



By **Norman Bodek**

Gary Convis was named the first American president of Toyota Motor Manufacturing, Kentucky, on April 1, 2001. In April of this year, Convis was one of two Americans named by Toyota Motor Corp. as a managing officer.

Before coming to TMMK, Convis spent 16 years at the New United Motor Manufacturing Inc. plant in California. He was promoted to the position of executive vice president and held a post on the board of directors. Prior to joining NUMMI, Convis worked with both General Motors and Ford Motor Co.

► **Bodek:** I was fortunate to have met and worked with Taiichi Ohno, former vice president of manufacturing of Toyota, and Shigeo Shingo. Their Toyota Production System was focused on improving the manufacturing processes. Today, the techniques, the new tools, the new methods, the new system, and terms like kaizen, jidoka, muda, SMED, TPM, lean, standard work, takt time and others are becoming common in contemporary manufacturing. But how do people fit into this lean system? How has the Toyota system begun to change the nature of work--the quality of work life?

► **Convis:** Within North America, and globally, Toyota is expanding without acquisitions. It's growing its culture country by country and operation by operation, which is really a phenomenal situation. The Fords and GMs of the world are buying Volvo or Saab or different entities. Each of these new acquisitions developed over the years brings its own culture.

Toyota, still headquartered in Japan, is very different from that, gradually expanding globally with a centralized, homocentric culture. The human side of lean is very understated and probably underestimated.

I doubt that anybody outside Toyota could perceive how much time, effort, discussion and sensitivity we have regarding the human side of our business.

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In recent years, we've developed the Toyota DNA. The Toyota DNA is a combination of two important aspects of Toyota; one is the Toyota Production System and the other is managing the Toyota way. In just the last few years, Fujio Cho, Toyota's current president in Japan, has put the Toyota way into a written format, coming from a process of almost 10 years from many internal discussions. The Toyota way, through our global management system, is to realize the human effort so critical to our success. If we look back at our history, the people who created Toyota--Sakichi Toyoda and his son Kiichiro--had certain philosophies that were practiced from the very beginning, but they weren't talked about much. It was more of how they did business. People like myself have been given added responsibility because we've demonstrated the traits and knowledge that our senior officers have become comfortable with--to be able to manage the way they strongly believe people need to be managed.

▶ **Bodek:** Every successful company has guiding principles and values that pull them forward. Which have been the bedrock of Toyota's success?

▶ **Convis:** There are two pillars; one is continuous improvement. You might not call this a human issue exactly, but Toyota's success rests on the need for all employees, all management, to be looking for and striving for continuous improvement and never being satisfied. I remember back in 1986 at NUMMI when we won a silver J.D. Power award. We were pretty pleased about it, but GM said, "You did a good job, but look at all of the defects." We were proud to win, but we had a lot of room for improvement. That challenging environment--to never be satisfied--is one of the pillars of the Toyota way. As human beings, we need challenges. A basketball game would be rather dull if you didn't have a target to shoot at and somebody keeping score.

To be challenged is a human need that we all require. Of course, we rationalize on certain days over certain issues. But to be part of a winning team drives us and provides us human satisfaction. To feel connected to something that is difficult is the Toyota way.

We believe very strongly in what the Japanese call "genchi genbutsu," the foundation of Toyota's engineering strategy, which means "Go, see, confirm and be aware with your own eyes." That's why Kiichiro Toyoda actually went to Europe, spending many months in England looking at and assessing how they built their automatic loom. He spent months under rigorous conditions to study what others were doing. It's part of our culture to go and see, and not just to be cheerleaders. We want to recognize what others are doing and also give them recognition for what they're doing, to understand it deeply and help them, if they need help, offer an idea, open a door for them.

▶ **Bodek:** Continuous improvement is Toyota's first pillar for success. What's the other?

▶ **Convis:** The other pillar of the Toyota way is respect for people and honesty. If you don't have respect for people who work for the company, you're in the wrong business. Individuals can tell from your body language, from your voice, whether you respect them for what they bring to the party. Just the fact that they get up every day at 5 a.m., get dressed, make the effort to come to work and do a good job, you must respect them for that. Being a responsible manager in the

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Toyota entity means you have a great responsibility to take care of the people who are donating their lives to the company.

▶ **Bodek:** What are some of the things Toyota has done to demonstrate how this pillar of respect works for you and them?

▶ **Convis:** I think a real key is having open two-way communications in which the employee feels free and empowered to talk to the boss. We have many ways to do that. We have a hotline call system in which anyone can pick up the phone; the call is registered, and the person does not have to give his or her name. We have an obligation to respond to that complaint or to that call. We don't shirk any of them.

We have a president's roundtable once a month and randomly select a group of 30 to 40 people to have a "no holds barred" meeting. We encourage them to ask people on their team or in their group for topics that they'd like to talk about. We encourage people to be very open. We share reality, all of the facts and our knowledge on an issue that they bring up. We find that they're very intelligent and very concerned about the company. We tell them where we're heading, what we're doing and so on.

Another example, last year we invested almost \$200,000 to upgrade our communication hardware and software to improve internal communications. We also reorganized some administrative resources and expanded our communications group. We run a small city here with almost 8,000 people, and the ability to communicate with them is critical. We spend a lot of time, effort and resources to enable us to do that and do it well.

▶ **Bodek:** Is this new equipment also used to help people grow on the job through your training courses?

▶ **Convis:** Yes, we upgraded our ability to do videos very quickly without a lot of technical difficulty. We're moving toward a real-time on-demand video network system throughout the company. We have a library of probably more than 200 videos, and if there's a particular topic that team members want to know more about, the group leader can pull up the video on his or her computer screen. They can get the story right from the horse's mouth, whether it's a policy issue, a procedural issue, a speech I made in the past or some technical issue that might need further investigation.

▶ **Bodek:** What percentage of a person's time is spent on training?

▶ **Convis:** The average is between 40 to 60 hours a year.

▶ **Bodek:** What are some of the topics that you developed videos on and that workers might be looking into with you?

▶ **Convis:** Topics change from time to time. Four years ago, we focused on values, sexual harassment issues and diversity. These issues still go on and will always go on. During the last few years, we've been creating more videos on the Toyota Production System, standardized work and how to perform according activities. One current issue, called "personal process operator," gives

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team members more opportunities and more responsibility. The idea is to make operators individuals who are responsible for taking care of some unique aspect of the process. This can range from safety issues to certain quality issues in the process. We're trying to have a methodical way of dividing important aspects of the work and giving more control to key individuals. It's all governed by a set of standards based on the Toyota Production System standards that we've developed. If there's a difference of opinion, we actually have ways of measuring it and coming back to fundamental ways of thinking.

▶ **Bodek:** Do you think the pace of the workers in Kentucky is equal to the pace of the Toyota workers in Japan?

▶ **Convis:** There are no real differences today. They may be better in certain areas because they've been at it longer. And because their country is smaller, they enjoy leveraging that with their suppliers. Suppliers in Japan do more work for the plants due to their proximity to them. There might be a little more added value going on, but I think our team members work consistently and dedicatedly and are quickly catching up.

▶ **Bodek:** Even though many companies teach lean manufacturing today, very few of their employees can make the distinction between value and non-value-adding. It's only when you respect and trust your employees that they begin to look more carefully at what they do to decide if it's something that the customer wants to pay for.

▶ **Convis:** It's kind of like being out in your garage. If you're going to do a project, you're first going to get all of your tools together to have them handy. You don't want to have to run down to the hardware store in the middle of the job because you forgot about something. This same thing is true in our work environment. We want everything to be organized, to locate parts and have tooling in the right spot. We want the heavier parts waist-high. There are many things we teach. We call it process diagnostics. We teach team members so that they can continuously improve their process and reduce the non-value-added work. We feel it's our only way to ensure our long-term survival.

▶ **Bodek:** Do you have and practice jidoka the same way here as in Japan?

▶ **Convis:** Absolutely.

▶ **Bodek:** When a worker detects a problem, can he or she stop everyone from working until the problem is solved?

▶ **Convis:** They do it every day.

▶ **Bodek:** That in itself gives such power to the worker. It gives incredible respect to the individual.

▶ **Convis:** In our culture, it obviously takes time for everybody to buy into it. It takes fortitude. There are smart people here who know that the line has to run for us to make money, but we have to build quality into our products. We have the knowledge. We have the right tools. We have the right parts. We have to build in the quality where it belongs. Step by step, we're more

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efficient overall because we're not repairing and taking things apart that have already been put together. We're not creating new problems.

▶ **Bodek:** Can people rotate their jobs?

▶ **Convis:** Yes, we do rotate. Typically we rotate four jobs per day. It keeps both the mind and the body pretty sharp. It's a talent you have to cultivate to be astute. You have to concentrate from one job to another. You have to know how to read the manifest. You have to know where those parts were. You have to know how to do it in our environment. We don't match-build here. We build a different kind of car; practically every other car is different. It's a challenge for our team members.

▶ **Bodek:** Hiroshi Okuda, Toyota chairman, recently said: "Failure to change is a vice. I want everyone at Toyota to change or at least not be an obstacle to change." How does that apply to you and the other Toyota members in Kentucky?

▶ **Convis:** Okuda is one of the brightest people on the planet. In a world environment that doesn't embrace change easily, he's a very unique individual. As an example, he has recently restructured the traditional Toyota board alignment. They realize that in being global they have to make decisions quicker. They needed to be more strategically driven by a smaller but highly developed group of people, so they narrowed the board down to senior managing directors and above. The new body was called managing officers. I am one of the first three non-Japanese executives to be given that responsibility, which speaks to change in itself. The three individuals have the Toyota DNA; my wife says I'm three-quarters Japanese.

▶ **Bodek:** When I was back in Japan in the early 1980s, Ohno told me that for many years he wouldn't let anyone write down anything about the Toyota Production System. His stated reason was that it was always changing. But that was more than 20 years ago; what's happening now?

▶ **Convis:** As we speak, Toyota is making a great investment in a global production center housed at the Motomachi Plant in Japan. It will pretty much centralize the teaching and the methodology of how we build things, how we manage the process and how we manage major model changeovers. It's based once again on best practices that have been derived around Toyota and from benchmarking others. We're now going to grow into this global production center. That's a big change for us from our past mother plant concept.

▶ **Bodek:** Give an example of what this means.

▶ **Convis:** We have a power train group here in TMMK building L 4 engines and L 6 engines. We also have an axle operation in the power train group. Each of the entities has a mother plant in Japan, and what we find is that the mother plant has its own language, its own way of doing things, its own little quirks on how it writes standard work. When I got here, there wasn't a common language, a common format. Right inside our own walls we weren't exactly standardized. This was created because of the mother plant differentiation. Toyota, as it globalizes, finds it harder to manage, leverage and spread best practices. To become a global company, Toyota has to become more capable in teaching concepts. The global production center

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will be beyond just teaching, but applying it as well. There will be a very large mock-up of an assembly area, a welding area and logistics handling Kanban. It will be a center to develop and demonstrate best practices.

About the author

The interview was conducted by **Norman Bodek**, president of PCS Inc. and the author of *The Idea Generator: Quick and Easy Kaizen* (PCS Press, 2001).

Toyota Global Vision 2010*

Innovation into the Future--A Passion to Create a Better Society

Through “Monozukuri--manufacturing of value-added products” and “technological innovation,” Toyota is aiming to help create a more prosperous society. To realize this, the company is challenging the themes:

- ▶ Be a driving force in global regeneration by implementing the most advanced environmental technologies.
- ▶ Create automobiles and a motorized society in which people can live safely, securely and comfortably.
- ▶ Promote the appeal of cars throughout the world and realize a large increase in the number of Toyota fans.
- ▶ Be a truly global company that is trusted and respected by all peoples around the world.

*Announced in April 2002

Guiding Principles at Toyota Motor Corp.*

- ▶ Honor the language and spirit of the law of every nation and undertake open and fair corporate activities to be a good corporate citizen of the world.
- ▶ Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in the communities.
- ▶ Dedicate ourselves to providing clean and safe products and to enhancing the quality of life everywhere through all our activities.
- ▶ Create and develop advanced technologies and provide outstanding products and services that fulfill the needs of customers worldwide.
- ▶ Foster a corporate culture that enhances individual creativity and teamwork value, while honoring mutual trust and respect between labor and management.

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- ▶ Pursue growth in harmony with the global community through innovative management.
- ▶ Work with business partners in research and creation to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

*Established in 1990, revised in 1997; Translation from original Japanese

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