

# Ripples

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## *Try not to become a man of success but rather try to become a man of value. - Albert Einstein*

Toyota's automobiles have a solid reputation for quality. They are reliable, sturdy and stylish. In the case of its hybrid, the Prius, they even save the planet. These cars are products of the revered Toyota Production System, an industrial process in which everyone, from assembly-line workers to the most senior executives do things according to the principles of the "Toyota Way".

The Toyota Way adheres to *kaizen* (continued improvement through incremental steps) and *jidoka* (immediate identification and resolution of defects). A related idea is its "*andon cord*" which allows a worker to pull a cord that would stop production at even the slightest hint of a defect in order to prevent a small problem from becoming unmanageable. One writer summarizes it all by saying 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."

Toyota, however, now finds itself in the midst of a very serious crisis. About 5.3 million vehicles produced by Toyota in North America and Europe - probably as many cars as there are in all of the Philippines - have been subjected to a product recall. (*Note: Toyota Motors Philippines and Lexus Manila assure there is no need to recall any of Toyota's models in the local market.*)

The recall was prompted by a growing number of complaints against unintended and uncontrolled accelerations in certain vehicle types, which, according to some lawsuits already filed in the US, have resulted in at least 16 deaths and 243 injuries.

At first, Toyota insisted that the problem was due to loose floor mats which could cause the accelerator pedal to get stuck. Toyota issued an advisory to its dealers and buyers but despite the warning, unintended acceleration still happened in cars where drivers had discarded the floor mats. Now investigators are focusing on the pedal mechanism as the culprit, even as others contend that the problem is not a mechanical issue but is due to the electronic throttle systems. Regardless, Toyota is now scrambling to find a solution both to the unwanted acceleration of its cars, as well as to the unwanted dip in its market value and reputation.

What brought Toyota down from its pedestal?

Some hold the opinion that over the decades, Toyota built its reputation and market share in tiny increments through its adherence to *kaizen*. Quality was always first, because it led to lower costs, which would eventually lead to higher market share. Sometime in the 1990s however, it set out to be the biggest car manufacturer. An expert says that "If quality is first, it drives a certain set of behaviors. If market share is the goal, it drives a different set of behaviors." In other words, the Toyota Way had become diluted by the demands of production.

Despite the apparent loss of trust in Toyota, experts agree that it will once again find its "way". To do so, would mean that the company would have to lean on the things that once gave it a stellar reputation for quality: its history, its experiences, its traditions, but more importantly, its values and principles.

If there is a Toyota Way, PLDT has its "PLDT Group Way". Our status as the leading telecommunications provider in the country depends on the establishment of a shared culture, a common way of doing things based on Lean Management Principles ("no fat", "no waste"). The PLDT Group Way is a holistic approach for viewing work issues, problem solving, anticipating risk and decision making in the 4 strategic directives of the company: Revenue Generation; Customer Focus by simplifying processes; Enhanced Network reliability, stability & quality; and Employee Empowerment made possible through a culture of performance. The PLDT Group Way uses a 3-lens framework: **Operating System** which looks into the resources and SOP's needed to do our work well; **Management Infrastructure** which focuses on management's support and measurement systems needed to drive results; and **Mindsets and Behaviors** which probes the needed changes in mindsets and behaviors to get real engagement and lasting impact. It follows a systematic approach when doing improvement initiatives following a 3-Stage Implementation - Road Map from Diagnostic & Design (diagnosing the problem and designing solutions) leading to Piloting Solutions in a controlled environment and concluding in the Roll-out and sustainability of tested solutions. With this structured approach, all can contribute to carry out the company's strategy of growing and transforming the business. - *Contributed by Maite Montelibano, PLDT Employee Development*