"Resilience? No time for that!"
How leadership failures are put to an end – and what Toyota is contributing to that

Three success factors are essential for entrepreneurial sustainability: resource-conserving / sustainable production, meaningful digitalisation, and an encouraging leadership culture.
For the first two, the Covid-19 pandemic acts like a compressor. The lockdown led to digital awakenings and breakthroughs, resulting in sustainable change in home-based workplaces and virtual meetings; not only large companies have already begun to permanently eliminate office space and business flight tickets.

The constant movement of people and goods is the main characteristic of globalisation and is now being reviewed. Many supra-regional, complex supply chains by now are, at the very latest, considered unacceptable since the general 'just in time' objective of the best possible efficiency has been thwarted in many places: delays and environmental pollution caused by traffic congestion are causing further declining margins for suppliers and forwarders, assisted by political passivity in shifting the transport of goods to the railways. It is therefore not surprising that interim storage facilities were reactivated or newly built during the forced break from March to June.

One success factor continues to receive insufficient attention: an encouraging leadership culture. Especially in the automotive industry, which is facing a twofold problem since the COVID-19 pandemic has started during the midst of the historical transformation towards the realisation of sustainable drive and mobility concepts. According to the VDA, in the first half of 2020 new passenger car registrations in Germany fell by more than 35% and more than 50% of the approximately 814,000 employees were on short-time work; a wave of redundancies is to be feared.

Since the pandemic, a suitable generic term has been established for the three mentioned success factors, which also puts the leadership culture in the appropriate light: resilience.

Resilience – the duty of the presence

This year, crisis resistance and resilience will finally become relevant. They are best linked to the ability to seize development opportunities in order to emerge from the crisis with competitive advantages like a phoenix from the ashes. This bundle of competencies includes 'resilience' (from Latin resilire: to rebound) a term that was already on the verge of becoming an inflationary buzzword.

Resilience, including crisis management, is a leadership task, something that is undisputed in German boardrooms. In order to prove resilience to the market, phrases such as "increasing process efficiency, sustainability, digitalisation", "innovation as a mindset", or "innovation and flexibility as part of the DNA" are used. Such marketing slogans should be backed up by clear concepts for the implementation of these noble intentions, especially in the weakened automotive sector. Of course, with a future-oriented leadership culture at the core - after all, resilience is a leadership issue. But: no chance. Leadership culture hardly ever occurs, especially in these times of change, even though massive management mistakes are being made.

However, one manufacturer that almost 20 years ago set new standards in terms of production efficiency, customer orientation and employee development, seems to have a much more stable starting position for successful crisis management: Toyota.

Cho's 'legacy'

The first edition of the Toyota Way inspired experts and leaders. Ideals, principles and methods were mentioned for the first time and enthusiastically received and much of the Toyota Production System such as Kanban (pull system for process control) has now been the standard for a long time.
Leadership principles have often been forgotten in this country, which is probably due to the fact that many engineers are present in the leadership levels of manufacturers and suppliers and have a clear focus on technology. This is how a strange illusion from the 1990s could survive:
Correct employee behaviour is 'technically feasible', because motivation and commitment arise automatically if only the right instruments are used (remuneration systems, weak-point analyses, 360° surveys, reengineering etc.), flanked by ergonomically designed workplaces. This is something that only the personnel department should be concerned with.

Now, at the latest, as the Covid-19 pandemic is causing severe consequences and resilience has been declared a priority leadership task, many of those in charge admit without hesitation: yes, we have a leadership problem. Our leadership culture, if at all recognisable, is of Stone Age standard.

At last, an understanding of leadership is considered indispensable, which Fujio Cho, at the time CEO and architect of the Toyota Way, summed up in a video message in 2008. He said, in essence:

Dear employees, wherever you are on our planet, whether you work in production, administration or car dealerships: continuously improve the work assigned to you. Don't let yourself be distracted, just be courageous and determined. We very much appreciate this attitude.

Dear leaders, your most important task is to respect, encourage and strengthen the employees in your care. This is the core of our philosophy and our success.
Only if you achieve success in this, further opportunities will be opened for you.

Was and is this something you hear from a German CEO? Why does an encouraging leadership culture often have such a low significance? Here is a brief excursus.

On the evolution of leadership culture

Up until the 1990s, managers were supervising, instructing, and controlling senior experts, promoted according to the seniority principle. Rumour has it that such authoritarian behaviour has survived in small and medium-sized companies, and even on large industrial and governmental islands.

'Leadership 2.0' is heralded by progressive globalisation and IT, which leads to increasing complexity combined with simultaneous decentralisation. Employees are now given partial responsibility and co-decision-making authority, which is something that some supervisors struggle with.

Since around 2005, the battle for 'Generation Y' has been joining the increasingly necessary reduction of complexity. Well-educated young people are increasingly refusing to accept the idea of constant availability at any hour of the day ('24/7').

3.0- Leaders are now inspiring task creators, highly socially competent and strong decision makers. Leadership becomes a vocation and passion.

4.0- Since 2017 at the latest, it is recognised that (digital) change can best be shaped by flexible and independent ('agile') teams, encouraged or trained by leaders who see themselves as internal multipliers for innovative ability.

...and on leadership reality

Constantly pointing, ordering and instructing bosses are still no exceptions. Such neurotic control behaviour is ultimately rewarded by employees with a barely motivated passive attitude, a breeding ground for misunderstandings or negligence. "What can I do about it? I did what I was told to do" is often heard when instructions are not implemented as expected.
Such bosses produce irresponsibility (in the literal sense) and stagnation by themselves, every day.
Likewise, control, inspection and rework tasks that could have been avoided without further ado and which make up a considerable part of their working time - some studies estimate that they account for more than 60%.

Instead of finally changing their leadership behaviour ("I don't have time to think about that!"), they continue to intervene in the responsibilities of employees according to the motto "I'd rather do it myself, so then at least it's all right!"
Such bosses with a senior administrator mentality then complain about unmanageable 'workloads' and dependent employees who would come running to them for every piece of advice. They do not want to admit or do not know that overload and stagnation in the specialist area is largely on their head.
Therefore, there is an urgent need for action in terms of leadership behaviour. Therefore, the Toyota management philosophy characterised by Cho is highly relevant because it is the foundation for the two pillars of true resilience. If these pillars of resilience (RP) are in place, a company is resilient and will emerge from crises stronger than before.

RP 1: Encourage consistently

Only those who develop ideas and solve problems independently take responsibility for results and learn from experience. Only those who learn will become better. Managers who have understood this provide consistent help for self-help, allow employees to develop their own solutions - what else? This is not a 'technique' to be learned, but normal behaviour of attentive, interested bosses. They do what many should relearn: listening. In addition: They ask a lot, ask questions, occasionally summarize. They proceed systematically: goal-, solution- and result-oriented. They only give advice in exceptional cases.
This leadership behaviour, closely related to real coaching, is attentive, interested, and appreciative. It is the only way to get out of the impasse of 'a standstill', which is caused by constant arguments, appeals, guidelines, suggestions, and instructions.

Coaching behaviour increasingly 'produces' self-responsible, committed employees – is there anything better that can happen to leaders? Furthermore, consistent supporters reward themselves:
- They relieve themselves of 'external work' and have at least 30% more time after only 3 months, because increasingly empowered employees and colleagues come by less frequently.
- They are significantly more capable and confident in making decisions, as they receive much more qualitative information.
- They experience the increasing willingness to listen to them and to respond to their arguments, not only in negotiation and sales talks, because:

What is sown will be harvested. Whoever sows "Yes, but..." usually harvests discussions, characterized by ping-pong-like arguments and bossiness, whereby only 20% of the arguments reach their addressees to some extent.
Listening? Learning from each other? No chance.
Coaching behaviour ends this waste of time. Even hard-boiled discussants will start to listen and ask questions. You only get out what you put in. Sooner or later, this behaviour will reach over 97% of all discussion partners, regardless of department or hierarchical level - often earlier than expected. Encouraging through coaching behaviour is therefore a fundamental leadership competence.

RP 2: Real team development

Effective work meetings are the true breeding grounds for real team development. This is where topics will be discussed, problems will be solved, and decisions will be made. At least in theory. In practice, these im-

portant meetings are often characterised by aimlessness, bossiness, and enforcement strategies, recognisable by beaming, endless discussions, and devaluation of contributions. Some colleagues evade these events by working concentrated on notebooks and smartphones. At best, shaky / loose compromises are bargained or a 'top stings bottom'-basta determines the direction.

Some are well aware of the vicious circle that has been created:
- The poorer the results, the more meetings.
- The more meetings, the worse the preparations.
- The worse the preparations, the poorer the results ...etc.

Typical comments: "A lot of people go into a meeting and not much comes out" or "Well, the usual hassle, but I managed to write a lot of emails." Hundreds of thousands of specialists and executives in this country sit in such meetings, whether virtual or analogue, often several times a day. This is how time, money, commitment, and motivation are wasted.

Encouraged teams put an end to this daily madness of wasting resources in an elegant way. Trained by their leaders (Level: 3.0 or higher), the teamers have recognised three simple facts:
- Assertiveness and bossiness lead to standstill.
- Different experiences and opinions are great sources of impulses, ideas, and solutions.
- If you want to become better, you must regularly evaluate what you have done in order to learn.
  Without learning there is no improvement and consequently no progress.

Therefore, they become more open, curious, and respectful in every meeting, which leads to more and more effective procedures and better results (see below). They increasingly use 'low tech', i.e. flipchart and pin-board.

For more complex topics, they develop scheduled, measurable goals and find creative solutions to achieve these goals. Finally, they agree on concrete measures to implement their solutions, chronological and binding.

Here, competent leaders direct the first 3 meetings before they hand over the moderation to the teamers. They act strictly supportive - good moderators show real coaching behaviour!

In order to continuously improve, the teamers regularly take a look 'inside'. At the end of a meeting they answer these simple questions together:
- What has encouraged us here?
- What has hindered us?
- What will we do better at the next meeting?

The results of this 10-minute process analysis are written on flipchart paper and are displayed on the wall at the next meeting. This procedure contributes to amazing learning progress.

This short routine corresponds to the famous premise from the Toyota Way:
Plan - Do - Check - Act. Without evaluating 'check': standstill or regression.

Improvement is only possible if everything that has been done is regularly evaluated; this is exactly what the process analysis ensures. This is how Kaizen (jap.: path of small steps) works; continuous improvement on the way to a real performance team is as simple as this. After only 3 months, cooperation, commitment, and effectiveness have improved so much that outsiders can hardly believe it.

But - who does that? This does not happen in 'normal' teams. For some people, reflecting on their own co-operation still does not make much sense.
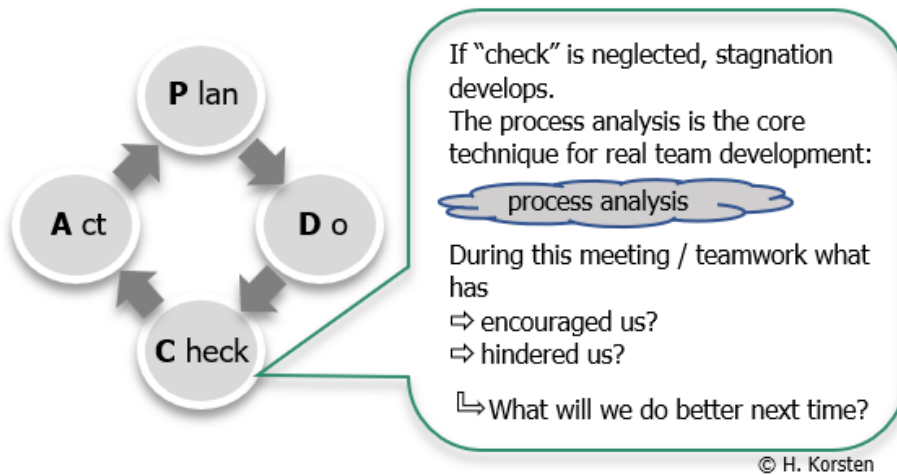
Figure 1: The backbone of continuous improvement

Final chord

Encouraging leadership culture is often ranked as 'nice to have', as something that can be tackled once the crisis is over. No company should be able to afford such antiquated attitudes in these times, which require real resilience. Encouraging leadership behaviour is crucial.
Now, at the latest, is the time to get sustainable development underway.
Now, at the latest, those in positions of responsibility are required to act as internal company developers, initiate sustainable improvement processes and act in a supportive manner - as genuine leaders.

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