



Rodger B. Lewis is Assistant General Manager of Quality Control for Toyota Motor Manufacturing, U.S.A., Inc. Prior to joining Toyota in April 1987, Mr. Lewis held operations management or quality management position with Wilson Freight Corporation and Volkswagen /Porsche/Audi.

Mr. Lewis earned an associates degree in psychology from the University of Munich in West Germany and holds a BS degree in accounting and finance from St. Vincents College in Pennsylvania. He also acquired a masters degree in industrial relations from St. Francis College in Pennsylvania.

GENERAL SESSION

Friday, September 17, 1993

Rodger B. Lewis, Assistant General Manager for Quality Control
Toyota Motor Manufacturing, U.S.A., Inc.

TRANSLATING VISION INTO ACTION THROUGH QUALITY MANAGEMENT

I'm happy to be here this morning. I was introduced as a person with a psychological background, with a degree in accounting, and a masters degree in law and industrial relations. People have asked me, "Why did you do that?" I tell them that when I decided on a career, I would need to know a lot about people. Well, today at Toyota, that is probably one of the most important aspects of building an organization!

I started my career with a group of people in the mid-1960s in a place called Vietnam. I had two purposes: one was to meet the operational objective and the other was to bring back the people who went with me on that trip. Some of the things that guided us in Vietnam were strong planning, excellent employees, a focus, and targets. Today, the trip is no different. I look at industry as an operational objective with a human side, and that's very important.

I want to tell you a little about Toyota. In 1988, we started our production just two years after we started construction. Many companies aren't able to do that in just two years. We have 4,700 team members from 112 counties in Kentucky. We understand the importance of transportation since we have some team members who drive two hours, one way, each day to come to work. And, they still reside in some of those 112 counties. We have large commuter groups living in the Louisville area who are concerned about getting to work on time everyday, so they bought a bus and ride together. They were concerned about that bus breaking down, so what did they do? They bought another bus as a back-up.

We had 2,225 people last year with perfect attendance at Toyota. We had 1,946 who had perfect attendance the year before, and almost that many the year before that. Last year, as in previous years, we rented Rupp Arena to celebrate those employees who achieved a perfect attendance record. Each year, we pay for 10 Camrys and give them away through a lottery to those employees, to show them we appreciate their fine effort.

We started our automobile plant in Georgetown with 99 percent non-automotive people. We hired eight people (I was one of them) from the auto industry to come to Kentucky to start a new field operation. My greatest fear was how to accomplish that with 99 percent of the people having no experience. I can tell you today that I'm very happy we did it that way! It has worked out very well for us, the employees and team members of Toyota. The workers from Kentucky are probably the best work force with whom I've ever worked--and I don't say that simply because I'm here today, but because I truly believe it. We launched a wagon last year and we also export to Japan and Europe. We currently produce 222,000 vehicles each year.

We are proud that in 1990 we received the Best Quality Plant for the automotive industry in North America from a company called J. D. Powers, the watchdog of the auto industry. The Japanese said, "Well, it was easy, you only built one car. You are just starting up, everything was set up for you when you started. We expected that. In 1991, we dropped back a little to the Silver Plant, which is the second best plant in North America. In 1992, we launched a brand new car, and we were third, and received the bronze award. Last year, after all of our endeavors, we came back again with the Gold Plant award, the number one automobile plant in North America. I am very proud of that not so much for me but for the people who work at TMM.

What I enjoyed the most, however, was that we were the best plant in the Toyota family worldwide! That told me something. Everybody had said that only the Japanese can do TQM. We have a very small staff of Japanese at Toyota as compared to Nissan, Honda, Subaru, Diamond Star, and Mazda. We have 10 Japanese quality control with a department of 497 approaching 600 by the end of next year. We are very proud of our success. What got us there and what you want to hear about today, is *vision*.

Webster defines vision as unusual foresight. It is perceived through ideas. A visionary is a person who is given to impractical or speculative ideas. My definition of a visionary is a person with skill that is well developed through experience and exposure, transformed into a projected, pro-active approach to success based on operational and human requirements. Many of us have heard this remark: "I have this idea, it sounds like this, and the benefits should be these. Can you do it, let's say, by next week?" That is a dreamer, not anyone with vision.

There are four basic abilities that make a visionary a good manager: (1) the ability to make decisions, (2) extensive knowledge and experience, (3) the ability to lead and improve everyday business, and (4) the ability to powerfully explain, negotiate, persuade, and coordinate. Practical experience is valued over theoretical knowledge. It is the ability to decide quickly and definitely according to necessity. You cannot always think about the feasibility of whether or not something can be done; first you must quickly set an objective according to its necessity. I've learned in the auto industry that when you produce a vehicle every 60 seconds, you quickly realize you must have good skills in problem solving and decision making. Therefore, I have learned that skill over the years.

My first experience at stopping an assembly line in a car plant was in West Germany. A German came up to me screaming in German (I understand German fluently but I could not understand him that day). But, I did soon after that, about the next morning! I learned very quickly that you don't stop the line. But, you do at Toyota--that is part of the job. Our line is set up for 100 percent capacity--but do we expect our workers to do that? No. Our target is 93 to 95 percent. Why? Because we want our workers to stop the line when they have problems.

You also have to be able to make decisions. You always should make your objective easy to understand and easy to remember. The objective must be comprehensible to all the members of your team. Express as much through statistics or facts (I always say that facts are the key to success)--if you have an opinion, that is okay, but if you want to change something, you must present facts. You must present them not only to your people--your subordinates--but also to your leaders. Don't be idealistic, aim for even the slightest improvement over the present situation. Small change is better than large failures. Improvement is possible through maintenance.

I want to talk about change in maintenance and improvement. The other day I met with officials from Harley-Davidson, the large motorcycle industry that is very popular and has been a mainstream in North America for a long time--a great corporation. One of their executives asked me how I manage change. By example, I asked him if I put two cement blocks on the floor and placed a two-by-four across them, could he walk that? He said he easily could. If I put it 12 feet above the ground, could you walk that? He said that it would be a little more difficult. I explained that is what change is. Every time someone has a change, they fear it. Change is big, it is dynamic, and it promotes fear. Managing change is very important today. There are a couple of ways to do that.

Change is good. Change is opportunity. During my career, I have asked probably over 2000 people the definition of change, and I have heard everything from "It's what is in my pocket" to Webster's definition. My definition is very simple, it is OPPORTUNITY.

The effort to observe standards is very important. I would like to point out that it is always easy to make requests, but the most difficult job is supporting someone once you make a request. I think a lot of people have the tendency to ask for things but don't necessarily take the effort to help. The discovery of problems and improvement on top of improvement--at Toyota we call that kaizan. It is an achievement that seems impossible sometimes, but really very real.

A couple of years after we launched Toyota we wanted to change the line speed by three seconds. Management met to decide how to tell our team members that we want to do this. What are we going to tell them? What is our purpose? We discussed it for a couple of months. We had a lot of concerns because we knew that when the line speed was changed, it caused problems. Finally, we met with our team members in groups and told them we wanted to increase our productivity because sales were strong, and we wanted to increase the line speed. Their question was not how much to change it, but when. We said that first we would like to change it by three seconds over the next month. They said, how about five seconds and we will do it next week. I knew then that I was on a changing road that day. They did it on their own, because remember that we do not have industrial engineers at Toyota--a job is designed by the workers, they lay out the job, they balance their lines, they decide their work methods, and they decide the tools they use. I knew that the future was going to be bright, and since that day we have had many kaizens.

Last year we had 37,000 suggestions submitted by our work force. How many were implemented? 37,000. Why? Because they implement their suggestions. We empower our team members to try and do it. We have a basic rule at Toyota that says ask the five "Whys." Many people will come to you with an idea, or they will have a problem, and they will superficially look at the result and say they know what caused it. We ask the five whys, and that simply says why, why, why, why, why. If someone says the operator didn't do his job. Why? We didn't train him. Why? We didn't have a plan. Why? I didn't reflect. Soon enough you will get to the last why. And, they will all lead to the real problem and usually it is not the person. We don't believe in incriminating people, we believe in the rule of self-incrimination: If a person admits a mistake, you should always help that person. We believe in doing that with our suppliers, with our team members, and with everyone. We never punish a supplier when he calls and says, I just shipped you a bad shipment, can you sort those parts? Sure, we will sort them. Then we will ask, when are you coming in to help us? I will be there soon, they say. We have had suppliers at our door at 6:30 in the morning saying they think they shipped us a bad shipment and they want to sort them for us. Why? Simply because we don't punish them. We don't count it against them and we don't berate them for it. We think this is a team activity.

Necessity is sometimes the door for vision. Sometimes you will run into a problem and as a manager or supervisor, you will have an idea

how to solve it. All of a sudden you think, Aha! The door is open, time to slide in my vision, time to turn my vision into reality. But, one thing you have to do is honestly admit your own fallibility. People sometimes have a tendency to think that everyone else should admit his own mistakes, but a good leader should always admit his or her mistakes, very easily.

A couple of years ago at Toyota, we started a program called "Personal Planning and Development" to help develop people. As one of the managers of Toyota, I work in a very exclusive team--the Toyota top management and the Japanese staff--and I am proud to be part of that team. When someone asked me what I thought my successes were, I told them I would have to ask my customers. He asked what I meant, and I told him that I would have to ask those other managers, and I also need to ask my suppliers and my team members. From my development over the next year, I listed the three things that those people told me were my weak points and those are what I wanted to improve. Next year I am going to embark on a different trip, I am going to ask my managers to rate me as a supervisor and suggest what I should do to improve, and what I should do to help them improve. The purpose for that is that I want them to be successful and I also want them to ask their people how they are doing.

You should always let your team compete against one another. But don't ever impose your opinion on your staff, but let them think and express their own views. In other words, leave room for discretion and don't tie them down to your opinions. Learning through trying is a critical skill.

Many times you see people make mistakes and say it was their fault. But anytime a mistake is made, it is the fault of everyone who is part of that team. When a mistake is made, you should take that opportunity to turn it into what one Japanese called a blessing, because that is the opportunity for vision. When you give advice you must always have an opinion; but remember, don't force your opinion upon someone else. The reason you must have an opinion is that sometimes people must struggle on their journey and, when they struggle, you must be able to help them. If you don't have an opinion you can't help. You'll only confuse them.

Endeavor to develop yourself from a wider point of view so that you can arrive at the correct judgement in response to a given mistake or situation. When you give an assignment, make the range and responsibility of that assignment clear.

People talk a lot about empowerment. I attended a seminar in Pittsburgh with top executives from various industries (the steel industry, the coal industry, the automotive industry, the paint industry, the electrical industry, and so forth). They talked a lot about empowerment, and one person said that when you empower somebody you have to give them the ability to make decisions. I agree, but you also have to make clear the range of that decision. For instance, if you give a purchasing person the ability to purchase parts, you tell him that he can purchase

parts up to a contract of \$1000, but for a contract of \$100,000, he will need to ask for assistance from the next layer up. That is automatic at Toyota because everybody knows what they can decide. The roles are very clear. Making the roles very clear, once you empower somebody, is very important. Making clear the range of responsibility also is very important. Don't practice an activity you cannot support, and help your people be successful. Treat you staff, not with indulgence, but strictly and with understanding, and don't blame them for their mistakes. You must always work with your staff, you must be strict with them, but you must always deal with understanding.

When I first began in the auto industry, I developed a skill of liking certain people because of their performance. When I joined Toyota, a Japanese and I were talking about a problem we were having on the line. He asked me if I had ever seen the movie "Gung Ho." I answered that I had, but I didn't want to bring it up. He asked if I remember the little Japanese guy in the river and I answered in the affirmative. He told me that I reminded him of that guy because my activities were just like his. He said you are just floundering around and you are very frustrated. Sit down and think about what you want to do, and do that positively. Don't just focus on people whom you think will always be successful, give some challenges to people who haven't been successful in the past so they can build confidence. He also told me that the best quarter I could ever spend was having coffee with my staff on a regular basis--not just the ones I like, but the ones I didn't like. Then you can really build a team. You must respect your staff--you must respect all of them. You cannot favor one person, even though you like that person as a friend or you may play golf or go fishing together, or you may go to UK games together. You have to treat them all fairly. You have to separate the operation necessities from the human balance. And, you must always help them through their failures. Even though your staff may give up at times; as a supervisor or manager, you must always carry on. We believe in Deming's theory of making a plan, executing the plan, checking the plan, and formulating an action cycle. I have believed in Deming a long time because his theory is human theory. It has nothing to do with industry; it has a lot to do with people.

If you want to be successful today, you have to always know your operational needs, and you have to help your people succeed. We hear so many managers say, "He is a failure." If a manager comes to me at Toyota and tells me one of his team members is a failure, I would say that person is not a failure, you are a failure because you haven't helped him. We already talked about people who are not performing. My theory is that you help them, you help them, you help them, you help them--until they look you in the eye and say, "I don't want any more help. I'll go someplace else." Never give up on an individual, because that will be the easiest thing or the biggest challenge for you. Always help your staff when they hit roadblocks.

I have lived in Germany, Belgium, Yugoslavia, Mexico, Argentina, South Africa, Mexico, and the United States. I have worked for dictators (some of whom were in America, by the way) and communists. I believe the ability to negotiate with everyone is the key to success. You should have human traits and be willing to listen, not only to your management team, but to your staff, because they also are important.

If you want a report or to know something, go and see for yourself. What do I mean by that? Paper is not power, paper is waste. Yes, you do need reports, you do need paper, but you need to limit those to the ones that are required by the system. And, don't create paper that simply prevents you from seeing what is actually going on or from having a face-to-face discussion with the person making that report. I have two in-baskets at Toyota, because I have two desks--one in the engine plant and one in the assembly plant. My in-basket is always empty. Why? Because I don't want paper. If I want to know something, I will go to the job site. If I want to know how we are doing in quality targets, I will go and see. If I want to know how a project is being launched, I will go and see. I don't need paper. The only papers I want to see are the ones that I need to sign as a requirement by the organization, or the ones that come from outside sources. Anything inside, I will go and see, I will go to the process.

A friend of mine once asked me, "If you came to my plant and you wanted to improve, what is the first thing you would do?" I told him I would move his desk out of the corner office to right in the middle of the plant. He asked why and I told him that he didn't need an office; he needed to be involved, to be where his people could see him. He didn't need to see paper, he needed to see the facts.

Measure your own skills to your staff. Never give requests that you could not or would not do, unless it is a learning experience for all. Many years ago, someone told me about a man he saw on a bank fishing. He was sitting there just casting into the river. Someone asked him if he was catching anything. He answered no, he didn't have any bait. The bystander asked him what he was doing. The fisherman answered that he was learning how to cast. So, before you go fishing, you have to learn to cast. Sometimes you can go fishing, but make sure that everyone knows that is what you are doing. You are going on a fishing trip and, if you send your employees, tell them that is what you are doing. We are going on a fishing trip and we are going on it together. I have an idea of what I want, I think I know where I'm going, but I really need your help, so let's work on this together--maybe we will catch something and maybe we won't. But, if we fail, we will fail together. I won't hold you responsible.

Don't stand on the same level as your staff. You must learn the art of insight--vision--from experience. You should always be supportive of your staff, but you must always be one step ahead. Not only in skills, but in temperament and in ability. One day I saw a Japanese in the plant

writing on his hand and I thought he forgot paper. I walked over and started to hand him a notepad. He said that he didn't forget paper, he wrote a message on his hand. I asked what he wrote. I looked at his hand and he had written "patience." Everytime he became frustrated with somebody he was trying to help, he would look at his hand, remember to have patience, and he would start all over again. He wrote himself a message to have patience as he was trying to help the American staff.

Concentration should always be one of the operational objectives, but remember that clear human element is very important. The guys in human resources always want you to take care of the people; they want to put the scale down here. The head of production wants you to focus on production and wants you to put the scale down here. As a manager, your job is to put the scale here, in balance.

Rotation is another of Deming's clear theories. Clear theory states that you should always rotate your staff. In American industry, if Joe is being put on your staff, you enquire about his good points. You are told, he doesn't have any--that is why you are getting him, we are rotating him. Well, I will take Joe. Give me Joe. My theory to my managers is very clearly that you must rotate your strongest person not your weakest. Why? You create opportunity for strong people to be multi-functional and be more of a success to the company. But you also do something that is very important. You, as a manager, must then do that person's job. For a long time when someone asked me if I wanted to transfer someone or rotate them, I would say yes. They would ask me who I wanted to give up and I would always answer my strongest person. They would want to know why I wanted to give them up. My theory is that you must challenge yourself and, if you always give up your weakest person, you have no challenges left on the human side. Rotation of strong people is important. It challenges you as a leader to be successful. It also challenges the person to learn a new job. I don't believe in giving up the weak person. I believe in giving up the strong person and improving the weak one. And again, my theory for improvement is try, try, try until they give up. Because it is easy for me to give up.

Always talk to your staff and remain in contact. People say things to me about someone such as they won't listen, they don't hear, they are not productive, they don't care, they are in the union, no one cares. I disagree with them! TQM works not only at Toyota where we don't have a union, but it also works as Nummi where we do. It works in many places where there are unions. I think you need to know something about your team.

Every day golfers are interested in one thing and it is called climate. I am interested in that everyday also. What is the climate in the environment in which I am working? Is it raining? Is the sun shining? How do the people in the organization feel about the climate? And, I don't mean the weather--I mean how do they feel internally? The only way you will find out is to ask them, and there are many ways to do that. You can do that through an opinion survey, like we do, or you can simply spend a few minutes a day sitting down and talking with someone or giving them

the opportunity to tell you if it is raining. Have positive staff activities to promote teamwork. I think that is as important as educational activities. Sometimes just invite them to your house for a hamburger or a hot dog. I cook hot dogs twice a year at Toyota, whether it is raining or snowing, for my team members. (I don't cook hamburgers because every time I flip them they fall apart.) But, our managers cook outside for our team members. I visited a supplier a couple of years ago who started with Toyota, and the day I visited him in Wisconsin, he was having a hot dog cookout. As I ate my hot dog, I thought "Isn't it great that he has finally learned that some days he has to serve his team members."

Don't ever reject suggestions made by your staff but always try to listen closely. Make every effort to let your staff understand and convince them of what you really mean. Decisions should always be reached through consultation with your staff. You do not have to always do what your staff asks you to do but you must always listen. Always be fair with your staff and be fair with everyone. The approach to team success is based on fairness and mutual trust.

There are three things in which I have always believed: (1) always maintain the self esteem of others. Never attack a person as an individual, attack the idea. (2) Always listen and respond with empathy because until you understand the other person's position you cannot help him nor can you understand why he couldn't help you. (3) Always be willing to ask for help.

When you deal with a problem, many people always say it is the person. I don't believe that. I believe it is the problem and you have to find out what it is. It is very seldom the person. You should never attack the person, you should deal with the problem. In U.S. industry, (I'm a great fan of U.S. industry because I think we have one of the best nations in the world and one of the best work forces in the world), I sat in meetings for days, weeks, and months where finally a decision was made because we simply ran out of time or we got frustrated. (It is like being on a jury when you can't decide if a person's guilty or not.) Finally, they would decide on an idea and Monday morning go to their staff and say, "We decided we are all going to walk like ducks. I don't agree with it, I think we should walk like chickens, and I think it was a stupid idea." That sends a very powerful message to your staff. Since I have joined Toyota, we will have a meeting to discuss an idea, and we don't care whose idea it is--we want to know what is best for team Toyota. When we decide that we will all walk like ducks, we will never say to the person below us that I wanted to walk like a chicken but it was the boss's idea so we will all walk like ducks. Why? Because you'll destroy mutual trust and you can't do that with anyone.

What I meant when I said to listen and respond with empathy is that if someone's having a problem and he isn't meeting your expectations, you have to understand why. A local supplier who has been in the auto industry in Kentucky for a long time was struggling with Toyota when

we first started. After a few visits, he said to me, "You've been here quite a few times but you've never gotten angry. Why?" I responded, "Well, I came here to see what your problems were and I haven't figured out how I can help you yet. I am angry but it is at me because I don't know how to help you." Then I did the next thing that I believe in--I asked for his help.

There is a long road to TQM. People have said that it can't be done here because it isn't industry. I believe you can practice quality in industry, whether it's service or manufacture related. I wholeheartedly believe you can practice it in government; I believe you can practice it in universities; I believe you can practice it in church groups; I believe you can practice it anywhere. Why? Because the main principle is that you must know your customer and your customers are all around you. They are the people who furnish you with supplies, they are the people you supply, and they are the people with whom you work. If you want to be successful, you must first understand your customer, and it is not just the person to whom you sell your service. It is the person from whom you get your services, it is the person with whom you work, as well as the person who buys your service.

I visited a large company when I first started with Toyota because they wanted to try and convince me that I should work for them. They didn't have empowerment so I suggested to their general manager that they should let their team members be involved in the process of change when they do model changes and when they do operational changes. We talked about that a lot. His average work force seniority was 30 years, and the average employee in that company was over 50 years old. About a year and a half ago he called me and asked me to visit him again. I told him I wasn't looking for a job, and he said he just wanted to show me something. So, I visited the company again, and they had changed their process. Here was this team of ten guys, all over 50 years of age, whom I had met seven years ago showing me what they did in changing this process. They worked on the machine design, they worked on the layout, they worked on the trials, and they worked on the parts. They met the customers and they met the suppliers. They told me that after 30 years, they could finally do this.

I think over the past 200 years, America has been very strong. Our growth and our success are based on our strong human traits, our ability to challenge needs, and the desire to lead. However, the future will bring many changes unlike any we have experienced if we are to remain competitive. To attain our goals and targets, meet our people's needs, we will not only need strong products and services but methods to control our costs, enhance our profitability, and insure the future. A true visionary never waits for the future. They plan the future, learning each step of the way.

I can only go back again, to what I learned through experience: we plan what we do and we reap the benefits in the things we sow. If we

plan well for the future, if we admit when we make mistakes, we can always be successful for our people. Someone once said, "You cannot escape the responsibilities of tomorrow by evading it today." That person was a true visionary, that person had an idea about the success of America. He was Abraham Lincoln. What he meant was very true, you must look to the future and you must have an idea and you must have a vision. But, don't wait for tomorrow because it will never come. American industry I think is waking up to that.

About a year ago, I spent a couple of hours talking with a youth league about the quality of life. Later, I received about 30 letters from those young children (some were teenagers). Their message was clear--"We believe in what you say." I believe the opportunity is very good for America to be successful. We just have to change. We have given up our manufacturing capability to other world markets and we are starting to turn into a service economy. We need to change. The global necessities of the future are not just based in the United States. My firm belief is that the three industrial powers of the world--the United States, Germany, and Japan--(and this is only my opinion, I am not running for office, I am not Ross Perot) must unite to promote world success. It is no longer an "us versus them" mentality. Can we be successful? Yes, but it is going to take a lot of change. We need to be successful. Yesterday, on television, I watched those astronauts walking around in space within sight of a universe and the planet from which they came. Who is going to work to keep that sight? All of us.

My challenge to you and everyone I meet is very simple--make change happen. Turn mistakes into blessings, work for the success of your people, work for the success of your environment, and never wait until tomorrow--do it today. Be pro-active and be a true visionary in your successes.