters, promises and pledges, and two editorials written by Toyota President Akio Toyoda. Through the use of the print announcements, Toyota demonstrated its ability and willingness to adapt to the needs of its American audience in terms of explicit communication. Toyota's written messages conveyed clear, direct apologies. Moreover, those messages not only outlined the actions Toyota was taking within the context of the immediate crisis, but also explained what actions the company would be taking moving into the future. Additionally, Toyota's atonement was grounded in the company's promise to return to the Toyota Way. The company's philosophy, with its twin pillars of respect for customers and continuous learning, functioned as reflection, the second hallmark of atonement. Not only were the company's failures contrasted with its historical values, but subsequent charitable actions were promoted as the only way in which earn back the trust of customers as well as restoring harmony within Toyota.

The first message following the "Temporary Pause," announcement appeared in newspapers nationwide on February 2, 2010. "An Open Letter to Toyota Customers," is a short one - page letter that appears as if it had just been removed from an envelope; the folding creases are evident. The letter, addressed to "Dear Toyota Customers," and signed by Jim Lentz, President and CEO of Toyota Motor Sales U.S.A., is a stark contrast to Toyota's previous impersonal web posting of the pedal recall. The use of a personal letter format constitutes an acknowledgement that Toyota committed acts requiring a personal yet public declaration of how those acts affected customers, and what steps the company would take to rectify those missteps. In short, the open letter functions as atonement for the company's failure to hold to the Toyota Way standard of respecting people.

In terms of written content, the letter leads with a reflection of Toyota's heritage: "For more than 50 years, Toyota has provided you with "safe, reliable, quality vehicles and first rate service." <sup>24</sup> The letter clearly implies that this is what Toyota should be, but has not been, for its customers. Lenz then offers a simple and direct apology to customers: "I am truly sorry for the concern our recalls have caused." <sup>25</sup> By juxtaposing a reflection on Toyota's history with the present day recall, Lentz is able to create the perception that Toyota is asking for forgiveness for not attending to customers' concerns. Lentz links the company apology to action designed to address those concerns as he assures readers "we're doing everything we can – as fast as we can – to make things right." <sup>26</sup> This upfront apology, coupled with a statement of action, stands in stark contrast to Akio Toyoda's failed atonement attempt during the October press conference at the Japan National Press Club. Moreover, the letter moves beyond a statement of a quick response to specific and tangible acts that constitute charity. These acts include "a comprehensive plan to permanently fix the vehicles we've recalled." <sup>27</sup> In a subsequent four-

point list, Lentz clearly indicates not only the technical aspects of the plan in terms of the production of "precision parts" to reinforce the accelerator pedals, the shipping of those parts, and the training of technicians to perform the repairs, but he addresses Toyota's respect for customers by declaring "We're writing to all customers affected by the Pedal recall, as well as the Floor Mat recall, to let them know how to schedule a convenient appointment with their local dealer." The use of a list is effective because it draws the audience's attention to each separate action. Moreover, because the list was put in writing and published nationally, it functioned as a type of contract between Toyota and its customers.

Mortification is also evident in the four-point list. Within an organizational context, mortification requires specific acts that respond to the sinful acts. While mortification can be expressed in words, it can also be expressed physically. Burke supports this contention when he argues that mortification carries with it not only an inward change, but an outward manifestation through "penance, abstinence or painful severities inflicted on the body."<sup>29</sup> Inherent in Burke's conception of mortification is that it is entered into willingly. In Toyota's case, penance involved shutting down factories and halting sales thus forcing dealers to work "extended hours – some of them 24/7" and increasing costs to the company in terms of "adding staff to get through the repairs as quickly as possible." Clearly, sacrifices were being made by the company in order to demonstrate its commitment to putting customers first. The most important of these actions was the shutdown of the production line in order "to focus fully on fixing this problem in the vehicles that are on the road." Lentz admits that "Stopping production is never an easy decision – but we're confident it's the right thing to do for our customers." In sum, the open letter apologized for actions while demonstrating Toyota's change of attitude through acts of willing mortification where the recall was concerned.

The "Open Letter" was quickly followed by "There's Been A Lot of Talk About The Recall," message on February 5th. <sup>31</sup> In this message, again signed by Jim Lentz, Toyota spells out what to do if "your accelerator becomes harder to press," with an assurance that "at Toyota we take this issue very seriously."32 Just how seriously the company is taking the issue is reflected in the subsequent content. The "Open Letter" was a mea culpa with a plan of action. What Toyota accomplishes with this second message is to frame current actions as the result of past actions. The first message stated that Toyota was in the process of writing to customers; in the second message Lentz informs the reader that "We're starting to send letters this weekend to owners involved in the recall to schedule an appointment at their dealer."<sup>33</sup> In the "Open Letter." there was an anticipation of customers scheduling appointments through Lentz' assurance that "many of or dealers will be working extended hours – some of them 2/7 – and adding staff to get through the repairs as quickly as possible."<sup>34</sup> In the "Talk" message, that anticipation of what customers will require, in terms of a speedy repair trip, is manifested through actions that result in "dealerships hav[ing] extended their hours." In the "Open Letter," customers were told that dealerships were being trained as to how to repair the pedals. In the subsequent message, customers are told that "trained technicians have begun making repairs." Thus, training has resulted in the repair process moving forward. Finally, there is a shift from a customer- centered attitude to customer-centered action. In the "Open Letter," Lentz assured his audience that Toyota's "entire organization of 172,000 North American employees and dealership personnel is committed to you," while in the "There's Been A Lot of Talk" message those 172,000 Toyota employees have been "mobilized." In running the two messages closely together, Toyota was able to create the impression of an efficient, speedy, response to the recall. Moreover, Jim Lentz explicitly promised to "update you with accurate and timely information about the status of the

recall in the days and weeks ahead."<sup>38</sup> This level of open and timely communication stands in stark contrast to the company's previous lack of communication.

Perhaps no one within Toyota expressed atonement more than Toyota President Akio Toyoda. Dubbed "No-Show Akio," because of his failure to address the crisis affecting his company in the early days of the recall, Toyoda distinguished himself in the atonement campaign with two editorials published in the *Washington Post* and *Wall Street Journal*. In these two articles, repentance and reflection are expressly tied to the Toyota Way.

In the *Post* article, Toyoda states that Toyota's entry into the auto business had been "based on a simple, but powerful principle: that Toyota would build the highest-quality, safest, and most reliable automobiles in the world." Toyota customers, Toyoda argues, "are not simply purchasing a car, truck or van. They are placing their trust in our company."<sup>40</sup> Toyota customers trusted the company to produce quality, safe, reliable automobiles. President Toyoda acknowledges the violation of that trust when he writes that "the past weeks, however, have made clear that Toyota has not lived up to the high standards we set for ourselves. More important, we have not lived up to the high standards you have come to expect from us."41 Having recognized the sin, Toyoda offers a clear and explicit apology: "I am deeply disappointed by that [the failure to live up the standards] and apologize. As the president of Toyota, I take personal responsibility." The cultural significance of a Japanese corporate leader explicitly accepting personal responsibility for a violation of customer trust is profound. In a country when the 45-degree silent bow of humiliation is the cultural norm, Akio Toyoda clearly demonstrated an awareness of the needs of his American audience for a direct acceptance of responsibility. Moreover, unlike the previous communiques from Jim Lentz, Toyoda explicitly acknowledges that the company made mistakes. In an act of contrition, Toyoda admits "we are taking

responsibility for our mistakes, learning from them and acting immediately to address the concerns of consumers and independent government regulators."<sup>43</sup>

But Toyoda does not stop at promising that action would be taken. In five lengthy paragraphs, Toyoda spells out the specifics of that action. First, Toyoda writes that "I have launched a top-to-bottom review of our global operations," and as part of that effort he vows to "establish an Automotive Center of Quality Excellence in the United States, where a team of our top engineers will focus on strengthening our quality management and quality control across North America." A Next. Toyoda promises not only to appoint a "blue-ribbon safety advisory group" of "outside experts," to review the company's operations, but also promises that the findings "will be made available to the public, as will Toyota's responses to these findings." 45 Third, Toyoda vows to aggressively address customer complaints, and fourth to address communication problems within the company by "putting in place steps to do a better job within Toyota of sharing important quality and safety information across our global operations."46 Finally, in a related communication issue, Toyoda vows to "increase its outreach to government agencies charged with protecting the safety of motorists and passengers."<sup>47</sup> Toyoda then ends his letter by paying homage to the Toyota Way and its call for an "unwavering commitment to continuous learning: going to the source of the problem and fixing it."48 Within the context of the Toyota Way, President Toyoda asserts that "great companies learn from their mistake, and we know we have to win back to the trust of our customers by adhering to the very values on which that trust is built." Thus, in this letter, Akio Toyoda not only makes clear his and the company's repentance by admitting that the company had made mistakes, but he publically reflects on those mistakes as part of a larger learning experience. Finally, Toyoda offers a plan of action that

extends beyond the immediate recall to the company's actions as a whole by putting in place a series of controls and outside reviews designed to get the company back on the Toyota Way.

Toyoda does not repeat his statements of repentance in his February 23, 2010, Wall Street Journal letter. The focus of this letter is reflection with an emphasis on mortification. Toyoda's challenge in this letter is to demonstrate that he and his company have made a clean and explicit break from past policies and actions that created the crisis. Akio Toyoda successfully accomplishes this task by separating the 'old' Toyota, with its focus on growth and profits, from the 'new' Toyota with an emphasis on customer care and quality vehicles. For example, Toyoda declares that "since last June, when I took over as president of the company, I have personally placed the highest priority on improving quality, not quantity." <sup>50</sup> Toyoda sets himself apart from the previous three presidents under whose leadership the company had strayed from the Toyota Way. Moreover, the way forward for the company is to return to the foundational roots of the company. Toyoda argues that" When my grandfather brought Toyota into the auto business in 1937 he created a set of principles that has always guided how we operate. We call it the Toyota Way, and its pillars are 'respect for people,' and 'continuous learning.' I believe in these core principles. And I am convinced that the only way for Toyota to emerge stronger from this experience is to adhere more closely to them."51 In setting himself apart from previous nonfamily member presidents, and by reaffirming his belief in the core principles of the Toyota Way, Akio Toyoda demonstrates a change of attitude, and a shift in policy so that the acts that had precipitated the crisis will not occur again. Moreover, Toyoda links the return to the Toyota Way to support of Toyota customers who, in "bringing their vehicles to our dealers for repair continue to tell us how much they love our cars, and I deeply appreciate their loyalty."<sup>52</sup> If any reader is in doubt of what a return to the Toyota Way entails, Akio Toyoda bluntly asserts that

"we must do better – much better – in responding to safety issues. That is why I am taking the company back to basics. Across Toyota, we are our customers and the values on which our company was founded, front and center." Thus, a return to the Toyota Way, with its people - focused principles, is the way back to safety; a way back to order as opposed to the disorder of the recall.

Having separated the quantity-focused past from the customer-focused future, Toyoda spends the rest of the letter describing current and future customer-focused actions. Whereas the previous atonement messages painted the charitable acts in broad strokes, here Toyoda focuses on the details of the charitable actions that his company will take. For example, the previous pledges for outside safety reviews now take on a name: "Exponent, a world-class engineering and scientific consulting firm," has been tasked with conducting a "comprehensive, independent analysis of our electronic throttle control systems that we will make public when completed."54 Additionally, Toyoda contextualizes the recent recall of Prius and Lexus models for anti-lock brake issues as "listening more closely to customer concerns," and announces that "as an added customer confidence measure," Toyota will be one of the "first full-line vehicle manufacturers to make advanced brake-override systems standard on all of our existing models," as well as on an "expanded range of existing models." Finally, Toyoda ends with a pledge for transparency, and a promise that he will "continue to personally visit our sales and manufacturing workplaces to reaffirm the Toyota commitment to excellent quality."<sup>56</sup> In providing the details about who will be conducting the outside safety review, announcing plans for installing brake-override systems, and taking partial responsibility for assuring that quality concerns are met, Akio Toyoda solidifies the new attitude of the company as opposed to previous attitudes. He is, in effect, providing grounds on which his promises of reparations can be judged.

## February 2010: Visual expressions of atonement

While Toyota used the written medium to communicate atonement in clear and explicit terms, the company also ran a series of videos on television and You Tube through which Toyota created a narrative that told the story of the company in the United States, its historical dedication to building quality vehicles for U.S. customers, and put a face on the company's U.S. workforce. Two videos stand out in this regard. The first, "Commitment" aired on February 7, 2010, during the Super Bowl. <sup>57</sup> The second, entitled "Toyota Restore," aired on February 11, 2010. In both videos Toyota's history is the visual element while the explicit atonement message is carried by the voice-over.

For example, the one-minute "Commitment" video begins with a black-and-white shot of 1960s Toyota dealerships, and then focuses on a young couple shaking hands with a Toyota dealer. These shots transition into color footage of a woman and children climbing into a Toyota. These customer shots are followed by a rapid chronological montage of eight Toyota models. This montage then segues into footage of modern American Toyota plants in which we see Toyota employees engaged in a variety of activities, including vehicle inspections and production line discussions. Other Toyota employees are showed gathered in front of a white board engaged in discussion. These clips of active, engaged employees and cars moving along the line are followed by a shot of a plant during the production stoppage. The video ends with a repeat shot of the same couple featured at the beginning of the spot.

Through the use of black and white film giving way to color, along with the rapid sequence of Toyotas past and present, the history of Toyota unfolds for the viewer. An argument could be made that the ad relies on a strategic use of bolstering, but the somber voice-over leaves no doubt that the purpose of the ad is to humble Toyota in the face of its history, and atone to the

viewing audience. The footage up and through the car montage sets the historical context: "For over fifty years providing you with safe, reliable, high quality vehicles has been our first priority."58 The second part of the video, including the shot of the shut-down Toyota plant, carries the message of repentance that includes admitting publically that standards have slipped to the detriment of the customer: "In recent days our company hasn't been living up to the standards you've come to expect from us or we expect from ourselves."<sup>59</sup> This admission clearly indicates mortification in that Toyota knows its standards slipped, forcing the shutdown, which is "why 172,000 Toyota dealerships and employees are dedicated to making things right." The ad then moves to what the company is doing to rectify the situation and why: Technicians are making repairs....we are working around the clock to assure we build vehicles of the highest quality to restore your faith in our company."61 As this last statement is made the film shifts back to the same couple featured at the beginning of the video. Clearly, the intent is to return the company to its roots of putting customers first by focusing again on building the kind of vehicles on which customer trust had been built previously. Moreover, key words in the video link to the previously published "Open Letter," and "There's Been A Lot of Talk," announcements. Both reference Toyota's fifty year history, the production halt, the dedication of 172,000 United States Toyota employees, and the attention to safety.

Four days later, two days after Akio Toyota's *Washington Post* letter, the "Toyota Restore," video aired. Like the "Commitment" video, this film is a retrospective. The opening shots narrow from a city-scape to an old stone building and finally a car production line. The middle portion of the video, shot in color, focuses on three different employee scenarios:

American and Japanese engineers gathered around a white board, a mechanic working on an accelerator pedal, and Toyota line workers. The final shot segues back to black and white

footage of a child climbing into a Toyota. The accompanying voice-over contextualizes the film in a 67-word voice-over: "History has shown that a good company will fix it mistakes but a great company will learn from them. That's why Toyota engineers have rigorously tested the solution for our recalls and our dealers are repairing up to 50,000 vehicles a day with confidence. We're working to restore your faith in our company by providing you with safe, reliable vehicles like we have for over fifty years." In 67-words, Toyota acknowledges it has made mistakes, has learned from those mistakes, is taking actions to rectify the mistakes, and by doing so will return to what Toyota customers came to trust in the first place – building safe and reliable cars.

The difference then between the "Commitment" and "Restore" videos is that the first highlights Toyota's commitment to customers, while the second contextualizes atonement in terms of the second pillar of the Toyota Way, "continuous learning." Learning is evident in the shot of engineers engaged in the white board discussion, and the technician working on the accelerator. Learning is presented through the verbal acknowledgment that the company has "rigorously tested the solution for our recall," and that, while "a good company will fix its mistakes," Toyota is a great company because it "will learn from them [the mistakes]." These statements parallel Akio Toyota's admission that "we are taking responsibility for our mistakes, learning from them, and acting immediately," as well as his assurance that "great companies learn from their mistakes." By using a retrospective narrative in which admissions of "mistakes," are coupled with visual examples of learning, Toyota demonstrates that the company has reflected on, and learned from, its mistakes.

Beyond telling the story of a company learning from its mistakes in order to restore faith in its products, the Toyota video campaign provided a visual forum for customers to voice recognition of Toyota's mortification with subsequent messages of forgiveness. The video was

uploaded by Toyota to You Tube on February 26, 2010 towards the end of the atonement campaign. In positioning the video at this point of the atonement rhetoric, Toyota was able to show an explicit affirmation of customers' willingness to acknowledge the company's actions, and words as doing right by the customer, and thus, indicative of repentance.

In the video filmed at a Southern California Toyota dealership, three Toyota customers, all with vehicles in for recall related repairs, express their concern about the recall, their personal experiences with the repair process, and their faith in Toyota to do right by their customers. For example, Nevin G., the owner of a 2010 Toyota Corolla, admits that "Basically my car is new so I was a little bit worried. I had to call the service and they scheduled me for today. I wasn't worried because I know...I know if there is something wrong they will take care of it"<sup>64</sup> Kathleen, a new Toyota customer, had called the dealership and "got reassurances that it was going to be O.K." Moreover, this new member to the Toyota customer family asserts "at least my experience tells me that they will take good care of the recall and they'll take care of it promptly, and efficiently, and with excellent service."65 Perhaps the most explicit expression of forgiveness came from Zac H. who had brought his 2010 Prius in for repairs. Having made an appointment for what he termed "in-and-out-repairs," Zac defends Toyota, arguing "they had a problem...they had some problems and they're fixing it, so I think they're living up to their standards. I don't think it's as bad as people say, but I'm a happy customer with Toyota and always will be. Toyotas been (sic) a great car for me."66 Clearly, these Toyota customers recognize Toyota's effort at repentance.

Moreover, efforts of the dealership to put the customer first were recognized and applauded by these customers. All commented on the ease of scheduling and bringing their vehicles in for repairs. Kathleen, for example, was told to "bring it in any time and if you need a

rental car you can have it," while Nevin notes "people here, they're very friendly and I find out that everything goes fast."67 Zac characterizes his repair visit as one in which he "dropped my car off, came back, and picked it up."68 Comments such as these support Toyota's assertions made throughout their communiques that dealers were doing their upmost to honor the busy schedules of their customers. Additionally, the featured dealership was also taking the extra step of washing their customers' Toyotas following the repairs. This added measure of charity was also noted by the interviewees. Kathleen, for example laughed that "they do seven minutes of work and I get a free car wash." Thus, in a short one minute-thirty-three second video, Toyota is forgiven and its acts of charity, including the repairs, the scheduling, and completion of the repairs, as well as the extra attention to customer service through a free car wash, were given prominence. More importantly, as the customers' discussed their Toyota experience, running silently were shots of car pedals being removed and repaired, cars pulling in and out of the shop area, and cars receiving the complimentary wash following repairs. In this video, words and actions combine to deliver a clear message that Toyota is worthy of redemption and, at least with these customers, has been forgiven.

In March, Toyota uploaded two other videos focusing on Toyota's American workforce. One of the videos was a twin of the customer video in that it was shot at the same California dealership and tells the customer service and repair story from the dealership's perspective. The second Toyota workforce video showcased team members at the Georgetown Kentucky production plant. These apparently spontaneous, on-the-job conversations with Toyota employees provided a way for American Toyota workers to talk about the recall, their commitment to continuous learning, and their focus on customers. By taking the audience into a Toyota dealership and the production plant, Toyota demonstrated not only its transparency in

terms of processes and operations, but also provided justification for its customers' loyalty and good will.

For example, while the customer video focuses on the attitudes of the customers, the dealership video focuses on actions taken by the dealership to resolve the recall issues. John Flores, the featured technician, takes the audience on a "behind the scenes" tour of the repair process beginning at the point where, "a customer comes in, they drop their car off, and we take care of the all the fixes that apply to their vehicle." In what follows, Flores takes the audience through the repair process including the removal of an accelerator pedal, the use of "special gauges in order to figure out what clearance we have here," and, once that determination is made, "we get the appropriate support bar and install it," which is followed by installing "a shim through the bottom here, actually come in from the back side, make sure its seated correctly, pop it a couple of times and reinstall the cover."<sup>71</sup> The accent here is on the tangible act of doing what Toyota said it would do, and was doing. Moreover, when the focus shifts to Manager Billy Rinker, those tangible acts are tied explicitly to customers' attitudes towards Toyota. Rinker asserts that "people have been coming in and they've been really pleased that Toyota stepped up as quickly and efficiently as they did." <sup>72</sup> Moreover, both Rinker and Flores focus on the effects of Toyota's actions on customer satisfaction in terms of standards, safety, and the history of the company. For example, Flores talks of his own high standards and those of Toyota and "I believe that's why we have such loyal customers that keep on coming to us year after year." Rinker argues "You know this is part of what we're doing to satisfy our customer, so I hope that Toyota can get the work out there that they do put their customer first, that they put safety first. If you've owned a Toyota you have that history and you know that it is something that is going to be a reliable car." In sum, this video serves as a justification for the earlier customer video. In

showing the audience the actual process of repairing the accelerator pedal, Flores' actions support the assertions of the customers that Toyota is providing prompt, effective, and excellent service in terms of the recall.

A similar focus on justifying customers' faith is exemplified in the last atonement themed video of this study. The focus of the video is a series of conversations with various plant team members. What makes this video unique is that it not only focuses on actions taken during the shutdown, and subsequent recall, but there is movement late in the video signaling Toyota's transition out of the recall crisis and back to image maintenance strategies.

The "Team Members' Perspectives," video opens with a shot of the Georgetown

Kentucky Toyota production plant. As opposed to the earlier "Commitment," and "Restore," spots in which the organizational history of Toyota sets the stage for the subsequent atonement, the plant video is a retrospective of what team members were doing during the shutdown in terms of continuous learning and, by extension, customer care. One of the main points repeatedly articulated by the team members is that the shutdown was not a vacation. For example,

Assembly and Safety team member Tony Hendrichs asserts "We had plenty to do…plenty to do. We'd prefer not, ya know, to shut down the works but we definitely utilized that time." Brian Howard, a paint detail team member, makes it clear that, "Toyota is paying us to come in during these non-production days. They want to be sure and provide us with work." Moreover, he assures the audience that "rather than sitting around playing cards, we're looking at ways, ya know, to make things better for us and make things better for our customers." The implication is that Toyota used the shutdown as a period of reflection and refinement of its production processes.

In terms of the plant, the reflection process was one of learning. Chris Wright, a member of the paint detail team explains "While the line was down, [we] worked on training, helping members to better themselves." Lisa Webb, a team member in the plastics production area expands on Wright's explanation: "We really got into, ya know, more detailed things training all of our team members to bring them up to even a higher level of understanding about things." Thus the focus of the shutdown training was to take an already well-trained production team to a higher level of training.

But more than just training, the shutdown focused team members' attention on the problems associated with the shutdown and subsequent recall. Chris Wright was adamant on this point: "One thing we do here is problem solve. We're going to figure out what's wrong, we're gonna fix it, we're gonna move on and we'll be a better company because of it." Problem solving is linked to discovering "what's wrong," which leads to fixing the problem. More importantly, while problems are acknowledged as happening and needing fixing, such problems will not prevent Toyota or its team members from moving forward. In fact, finding and fixing problems will only benefit the company. In a Shinto sense, such a production philosophy speaks to the notion of good flowing out of bad. In a production sense this means that team members have to pay attention to, and take actions towards, resolving problems. Brian Howard underscores this point when he talks about the effect of the recall on problem solving. "Yeah, it's definitely motivated people to take a second look and make sure they are doing everything as well as they can be."<sup>79</sup> Here, the shutdown and subsequent recall is recast from a problem to a learning experience from which the company can only benefit. Moreover, problem solving is tied to producing quality cars, and this too is reflected in commentary by the team members. Lisa Webb contextualizes the shutdown retraining as having a "quality focus," while Chris Wright

assures the audience that "Our senior management has been speaking with us – they ask us to continue to look for ways to improve quality." In sum, the video couples the reality of the shutdown with the refocus on quality through more attention to problem solving. While problem solving may not be part of the atonement process, it can be argued that, in Toyota's case, problem solving constitutes part of the learning process which is part of the Toyota Way. In engaging in, and reflecting upon, this learning process, the Kentucky plant team members' actions reflect the Shinto sensibility of development as a way to 'adapt to new demands while at the same time staying centered, balanced, and agile." Moreover, the renewed commitment to learning within the Kentucky plant reflects Sakichi Toyoda's mandate that that one should "always be studious and creative, striving to stay ahead of the times."

Finally, there is an indication in this video that Toyota is preparing to move beyond the crisis. Even as the Kentucky Toyota team members were sharing their learning experiences during the shutdown, they were also talking about their community service efforts as members of the larger Georgetown community. For example Lisa Webb's talk of the training efforts during the shutdown leads into a discussion on team members' community efforts: "A lot of the team members here volunteer outside of work. It's just really enriched the community and, ah, even when we weren't working there for a while we were out, people were out working, volunteering in the community doing stuff."83 Brian talks of his own efforts in volunteering with his kids' activities "band, robotics, and 4-H," but he also talks of Toyota's actions in terms of being a good corporate citizen whose "impact on the community has been great."84 This video marks the first time in Toyota's written and visual atonement rhetoric that bolstering is evident and separate from its crisis rhetoric.

## Charity beyond the recall

Charity is perhaps the most binding commitment of the atonement process because it is where the promises for change are manifested through reparation. Charity demonstrates that the offender is taking steps to "develop a different kind of present and future." <sup>85</sup> In Toyota's case, charity was enacted in two ways. First, as evidence in the preceding analysis of the company's atonement messages, the company admitted its mistakes, confronted the policies that had driven the company off the road, and instituted programs to quickly and efficiently fix the problems with its customers' cars. Additionally, in the spring of 2010 Toyota agreed to pay a 16.4 million-dollar fine levied by the National Highway Traffic Safety Administration. <sup>86</sup>

Second, the most ambitious acts of charity occurred as Toyota transcended the growthoriented management philosophies of the previous ten years and returned to the Toyota Way.

This shift in culture was marked by Akio Toyota's explicit plans about instituting long-term
organizational changes so that a recall of the 2010 magnitude would not occur again. Within the
year and into 2011, Toyota's changed culture became apparent to those in the automotive media
world. In his *Washington Post* message, Akio Toyoda had outlined a series of reforms to ensure
that "problems of this magnitude do not happen again and that we not only meet but exceed the
high safety standards that have defined our long history." He promised a top-to-bottom review,
and part of that mandate was the establishment of an Automotive Center for Quality Excellence.

That center opened five months later in Ann Arbor, Michigan, with plans to instruct "10,000
employees annually on new quality measures." Along with the Center for Excellence, Toyoda
promised an outside "blue-ribbon advisory group," to evaluate production processes. By June
of 2010 Micheline Maynard of the *New York Times* reported that the group had been formed and
would be led by Rodney Slater, former secretary of transportation.

Another promised reform was to "aggressively investigate complaints we hear directly from consumers and move more quickly to address any safety issues we identify." <sup>91</sup> The movement on this reform was swift. Mark Rechtin and Hans Greimel, in a January 2011 story for Automotive News, reported that Toyota had created Swift Market Analysis Response Teams (SMART) "soon after the start of the recall." According to Rechtin and Greimel, SMART "analyzed more than 5000 consumer complaints of unintended acceleration, as well as 2,000 other safety questions." Another example of Toyota's renewed vigor in addressing safety issues was the April recall of the Lexus GX 460 for, what was characterized as a, "dangerous handling problem." <sup>94</sup> Micheline Maynard of the New York Times reported that within twenty-four hours production of the Lexus had been suspended, demonstrating "that it had learned the lessons of dawdling during a safety crisis."95 Although Maynard and her colleagues characterized the recall - prompted by a *Consumer Reports* test drive – as perhaps being an "overreaction," Steven St. Angelo, Toyota's North American chief quality officer offered another perspective on recall. Declaring that "recall is not a four-letter work," St. Angelo went to explain "If it's suspicious, I'm going to do the recall. I am not proud of recalls, but I am proud of taking fast action."96 St. Angelo's comments reflect the marked changed in Toyota's attitude towards acknowledging and fixing mistakes.

Another reform promised by Akio Toyoda was to increase the transparency of the company by sharing quality and safety information, and increased outreach to government agencies. Specifically, this meant that control of decisions, long centralized in Japan, needed to be decentralized. According to Micheline Maynard, in interviews with "current and former executives at Toyota, government regulators and others who deal regularly with the company," Akio Toyoda had begun to "bridge the gap between the company's Japanese corporate culture

and its biggest and most important market, the United States."<sup>97</sup> Some of these changes included Japanese engineers actively seeking out suggestions for improvement from American executives, Toyota putting more Americans in charge of U.S. factories, and the company appointing quality control officers in the company's major world markets, including North America.<sup>98</sup> According to Eric Mayne and Drew Winter, these quality control officers, such as Steve St. Angelo, have "unfettered access to the top of the house," meaning St. Angelo has "a direct line to Akio Toyota."<sup>99</sup> Through such actions, Toyota, which had been characterized as closed and secretive, demonstrated in tangible ways its willingness to change.

Finally, Toyota demonstrated its commitment to learning and putting people first in its actions regarding the American company that had produced the defective accelerator pedal. The Indiana-based company, CTS Corporation, had issued a statement in late January declaring that its accelerator pedals, "should absolutely not be linked with any sudden unintended accelerator incidents." Toyota wisely chose not to engage in blame-shifting. Instead, Dino Trianlefyllos, Vice-President of Quality for Toyota Motor Engineering and Manufacturing, North America, told Eric Mayne and Drew Winter of Wards Autoworld, that Toyota "spent more time with CTS in making sure there were no additional risks, working with them like we work with all our suppliers to improve their process." <sup>101</sup> By refusing to engage in intra-organizational squabbling and reaching out to CTS to improve its production processes, Toyota not only retained what it clearly considered a valuable corporate partner, but was able to maintain a focus on communicating with their customers, rather than engaging in public communication that would have detracted from the atonement campaign. Moreover, I would argue, Toyota's actions with CTS were also indicative of Shinto values of interdependence in which two entities complete each other and thus achieve harmony. Engaging in intra-organizational scapegoating

damages social harmony; by working with CTS to improve its production processes, Toyota acknowledged its own dependence on CTS.

In summary, Toyota demonstrated through tangible actions that there had been a shift from a culture fixated on growth and market dominance to a culture re-focused on learning and respect for people.

# **Audience Reaction to Toyota's Rhetoric of Atonement**

According to Frank Ahrens of the *Washington Post*, a company in the midst of a crisis must "win the message," if there is to be a successful resolution to the crisis. <sup>102</sup> In terms of winning the atonement message there must be recognition and acceptance by the audience of the atonement messages from the offending party. In this respect, Toyota was successful. For example, Frank Ahrens argued that while Toyota's messages "take a variety of paths, they all lead to the same message. We know something's wrong. We're sorry. We're trying to fix it. Our cars are safe." <sup>103</sup> Journalist Patricia Faulhaber also noted the consistency of the atonement messages arguing that Toyota created a "consistent tone and message," in which "the messages are we are sorry, we are working to correct the problems and to restore customer confidence." <sup>104</sup> Alex Nunez, writing for *Autoblog*, echoed these comments in his observation that "Toyota's primary focus is on re-establishing itself as a business that's deserving of consumers trust. That starts with saying 'I'm sorry' as frequently and in as many different venues as possible." <sup>105</sup> Toyota's messages were clearly perceived as not only apologetic but generally as messages indicative of the company's intent to act on resolving its problems.

However, there were instances where some commentators found individual messages, especially those expressed in printed form to be weak. While generally supportive of Toyota's overall atonement messages, Frank Ahrens was critical with how Toyota characterized the time

frame of the recall. Ahrens pointed to possible "potholes," in the campaign, taking issue with Toyota's characterization of the crisis in terms of "in recent days," in its "Commitment," video and "Lot of Talk," print ad. Ahrens wrote, "In point of fact, the only thing that happened in "recent days" was the actual recall. Toyota was forced to make the recalls because the company hadn't lived up to its standards for at least several months prior." Public Relations consultant Lou Hoffman expressed concerns about Toyota's "Open Letter," message. While noting that Toyota appeared to have intended the message to "address the issue head on," Hoffman criticized the lack of a forthright apology for the accelerator issues, characterizing the letter as "possibly a case of copywriting by committee with legal chairing the effort." However, Hoffman viewed the subsequent "Lot of Talk," more favorably, acknowledging the "straight forward," and "no nonsense tone" of the letter. 108 The shift from Hoffman's earlier criticism of Toyota's first print ad as written with legal issues in mind, to a more favorable read of the second print ad may be an indication that Toyota was shaping its atonement response to meet the needs of its American audience's expectations for explicit and direct communication. Indeed, Toyota spokesperson Celeste Migliore confirmed the company's attention to customer response noting that "we're talking consistently with our customers and measuring their response to us." <sup>109</sup>

While there were concerns about the effectiveness of some of Toyota's written atonement messages, the video campaign was viewed as effective. Marketing and advertising entrepreneur, Alaya Rahav, characterized Toyota's campaign as "admitting directly we have messed up, harnessing all the workers as committed to amend and restore your faith in us." In particular, the "Commitment" video ad was singled out for its effectiveness. For example, Patricia Faulhaber argued that not only did "the company admit they made mistakes in quality control," in the "Commitment" video, but that "the spot is a really good commercial and goes from where

Toyota was in consumer's [sic] minds to what they did wrong to what they hope for in the future."<sup>111</sup> Alex Nunez commended Toyota for creating a "message that is simple and well delivered: Toyota messed up big time, it knows it, and it's fully aware that the onus is on itself to win back customers confidence."<sup>112</sup> Again, the message of having make mistakes and rectifying those mistakes was recognized as central elements of the video spots.

Moreover, linking the Commitment video to other printed messages was viewed as effective. *USA Today* reporter, Chris Woodyard acknowledged the successful pairing of the print and video venues contending that the "Commitment" video ad "acknowledges that the automaker has let down customers when it came to safety," while the print ads not only lay out "blueprints for the fixes," but also focus on customers.<sup>113</sup> Alaya Rahav also argued "this commitment ad, together with an open letter in the *Washington Post* from Toyota's president that enhance the commitment ad, are very brave direct steps to reinstitute credibility, trust in the company and brand reliability."<sup>114</sup> Patricia Faulhaber commended the actions of Akio Toyota, praising him for "taking the blame on himself and also taking the responsibility for turning the quality control problems around and making the consumer believe in Toyota's vehicles again."<sup>115</sup>

While media experts viewed Toyota's campaign as generally successful quantitative data also supports the contention that the atonement campaign was successful. According to Nick Bunkley, Toyota sales for March of 2010 were up 41 percent over March 2009 sales. <sup>116</sup> In a May 15, 2010 article in *The Economist*, Toyota "surprised analysts," when the company reported a net income of \$1.2 billion for the first three months of the year. <sup>117</sup> Additionally, Rich Thomaselli of *Advertising Age* reported that Toyota reported a \$2.3 billion profit for the fiscal year after suffering "two consecutive years of losses." <sup>118</sup> While both Bunkley and Thomaselli pointed that Toyota had offered incentives during the recall that could account for the rise in sales for March,

General Motors and Ford also offered incentives in the form of zero-percent interest loans and their sales reflected a 43 and 40 percent increase in sales. <sup>119</sup> Moreover, despite offering incentives similar to those of General Motors and Ford, Chrysler's sales decline by 8 percent. <sup>120</sup>

It is conceivable then that while offering incentives may have contributed to Toyota's first quarter profits for 2010, there may be other factors at work. One possible explanation is that Toyota customers – the very audience the atonement campaign targeted – were persuaded not to abandon the company. For example, 60 percent of Toyota's sales during that period went to past customers. 121 Ted Marzilli, *BrandIndex* global managing director, contended that Toyota convinced "a lot of existing customers that the crisis is behind them and they can be trusted again." Polling data backs up Marzilli's contention. A Gallup Poll taken in the last week of February 2010 found 74 percent of Toyota owners "had not lost confidence in Toyota vehicles." Additionally, an April 2010 survey conducted by *Rasmussen Reports* found that "40" percent of respondents who own a Toyota said they're very likely to buy their vehicle from that company with another 24 percent somewhat likely to do so." Finally, Harvard Business Review conducted its own poll in early March and found that "contrary to media prognostications, the recalls don't appear to have affected the Toyota brand image adversely among its customers. Toyota owners, compared to owners of other vehicles, agreed more strongly that Toyota appropriately handled issues with respect to the brake-pedal recall; they were more likely to say they believed that this incident is an outlier, [sic] that typically Toyota has a strong reputation for quality, and that the recall shows Toyota's commitment to customer safety." <sup>125</sup> Because part of the recall was the atonement campaign, it is reasonable to assume that atoning to its customers helped shape those customers' perception of Toyota as a company committed to the needs of its customers.

### Why Toyota's Rhetoric of Atonement Succeeded

The success of Toyota's rhetoric lies in the fulfillment of its atonement. Not only did the company admit its mistakes and apologize for its bungled approach to the recalls, but Toyota demonstrated mortification through the production shutdown as well as by humbling itself and paying fines levied by the NHTSA. Additionally, Toyota publically acknowledged that changes within the company were needed to avoid a similar recall catastrophe in the future and then, within the eight weeks of the atonement campaign, and throughout the next year, Toyota instituted those changes.

Toyota's atonement was also successful because of the manner in which it approached its atonement message. Throughout their atonement campaign the company demonstrated its willingness to shape its messages to meet the needs of its customers. Clearly, the shift from framing the recall as a concern for customers to one where Toyota assumed the responsibility for its mistakes demonstrates this shift. Moreover, both print and video messages were clear, concise, and consistent. As noted earlier by Chris Woodyard, the print ads functioned as "blueprints for the fixes." Toyota clearly spelled out what actions the company was taking, and would take in the future to resolve the crisis. In doing so, the print ads functioned as a contract of sorts between the company and its customers. Meanwhile, the success of the video spots rests in the strong narrative that allowed Toyota to bolster its pre-crisis reputation as a producer of historically quality cars, while showing what was being done to address the crisis in terms of putting people first, and learning through the crisis how to better meet the needs of customers.

Toyota's atonement was also successful because Akio Toyoda finally stepped up, and more importantly, stepped out to lead the beleaguered company through the crisis. Toyoda's clear written apology in the *Washington Post* editorial and his careful mapping out of what Toyota would do to rectify the mistakes that had led to the recall in the first place were viewed as strong moves. Moreover, the print and video ads demonstrated that from the executive suite to the production line, Toyota as a company recognized, publically acknowledged, and acted to rectify the mistakes made.

Outside of atonement functioning to heal the breech between the company and its customers, atonement also provided the path that allowed the company to return to the narratives, ideology and values that characterize the Toyota Way. As argued in chapter three, one of most important virtues of Shinto is mokoto, or sincerity. Sincerity rests upon the "careful avoidance of error in word or deed." Clearly, Toyota violated those norms in the months leading up to the January production shutdown. Thus, it was incumbent that words and deeds be at the forefront of Toyota's atonement efforts. That is precisely what Toyota did through its print and visual messages. By reflecting on its own history, Toyota bolstered the values of respect for people and continuous learning. The function of bolstering is to reinforce "the existence of a fact, sentiment, object, or relationship," between the organization and its audiences. <sup>128</sup> In Toyota's case, bolstering within the campaign functioned to heal the breech between the company and its customers by telling the story of why Toyota had earned the trust of customers over 50 years of producing vehicles. By telling the story of the company's history of trust, and by showing current Toyota team members attention to the customer during the recall, and learning through the recall, Toyota demonstrated that it was worthy of being perceived as trustworthy by the community of American Toyota owners.

#### Conclusion

Toyota's eight-week atonement campaign was a successful attempt to repair the breech between the company and its American customers. As evidenced by media critics, automobile industry insiders, and the actions of Toyota customers, the campaign was largely successful. First, the atonement campaign was successful because Toyota halted production, thus focusing attention on its subsequent actions. Second, Toyota "got it" in terms of how to communicate best with its American audience. Using print ads to lay out concrete, specific, and precise actions met the audience's need for direct messages of promised action. Using video spots showed promises being carried out. Additionally, the videos contextualized the recall in terms of Toyota's long history of producing reliable cars. Finally, the atonement campaign provided a way back to the Toyota Way for a company that had chased the ambition of becoming the world's number one producer of cars to the detriment of its grounding values and ideology.

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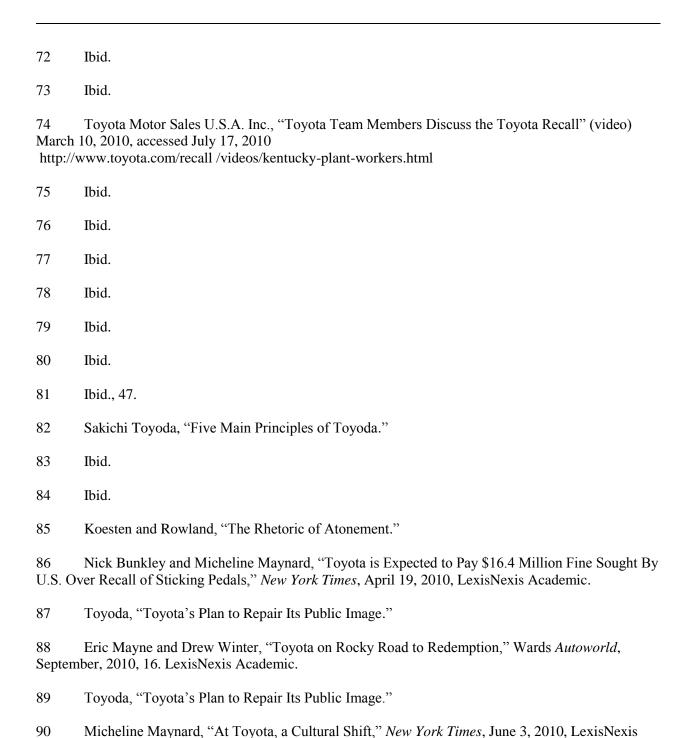
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## Chapter 5

## "Moving Forward":

## Toyota's Road Trip Post-Crisis & Final Considerations of This Study<sup>1</sup>

### **Toyota's Post-Crisis Return to Normality**

Toyota's post-crisis return to normality was been marked by highs and lows. In February of 2011, the results of the 10-month investigation conducted by the National Aeronautics and Space Administration (NASA) as to whether or not electronic problems were at the heart of the apparent sudden acceleration were announced. The result? According to Mark Rechtin of Automotive News, the NASA investigation "cleared Toyota of electronic flaws in its throttle control system." Thus, the car company's repair of close to 1.7 million vehicles for the floor mat entrapment and sticky accelerator issues proved the prudent move. Moreover, NASA engineers said "floormat [sic] interference and sticky gas pedals - both the subject to recall in 2010 – caused incidents of runaway vehicles," as well as drivers mistaking the accelerator for the brake. Following the NASA announcement, Secretary of Transportation Ray LaHood announced that Toyota vehicles were "safe to drive," an announcement that produced a surge in Toyota's brand perception.<sup>5</sup> According to Ted Marzilli, writing for *YouGov BrandIndex*, "in the two days after the announcement, Toyota's BrandIndex scores significantly outpaced movement seen in the aggregate auto sector," giving the company "a big lift in consumer esteem." Toyota seemed to be back on track.

That was short-lived. On March 11, 2011, an 8.9-magnitude earth quake rocked northern Japan setting off a devastating tsunami. Toyota suspended operations for five days with an expected loss of production amounting to 40,000 vehicles.<sup>7</sup> In an April 22, 2011 press release,

Toyota announced that it expected normalization of its Japanese production by November or December of 2011, and production outside of Japan to be back to normal by August of 2011.8 However, Mark Rechtin reported that by June of 2011 there was a "full production of eight core North-American built Toyota models." While Toyota did see operating profits drop by \$4.4 billion for the fiscal year ending in March of 2012, auto analyst Christopher Richter observed that even with these losses, Toyota was "already touching the pre-quake levels," and was poised to "win back" some of the market share lost during the 2010 recall. 10 It could not have hurt Toyota when it lost its dubious distinction for mounting the largest recall in history to Honda's 2011 air-bag recall. 11 More recently, in February of 2012, J.D. Powers announced their annual "Dependability Study Results." Toyota took eight of the fourteen segments: sub-compact car, compact car, compact sporty-car, entry-premiere car, compact multi-purpose vehicle, midsize cross-over SUV, mini-van, and large pick-up. 12 Finally, as this study concludes in late April of 2012, Toyota Motor Corporation has reclaimed its status as the world's number one carmaker based on production numbers for the first quarter of 2012. 13 Clearly, Toyota Motor Corporation has come a long way since its initial failed communication with customers. In this final chapter I summarize the study as a whole, discuss the implications that emerged from the study as well as the study's limitations and areas of future research.

#### **Summary**

In the previous chapters I have illuminated Toyota Motor Corporation's crisis communication during the recall of early 2010. In chapter one, I discussed audience dissatisfaction with the company's initial communication, and the failure of Akio Toyota to step up and lead his company in the run-up to and early days of the recall. The body of research into apologia, and its application to organizational crises, was reviewed, followed by an argument

that it is important to focus on the constraints on organizational rhetors, rather than the strategies or event types proposed by other researchers. The argument for culture as a constraint was made with a subsequent discussion of how cultural practices of Japanese communication in general, and public relations practices in particular, may not meet the expectations of an American audience. The first chapter ended with an explication of an inductive research approach.

Chapter two grounded the 2010 recall in a larger historical framework in which I argued that Toyota lost it organizational cultural bearings as explicated within the Toyota Way. Over a ten-year period, non-Toyoda family leaders shifted the company's focus from a company dedicated to respect for people and a spirit of continuous learning, to a company myopically focused on profit and growth. It was this focus that initially limited the effectiveness of the company's apologia during the recall. I then turned to a discussion of the deeper cultural roots of Shrine Shinto and how this worldview informs the Toyota Way. My contention here was that Toyota's focus on growth and profits violated Shinto values of interdependence, trust and operating as a company of character. Moreover, I argued, the way to rectify this situation and regain the Toyota Way was to find an appropriate rhetorical response that would explicitly address the expectations of the American Toyota audience and regain the trust of that audience.

The focus of chapter three centered on atonement rhetoric as the appropriate rhetorical response to the crisis. Scholarship related to this sub-genre of apologia was used to support my argument that poorly handled product recalls, such as the 2010 Toyota fiasco, constituted instances where traditional strategies of apologia will be viewed by consumers as disingenuous or downright hypocritical. In these cases, I contended, organizations must come clean – repent for their failed actions, reflect on the circumstances that led to the "sin," demonstrate that the company has suffered, and then move beyond the "sin" by offering appropriate charity or

reparation. Moreover, I argued that while atonement rhetoric is not strictly a ritual, the rhetorical form of repentance, reflection, and charity, does constitute a ritualized response. As such, atonement rhetoric constitutes an appropriate response to the crisis given the ritualized nature of Japanese communication and the American audience's preference for direct messages that the audience can readily interpret as atonement. Atonement also provided a way for Toyota to not only reflect on the circumstances that had precipitated the recall, but to also reflect on how those circumstances had led to a violation of the Toyota Way, and could provide a way back to the company's philosophical roots.

In chapter four, Toyota's rhetoric of atonement was illustrated with print and You Tube messages that addressed the recall over an eight-week campaign. The chapter began with the run-up to the January 2010 recall, Toyota's less-then-stellar response to the 2009 San Diego crash that served as the center of attention on alleged unexpected acceleration issues, and then the company's "got it" moment when the shift to atonement occurred. I argued that the coupling of the "Temporary Pause," ad and the production shutdown constituted a successful liminal moment that provided a way for Toyota to create a separate rhetorical space for its atonement campaign. Through the use of print ads, that functioned as explicit, discursive contracts between the company and its customers, and the use of video in order to contextualize the recall as a learning experience and a return to the Toyota Way, Toyota not only demonstrated its ability to atone to its customers, but was also able to rededicate itself to the Toyota Way. Moreover, Akio Toyoda emerged as the strongest voice of atonement, explicating where the company had made mistakes in communicating with customers, reflecting publically on those mistakes, and laying out a course of action to rectify those mistakes. Finally, the critiques of marketing, public relations, and auto industry savvy critics, were cited as indicators of the overall strength of

Toyota's efforts as well as some of its communicative weaknesses in terms of the recall.

Additionally quantitative data demonstrating Toyota's ability to regain sales and keep customers was cited.

### **Implications and Inquiry**

Overall this study of Toyota's rhetorical response to the 2010 recall crisis extends our understanding of how atonement rhetoric functions within a corporate context. Three important implications emerge from this study.

First, the study focuses on the importance of atonement that is viewed as authentic by the audience. By acknowledging its mistakes, demonstrating mortification, and seeking to rectify those mistakes, an organization is able to bridge the breach of trust and reestablish congruency between itself and its publics. Especially key to demonstrating that the atonement is authentic is the second stage – reflection. The act of public reflection and mortification serves as a window into the soul of the organization under scrutiny. As such, atonement functions to demonstrate that the organization has repented, will make reparations to the aggrieved parties and is therefore a good corporate citizen who deserves to be seen as a decent and caring member of the community. If an organization fails to successfully demonstrate a reflective stance and accompanying mortification, it is likely that the audience will be less inclined to view the organization in a favorable light. This may explain the rise of the Occupy Wall Street movement. When the big banks accepted the bailout there were no acts of contrition on their part. <sup>14</sup> They failed to send a message that they had learned from their mistakes and would change their actions. It is reasonable to assume that the coupling of the bailout, with the subsequent awarding of bonuses, only served to drive home the message that those in the financial sector did not have the public's care and wellbeing in mind. Thus another line of inquiry could focus on the

perceived need for atonement as an impetus for social movements such as the Occupy movement.

Second, the Toyota study illuminates how corporate entities can shift from communication that is not meeting the expectations of audiences to atonement as a means for successfully addressing the expectations. There was no rationale for shutting down production and publically announcing that shutdown in the nature of the crisis itself. Toyota could have chosen to maintain production but taken other steps in responding to the crisis. For example, the company could have issued a press release indicating that it would begin sending notification letters to customers affected by the recall. The fact that the company did shut down the line and announced that shutdown through the "Temporary Pause" ad indicates that such a pre-emptive act of sacrifice served as an attention getter for the subsequent atonement.

A third implication of this study is that authentic atonement can bridge differing cultural approaches to crisis communication. Previous scholarship has demonstrated how atonement functions in contemporary America. Atonement, as a way of maintaining societal harmony, cuts across cultures, and this indicates the power of atonement as a sub-genre. As this study has demonstrated, Japanese atonement is shaped by Shinto beliefs in the continuing cultivation of the seven virtues towards walking in the "way of nature." Sincerity (*makoto*) as the "careful avoidance of error in word or deed" is the way an organization demonstrates that it is worthy of being viewed as trustworthy by the society in which it operates. <sup>15</sup> Atonement rhetoric provides a way for an organization to demonstrate its sincerity by communicating and taking action to rectify the situation. When words become deeds, then one is perceived by the community as being trustworthy. A possible line of future inquiry would be to explore other cultural indicators of atonement and how these indicators influence or do not influence corporate atonement.

## **Limitations and Inquiry**

Every study has its limitations and out of limitations emerge opportunities for future research. In the case of this study, scope emerges as a primary limitation. The scope of this study was limited to Toyota's atonement to its customers. The study did not look at Toyota's efforts to discredit faulty research into the electronic throttle issue, and Toyota did vigorously oppose any suggestion that electronics were the core issue of the alleged unexpected acceleration problems. There was no atonement here, but another apologia strategy, denial, was used. According to Drew Winter, "Toyota methodically DIS-sected then summarily dismissed a university professor's claim that a short-circuit could create unintended acceleration in a Toyota vehicle without triggering an electronic error code." Instead, Toyota countered with studies of its own conducted by "teams of engineering and electronics experts from Stanford University and California-based Exponent Inc., an engineering consulting firm." In this case, Toyota's exoneration by NASA demonstrates that denial can be an effective strategy. A possible line of inquiry that emerges from the scope issue would be to conduct a broader study exploring how atonement rhetoric fit into other messages that Toyota created during the crisis.

Second, the study did not focus on all of Akio Toyoda's rhetoric during the recall, including his testimony to the congressional sub-committee, his visit to the Kentucky production plant, or his Japanese press conferences. Because Toyoda was widely criticized for his lack of communication during the early days of the crisis, a study focusing solely on his communicative efforts during the crisis could shed light on how he transcended "no show Akio," to being characterized as a moving force for the success of the atonement campaign. Another possible

line of research could focus on Toyoda's post-crisis leadership as illuminated by his communication to investors, the media, customers, and the Toyota production family worldwide. In a related vein, the rhetoric of American presidents has been a foundational line of inquiry for scholars of rhetoric that has shaped our understanding of the power of the presidency. Modern corporations, especially large multi-national corporations such as Toyota, are led by similarly powerful figures. Long-term, in-depth study of the rhetoric of the women and men who lead these companies should be undertaken to provide a similar understanding of the influence of these individuals on their companies and the society in which companies operate.

#### **CONCLUSION**

In this final chapter I have explicated the implications of the current study as well as the limitations of the study. Both the implications and limitations open doors to future inquiry on the nature of atonement in the corporate arena, the nature of atonement as a bridge between differing cultural approaches to communication, and the wider study of the rhetoric of corporate leaders.

Toyota Motor Corporation successfully engaged in a rhetoric of atonement that not only met the expectations of its American customers but also provided a way for the company to return to the Toyota Way. Toyota's challenge for the future is to balance sustained growth with a focus on respecting the customer. Certainly, Akio Toyoda recognizes the importance of maintaining an audience-center communication focus. When asked in a September 2010 interview about whether Toyota had successfully repaired its broken relationship with consumers, he replied: "It's not I who will make that judgment. Customers in the market are the ones to judge whether our actions were correct and successful." 19

#### **NOTES**

- 1 "Moving Forward" is Toyota Motor Corporation's current 'tag line'
- 2 Mark Rechtin, "Toyota Image Surges on NASA Study: Investigation Discovers No Electronic Flaws, But Lawsuits Continue," *Automotive News*, February 11, 2011, 3, LexisNexis Academic.
- 3 The Washington Post, Financial Section, March 31, 2010, Suburban Edition, LexisNexis Academic.
- 4 Ibid.
- 5 Ibid.
- Ted Marzilli, "Toyota Image Surges After NASA Investigation," *YouGov BrandIndex*, February 25, 2011, accessed April 30, 2012 http://www.brandindex.com/article/toyota-image-surges-after-nasa-investigation.
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- 8 Toyota Motor Corporation, "Toyota Outlines Timeline for Production Normalization," April 22, 2011, http://www2.toyota.co.jp/en/news/11/04/0422\_1.html
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- 12 Christian Seabaugh, "Lexus Back on Top of 2012 J.D. Power Dependability Study, Chrysler Last," *MotorTrend*, February 15, 2012, accessed May 5, 2012 http://wot.motortrend.com/lexus-back-on-top-of-2012-j-d-power-dependability-study-chrysler-last-170219.html.
- 13 *The Chosun Ilbo*, "Toyota Reclaims Status as World's No.1 Carmaker," April 27, 2012, accessed May 1, 2012 http://english.chosun,com/svc/news/printContent.html.
- See Floyd Norris, "Fury Builds Over Crisis at Banks," *New York Times*, December 12, 2008, LexisNexis Academic; Gretchen Morgensen and Louise Story, "A Financial Crisis with Little Guilt," *New York Times*, April 14, 2011, LexisNexis Academic.
- 15 Carter, Encounter with Enlightenment, 48.

- Drew Winter, "Toyota Refutes Test Results," *Ward's Auto World*, April 1, 2010, 12. LexisNexis Academic.
- 17 Winter, 12.
- 18 See Alaya Rahav, "Trust, Transparency, and Apology Based Ads," and Patricia Faulhaber, "Toyota Still Trying to Repair Image."
- 19 Eric Mayne and Drew Winter, "Toyota on Rocky Road to Redemption," 17.

# Appendix:

# **Toyota Company Materials**

Names and dates for Toyota presidents	115
Five Main Principles of Toyoda and	
Guiding Principles at Toyota	116

## **Toyota Presidents**

Sakichi Toyoda	Founder
Risaburo Toyoda	1937 – 1941
Kiichiro Toyoda	1941 – 1950
Taizo Ishida	1950 – 1961
Fukio Nakagawa	1961 – 1967
Eiji Toyoda	1967 – 1982
Shoichiro Toyoda	1982 – 1992
Tatsuro Toyoda	1992 – 1995
Hiroshi Okuda	1995 – 1999
Fujio Cho	1999 – 2005
Katsuaki Watanabe	2005 – 2009
Akio Toyoda	2009 – Present

## Five Main Principles of Toyoda<sup>1</sup>

- Always be faithful to your duties, thereby contributing to the company and to the overall good.
- Always be studious and creative, striving to stay ahead of the times.
- Always be practical and avoid frivolousness.
- Always strive to build a homelike atmosphere at work that is warm and friendly.
- Always have respect for spiritual matters, and remember to be grateful at all times.

# Guiding Principles at Toyota<sup>2</sup>

- 1. Honor the language and spirit of the law of every nation and undertake open and fair business activities to be a good corporate citizen of the world.
- 2. Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in their respective communities.
- 3. Dedicate our business to providing clean and safe products and to enhancing the quality of life everywhere through all of our activities.
- 4. Create and develop advanced technologies and provide outstanding products and services that fulfill the needs of customers worldwide.
- 5. Foster a corporate culture that enhances both individual creativity and the value of teamwork, while honoring mutual trust and respect between labor and management.
- 6. Pursue growth through harmony with the global community via innovative management.
- 7. Work with business partners in research and manufacture to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

<sup>&</sup>lt;sup>1</sup> Toyota Motor Corporation, "Five Main Principles of Toyoda," May 15, 2012, available http://www.toyota-global.com/company/vision\_philosophy/guiding\_principles.html

<sup>&</sup>lt;sup>2</sup> Toyota Motor Corporation, "Guiding Principles at Toyota," May 15, 2012, available http://www.toyota-global.com/company/vision\_philosophy/guiding\_principles.html

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