

Case Incident 1

Toyota's Team Culture

Many companies proudly promote their team culture. At Toyota, the promotion seems sincere.

Teamwork is one of Toyota's core values, along with trust, continuous improvement, long-term thinking, standardization, innovation, and problem solving. The firm's value statement says the following: "To ensure the success of our company, each team member has the responsibility to work together, and communicate honestly, share ideas, and ensure team member understanding."

So how does Toyota's culture reflect its emphasis on teamwork?

First, although individualism is a prominent value in Western culture, it is deemphasized at Toyota. In its place is an emphasis on systems, in which people and products are seen as intertwined value streams and people are trained to be problem solvers so as to make the product system leaner and better.

Second, before hiring, Toyota tests candidates to ensure they are not only competent and technically skilled but also oriented toward teamwork—able to trust their team, be comfortable solving problems collaboratively, and motivated to achieve collective outcomes.

Third, and not surprisingly, Toyota structures its work around teams. Every Toyota employee knows the adage "All of us are smarter than any of us." Teams are used not only in the production process but also at every level and in every function: in sales and marketing, in finance, in engineering, in design, and at the executive level.

Fourth, Toyota considers the team to be the power center of the organization. The leader serves the team, not the other way around. When asked whether he would feature himself in advertisements the way other automakers had (most famously, "Dr. Z," Daimler's CEO Dieter Zetsche), Toyota USA's CEO, Yuki Funo, said, "No. We want to show everybody in the company. The heroes. Not one single person."

Questions

1. Do you think Toyota has succeeded because of its team-oriented culture, or do you think it would have succeeded without it?

Answer: Most likely students will perceive that Toyota's success is because of the teamwork approach. The team approach apparently empowers members to think, to be innovative, to be creative, and to want to perform well. These attributes lead to better performance with continuous improvement in productivity.

2. Do you think you would be comfortable working in Toyota's culture? Why or why not?

Answer: The answer will depend on a student's bias. If the student is an individualist, then he or she is not likely to see the Toyota environment as one he or she could work in.

3. In response to the recession and the firm's first-ever quarterly loss, Toyota's managers accepted a 10 percent pay cut in 2009 to avoid employee layoffs. Do you think such a response is a good means of promoting camaraderie? What are the risks in such a plan?

Answer: The move shows that management is a part of the team and contributes to trust in difficult times. Risks of such action will depend on students' opinions, but among them might be the possibility of key management people departing. Depending on what actions are taken for employees in the face of business downturn, employees may interpret that the managers are an elite group since they were not laid off.

4. Recently, DCH Group, a company comprised of 33 auto dealerships, decided to adapt Toyota's culture to its own, particularly its emphasis on teamwork. DCH's CEO, Susan Scarola, said, "Trying to bring it down to day-to-day operations is tough. It was not something that everybody immediately embraced, even at the senior level." Do you think the culture will work in what is typically the dog-eat-dog world of auto dealerships? Why or why not?

Answer: One of the possible answers to this question will revolve around whether or not the dealerships are unionized. This creates a potential conflict with a combination of adversarial relations between employees and management inherent in the union approach and the highly competitive nature of business. With this conflict, teams are not likely to take root in the dealerships the way they need to in order to affect productivity.

Sources: Based on A. Webb, "The Trials and Tribulations of Teamwork," *Automotive News* (March 2, 2009), www.autonews.com; J. K. Liker and M. Hoseus, "Toyota's Powerful HR," *Human Resource Executive* (November 1, 2008), www.hreonline.com; J. K. Liker and M. Hoseus, *Toyota Culture: The Heart and Soul of the Toyota Way*, New

Case Incident 2

IBM's Multicultural Multinational Teams

Historically, IBM was one of the most tradition-bound companies on the planet. It was famous for its written and unwritten rules—such as its no-layoff policy, its focus on individual promotions and achievement, the expectation of lifetime service at the company, and its requirement of suits and white shirts at work.

How times have changed.

IBM has clients in 170 countries and now does two-thirds of its business outside the United States. As a result, it has overturned virtually all aspects of its old culture. One relatively new focus is in the teamwork area. While IBM, like almost all large organizations, uses work teams extensively, the way it does so is unique.

To instill in its managers an appreciation of local culture, and as a means of opening up emerging markets, IBM sends hundreds of its employees to month-long volunteer project teams in regions of the world where most big companies don't do business. Al Chakra, a software development manager located in Raleigh, North Carolina, was sent to join GreenForest, a furniture manufacturing team in Timisoara, Romania. With Chakra were IBM employees from five other countries. Together, the team helped GreenForest become more computer-savvy to help its business. In return for the IBM team's assistance, GreenForest was charged . . . well . . . nothing.

This is hardly pure altruism at work. IBM calculates these multicultural, multinational teams are good investments for several reasons. First, they help lay the groundwork for opening up business in emerging economies, many of which might be expected to enjoy greater future growth than mature markets. Stanley Litow, the IBM VP who oversees the program, also thinks it helps IBMers develop multicultural team skills and an appreciation of local markets. He notes, "We want to build a leadership cadre that learns about these places and also learns to exchange their diverse backgrounds and skills." Among the countries where IBM has sent its multicultural teams are Turkey, Tanzania, Vietnam, Ghana, and the Philippines.

As for Chakra, he was thrilled to be selected for the team. "I felt like I won the lottery," he said. He advised GreenForest on how to become a paperless company in 3 years and recommended computer systems to boost productivity and increase exports to western Europe.

Another team member, Bronwyn Grantham, an Australian who works at IBM in London, advised GreenForest about sales strategies. Describing her team experience, Grantham said, "I've never worked so closely with a team of IBMers from such a wide range of competencies."

Questions

1. If you calculate the person-hours devoted to IBM's team projects, they amount to more than 180,000 hours of management time each year. Do you think this is a wise investment of IBM's human resources? Why or why not?
Answer: Yes, it is a wise investment. This practice empowers employees to more effectively and efficiently find solutions to problems and opportunities. Such improved productivity will pay for itself through increased ROI (return on investment).
2. Why do you think IBM's culture changed from formal, stable, and individualistic to informal, impermanent, and team oriented?
Answer: It changed to be more responsive in the global market and to increase competitiveness. It worked!
3. Would you like to work on one of IBM's multicultural, multinational project teams? Why or why not?
Answer: The answer to this question will depend on the student's personal opinions and attitudes.
4. Multicultural project teams often face problems with communication, expectations, and values. How do you think some of these challenges can be overcome?
Answer: Have the students read http://en.wikibooks.org/wiki/Managing_Groups_and_Teams/How_Do_You_Manage_Global_Virtual_Teams%3F and have them suggest the challenges that must be addressed in the management of virtual teams.

Sources: Based on C. Hymowitz, "IBM Combines Volunteer Service, Teamwork to Cultivate Emerging Markets," *Wall Street Journal* (August 4, 2008), p. B6; S. Gupta, "Mine the Potential of Multicultural Teams," *HR Magazine* (October, 2008), pp. 79–84; and H. Aguinis and K. Kraiger, "Benefits of Training and Development

Instructor's Choice

Curtailing Social Loafing

As a good place to begin, have students read “Extrinsic and Intrinsic Origins of Perceived Social Loafing in Organizations,” *Academy of Management Journal* 3 (1992), pp. 191–202.

The primary task of the exercise is to design a plan of action to prevent and discourage social loafing. Review the chapter section on social loafing before beginning the design of your plan. The plan should identify the problem in the example, the potential for problems, corrective action, a time frame, and an assessment measure.



EXPLORING OB TOPICS ON THE WORLD WIDE WEB

Search Engines are our navigational tools to explore the WWW. Some commonly used search engines are:

www.goto.com
www.lycos.com

www.google.com
www.hotbot.com

www.yahoo.com
www.bing.com

1. Moving from a traditional hierarchical structure to teams requires thought and planning. How teams will be applied within the organization and their goals can be one of the most challenging aspects of the process. Go to the Web site <http://www.teamtechnology.co.uk/tt/t-articl/tb-basic.htm> to learn more about team building.
2. What is the difference between a self-managed team and a self-directed team? The following Web site http://www.mapnp.org/library/grp_skill/slf_drct/slf_drct.htm has a series of links on team topics where you can find the answer to the above questions and many other questions. Write a short reaction paper on one of the topics from this site.
3. Virtual teams require tools to support their effectiveness. For example, how do they hold meetings? We often assume the technology is there (e.g. the telephone), but most technology supports only one-on-one communication. When a meeting is held on the phone, there must be technology to support all members being on the line at once. Learn more about virtual team tools at <http://www.objs.com/survey/groupwar.htm>. Write five facts you learned about groupware and collaboration support and bring the list to class for further discussion.

4. For a brief overview of the characteristics of effective teams, go to <http://www.stanford.edu/class/e140/e140a/effective.html>. After reviewing this list, think of a team or group you have worked with in the past. Do not name names, but take each characteristic listed and apply your experience to it. For example, characteristic number one is, “There is a clear unity of purpose.” Did your group have that unity? Why or why not? How did you know? Was there a mission statement (or lack of one)? Were there goals (or no goals)? etc. Bring your completed analysis to class for group discussion.

5. What can be learned from a WebMonkey? Eight ways to find and keep Web team players. Go to: http://hotwired.lycos.com/webmonkey/98/22/index0a_page3.html. How do WebMonkey’s recommendations compare to what we have learned in class? Write a paragraph or two as to why you agree or disagree with these recommendations and what you would change if necessary. Bring to class for further discussion.