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What American Business Leaders Can Learn About Leadership Development from Toyota?



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Abstract

An applied solution to the leadership development dilemma is a common interest point for all companies in the US. Toyota's way can teach American business leaders how to develop leadership more effectively. This article presents a road map that can be used to improve the effectiveness of leadership development and build a more stable future for American companies.

Leadership is not about leading oneself. That is a given. It is about developing leadership that provides future leaders the opportunity to think and act in a way that advances society. Our hands are in the future leaders who will have the opportunity to experience the actions and powers of current leaders effectively or ineffectively based upon how we teach and train them.

Take an organization such as Toyota. This organization overcomes business challenges by decoding the most effective leadership development approaches. Toyota, a global automotive giant has given the Japanese a large share of the global car market. Its success may be based on a three-step leadership development approach. If we are correct, this idea may be a perfect guide for future leadership development.

Step One: *Wisdom*

By using wisdom, future leaders learn the personality traits and leadership behaviors of current leaders by participating in leadership meetings and mentorship exercises. Management and leadership programs come with overseas training. While working as an executive at the Industrial Bank of Japan, we noticed that many American leaders rose to the upper echelons of power, but these leaders were not at the same level as the Japanese leaders who were sent from Japan. Japanese leaders keep a tight grip on cultural management and leadership development to ensure that the culture at the top is not impacted by American leadership styles. Future leaders become more aware of the American culture while acting locally but always thinking globally. Current leaders act as mentors and with the constant supervision of senior leaders in Japan, influence the future leader's learning process and steer their knowledge and learning. Current leaders transfer their knowledge and experience to future leaders.

Step Two: *Communication*

In the second step, participants in Toyota's leadership development program enter a deeper set of leadership skill development. At this step, with the experience of attending the meetings and communicating regularly with the current leaders – mostly American at the junior and senior levels with all Japanese leaders having senior status – the Japanese develop future leaders. This step requires in-depth and constructive discussions between current and future leaders. Dialogue of expressing interpersonal relationships coupled with the experiences of current leaders as mentors helps facilitate this vital, second, and important step, of leadership development.

Step Three: *Constant Change*

Former American President John F. Kennedy was once told by his father that: "If it is not necessary to change, then change is not necessary." This important advice helped Kennedy analyze many world events such as the Bay of Pigs' invasion through the avoidance of groupthink. This third step requires change; the conditions must be provided for the commitment to these changes to be continuous – permanent when necessary – and ongoing. This step requires constant attention to the challenges of future leaders. By adhering to these challenges, current leaders – coupled with organizational psychologists of the organization's human resource development department – manifests a constant and continuous change that is necessary for survival. For example, the Japanese organization, Toyota, has a strong human resources development department which plays an important role in this third step of manifesting ongoing change.

Communication between current and future leaders gradually diminishes in the leadership development process as the future leaders gain the knowledge to not only become executives themselves, but also to help other junior leaders develop the three skills of leadership. In Japan, the psychologists become responsible for ongoing communication with future leaders. These psychologists have a duty to constantly monitor the actions and behavioral traits of leaders-in-training and help them solve individual challenges that are inherent in the required change. This is shown to be a true measure of stress reduction coupled with high-level, leadership development.

Thus, this leadership development approach, which is based on the three principles of the ***practice of wisdom, communication, and commitment to change***, leads to the rapid development of leadership skills of future leaders, and enables them to recognize a set of competencies needed for effective leadership. By encouraging future leaders to explain their characteristics and behaviors that are inconsistent with Toyota's leadership approach, the culture of truth-telling has become an important part of the organizational culture. This leadership development approach also leads to the development of a systemic perspective among future leaders, and by maintaining ongoing communication between psychologists of the human resource development and future leaders, these leaders become more consistent with Toyota's corporate culture.

In addition to helping future leaders solve the challenge of change and enhance their commitment to change, it helps these leaders improve their life skills. For example, several years ago, as the authors were providing management consulting services for a Toyota branch in Sydney, Australia, we found that this development approach helped an employee better resolve his marital anomalies. Moreover, in New York City, we engaged in leadership development and training with a goal-setting system that the Japanese leaders admired and

implemented. Goal-setting was successfully used to cross train staff so that leaders had additional time to engage in the more important issues confronted.

Conclusion

Toyota, a powerful think tank, is one of the best and most valuable companies in the world. And its organizational culture is one of the best. The strength of their leadership development approach is to develop leaders who have a spirit of change and a commitment to change. Keeping the executives at the upper echelon all Japanese and using the lower-level managers to be the local leaders for each department in which they reside. This leadership development approach leads to the growth of a deeper self-awareness among future leaders. While respecting everyone, their leadership approach internalizes change and continuous improvement. Kevin Roberts, a CEO of Saatchi, and Saatchi once noted Toyota's greatness. "Mega global client in Toyota. Car guys always ask each other "How much metal did you move?" Toyota fell in love with Lovemarks when we asked them "How much does the metal move you?" President Fujio Cho set Toyota Managers a new goal: "To capture the hearts of customers at all times."

About the Authors

Mostafa Sayyadi is an associate fellow at Australian Institute of Management. He works with senior business leaders to effectively develop innovation in companies, and helps companies – from start-ups to the Fortune 100 – succeed by improving the effectiveness of their leaders. In recognition of his work with Australian Institute of Management and Australian Human Resources Institute, Mostafa has been awarded the titles, "Associate Fellow of the Australian Institute of Management" and "Senior Professional in Human Resources."

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