

Building an organisational learning architecture for strategic renewal: an autoethnography of action learning

A thesis submitted in fulfilment of the
requirements for the award of the degree

DOCTOR OF PHILOSOPHY

from

SWINBURNE UNIVERSITY OF TECHNOLOGY
(Faculty of Business and Enterprise)

by

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2009

Abstract

This thesis analyses how the concept of action learning can be employed to build an organisational learning framework in pursuit of strategic renewal in a complex manufacturing environment. The thesis presents an analytic autoethnographic account of how action learning was used to create an organisational learning framework in the pursuit of strategic renewal at the Toyota Motor Corporation of Australia (TMCA), Melbourne, during the period 2000-2008. The scope of the thesis is restricted to this one company in order to benefit from a detailed analysis of a case study in a large and complex manufacturing environment suddenly faced with the need for an immediate strategic renewal within the company.

Analytic autoethnography (Atkinson, 2006) has been chosen as the methodology of choice to take advantage of the researcher's insider status at TMCA. As a complete-member-researcher within the social world under study the researcher has enjoyed the most compelling kind of 'being there' for the ethnographer. The fine-grained nature of the data gathered and the informed interpretation of the researcher could probably not have been achieved through the use of any alternative methodology. The analytic autoethnographic analysis is framed around the 4i model of intuition, interpretation, integration, and institutionalisation (Crossan, Lane, and White, 1999). These authors initially presented an embryonic model in the literature and invited other researchers to further develop the framework. This challenge has been taken up in the thesis.

The thesis presents a more nuanced analysis of the 4i model by developing an organisational learning architecture across multiple organisational levels (individual, group, and organisation) through the use of action learning in pursuit of strategic renewal at TMCA. A significant contribution is made to the extant theoretical literature through the development of an integrated model combining the 4i model, action learning, and experiential learning. The thesis also analyses some specific implications of the findings for lean manufacturing in general, and Toyota systems in particular, by suggesting how action learning principles can be absorbed into the newly evolving framework of Toyota Global Management Systems and Practices and its four components of Toyota Way, Toyota Business Practices (TBP), on-the job training (OJT), and Hoshin Kanri (business plan for long-term prosperity).

Acknowledgements

This PhD study has been one of the most challenging and fulfilling projects that I have embarked on during my working life and schooling. I am fortunate to have had Professor Bob Jones as my research supervisor at Swinburne University of Technology, Melbourne, Australia. His wisdom and insightful questioning stimulates my thinking. His encouragement and passion for combining theory with practice inspires me. Without his expert and emotional support this thesis would not have been accomplished whilst working full-time in a managerial role at Toyota Australia. The experience of learning theoretical insights and combining these with real world scenarios has been both challenging and rewarding.

I have been privileged to work for Toyota Australia, a company with great values and endless learning and development opportunities for its employees. During my 20 year career, my accumulative hands-on experience, observation, and reflection have directly and indirectly contributed to the data sources and construction of this longitudinal autoethnographic research. My involvement in organisational capability development, cultural transformation, and change management during the past 10 years has enabled me to draw new insights into organisational learning.

I wish to sincerely thank many people from shopfloor team members to senior executives who have given me extraordinary support. While it is impossible to list all the names here, I want to specially mention a number of inspirational sponsors who have played instrumental roles in constantly encouraging me in my professional and educational lives: Executive Vice President of Manufacturing, Engineering and Purchasing - Mike Harvie; Executive Director of Corporate Services - Bernie O'Connor; Senior Divisional Manager of Manufacturing - Chris Harrod; and Divisional Manager of Human Resources - David Cudmore. I am also grateful to all Change Leaders and Action Learning Team Leaders/Members. Capturing the stories of these dedicated people has added richness and depth into my research.

Finally, the love of my family and a number of life-long friends has provided me with the understanding, patience, and drive to achieve my educational ambitions.

Declaration

I, Lucy (De Min) Liu, declare that this thesis, submitted in fulfilment of the requirements for the award of Doctor of Philosophy from the Faculty of Business and Enterprise, Swinburne University of Technology, Melbourne:

- Contains no material which has been accepted for the award to myself of any other degree or diploma, except where due reference is made in the text of this thesis;
- To the best of my knowledge contains no material previously published or written by another person except where due reference is made in the text of this thesis.

Ethics Approval

This thesis has been approved by the Swinburne University Human Research Ethics Committee in terms of **SUHREC Project 2009 / 054**

I certify that all conditions pertaining to this ethics clearance have been properly met and that annual reports and a final report have been submitted.

Signed

Lucy (De Min) Liu

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Chapter 1

Purpose, Significance, and Context of the Study

This chapter examines the background of the thesis, relating to the purpose, aim, scope, significance, and context of the study. An analysis is undertaken of the Toyota organisation, both in regard to its development as a world-wide manufacturer of automobiles and its specific development within Australia.

Purpose, aim, and scope of the thesis

The purpose of this thesis is to analyse how the concept of action learning can be employed to build an organisational learning framework in pursuit of strategic renewal in a complex manufacturing environment. More specifically the aim of the thesis is to present an analytic autoethnographic account of how action learning was used to create an organisational learning framework in the pursuit of strategic renewal at the Toyota Motor Corporation of Australia (TMCA), Melbourne. The scope of the thesis is restricted to this one company in order to benefit from a detailed analysis of a case study in a large and complex manufacturing environment suddenly faced with the need for an immediate strategic renewal within the company.

Toyota's success has been much researched, yet what really happens inside the company for many people largely remains a mystery (Spears and Bowen, 1999). The thesis employs an analytic autoethnographic methodology (Anderson, 2006) whereby I position myself as the central person in the study in order to take advantage of my insider status at TMCA and my ability to advance a longitudinal analysis of developments that have occurred over a period of many years. I have been employed at TMCA since October 1989, my first regular job in Australia since I arrived from China the previous year. I commenced as a machinist in the Seat and Trim section and over the years I have gradually been promoted up through the ranks into a variety of managerial positions. Most notably I have been intimately involved in the action learning process since 2000 in my role as the facilitator and builder of action learning teams.

The thesis employs as its framework the '4i model' first introduced into the organisational learning literature by Crossan, Lane, and White (1999). These authors postulate that organisational learning is multi-level – individual, group, and organisation – and that these levels are linked together by four social and psychological processes: intuiting, interpreting, integrating, and institutionalising. It is a dynamic process that occurs over time and across levels. The authors deliberately left the model in an embryonic form, requesting other scholars to accept the challenge of further developing the 4i model. In this thesis I have taken up this challenge set by Crossan, Lane, and White.

This 4i framework is particularly relevant to the situation that faced TMCA in 1997 when the company faced a need for strategic renewal. In this year (as explained more fully in this and later chapters) the company found itself in a crisis situation when thousands of vehicles suffering from quality defects were rejected from major export markets in the Middle East. As part of a process of culture change the company introduced the concept of action learning resulting from the recommendations of a report from a Change Leaders' Program. It is an analysis of this process of action learning that forms the purpose of this thesis.

Significance of the thesis

Many of the issues discussed above also contribute to a claim that the thesis makes a major contribution to the literature: an analytic autoethnographic analysis that takes an insider, longitudinal approach from within Toyota; using action learning to create an organisational learning framework in pursuit of strategic renewal; and further development of the 4i model to take account of the nuances involved in a complex manufacturing environment.

In addition, the claim is also made that this thesis makes a significant contribution to the action learning literature, to the benefit of both practitioners and academics. It is argued that several weaknesses exist in the extant literature and that the analysis undertaken in this thesis acts to make a contribution towards closing these gaps. Five major weaknesses are identified below:

(i) The majority of the action learning literature consists not of scientific study, but anecdotal descriptions written by practitioners, consultants, and business writers (Dotlich and Noel, 1998; Weinstein, 1999).

(ii) With only a few exceptions most of the literature concentrates only on success stories and not failure stories, although the latter may be the most interesting in analysing how we may learn in the future. The literature must take greater account of the particular circumstances in which the program is carried out (De Loo, 2002).

(iii) Much of the literature focuses on the action, outcomes, and benefits of action learning, but not on how to design and apply it in different situations (Mumford, 1997). Action learning takes place across a wide range of different contexts. Action learning is contextual, given the diversity, complexity, and ever changing nature of the business context (Hicks 2000).

(iv) People who engage in action learning are assumed to be rational, open, friendly, enthusiastic, loyal, and caring. Psychological and political processes such as power struggles and suppression of unpopular views are downplayed in the literature. The literature should take greater cognisance of the fact that the social context may undermine action learning processes and even make them completely ineffective (De Loo, 2002).

(v) Action learning research stresses that personal learning yields organisational learning. However, when many action learning processes are evaluated they are found to have led to personal growth but not organisational growth or learning (Harrison, 1996; Wallace, 1990). This highlights the problem of aggregation. Organisational learning cannot be regarded merely as the sum of all personal learning. The transformation from personal to organisational growth requires some form of knowledge management system that emphasises knowledge sharing through structures, cultures, and motivational schemes. Several levels exist between the individual and the organisation and unless some form of mapping exists of the transference mechanisms between these levels then we cannot understand how learning moves from one level to another (De Loo, 2002).

Based on these five weaknesses, the thesis makes a contribution to the extant literature in the following ways:

- Adopts a scientific, analytic autoethnographic approach rather than employing anecdotes or description
- Highlights failure as well as success

- Locates the study within a complex, contextual, dynamic, and longitudinal manufacturing environment in pursuit of strategic renewal
- Stresses the critical importance of individual psychological and socio-political factors
- Addresses the aggregation problem by mapping the building of a learning architecture and knowledge transference networks from individual to organizational learning.

Context of the study

The thesis is located with the context of the Toyota organisation. In the rest of this chapter Toyota will be examined within the framework of the company's history in relation to the major concepts of lean production, the Toyota Way, and the Toyota Production System (TPS). An analysis is also presented of the development of Toyota's operations in Australia in the form of the TMCA.

Toyota and lean production

In order to compete successfully in the global market, manufacturers must achieve excellence in managing their manufacturing operations. Toyota Motor Corporation (TMC) is recognized as one of the most successful global manufacturing companies. Since its establishment in 1937 in Japan, Toyota has grown to become the largest automobile manufacturer in the world and the fifth largest industrial company. Outside Japan, Toyota has a total of 52 overseas manufacturing companies in 26 countries. In 2006, Toyota worldwide employed 350,000 people and produced over 8 million vehicles (source: Toyota Motor Corporation). According to some analysts, Toyota sets the standard in productivity and quality in the auto manufacturing industry and is the envy of rivals such as Ford, Chrysler, GM and many others (Fang and Kleiner, 2003). TMC was voted the most admired motor vehicle company by Fortune 500 global executives in 2005 and 2006, and ranked the second most admired global company overall (www.toyota.eu). Its excellence dominates the global car industry in a way no company ever has (Bremner and Dawson, 2003). Toyota's success has been intensively researched and painstakingly documented (Osono, Shimizu, and Takeuchi, 2008; Magee, 2007; Liker, 2004; Liker and Hoseus, 2008; Liker and Meier, 2007), yet what really happens inside the company for many people largely remains a mystery (Spear and Bowen, 1999).

Before the Second World War, Europe and USA controlled the world automobile market. The management of Western companies was based on the principles of scientific management (Taylor, 1998: first published 1911). This framework led to tremendous expansion of production through mass production (Glauser, 2006). The automotive industry was born and evolved from this era. After the Second World War, economic power was redistributed due to new players joining the global economic stage. Toyota was one of them, pioneering the concept of lean instead of mass production. During the 1980s, the International Motor Vehicle Programme initiated a research project led by Womack, Jones, and Roos of the Massachusetts Institute of Technology to investigate the disparity in productivity and quality between Western automobile makers and their Japanese counterparts. The authors identified what they called 'lean production' as the source of Japanese competitiveness in their book *The Machine that Changed the World* (1990). They described lean production as follows:

Lean production is 'lean' because it uses less of everything compared with mass production – half the human effort in the factory, half the manufacturing space, half the investment in tools, half the engineering hours, to develop a new product in half the time. Also, it requires keeping far less than half the needed inventory on site, results in many fewer defects, and produces a greater and ever-growing variety of products (Womack et al, 1990:13).

The essential starting point for lean thinking lies in the concept of *value*. Anything that does not produce value can be classified as waste, and hence the basis of lean production lies in the relentless focus on identifying and eliminating all sources of waste. Because waste adds to cost not value, a large number of tools and techniques have been devised with the purpose of detecting and reducing the magnitude of such waste (Preece and Jones, 2009). A lean system involves: 5S (sort, straighten, shine, standardise, sustain); customer pull system; kaizen – continuous improvement; just-in-time production; kanban; minimal inventories; pull production; quick changeovers; value stream mapping; small lot production; quick set-up times; standardised work; takt time; production levelling; total preventative maintenance; visual control systems; zero defects; right-first-time; andon cord; general purpose machines; greater product variety; more niche and customized products (Karlsson and Ahlstrom, 1996; Worley and Doolen, 2006; Forrester, 1995).

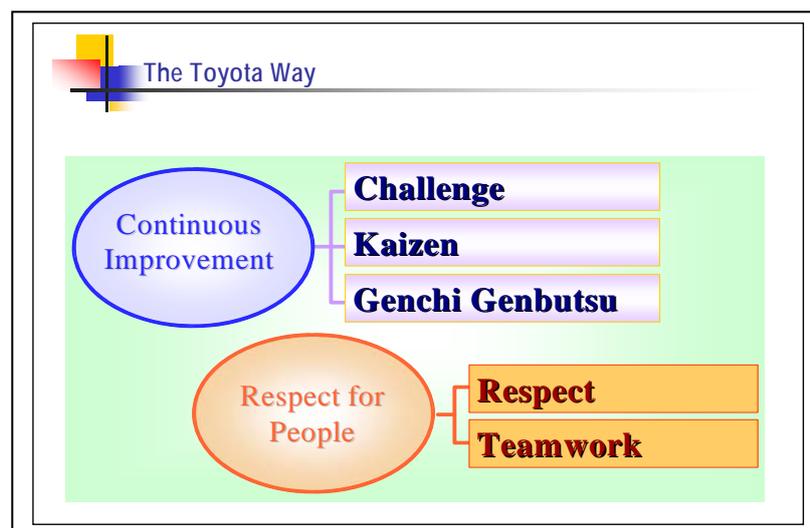
These technical innovations in lean production have dramatic implications for HR policies and practices across the whole spectrum of people management issues (Preece and Jones, 2009). Important HR-related developments under lean production include: integration of conception and execution of tasks within flexible cell-based production areas; devolved responsibilities and empowerment to multifunctional team-based direct workers on the workshop floor who take on many of the responsibilities that are the prerogative of specialist support functions in traditional mass production (maintenance, simple repairs, quality, indirect services); autonotation (automation with a human touch – stopping the machines when there is a defect); all workers multi-skilled and multi-tasked; job rotation; reduction in job classifications; fewer functional specialists; investment in the development of people; continuous improvement and learning processes through quality circles and suggestion schemes; group-based problem identification, resolution, and implementation; more lateral communication across functional boundaries; multi-directional information systems; high trust; high commitment and sense of obligation to the company (Forrester, 1995; Genaidy and Karwowski, 2003; Worley and Doolen, 2006).

It is important to note that the term ‘lean’ was introduced by Womack et al (1990) and was never part of the Toyota lexicon before this time. The usual terminology referred to the Toyota Production System (TPS) and the Toyota Way. These were regarded as the secret weapon of Toyota’s competitiveness (Magee, 2007). Most TPS studies have focused on the scientific methods, tools, and techniques used to achieve this success (Moden, 1998; Womack and Jones, 1996; Womack, Jones and Roos, 1990; Shigeo and Dillon, 1989; Graham, 1988; Moden, 1983), later referred to as lean production. TPS was developed by the Vice-President of TMC (Taiichi Ohno) in the 1950s, and it was under his guidance and the effort of many others, particularly the company’s founder Eiji Toyoda, that this unique production system gradually became deeply rooted within TMC during the past half century (Ohno, 1988). TPS is a repetitive, reliable system designed to maximise flow, eliminate waste, and respect people (Fang and Kleiner, 2003). TPS is not simply a set of concepts, techniques, and methods that can be implemented by command and control. It is more than the sum of its production tools. It is a culture of striving for the best in all aspects of company life centered around a fully integrated management and manufacturing philosophy and approach that must be practiced across all hierarchical levels.

Liker (2004) writes that no written record of the Toyota Way existed for many decades. Within Japan it consisted of quotes from the company's founders, stories, values, and beliefs that were socialized into employees and managers through an oral tradition. The imperative to commit the Toyota Way to writing only emerged after Toyota entered into global operations, and was particularly evident in trying to transmit the philosophy to USA managers after the NUUMI and Kentucky plants were established in 1984 and 1988. The project to write the Toyota Way was started in 1991 by Fujio Cho whilst he was President of the Kentucky plant in USA and was only completed in 2001 after twenty revisions. Even then there was not full agreement on the content. The culture was still evolving but Cho finally decided to “freeze it and call it the Toyota Way 2001” in recognition that it would continue to change and that this was only the 2001 version (Liker, 2004: 13-14). The document was only 13 pages long, and in essence incorporates and supersedes the TPS.

The Toyota Way is represented by two pillars – ‘continuous improvement’ and ‘respect for people’ (Liker, 2004). The first pillar rests on three foundations (challenge, kaizen, and Genchi Genbutsu), whilst the second pillar rests on two foundations (respect and teamwork). Figure 1.1 shows these two pillars.

Figure 1.1
Two Pillars of the Toyota Way



Continuous improvement: We are never satisfied with where we are and always improve our business by putting forth our best ideas and efforts

- *Challenge*: We form a long-term vision, meeting challenges with courage and creativity to realize our dreams
- *Kaizen*: We improve our business operations continuously, always striving for innovation and evolution
- *Genchi Genbutsu*: We go to the source to find the facts to make correct decisions, build consensus, and achieve goals at our best speed

Respect for people: We respect all people touched by Toyota including employees, customers, investors, suppliers, dealers, the communities in which Toyota has operations, and society at large.

- *Respect*: We respect others, make every effort to understand each other, take responsibility, and do our best to build mutual trust
- *Teamwork*: We stimulate personal and professional growth, share the opportunities of development, and maximize individual and team performance

Liker (2004) has condensed the Toyota Way into fourteen principles, categorized under four main headings. These are reproduced in Box 1.1.

<p>BOX 1.1 14 Principles of the Toyota Way (Liker, 2004)</p> <p>Long-Term Philosophy</p> <p>1. Base management decisions on a long-term philosophy, even at the expense of short-term financial goals</p> <p>The Right Process Will Produce the Right Results</p> <p>2. Create continuous process flow to bring problems to the surface 3. Use 'pull' systems to avoid overproduction 4. Level out the workload 5. Build a culture of stopping to fix problems, to get quality right the first time 6. Standardized tasks are the foundation for continuous improvement and employee empowerment 7. Use visual controls so no problems are hidden 8. Use only reliable, thoroughly tested technology that serves your people and processes</p> <p>Add Value to the Organization by Developing Your People and Partners</p> <p>9. Grow leaders who thoroughly understand the work, live the philosophy, and teach it to others 10. Develop exceptional people and teams who follow your company's philosophy 11. Respect your extended network of partners and suppliers by challenging them and helping them improve</p> <p>Continually Solving Root Problems Drives Organizational Learning</p> <p>12. Go and see for yourself to thoroughly understand the situation 13. Make decisions slowly by consensus, thoroughly considering all options; implement decisions rapidly 14. Become a learning organization through relentless reflection and continuous improvement</p>

It is important to realise that TPS and the Toyota Way were developed in response to the unique cultural and environmental factors faced by Japan. As Robbins (1996) points out, national culture continues to be a powerful force in explaining a large proportion of organisational behaviour. The most distinctive factor for Japan has been a lack of natural resources which has placed the country in a situation of disadvantage in terms of the cost of raw materials when compared to western countries. The second distinctive feature is the Japanese concept of work, which differs from western culture and includes: (1) group consciousness, sense of quality, desire to improve, and diligence born from a long history of a homogenous race; (2) high degree of ability resulting from higher education brought about by the desire to improve; (3) daily living tends to be centered around work (Sugimore, Kusunoki, Cho, and Uchikawa, 1977). The natural resource (environmental) constraints and the social-cultural factors have had a significant influence on the values, beliefs and behaviors of the Japanese workforce. They are driven to minimize waste in every form: human, physical and financial resources, and time (Deming, 1986). This is the most important ingredient of lean thinking. Kaizen (ongoing improvement involving everyone) is the single most important concept in Japanese management. In Japan, many systems have been developed to make management and workers kaizen conscious. Because of this, the concept of kaizen is so deeply ingrained in the minds of both managers and workers they often do not even realise that they are thinking kaizen (Imai, 1986). Similarly, TPS and the scientific methods and culture that underpin it have not been imposed on the workforce. The system grew naturally out of the workings of the company over five decades, so that the thinking and behaviour of Toyota employees have been moulded continuously by the developing norms of the company (Burnes, 2000).

Evolution of TPS and the Toyota Way

Organisations are often built around the values, beliefs and assumptions of their founders and leaders (Robbins, 1996). Therefore, without mentioning the founders of Toyota, it is impossible to understand the origin and evolution of the core values and principles of the corporation. The founder of Toyota was Kiichiro Toyoda who was born in 1894. After graduating from Tokyo Imperial University with a major in mechanical engineering in 1920, he joined Toyoda Spinning & Weaving Co., a business run by his father Sakichi Toyoda. In 1921, he visited the West for the first time and developed a great deal of interest in motor vehicles. However, his key focus at the time was on building an automatic loom. In 1924, he

completed his innovative 'Non-Stop Shuttle Change Automatic Loom Type G'. There were several unique features of this equipment: first, the function of automatic stoppage when a thread broke (called Jidoka in Japanese, a concept initially created by his father); and second, one worker could operate 25 looms (one of the key features later incorporated into the Toyota Production System). In 1929, he visited Europe to negotiate the sales of the foreign patent of the automatic loom type G to Platt Brothers in Britain. During that trip, his interest in the automobile industry was rekindled and he formulated his vision of setting up an automobile business in Japan. Upon his return to Japan, his vision was encouraged by his father Sakichi Toyoda. To fulfil Kiichiro's dream, Sakichi sold one of his auto loom patent rights to Platt Brothers (www.toyota.co.jp/en/about_toyota/index.html) and offered his son the financial support needed to set up a division within the loom company to experiment with, and design, the manufacture of a car.

Sakichi died in 1930, and his son-in-law Risaburo Toyoda became the President of Toyota Automatic Loom Works. In 1933, Kiichiro went to the United States to study car manufacturing in a number of different plants. On his return, he started his venture of building a vehicle within the loom factory. One of the fascinations of Toyota is the manner in which it has managed to learn many concepts and management practices from Western countries and integrate these into the Japanese way of doing things. Toyota's ability to institutionalise its learning is one of its unique strengths. With Risaburo's support, Kiichiro hired a group of young engineers who did not have any knowledge of automobiles. They learned together through experience, trial-and-error, and constant problem solving.

In May 1935, Risaburo and Kiichiro worked together to document the teachings of Sakichi Toyoda, and published them in the form of the Toyoda Precepts. These precepts have played a significant role in shaping the beliefs and values of the company and its employees:

- Always be faithful to your duties, thereby contributing to the Company and to the overall good.
- Always be studious and creative, striving to stay ahead of the times.
- Always be practical and avoid frivolousness.
- Always strive to build a homelike atmosphere at work that is warm and friendly
- Always have respect for God, and remember to be grateful at all times.

(Source: internal documentation: Toyota Institute)

In 1937, Kiichiro established Toyota Motor Corporation. During World War II, the company built trucks for the military. Faced by severe material shortages, at one point, the trucks were made with no radiator grills, brakes only on rear wheels, wooden seats and a single headlight (source: Toyota Institute). When the War ended, most of the industrial facilities were destroyed and the economy was chaotic. This environmental factor had a profound effect on the social values and behaviours of the Japanese people who would strive for eliminating any form of waste. This culture laid the foundation for cultivating 'lean' thinking. The years 1945-1950 constituted a crisis period in Toyota's history. With resources and materials in short supply and inflation rampant, Toyota sales were depressed. Layoffs were instituted, and in April 1950 the Toyota Labour Union led a strike in opposition to the layoffs. This industrial action lasted for 15 months. Finally the dispute was settled with a mutual agreement to reduce the workforce from 8000 to 6000 mainly by voluntary resignations and retirement. Kiichiro and his entire management team resigned to show that they were responsible for their mismanagement. Toyota learnt lessons from this period, namely the importance of building mutual trust between the company and its employees – a key element of the Toyota Way 2001.

Soon after the strike, two new company executives Eiji Toyoda, the son of Sakichi's brother and Shoichi Saito, visited the United States on a twelve-week study tour to seek new production ideas and new technology. On their return, they established a policy that has remained in force at Toyota ever since – a continuing commitment to invest in only the most modern production facilities as the key to advancements in productivity and quality. They also brought back Ford's employee suggestion system, and further developed it into the Toyota Creative Ideas and Suggestions System. Since the launch of this system in 1951, Toyota has institutionalised both the Suggestion Schemes and Quality Circles into its kaizen culture. It is interesting to note that Toyota has sustained and enhanced several of the initial Western management practices, while Western companies themselves have often failed to sustain their original initiatives. A surprising finding of their USA trip, however, was that the mass production system had not substantially improved since the 1930s and was characterised by substantial defects, waste, delays, and other inefficiencies. These inherent flaws in US motor vehicle production convinced Toyoda and Saito that there existed "an opportunity to catch up" (Liker, 2004: 21).

For the purpose of strengthening Toyota Motor Corporation's manufacturing capability, Eiji Toyoda requested Taiichi Ohno to transfer from the loom company to become the Machining Plant Manager at the Honsha Plant (the oldest Japanese Plant) in 1953. A year later, Ohno introduced the kanban system, a mechanism he observed in US supermarkets, to initiate the just-in-time concept into manufacturing to ensure producing only what is needed, when it is needed, and in the amount needed. As Ohno came from the loom company established by Sakichi (where the Jidoka concept had already been institutionalised into the production operation), he had the intuition to use standardised work as the foundation and integrate the Jidoka and just-in-time principles together to build a production system, later called the Toyota Production System (TPS). By the 1960s, TPS had become well integrated into the manufacturing function and delivered significant improvements in quality, cost, and delivery. It is important to acknowledge that while TPS was created by Ohno, major influences were provided by Taylor's (1911) scientific management, Henry Ford's mass production techniques, and Edwards Deming's (1986) quality management system. After a decade of effort in embedding TPS into the Toyota manufacturing culture and extending this into its suppliers' operations, Toyota was awarded the coveted Deming Prize in 1965 for its quality control achievement.

One of the key findings in tracking the origin of TPS is that the system grew naturally out of the workings of the company over many decades, so that the thinking and behaviour of Toyota employees has been moulded continuously by the developing norms of the company (Burnes, 2000). Two parallel processes are complicit in this process of organisational learning and strategic renewal: one is about institutionalising the 'know how' and passing it on (exploitation); the other is about creating new technology to foresee the future needs of the environment (exploration) (March, 1991). What appears to differentiate Toyota from the other car companies is its balancing act in preserving the fundamentals of the old and pioneering innovation in the new, thereby nurturing organisational learning to ensure sustainable growth and strategic renewal. Not only the behaviours in the workplace were guided by the unwritten rules, their perception and values were also influenced by the social construct of Toyota City, the home of almost every Toyota worker. The cultures both inside and outside the workplace are congruent, reinforcing and supporting each other.

In 1955, Japan became a member of the General Agreement on Tariffs and Trade (GATT). This allowed Toyota to foresee the upcoming opportunities and challenges in international

trade and capital liberalization and take action to develop more sophisticated cars, and exert continuous effort in improving quality and lowering price. In 1957, Toyota decided to send three employees to California to explore the possibility of selling cars in the US. A few months later, Toyota set up a small dealership in Hollywood to sell the Toyopet Crown. However, only 287 were sold in 1958. This experiment failed badly. Toyota had to withdraw from the market, learning the lesson that its products had to be adapted to meet the needs of the market. The company adjusted its strategies and re-entered the US market seven years later.

Toyota's business attempted to become multi-national starting from the early 1960s when the company established various manufacturing operations overseas. The pioneering countries included Brazil, Australia, USA, and Thailand. The experiences learned from operating in these countries gave Toyota confidence in introducing their philosophy and business practices into foreign cultures. In the 1970s, Toyota was severely impacted by the oil crisis created by the Middle East War because Japan was wholly dependent on imports for its oil supply. The car market demand dropped significantly. Toyota learned valuable lessons from this crisis and turned its production lines into highly flexible functions so that model changes could occur quickly to respond to market situations. Today, the production line in the Tsutsumi plant is expected to make no less than eight models. The oil crisis also stimulated the forward thinking of Toyota to look for new technology to reduce oil and energy consumption. This was the intuitive stage of developing a new engine which led to the invention of the hybrid engine and turn it into the first mass-produced hybrid car in 1992.

By the 1980s, Toyota had established a very solid foundation and a unique manufacturing model. This then set the base for the next wave of global operations. In its Japanese plants, the inspiration of the company was reflected in its slogan of 'Global Toyota'. In 1982, Toyota undertook a venture to manufacture cars in the United States by entering into a joint venture partnership with GM. Through this experiment, Toyota learned how to work with American management and workers in a unionised Western environment. This experience then contributed to further expansion of manufacturing operations in North America.

In 2005, Toyota further interpreted the Toyota Way into the approach of 'Toyota Business Practices' involving a standard 8-step problem-solving process. Merely reading the Toyota Way 2001 booklet in isolation will not incorporate understanding and behaviours into the

values of the Toyota Way. By guiding people's thinking and actions through a step-by-step process, all the elements behind the Toyota Way are translated into specific behaviours. This creates a focus towards understanding the concept of learning from taking action.

Toyota in Australia

When it comes to attempting to transplant TPS and the Toyota Way into other national contexts, the distinctive environmental, social, and cultural differences must be recognized. For instance, Australia is a country rich in land and natural resources, so that the sense of urgency and motivation of eliminating waste of material and space in people's mindset is not as strong as in Japan. Australia is also a multi-cultural society with a high proportion of migrants so that language barriers and diverse ethnic backgrounds generate unique challenges in communication and cultural blending, especially in the workplace. Other differences include the industrial relations system which is relatively more volatile compared with Japan. Trade unions in Australia have historically been much stronger than in Japan, particularly in the manufacturing industry, and local union officials tend to hold negative views towards JIT production as they perceive the system as putting more pressure on workers. Given these differences, implementing and sustaining TPS in the Australia context is a challenging task.

Toyota motor vehicles were first introduced into Australia in 1959 when Thiess Brothers imported and distributed the Tiara vehicle. During the 1950s the core of the Australian motor industry comprised several British-owned companies (including British Motor Corporation, Rootes, and Standard) and three US companies (Chrysler, Ford, and General Motors Holden). Competition was extremely fierce with Standard Motors being one of the worst victims. The company operated from a site in Port Melbourne and as a result of the crisis was restructured in 1958 into Australian Motor Industries (AMI). The new company looked for additional products to occupy the plant and in 1963 succeeded in securing agreement to assemble the Tiara motor car for Toyota. At this time Toyota was looking to cultivate overseas markets and it used the Australian case as an experiment in order to learn and adapt to Western conditions. In 1963, Toyota sold 1275 passenger cars in Australia, of which 717 were locally assembled and 558 were imported. Throughout the 1960s the Tiara was followed by other models – Corona, Corolla, and Celica. In 1968 Toyota took 10% equity in AMI, rising to 50% in 1971, and 100% in 1988 (Davis, 1999).

By 1975 Toyota sales in Australia had reached 12.5% of the market, placing Toyota third behind General Motors Holden and Ford. In 1984 Toyota moved into second place with a market share of 19.7%. General Motors Holden was quickly losing market share – down to 15%. By 1991 Toyota had achieved top spot with sales of 21.5 % of the market, ahead of Ford (20.6%), and GMH (17.7%).

In 1982 AMI-Toyota announced its intention to become the premier motor vehicle manufacturer in Australia. Meanwhile in Japan, Toyota Motor Company and Toyota Motor Sales merged to become the Toyota Motor Corporation (TMC) and announced its aim to capture 10% of the world market. As part of its global ambitions, Toyota set up a joint venture in 1984 with General Motors in Fremont California under the name NUMMI. Unfavourable factors affected the whole of the Australian car market in 1986 including AMI-Toyota, prompting TMC Japan to fully acquire 100% of the organisation in 1988. The new organisation was renamed Toyota Motor Corporation of Australia (TMCA).

At the same time Toyota and GMH were negotiating about a joint venture in Australia, also achieved in 1988 immediately after the creation of TMCA. The joint venture (named United Australian Automotive Industries – UAAI) was equally owned by Holden's and AMI-Toyota's parent companies. The Corolla assembly line was transferred from Port Melbourne to the refurbished GMH plant in Dandenong, Melbourne. About 90% of the GMH employees stayed on and worked for Toyota (Davis, 1999).

In 1979 TMCA finished construction of an engine manufacturing plant at Altona, Melbourne. A press shop was added in 1981. But plans were already afoot to manufacture complete cars in Australia.

During the 1980s AMI-Toyota took steps to introduce the Toyota Production System, for instance through introducing Andon and the kanban system. However, this met with only limited success. The quality performance at Port Melbourne was well below that experienced in the Japanese plant averaging 50 deviations from standard per vehicle before 1989. Many problems were experienced with the supervision structure, management style, planning, and control.

“AMI, because of its long history as a locally owned company initially encountered much difficulty and resistance from its employees upon introducing the Toyota Production System. In fact, the introduction process had to begin by establishing the custom of labour-management discussions. Engineers sent by Toyota acted as mediators in extensive dialogues between the labour union and local executives and managers, tenaciously clarifying the various aspects of the Toyota Production System” (Davis, 1999: 300).

One manager started in the Quality department at Port Melbourne in 1977, before moving to become General Manager of the press and paint shops, and eventually retiring in 2002 after 25 years service. He recalls clearly the early culture at Port Melbourne and the dissonance between the old (mass production) and new (lean production) schools of philosophy.

BOX 1.2

A Managerial Recollection of the Clash between Schools

Because Toyota did not have full control they did not want to show us everything. We never got the whole picture. The real emphasis only came after 1988 when Toyota had full control. Changing people is something they do not like doing. In the late 1970s and through the 1980s we still had people who had been there back in the Standard days and for them there was certainly not the focus on kaizen and looking for better ways, and trying to get work organised by the people in the production system. Back then the planning was always done by the production engineering people and how the process should be set up and production just followed that without having the real involvement in looking at how production workers could improve the system. ‘*Turn your brains off when you walk through the door*’ was the system in which people had been schooled and it was hard to change. When I was in charge of the press and paint shops in the 1980s I was stopping the line if quality was not right. I was sending the cars round again. This upset the assembly manager who was from the old school because it held up production and he wanted to keep the line going. We had many disagreements around the issue of inspecting quality into the product at the end of the line against ensuring it was incorporated into all stages of the process.

However, following the total control of the company by TMCA in 1988, and the transfer of the Corolla production to Dandenong in 1989, rapid improvements were made in vehicle quality at Port Melbourne. However, problems surfaced at Dandenong. The employees were mainly ex-GMH employees, unfamiliar with the Toyota system, who were being asked to build a new car under new management. One bonus factor was the competitive rivalry that was established between the Dandenong and Port Melbourne plants which helped to improve quality and productivity. But there was a problem with the Dandenong plant. The USA, Australian and Japanese cultures did not mix easily. Despite its refurbishment it was old and cramped and riddled with asbestos. UAAI was dissolved in 1996. The decision was made that future expansion of production should be achieved through expanding the Altona facility into a state-of-the-art assembly facility to eventually produce up to 150,000 vehicles per year. The

plant was completed in 1994. Corolla assembly was transferred from Dandenong (which closed down) and Camry assembly was transferred from Port Melbourne (which continued as a component supplier to Altona of parts such as fuel tanks, bumpers, and seats). Eventually the Port Melbourne facility closed completely in 2004 (Davis, 1999).

All facets of production (cost, quality, productivity) improved immediately because Altona was built as a greenfield site able to incorporate the Toyota Production System. This had never been possible at Port Melbourne because it was an old plant, built in 1952, and incapable of accommodating the Toyota Production System. Everything was always a compromise. However, not all was perfect at the Altona plant. A two-week strike for higher wages occurred in 1996. Clearly plant culture and industrial relations did not reach the same high levels as the technical facilities. There was not one culture but four – from Dandenong, Port Melbourne, the old Altona, and the new Altona. Each plant over time had established its own practices, history, power base, and subculture. There also existed a blend of managerial cultures from Australia, Japan, Britain, and USA. Additionally, an extremely heterogenous shopfloor culture had become established at TMCA. Blue-collar jobs have typically been done by immigrant workers. According to Fujimoto (1998) workers from 50 different races and cultures were working at TMCA in 1995. Although standard operating procedures were written in English, shopfloor management was based on the assumption that there were many who did not understand English. For example, workers could make kaizen suggestions without using verbal language (eg, by drawing pictures). Surveys for the workers were written in five different languages. Not only had the worker base been racially diversified but also the supervisor level. For instance, there were group leaders who originally came from Vietnam and Cambodia. Communication and relationship-building between management and employees was always a challenging task. Together with an extremely strong trade union presence, industrial relations at TMCA was a difficult exercise.

Kazuhiro Sekiya became Executive Vice President Manufacturing and Engineering at Altona in 1996 and immediately tried to forge a culture based around quality and price that would enable TMCA to compete in world markets. Export was a matter of survival changing the historical focus away from domestic competition with Ford and GMH. Exports to Thailand had commenced in 1993, and volume exports to the Middle East commenced in 1996. This export business immediately exposed the weakness of the Australian manufacturing operation. The worst crisis since its establishment occurred when thousands of defective cars were

shipped to Middle East and the customers refused to accept the products. Hundreds of engineers, managers, supervisors and team members were sent to the Middle East to rectify the problem. Toyota Japan also offered much technical support during this crisis. This event caused TMCA management to realise that the introduction of TPS tools and having state-of-the-art facilities were not sufficient to produce desired outcomes. This event became the trigger to focus attention on people development and cultural renewal. A Change Leaders program was initiated whereby specific training programs were developed to level up the capability of supervisors in the areas of interaction management skills and systems for managing performance. The intent was to change the way that people think and behave through daily interaction and coaching, under the management theme of *'speed up improvement to secure our future'*.

In 1998, the Altona plant produced over 100,000 vehicles for the first time, also shipping cars to Malaysia. By this time, 30% of the Altona output was being exported. A quality audit by TMC Japan rated Altona among the best of Toyota's 19 factories outside Japan. By 2008, TMCA employed 4700 employees, and had an annual production of approximately 150,000 cars, of which 66% was exported, mainly to the Middle East. In the same year the company announced that TMCA had been chosen as the regional base to manufacture the hybrid 'green' Camry, beating off competition from its regional competitors, especially Toyota Thailand (Age Newspaper, 3 May 2008). At the time, the 'green' Camry was only in production in Japan and the USA.

Structure of the thesis

The thesis is divided into ten chapters.

Chapter 1 examines the background of the thesis, relating to the purpose, aim, scope, significance, and context of the study. An analysis is undertaken of the Toyota organisation, both in regard to its development as a world-wide manufacturer of automobiles and its specific development within Australia.

Chapter 2 examines the concepts of action learning and organisational learning. In particular, the limitations of the existing literature on action learning are analysed. Based on these limitations, five contributions of this thesis to the literature are proposed. Finally, the chapter presents a brief exposition of the organisational learning literature, paying particular attention

to the 4i model of Crossan, Lane, and White (1999), which forms the major framing mechanism of the thesis.

Chapter 3 examines the methodology of autoethnography and explains the justification for this choice of methodology in the thesis. The two major forms of autoethnography, artistic and scientific, are discussed before an examination is undertaken of the evaluative criteria for judging autoethnographic research and the ethical implications of such research. The chapter concludes with an exposition of analytic autoethnography (Anderson, 2006) which is the specific methodological form adopted in the thesis.

Chapter 4 is the first of two chapters which trace the development of the action learning team (ALT) process at the Toyota Motor Corporation of Australia (TMCA). I chart the beginning of the process, from my earliest days in employment at TMCA until the commencement of the building of the strategic ALT architecture. In this chapter I recount the formation of the Change Leaders' team and the subsequent establishment of several individual ALTs across various units of the organisation.

Chapter 5 builds upon the foundation presented in chapter 4 by charting the ALT journey from the commencement of the building of the strategic architecture in TMCA. The notion of 'strategic architecture' refers to a deliberate attempt to build a network of ALTs that could be progressively linked together both horizontally and vertically in order to create a web of teams to facilitate organisational learning. This chapter is presented in three sections: first, building the ALT architecture in the Maintenance Division; second, building the ALT architecture in the Production Engineering Division; third, building networks to link these two separate Divisions through the mechanism of ALT conventions.

Chapter 6 examines the first 'i' in the Crossan, Lane, and White (1999) model of strategic renewal – intuition. The chapter is divided into three main sections: the impact of the surrounding environment and decision-making context on intuition; the role of expert status and its impact on intuition; and the role of the 'attending' process and its impact on entrepreneurial intuition. In turn, each of these three sections is related to the situation at TMCA, culminating in a model of entrepreneurial intuition at TMCA.

Chapter 7 examines the second 'i' in the Crossan, Lane, and White (1999) model of strategic renewal – interpretation. The chapter is divided between the concepts of self-interpretation and group interpretation: the latter analysed through the vehicle of three significant case studies – Change Leaders' Programme, Team Leader Development ALT, and Port Melbourne ALT. The major factors impacting on self and group interpretation at TMCA are identified and analysed in this chapter.

Chapter 8 examines the third 'i' in the Crossan, Lane, and White (1999) model of strategic renewal – integration. The chapter commences with an analysis of the cognitive-behavioural and socio-political factors that impact upon integration. The remainder of the chapter is then divided into two sections: the horizontal integration of Manufacturing-based ALTs at Toyota Australia; and integrating the strategic ALT architecture in two divisions – Maintenance and Production Engineering. The concept of 'facilitated coalition-building' is stressed within this chapter, and is illustrated through three separate individual case studies.

Chapter 9 examines the fourth 'i' in the Crossan, Lane, and White (1999) model of strategic renewal – institutionalisation. Following a summary of the institutionalisation literature the chapter is divided into three main sections, namely an analysis of the facilitators and impediments to institutionalisation in three case study areas: Change Leaders' program; Maintenance reform; and PNE transformation.

Chapter 10 constitutes the concluding chapter of the thesis. It draws together the accumulated arguments throughout the study in a synthesis of the major barriers that may be encountered during an ALT journey. The chapter also analyses the uniqueness, significance, and implications of the study.

Chapter 2

Action Learning and Organisational Learning

This chapter examines the concepts of action learning and organisational learning. In particular, the limitations of the existing literature on action learning are analysed. Based on these limitations, five contributions of this thesis to the literature are proposed. Finally, the chapter presents a brief exposition of the organisational learning literature, paying particular attention to the 4i model of Crossan, Lane, and White (1999), which forms the major framing mechanism of this thesis.

The concept of action learning

Researchers in the area of action learning invariably refer to Reg Revans, a British Professor of Physics and a Nobel Prize winner, as the ‘father’ of action learning (MacNamara and Weekes, 1982; Marsick, 1987; Butterfield, 1999; Dilworth and Willis, 2003).

Two of Revans’ real-life experiences played instrumental roles in the construction of the action learning concept. First was his research experience as a nuclear physicist at Britain’s Cavendish Laboratory in the 1920s. He analysed the process of interaction between his scientist colleagues and discovered that they appeared to learn through questioning (Revans, 1982). They created new knowledge by challenging each others’ thinking and sharing their own thoughts. Second was his experience of working in the coal industry in Britain during the mid-1940s. He observed the process of how field managers were encouraged to work in small groups to find solutions to their immediate work-related problems (Revans, 1982). In regular meetings managers discussed their coalmining experiences, raising pertinent issues and inviting comments from group members. Not only did the managers learn about their own issues but they also learned about the experiences of others. In effect, action learning as a social process is based on the sharing of experiences: “a lot of people start to learn from each other, and a learning community comes into being” (Revans, 1982: 69). What differentiated these groups from other committees or working parties was that the focus lay on sharing knowledge, problems and experiences, challenging preconceived notions about solving particular problems, collaborating on action plans, implementing plans, and reflecting on their outcomes. Revans (1982) referred to them

as ‘learning communities’ where members learn from each other through active and reflective learning.

Based on the above experience and reflective observation, he developed the notion of action learning (Revans, 1982) centred on the equation: $L = P + Q$, where L stands for ‘Learning’, P for ‘Programmed Knowledge’ and Q for ‘Questioning Insight’. Programmed Knowledge is what is learnt from ‘experts’ and Questioning Insight is learnt from our own (shared) experience through asking questions and challenging assumptions. As the equation indicates, both P and Q are required for learning to occur: however, Q has to be the starting point. What has gone before, in the form of previous solutions and ways of doing things, must be considered but not as a starting point, as this would serve to limit Q (the new, fresh ideas) from being explored (Revans, 1982). Mumford (1997) expanded on Revans’ equation as follows: $Q1 + P + Q2 = L$ where Q1 refers to asking about an issue or problem, P refers to acquiring relevant knowledge, and Q2 refers to redefining or reinterpreting an issue or problem to gain greater insight.

Although Revans conceptualised the relationship between learning, programmed knowledge, and questioning, he did not, and was not prepared to, specifically define what action learning is under the view that action learning is highly contextual. Dilworth and Willis (2003) believe that Revans comes closest to a definition in his *ABC of Action Learning*:

“Action learning is to make useful progress on the treatment of problems/ opportunities where no ‘solution’ can possibly exist already, because different managers, all honest, experienced, and wise, will advocate different courses of action in accordance with their value systems, their different past experiences, and their hopes for the future” (Revans, 1983: 28).

This has not stopped many other writers, post-Revans, from offering their own definitions of action learning:

Gregory (1994: 3):

“Action learning theory propounds that professionals will learn in the most effective way by focusing on actual organizational settings, within a supporting and challenging framework of enquiry, by peer group interactions

and where personal empowerment can be encouraged through learner interdependency. It is about individuals learning from experience through reflection and action, usually to solve problems at work. This process, which is individually focused, uses a learning group, known as a 'set', which provides a forum wherein the set members' ideas can be challenged within a supportive environment”.

Yorks, O’Neill, and Marsick (1999: 3):

“Action learning is an approach to working with and developing people that uses work on an actual project or problem as the way to learn. Participants work in small groups to take action to solve their problem and learn how to learn from action. Often a learning coach works with the group in order to help the members learn how to balance their work with the learning from that work”.

Marquardt (1999: 4):

“Action learning is both a process and powerful program that involves a small group of people solving real problems while at the same time focusing on what they are learning and how their learning can benefit each group member and the organisation as a whole”.

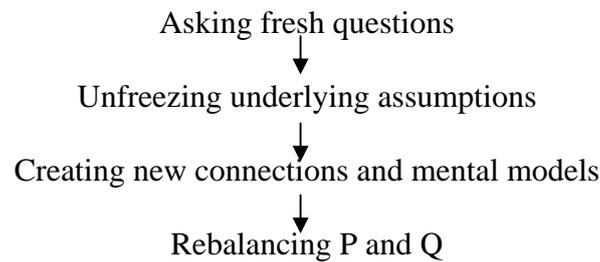
Pedler (1991: 63):

“Action learning is a product not of teaching but of tackling problems to which there is no right answer and is about acquiring the ability to ask good questions of oneself, of others, and of situations which lead to an increased ability to tackle problems in the future”.

Sutton (1991: 91):

“Action learning is a problem-centred approach to personal and organisational development which both intensifies the learning and improves the quality of the problem solution...problem solving and personal development are two interdependent activities”.

Dilworth and Willis (2003) suggest that the following set of process steps aptly captures the concept of action learning:



In arriving at elevated levels of discernment and understanding via action and reflection

The design elements of action learning

Dilworth and Willis (2003: 12-14) have demarcated 24 characteristics of action learning as shown in Box 2.1.

BOX 2.1

Characteristics of Action Learning

1. Confidentiality and mutual trust are necessary.
2. Action learning is egalitarian (equal voice to all).
3. It is a practical approach.
4. You need to consider both programmed knowledge (what has occurred before) and questioning insight, but the starting point is always questioning insight.
5. Action learning operates on the belief that the learning potential is enriched (e.g., intellectually, emotionally) as the unfamiliarity quotient is increased (i.e., unfamiliar problems, unfamiliar setting, unfamiliar colleagues).
6. Learning is given equality or even primacy over problem solution – even though action to resolve the problem is expected.
7. There is no suspension of judgment pending questioning insight and depth of dialogue (i.e., no predispositions).
8. Diversity of participants enriches the experience (including multicultural).
9. Action learning leads to a broadly encompassing and holistic learning process which impacts individuals and organisations and the interrelationship between them (e.g., organisational change and transformative learning).
10. It is a collaborative learning experience, where those involved learn from and with each other in ways that can promote self-esteem and self-confidence.

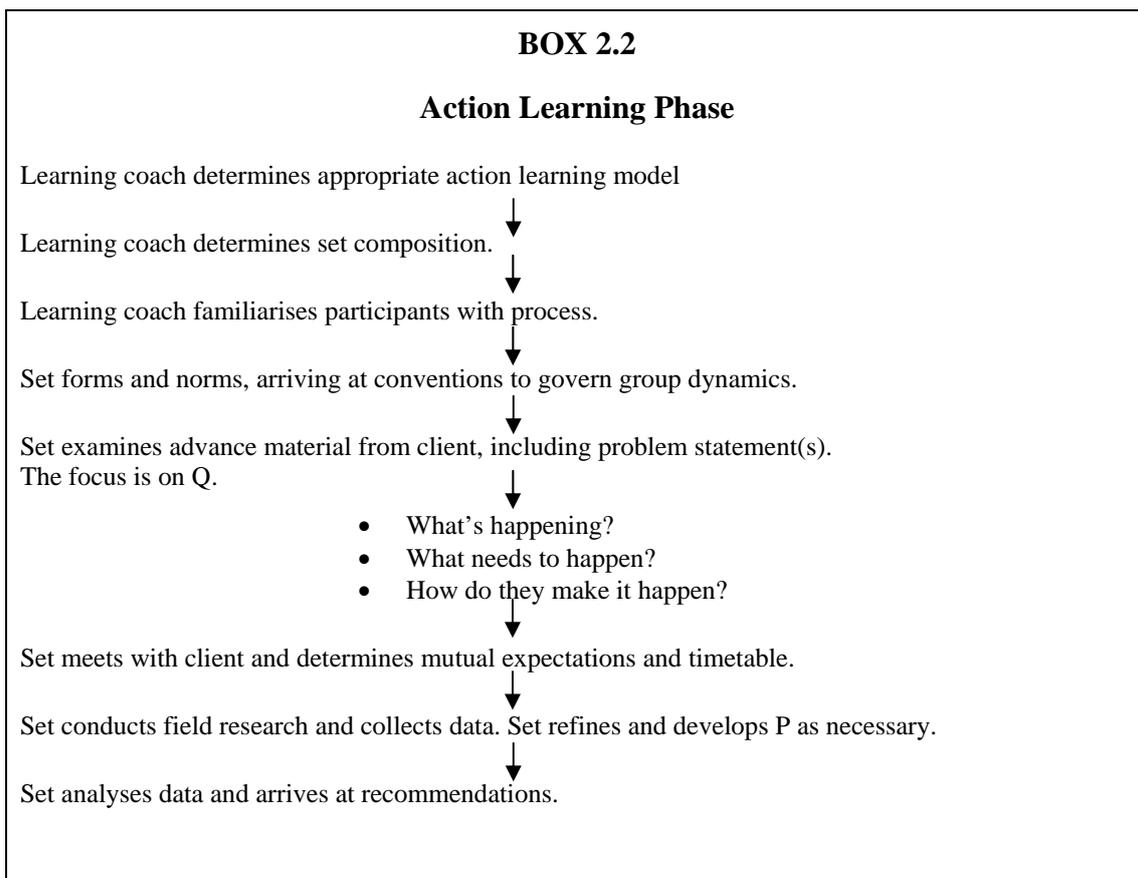
11. No set leader is designated. It is rather a case of collective/ shared/ self-directed leadership.
12. The ideal group size is considered five or six in number to promote effective communication.
13. Action learning involves the deliberate introduction of a consistent learning process that can be used to “unfreeze” dysfunctional organisational cultures and individual mental sets (e.g., being governed by underlying assumptions that are outside the bounds of present-day realities).
14. A facilitator (learning coach) external to the team or group (action learning set) begins the team activity and helps create a framework for the learning process, with varied facilitator involvement thereafter.
15. The inherent emphasis is on reflection-in-action, reflection on reflection-in-action and prospective/ retrospective action.
16. Action learning is built on the belief that the team learns most to the extent it is allowed to select goal(s), project, and the approach(es) to be used to fulfill the shared commitment.
17. Learners are empowered to reframe the goal/ problem statement as necessary.
18. Action learning requires support and understanding of organisational host/ leader/ client for maximum benefit to accrue.
19. Participation can be made mandatory in an organisation but voluntary participation is the goal.
20. Implementation of a problem diagnosis is ideally achieved through involvement of some or all of those set members who were engaged with problem diagnosis, to complement those who are charged with the implementation and possess the requisite expertise. Therefore, it becomes necessary to create a linking mechanism that allows those charged with implementation to realise ownership in what may have been diagnosed by others.
21. A joint problem that all set members can work on is considered advantageous to one predicated on set members bringing individual work-related issues to the table. Individual projects can lead to unevenness of project complexity and workload between set members, because of such factors as organisational politics and proprietary interests.
22. In cases of conflict resolution, there is a purposeful strategy of avoiding facilitator intervention in favour of the set working through the difficulty and learning from the experience.
23. The set must operate as a cohesive unit with unbroken continuity (presence of all set members at all meetings) for individual and team learning to be fully realised.
24. The problem focus selected is always real, frequently intractable, and never prefabricated as a case study, game, or puzzle.

However, because action learning is commonly perceived as contextual, many different features will depend on the purpose, nature of the issue, and dynamics of the particular group. Despite this, Dilworth and Willis (2003) isolate several features that they regard as being common to all action learning efforts, namely:

- real work-based problems resolved by real world people
- focus is on learning, action and reflection

- non-hierarchical (no rank)
- democratic decision making
- group facilitator (usually)
- focus is on encouraging healthy debates and constructive conflict

Dilworth and Willis (2003: 75) have also suggested that when designing an action learning program several steps need to be undertaken, as shown in Box 2.2, subject to the proviso that the specific context must first be well understood.



Moving to an even more detailed and practical level, McGill & Brockbank (2004) propose several guidelines for establishing action learning teams, including the purpose of workshops, ground rules for meetings, and the attributes of the facilitator/coach. These are shown in table 2.1.

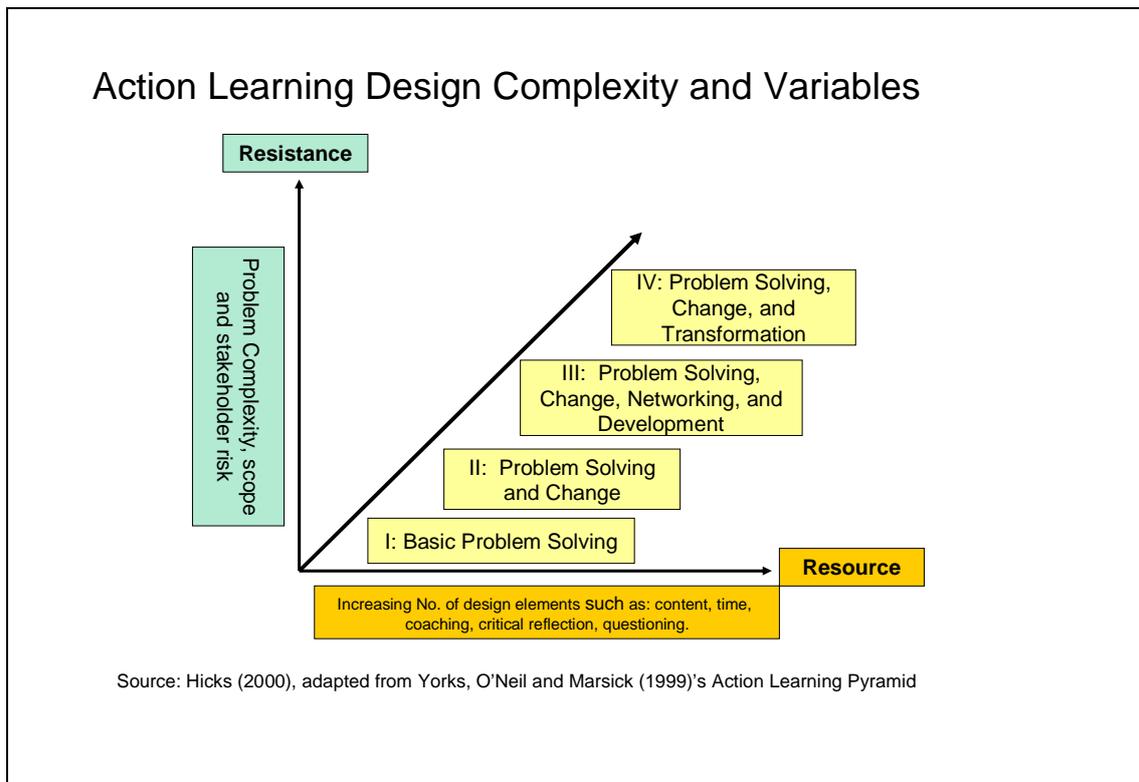
Table 2.1
Practical aspects of establishing action learning teams

Purpose of workshops	<ul style="list-style-type: none"> • To introduce participants who are unaware of action learning • As above, but with the intention to follow the section with a programme of action learning that is self-facilitated • With participants who are familiar with action learning but who wish to become the facilitator • As a basis for ‘cascading’ in organisations. Once action learning becomes an organic part of the development of staff within an organisation, the workshop can be used to introduce staff to the method.
Typical ground rules for set meetings	<ul style="list-style-type: none"> • Confidentiality • One person at a time • Listen to others when they talk • Be honest and open • Don’t attack others • Challenge constructively • No compulsion to speak • Feelings may be expressed • Feelings not dismissed • Awareness/acceptance of diversity • Observe time boundaries
Attributes of the facilitator	<ul style="list-style-type: none"> • High degree of emotional intelligence • Willingness to express feelings • Managing competing emotions • Ability to demonstrate empathy • Ability to create a safe learning environment for participants

The literature stresses that the concept of action learning is capable of being applied across the broad sweep of organizational levels, from the individual to the whole organization. Hicks (2000: 152) builds on the taxonomy pyramid model developed by York, O’Neil and Marsick (1999) to create a model that can be used in the planning process to help the design team in formulating effective structures and processes. This model shows the relationship between resistance and resources as the action learning process is progressed through higher organizational levels and more complex problem situations, as shown in figure 2.1.

Figure 2.1

Action Learning Design Complexity and Variables



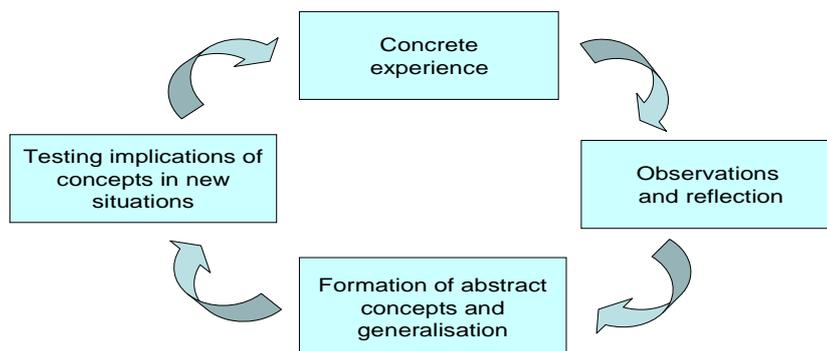
Whatever the level envisaged, Dilworth and Willis (2003) conclude that action learning is, by its very nature, an organisational change strategy. This is irrespective of whether effort is expended across the broad context, for example an entire company, or is aimed at an intervention within specific micro areas. But what must be realised is that due to the many variables that are implicated in the learning process, action learning, like other types of learning method, is difficult to measure. One barrier is due to the fact that learning is an individual experience that is more subjective than objective and involves interpretation, integration, and potential transformation of knowledge (Merriam, 1998). It is important to acknowledge that there will be tension between learning and the action which drives the process and makes it relevant and compelling (Dotlich and Noel, 1998). All these variables should be taken into consideration when designing action learning.

The benefits and applications of action learning

In the literature, the term 'action learning' is often used as a synonym for 'experiential learning' (and sometimes 'adult learning'). The implications of these terms are similar

and share the same assumptions. All assume adults are self-directed learners, with a rich life experience that is a positive source of learning (Zuber-Skerritt, 1993). Experiential methods have gained increased credibility in recent years because people tend to learn more when they are actively engaged in the learning process rather than being passive consumers of information (Hicks, 2000). Kolb's experiential learning cycle (1984) has been widely used by practitioners of action learning to help explain the learning process (Weinstein, 1995). Learning is depicted as the process whereby knowledge is created through the transformation of experience. The continually recurring process of 'concrete experience, reflective observation, abstract conceptualization, and active programming' is often depicted as a spiral because at the end of the process the cycle does not return to the same starting point.

Figure 2.2
Kolb's Experiential Learning Cycle



After more than five decades of practice and further development of action learning, there is an increasing acknowledgement of the power and benefits of action learning. There is evidence to show that action learning is a systematic method for developing individuals and solving complex problems in today's ever-changing and competitive environment (Marquardt, 1999; Bowerman & Peter 1999; Sutton 1991). As a result of action learning, participants attempt to learn about the changes taking place within themselves, their peers, and the organizations concerned (Sutton, 1991).

According to Marquardt (1999) the benefits of action learning are shared learning in an organisation, increased self-awareness and self-confidence, improved

communication, and improved ability to ask questions and learn from reflection. Thus, action learning creates a shared learning experience where program participants have a powerful common experience, enabling them to communicate more effectively and use common frameworks for knowledge sharing which can lead to accelerated learning and better design of the change process (Vicere, 1995). The experience could make the participants view organisational problems from multiple, synergistic perspectives and can help break down functional silos while building a team mindset.

Action learning is valued as a route to organizational learning (Lessom, 1997). Pedler observed that in corporations where action learning becomes ingrained as a process, the organization takes on characteristics of a learning organization (1991). Marquardt (1999) asserts the greatest value of action learning is its ability to prepare people and organizations for initiating or responding to change which makes this learning process more strategic and tactical. Action learning is often viewed as a first step for participants in a journey toward greater self-insight, greater capacity to learn from experience, and greater awareness of the political and cultural dimensions of organisational change (Marsick and O'Neil, 1999). From an organizational point of view this is also often a first step towards linking individual learning with systematic change.

A number of literature reviews have been undertaken since the 1980s to analyse the main focus of action learning applications (Mumford, 1994; Parkes, 1998; Smith and O'Neil, 2003a, 2003b). In reviewing the published studies of action learning applications in North American organizations, Parkes (1998) found them to be almost entirely an exercise in team or group project management. Participants responded that action learning helped them most in terms of their competencies in building and managing project teams. Little attention seems to have been given to using the process to facilitate individual or organizational learning. Smith and O'Neil (2003a: 2003b) surveyed 110 published articles over the period 1994-2000 and found that although action learning has gained ever widening application the largest focus lay in management and executive development. Some applications were found of action learning as part of a 'learning organization' and an organizational development (OD)

tool. However, its use as a longitudinal approach in systematically linking individual, group, and organizational learning was not found.

Limitations with the existing literature

Dilworth and Willis (2003) consider that research on action learning is still in its infancy. My reading and analysis of the literature has revealed five main categories of limitations.

1. The majority of the literature consists not of scientific study, but anecdotal descriptions written by practitioners, consultants, and business writers (Dotlich and Noel, 1998; Weinstein, 1999). Large parts of the literature are concerned with advancing certain tricks of the trade or practical guidelines for establishing successful action learning programs (McGill and Beaty, 1992; Inglis, 1994).

2. With only a few exceptions most of the literature concentrates only on success stories and not failure stories, although the latter may be the most interesting in analyzing how we may learn in the future. The literature must take greater account of the particular circumstances in which the program is carried out (De Loo, 2002). Bourner, Beaty, Lawson, and O'Hara (1996: 34) state: "action learning that does not reflect and learn from the experience of its application is a self-contradiction".

3. Few authors offer directions about how to get started, and they explain the basic designs but do not explain the variations that are possible and how they can be applied in different contexts (Pedler, 1991, 1997; Marquardt, 1999; Weinstein, 1999). Much of the literature focuses on the action, outcomes, and benefits of action learning, but not on how to design and apply it in different situations (Mumford, 1997). Action learning takes place across a wide range of different contexts. There are many degrees of freedom for organising and implementing the process which makes it difficult to pinpoint exactly how the concept works. Action learning is contextual, given the diversity, complexity, and ever changing nature of the business context (Hicks 2000). Managerial behaviour, the nature of organisations and group processes all affect the way in which organisational growth (learning) can be realized. Designing and

implementing organizationally focused action learning is a highly variable and complex learning and problem solving activity. It is influenced by the organisation's context, involvement of key stakeholders, the action learning model applied, the design elements, and the management of people, processes, and the risk during design implementation. There is limited evidence in the action learning literature on the role of stakeholders and little or no information about how to manage their involvement. The action learning literature offers little guidance for practitioners to use when planning and managing this complex and dynamic process inside an organizational context (Hicks, 2000)

4. Everyone engaging in action learning is assumed to be rational, open, friendly, enthusiastic, loyal, and caring. Psychological and political processes such as power struggles and suppression of unpopular views are downplayed in the literature. The literature should take greater cognisance of the fact that the social context may undermine action learning processes and even make them completely ineffective (De Loo, 2002).

5. Action learning research stresses that personal learning yields organisational learning. However, when many action learning processes are evaluated they are found to have led to personal growth but not organisational growth or learning (Harrison, 1996; Wallace, 1990). This highlights the problem of aggregation. Organisational learning cannot be regarded merely as the sum of all personal learning. When managers refuse to share what they have learned we cannot expect organisational learning to fully occur. The transformation from personal to organisational growth requires some form of knowledge management system that emphasises knowledge sharing through structures, cultures, and motivational schemes. Several levels exist between the individual and the organisation and unless some form of mapping exists of the transference mechanisms between these levels then we cannot understand how learning moves from one level to another (De Loo, 2002).

In conclusion, based on the five points above, this review of the action learning literature and its limitations reveals the ways in which this thesis proposes to make a contribution to the extant literature, namely by:

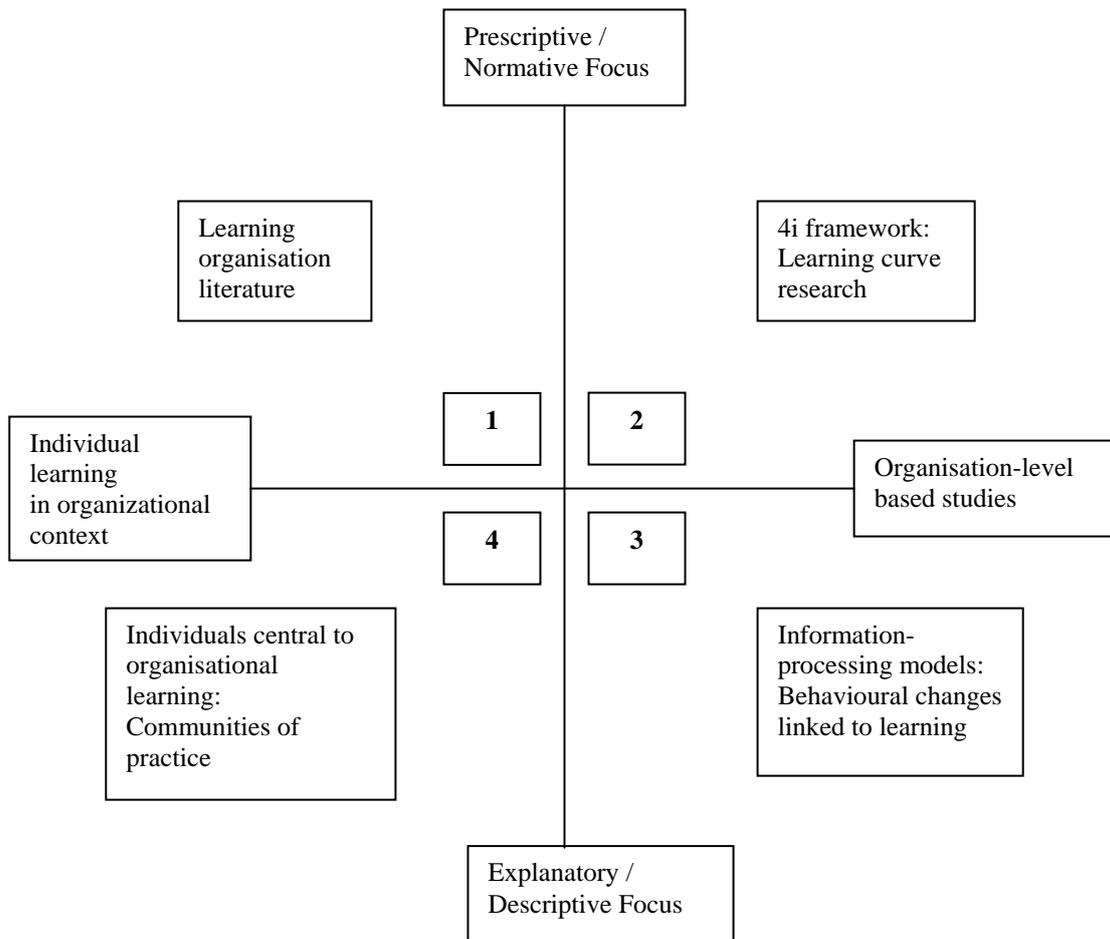
- Adopting a scientific, analytical autoethnographic approach rather than employing anecdotes or description
- Highlighting failure as well as success
- Locating the study within a complex, contextual, dynamic, and longitudinal manufacturing environment in pursuit of strategic renewal
- Stressing the critical importance of individual psychological and socio-political factors
- Addressing the aggregation problem by mapping the building of a learning architecture and knowledge transference networks from individual to organizational learning

The concept of organisational learning

Cyert and March (1963) first made reference to the term ‘organisational learning’. The concept was then picked up and pioneered two years later by Cangelosi and Dill (1965). Since then its popularity has grown but the literature has not built cumulatively on the earlier concepts. Rather, it has become fragmented, with little evidence of overlap across disciplinary boundaries. Different researchers have applied the concept to different domains. There has been little convergence or consensus on what is meant by the term, or its basic nature.

There have been several reviews of the organisational learning literature (Fiol and Lyles, 1985; Huber, 1991; Levitt and March, 1988; Miner and Mezias, 1996; Friedman, Lipshitz, and Popper, 2005; Shipton, 2006; Easterby-Smith and Araujo, 1999). Perhaps the most insightful, and most recent, review has been provided by Shipton (2006) who presents a comparative framework to categorise the literature according to two dimensions: prescriptive or explanatory bias, and organisation or individual learning focus. Figure 2.3 reproduces her typology of the literature.

Figure 2.3
A typology of the organisational learning literature



Source: adapted from Shipton (2006)

Of the four quadrants, the most relevant for the purpose of this thesis is quadrant 2. Research located in this quadrant is concerned with understanding the process by which individuals transfer their learning into the organisational domain. It takes a focused account of the issues of integration and institutionalization of learning in a holistic model intended to prescribe practice in some way, even though the linear nature of this understanding might be subject to some criticism. These studies tend to be clear about anticipated outcomes and the potential for competitive advantage. In particular, Shipton (2006) cites the work of Crossan, Lane, and White (1999) whose 4i model of organisational learning is specifically employed for the purpose of achieving the strategic renewal of an organisation. Four key premises underpin this framework:

1. Organisational learning involves a tension between assimilating new learning (exploration: feed-forward) and using what has been learned (exploitation: feed-back)
2. Organisational learning is multi-level: individual, group, and organisation
3. These three levels are linked by four social and psychological processes: intuiting, interpreting, integrating, and institutionalising (4i's)
4. Cognition affects action (and vice versa)

Table 2.2
4i model of organisational learning

Level	Process	Definition	Characteristics
Individual	Intuiting	Preconscious recognition of the pattern and/or possibilities inherent in a personal stream of experience	Experiences Images Metaphors
Group	Interpreting	Explaining through words and/or actions of an insight or idea to one's self and to others	Language Cognitive map Conversation / dialogue
	Integrating	Developing shared understanding among individuals and of taking coordinated action through mutual adjustment	Shared understandings Mutual adjustment Interactive systems
Organisation	Institutionalising	Ensuring that routinised actions occur	Routines Diagnostic systems Rules / procedures

Source: adapted from Crossan, Lane, and White (1999: 525)

Within this model, organisational learning is perceived to be a dynamic process that occurs over time and across levels. A basic assumption is that innovative ideas and insights occur to individuals not organisations. If ideas are shared, actions taken, and common meaning developed then individual knowledge can come to bear on groups and the organisation in the form of artefacts, systems, structures, strategies, and procedures. New ideas and shared understanding may not evolve unless shared action is attempted. Leading with action, rather than focusing solely on cognition, may provide a different migration path to shared understanding.

Crossan, Lane, and White (1999: 534) deliberately left the model in embryonic form in the hope that the framework “will stir a reaction in the organisational learning community and help scholars research the links among the levels and the tensions inherent in organisational learning”. They did suggest two promising areas for further research that could help to enhance theory: examine the role of leadership and management of the 4i process; and understand the mechanisms that enhance or restrict the stocks and flows of learning. Several researchers have taken up the challenge to extend the Crossan, Lane, and White (1999) model including Kleysen and Dyck (2001); Zietsma, Winn, Branzei, and Vertinsky (2001, 2002); and Lawrence, Mauws, Dyck, and Kleysen (2005). Table 2.3 summarises these additional processes.

Table 2.3
Additional processes to the 4i model

Authors	Additional Processes
Kleysen & Dyck (2001)	<ul style="list-style-type: none"> • Attending • Championing • Coalition-Building
Zietsma, Winn, Branzei, & Vertinsky (2001, 2002)	<ul style="list-style-type: none"> • Experimenting • Legitimacy Trap
Lawrence, Mauws, Dyck, & Kleysen (2005)	<ul style="list-style-type: none"> • Discipline • Influence • Force • Domination

Kleysen and Dyck (2001) suggest the addition of three additional processes to the model: attending, championing, and coalition-building. ‘*Attending*’ refers to the “deliberate scanning of competitive, technological, social, and legal environments and opportunity sources such as market structures and demographics for new ideas and chances to innovate” (p. 387). It adds to the intuiting concept in that it suggests conscious as well as preconscious processes that may be at work in that individuals knowingly put themselves in the way of alternative ideas and opinions. The process therefore provides a link to the environment that is missing in the original framework. ‘*Championing*’ is a socio-political process that is essential to feed-forward (exploration) learning during the interpretation stage of the model. A champion is a person “who emerges to take creative ideas and bring them to life by promoting the idea, building support, and overcoming resistance” (p. 388). Finally, ‘*coalition-*

building' can also be regarded as a socio-political process essential to feed-forward learning during the integration stage. Coalition-building is necessary to transfer "new ideas from group to organisation levels because resource allocations are needed to support continued development of the idea and its eventual implementation" (p. 389).

Zietsma, Winn, Branzei, and Vertinsky (2001, 2002) suggest the addition of another process to the interpreting stage of the model (experimenting), and also an additional concept (legitimacy trap). '*Experimenting*' is an active learning process whereby individuals and groups conduct various sorts of trials, "and the results of their actions add substance to their cognitive interpretations" (2002: S63). Through experiments, whether successful or not, data can be gathered that aids interpretation. The authors make reference to the Canadian logging company MacMillan Bloedel which during the 1990s initially resisted all attempts to change its operational policy from clear-cutting to partial-cutting. However, following a number of isolated experiments with partial-cutting that provided successful results for the company, the foundation was laid for a challenge to the ruling orthodoxy to be mounted. The concept of a '*legitimacy trap*' occurs when an organisation strives to defend its own legitimacy, and in so doing "dysfunctionally resists external pressures because it deems them illegitimate" (p. S66). Alternative views are not seen as credible evidence of a state of environmental misalignment but rather as unjustified attacks on the organisation.

Lawrence, Mauws, Dyck, and Kleysen (2005) argue that organisational politics are missing from the original formulation. The 4i model stresses social psychological processes to the omission of socio-political processes. It is suggested that for each of the 4i's to be successfully achieved they must be equated with a political strategy based on a certain form of power: intuition with '*discipline*', interpretation with '*influence*', integration with '*force*', and institutionalisation with '*domination*'.

In this thesis I have taken up the challenge set by Crossan, Lane, and White to further develop the 4i model. This framework is particularly relevant to the situation facing Toyota Australia in the late 1990s when the organisation faced a need for strategic cultural renewal. Chapters 6, 7, 8, and 9 in the thesis contain the relevant analyses pertaining to the further development of the processes of intuiting, interpreting, integrating, and institutionalizing.

Chapter 3

Research Design and Methodology

In this thesis I employ the methodology of autoethnography. This chapter explains my justification for this choice. I discuss the two major forms of autoethnography, artistic and scientific, before examining the evaluative criteria for judging autoethnographic research and the ethical implications of such research. The chapter concludes with an exposition of analytic autoethnography (Anderson, 2006) which is the specific methodological form adopted in this thesis.

What is autoethnography?

Ellis and Bochner (2000: 739) write that the meanings and applications of autoethnography “have evolved in a manner that makes precise definition and application difficult”. In similar vein, Reed-Danahay (1997: 4) admits that the word autoethnography “can have multiple meanings”. This multiplicity of meanings stems from the historical development of autoethnography over the past several decades occurring within two streams of methodological thought – ethnography and autobiography (life history).

The term ‘autoethnography’ is usually credited to David Hayano (1979) as referring to cultural studies of one’s own people. For Hayano, the mark of an autoethnography is that it is written by an ‘insider’. Two types of insider are permissible: first the ‘native’ insider who has been born into the culture, and second, the ‘socialised’ insider who has acquired intimate familiarity with a group, recognised both by themselves and the group members as possessing permanent identification and full internal membership. Adler and Adler (1987) on the other hand, employ different terminology. They use the term ‘complete-member researchers’ to refer to those researchers who are already fully immersed in the culture they study. They distinguish between two sub-categories of complete-member researchers: ‘opportunistic’ researchers who study cultures of which they are already members; and ‘convert’ researchers who are not members of the culture when they commence the study but become converted to group membership whilst conducting the study. Thus, in both

these accounts offered by Hayano and by Adler and Adler, the emphasis is laid not on an autobiographical life history but rather on an ethnography of one's own culture.

On the other hand, another stream of writing has stressed the autobiographical aspect of autoethnography. Brandes demarcated first-person narratives told by an ordinary member of his or her society as an "ethnographic autobiography" (1982: 188). This form of writing tells about a life simultaneously with telling about a culture. In similar vein this incorporation of personal life experience within the context of writing ethnography is also stressed by Denzin (1989: 27) who emphasises that the researcher should abandon the stance of 'objective outsider'. These different approaches to autoethnography reveal the problem of trying to separate out the different perspectives of ethnographic and autobiographical genres. Reed-Danahay is of the opinion that "increasingly, ethnography is autobiographical and autobiography reflects cultural and social frames of reference" (1997: 9). She points to the enhanced adoption of personal narrative in recent times by anthropologists as reflecting the duality of self-reference and cultural reference. Accordingly, Reed-Danahay (1997: 9) chooses to adopt the following definition of autoethnography as "a form of self-narrative that places the self within a social context". By so locating the genre in this manner, autoethnography offers "an alternative to a tendentiously-characterised conventional autobiography, on the one hand, and to the eroticising , native-silencing brand of anthropology, on the other" (Buzard, 2003: 73).

There is increasing evidence that autoethnography is now beginning to come of age. Prestigious academic journals have devoted Special Issues to the topic: for example, *Culture and Organization*, 13(3) 2007, and *Journal of Contemporary Ethnography*, 35(4) 2006. Prior to the publication of *The Ethnographic I* (Ellis, 2004), probably the most cited enunciation of the elements of autoethnographic writing was the work of Ellis and Bochner (2000). They refer to autoethnography as a form of writing wherein researchers make their own personal experience not only a topic of investigation in its own right but, in fact, a central focus of their research. The author becomes a character in their own story, which by its nature takes on the elements of an autobiographical story and the direct testament of a personal narrative. The author employs the first-person 'I' with the goal to "enter and document the moment-to-moment, concrete details of a storied life" (p737) by embracing a form of writing that

is simultaneously subjective, personal, intimate, embodied, passionate, engaging, and evocative. The author reveals their personal accountability by paying attention to issues that allow readers to feel their physical and personal feelings, thoughts, emotions, and moral dilemmas. Autoethnographic writing allows researchers to understand themselves in deeper ways, and with this comes enhanced understanding of others. Ellis and Bochner stress that to be able to carry this off researchers must display a number of essential attributes such as “be sufficiently introspective about your feelings and motives, or the contradictions you experience; be observant of the world around you; be self-questioning; confront yourself with things that are not so flattering, your fears, doubts, emotional pain, and the vulnerability of revealing yourself” (p738).

Autoethnography, as a new or alternative genre of ethnography, owes its genesis to the emergence of the postmodern turn in the social sciences, which has freed up ethnographers to find different ways of re-presenting their work (Richardson, 2000). The relationship between the observer and the observed has experienced a re-stimulation of interest. The ethnographic-self is regarded as inseparable from the ‘self’. Ethnographic research is implicated with the autobiographical. Krieger (1985; 309) argues that we are never capable “of achieving the analytical distance we have long been schooled to seek”. The concept of ‘being there’ (Hannabuss, 2000; Watson, 1999) belies the possibility of creating watertight divisions between the ethnographic and the autobiographical. The difficulties involved in preserving the myth of the remote, disinterested, and dispassionate ethnographer means that claims about what is the ‘truth’ or what is ‘real’ are now regarded as less easily validated, whilst “speaking for ‘others’ is wholly suspect” (Richardson, 2000: 254). Traditional ethnography has created a mode of researcher who is regarded as “distant, removed, neutral, disengaged, and above-it”, against which the alternative ethnographer now rebels by welcoming “the blurring of genres, the complexity of writing, the shaggy boundaries between fact and fiction, subjective and objective, true and imagined” (Richardson, 2000: 253). It is not possible for authors to make themselves vanish from their texts, “they can only pick the disguise in which they will appear” (Golden-Biddle & Locke, 1997: 73).

As such, the autoethnographic genre traverses across the third, fourth, and fifth moments in Denzin and Lincoln's (2000) history of qualitative research, namely the blurring of genres, the crises of representation and legitimation, and experimental writing and participatory research. The crisis of representation refers to the manner in which researchers write about, and represent, the social world; the crisis of legitimation criticises traditional criteria (such as validity, reliability, and objectivity) used to evaluate qualitative research. As objectivist traditions give way to self-reflexive questioning, autoethnography is ideally placed to "reposition the researcher as an object of inquiry who depicts a site of interest in terms of personal awareness and experience" (Crawford, 1996: 167). Increasingly, within both the humanities and the social sciences an atmosphere has been created "in which it seems immature or even immoral to lay claim to, or even to try for, a perspective that might be deemed even comparatively disinterested" (Buzard, 2003: 74). Accordingly, the genre has spawned numerous studies across several disciplinary boundaries which take advantage of this reflexive turn and epistemological intimacy. Examples within social science include 'being bullied at work' (Vickers, 2007); 'rehabilitating one's self-esteem after an acquired brain injury' (Smith, 2005); 'being stuck in a double-bind working situation' (Blenkinsopp, 2007); 'coping with chronic non-malignant back pain' (White, 2003); 'teenage pregnancy' (Muncey, 2005); 'an elite athlete with a chronic back injury' (Sparkes, 1996); 'software development through the use of a human-computer interaction university course' (Cunningham and Jones, 2005); 'offender rehabilitation' (Williams, 2006); 'informing field research in transcultural settings' (Butz and Besio, 2004); 'academic practices' (Meneley and Young, 2005); and 'mental health nursing research and practice' (Foster, McAllister, and O'Brien, 2006).

There are several ways in which researchers can employ autoethnographic writing depending on where they want to locate themselves along the continuum of three different axes according on their relative emphasis on self (auto), on culture (ethnos), and on the research process (graphy). There is no consensus amongst researchers regarding these boundary divisions. One important distinguishing factor influencing this decision may be the subject discipline of the researcher. Thus, autoethnography among social scientists may stress the goal of using one's life experience to generalise to a larger group or culture, and be driven by a stronger analytical purpose that aims

to intersect the personal story with an analytical frame (Anderson, 2006; Atkinson, 2006). There is also debate amongst researchers about where they want to locate themselves along the continuum between science and art. A scientific portrayal would concentrate on accurate statements of the facts about what happened to the researcher in addition to the personal meanings attached to the experiences. An artistic portrayal, however, allows the writer far more poetic licence.

Artistic genre of autoethnography

Artistic portrayals of autoethnography constitute an alternative or experimental genre of writing “in which the boundaries of scholarship are merged with artistic expression as a way of challenging the limitations of what is normally accepted as knowledge in academic contexts” (Duncan, 2004: 11). The emphasis in such an approach is on “evocation as a goal” (Ellis and Bochner, 2006: 432), which eschews any attempt at analysis, logic, reason, categorisation, or wider theorising. Such autoethnographers think of themselves not as “reporters or analysts but as storytellers and writers” (Ellis and Bochner, 2006: 440). An artistic approach emphasises evocative, emotional, ethical, and political goals. It can take poetic, performative, and literary forms. It uses story, characters, emotions, and dramatic and narrative plot. Essentially, it cannot be tamed or controlled. Such autoethnography comprises texts that are “messy, vulnerable, and make you cry” (Denzin, 2006:421). In principle such texts are designed to be “unruly, dangerous, vulnerable, rebellious, and creative” revealing a strong focus on “struggle, passion, and embodied life” (Ellis and Bochner, 2006: 433). Recently, Anderson (2006) has labelled this approach under the rubric ‘evocative autoethnography’ in order to contrast it with an alternative genre that he calls ‘analytic autoethnography’. This dichotomy has been strongly opposed by Ellis and Bochner (2006) who argue that evocativeness is one of the characteristics that make autoethnography a distinct genre of ethnographic writing. Pairing ‘evocative’ with ‘autoethnography’ is a redundant exercise.

Ellis (1995; 2009) is one of the main protagonists championing the pursuit of evocative writing within the genre of ‘art’ and the ‘self’. In crafting an autoethnographic text she starts with her personal life, writing up her experience as a story, and using “systematic sociological introspection and emotional recall to try to

understand an experience I've lived through" (Ellis and Bochner, 2000:737). This process involves the researcher revisiting the scene emotionally and physically, both to rekindle the emotional thoughts and feelings experienced at the time and also to remember other relevant details. Thus, the researcher continually moves in and moves out of the action, juxtaposing writing that is close to the event with writing that is crafted more from a distance, in order to construct an autoethnography that displays multiple layers of consciousness, and different contours and nuances. Ellis invokes the similarity between this genre of autoethnography and a good fictional novel. In other words it stimulates the imagination and provokes emotions and feelings from the reader, who identifies with the characters and is drawn into the story and the action to such an extent that "you smell the smells, hear the sounds, see the sights, as though you were there" (p752). The story can be built up by writing layers of drafts, in the form of retrospective field notes. Early drafts can be crafted chronologically, using the main events and incidents as primary structuring mechanisms, adding new details and memories as they are recalled. The researcher can revisit, reread, add to and modify drafts as they are made increasingly dense. Ellis reminds us that the researcher is "creating" the story, "it is not there waiting to be found" (p751). This act of creation is facilitated through the employment of the devices of fictional writing which can include "internal monologue, dialogue among the characters, dramatic recall, strong imagery, scene setting, character development, flashbacks, suspense, action, and dramatic plotline, developed through the specific actions of specific characters with specific bodies doing specific things" (p752).

Thus, autoethnographers who emphasise the 'art' and 'self' aspects of their craft tend to concentrate on writing which is personal, emotional, evocative, reflective, embodied, introspective, and cathartic. Invariably it involves a situation of sense-making "in which people have to cope with dire circumstances and loss of meaning" (Ellis and Bochner, 2006: 433). Examples of some of the issues in the extant literature that represent this genre include: sudden death of a brother (Ellis, 1993); death of a husband (Ellis, 1995); minor bodily stigmas (Ellis, 1998); membership of a religious congregation (Berger, 2001); surface nature of academia (Pelias, 2003); new teacher teaching a new syllabus (Attard and Armour, 2005); exile (Cotanda, 2006); father-absent daughters (Jago, 2006); suicide and grief (Lee, 2006); academic shame of not

possessing a doctorate (Leitch, 2006); unfolding family grief (Poulos, 2006); full-time family caregiver (Salmon, 2006); and sex tourism (Sikes, 2006).

What are researchers aiming to achieve who write in this ‘art - self’ genre of autoethnography? Figure 3.1 shows the stated aims of a selection of such research studies.

Figure 3.1

Art-self genre of autoethnography: aims of selected research studies

Aim of the autoethnographic study	Reference
Reveal thoughts, feelings, and learning experienced by a new teacher - in other words I am studying myself	Attard and Armour (2005: 195)
An attempt to understand (my) departure from Cuba and (my) relationship with (my) mother and wife	Cotanda (2006: 562)
To reflect afresh on themes, issues, and concerns that have always been central to my work as a researcher and academic	Sikes (2006: 523)
Explores the pain, unexpectedness, and emotions in setting forth on a self-chosen quest to uncover and understand the history of the author’s shame as a female academic with managerial responsibility but without a doctorate	Leitch (2006: 353)
Details the author’s efforts during the past eight years to write and publish her dissertation research on the narratives of father-absent daughters	Jago (2006: 398)
Reveals the author’s personal struggle when informed about a suicide	Lee (2006: 1154)
Invites emotional identification	Pelias (2003: 369)
Give voice to an experience (full-time family caregiver); to actively support caregivers; and to raise awareness of health professionals and academics	Salmon (2006: 181)
Give voice to an emotional experience (sudden death of a brother); encourage readers to experience an experience that can reveal not only how it was for me, but how it could be or once was for them	Ellis (1993: 711)
Explores the felt experience (of minor bodily stigmas) from the perspective of the experiencing and interacting holder – in order to examine possibilities for resisting and reframing stigmas in everyday life	Ellis (1998: 517)
Increases rapport, empathy, and openness between the researcher and the study participants	Berger (2001: 504)

The stated aims in the above research studies reveal two broad aims on the part of the researcher: first, to *help themselves*, and second, to *help others*. Researchers ‘help themselves’ by using their writing to attempt to make sense of their experience. They ‘attempt to understand’ or ‘reflect afresh’ on their experience by ‘revealing thoughts, feelings and learning’, by ‘exploring their felt experience’, by ‘detailing the author’s efforts’ and ‘revealing the author’s personal struggle’, by ‘exploring their pain, unexpectedness, and emotions’, and by ‘uncovering the history of the author’s shame’. On the other hand, researchers can ‘help others’ by ‘giving voice to their own emotional experience’. This ‘invites emotional identification’ from others. Vulnerable or involved others are thus helped by ‘actively supporting’ others, or by ‘raising awareness’. Readers can accordingly be enabled to ‘experience an experience’ or be empowered to ‘examine possibilities for their own resistance or reframing’. Once readers understand how an experience was felt by the researcher, they are better able to comprehend ‘how it could be or once was for them’.

This process of ‘moving in and out’, mentioned previously, can also be supplemented in autoethnographic writing by a process of ‘gazing back and forth’ as the researcher attempts to connect the personal to the cultural. This gives rise to an additional genre of autoethnography centred round the ‘art-self-culture’ nexus. For example, the educational anthropologist Chang (2008) promotes a form of autoethnography that combines cultural analysis and interpretation with narrative details. Accordingly, she expects autoethnographic accounts to be “reflected upon, analysed, and interpreted within their broader sociocultural context” (2008: 46). Here the autoethnographic researcher first looks outward through a wide-angle lens at the social and cultural aspects of their personal experience, and then focuses inward to locate and expose their ‘vulnerable self’. The concept of vulnerability can be somewhat frightening for researchers but effective autoethnographies rely upon this as a source of growth and understanding as authors “self-consciously explore the interplay of the introspective, personally engaged self with cultural descriptions mediated through language, history, and ethnographic explanation” (Ellis and Bochner, 2000:742).

Holman Jones fits into, and extends, this genre through her call to autoethnographic researchers to “make the personal political in your work” (2005: 785). By making this

call Holman Jones follows the lead of Salverson (2001: 122) who entreats autoethnographers to produce not only ‘moving’ texts but to ask themselves “how they create movement and toward what ends?” For Hughes and Roman (1998: 8-9) the intent should not be simply to entertain but “to provoke, raise questions, and implicate their audiences”. Holman Jones’ intent is to create autoethnographic texts that “change the world” (2005: 765; Denzin, 2000). Words *do* matter, and by using personal stories she aims to move her readers and audiences intellectually and emotionally “toward concerted social, cultural, and political action” (p784) through creating “calculated disturbances in social, cultural, and political networks of power” (Lane, 2002: 61). Autoethnography can change the world by “making a difference in the world [through] changing people” (Ellis and Bochner, 2006: 439). This is achievable only through literary forms that are written “from the heart” (Denzin, 2006: 422). In writing from the heart “we learn how to love, to forgive, to heal, and to move forward” (p423).

Scientific genre of autoethnography

Scientific portrayals of autoethnography represent a more conservative approach to the genre and attempt to overcome some of the accusations of unscholarly writing aimed at autoethnographers. Thus, scientific portrayals tend to make use of more diverse data sources other than the researcher’s own voice, such as interviews, participant observation, and document analysis. More emphasis would tend to be placed on a ‘factual’ representation of ‘what actually happened’, relating events, incidents, and epiphanies through self-reflexive techniques and instruments (such as diaries and reflection-in-action memos), in addition to reliance on memory work. The researcher would also want to place more emphasis on the development of theory, placing the autoethnographic account within a wider body of theoretical knowledge, and attempting to intersect the personal story with an analytical frame. Examples of some of the issues in the extant literature that represent this genre include: personal experience of micro-organisational violations (Hearn, 2003); personal experience of being a white person of color (Vidal-Ortiz, 2004); personal experience of suffering a chronic pain disorder (Greenhalgh, 2001); membership of a fat civil rights organisation (Goode, 2002); membership of a boxing gymnasium (Wacquant, 2005); membership of a lesbian community (Krieger, 1983). Figure 3.2 shows the stated

aims of these studies adopting this genre of autoethnography, together with their broader themes of theoretical analysis.

Figure 3.2

Scientific genre of autoethnography: aims and theoretical themes of selected research studies

Aim and theoretical themes of the autoethnographic study	Reference
Personal experience of the organisational violations involved in a university professorial appointment process in relation to the various possible readings of making sense of what happened, eg the experience of organisational violations; developing processes over time; complexities of national, cultural violations in the exclusion of ‘outsiders’; intersections with gendered power; ethics and moral practices.	Hearn (2003)
Personal experience of being a white person of colour to explore the broader conceptual and theoretical issues about racial and ethnic identity categories for Puerto Ricans in the USA.	Vidal-Ortiz (2004)
Personal experience with a chronic pain disorder and the author’s interactions with the USA health care system to theorise about the broader issues associated with power and culture in the biomedical domain	Greenhalgh (2001)
Personal experience of the author’s membership of the National Association for the Advancement of Fat Americans (NAAFA), complicated by various sexual relations between the author and members of the association, as the basis for analysing a variety of broader methodological and ethical issues.	Goode (2002)
Personal experience of the author’s membership of a boxing gymnasium to analyse the broader themes of social acceptance and membership; the dynamics of embodiment and the variable role of race; the gymnasium as a civilising and masculinising machine; and apprenticeship as a mode of knowledge transmission and technique for social inquiry.	Wacquant (2005)
Personal experience of the author’s membership of a lesbian community in a small American town to analyse wider sociological issues associated with the loss of a sense of self and the possibilities for achieving clarity about individual identity in circumstances of stress.	Krieger (1983)

Anderson (2006) has recently attempted to encapsulate these different emphases within the term ‘analytic autoethnography’, much to the chagrin of Ellis and Bochner (2006) who equate this approach with traditional “realist ethnography” (p432). For them the problem is that “realists privilege analysis over story...the story is merely data to be analysed” (p444). Denzin (2006) agrees, arguing that this movement represents “an uncritical return to the past...a third Chicago School”. For him, “it is

time to close the door on the Chicago School and all its variations” (p422). However, such an approach often proves to be useful for practitioner-researchers who find this genre of autoethnography to be a suitable (sometimes the only) methodology for answering their individualistic research question. This was the situation that confronted Duncan (2001) who, in her work as a hypermedia designer found that autoethnography was the only method that could answer her research question “how do I improve my practice of hypermedia design?”

“It became clear that what I needed to do was externalise my inner dialogue of decision to find and develop fully the central themes and outstanding questions that were emerging... In short, I needed a method in which the lifeworld and internal decision-making of the researcher were considered valid and noteworthy. I needed methods that encouraged systematic reflection and ensured a scholarly account. I needed a means of analysing evidence that not only organised a record but also enabled discovery. What I needed was autoethnography” (Duncan, 2004: 3).

The scientific genre of autoethnography provides practitioner-researchers with an authentic voice from the inside, giving them a means of making sense of their unique situation within a theoretical framework. Such researchers can report specifically from their experience as a practitioner in terms of their inner dialogue, tacit knowledge, and knowledge-in-action. They are in a position wherein they directly affect, and are affected by, the prevailing organisational dynamics. They simultaneously shape, and are shaped by, the context on which they report. Continuous experimentation, exploration, and hypothesis testing form critical parts of their lifeworld research environment. In this way the subjectivity of the researcher can be positively exploited as a valid representation of ‘knowing’. The researcher can be presented as a connoisseur and an instrument whose personal schema and past experiences provide the sensibilities that make investigation possible (Eisner, 1991).

Despite its posturing towards scientism the researcher must be careful not to expunge the ‘messiness’ from their writing. There will always exist the tendency for the researcher to omit those aspects that they prefer not to write about and to present themselves always “in a good light – in charge, competent, controlled, and organised” (Tenni, Smyth, & Boucher, 2003: 3). Hannabuss (2000) notes how authors of rites-of-

passage works who look back on their own process of growing-up, and rely on memory work to frame the structure of their writings, tend to adopt the posture of the all-knowing and now reflectively mature author who is depicted as travelling through a set of intellectual and emotional stages. However, for Tenni, Smyth, and Boucher (2003: 3) the author should always include “the messy stuff – the self-doubts, the mistakes, the embarrassments, the inconsistencies, the projections, and that which may be distasteful”.

Evaluative criteria for judging autoethnographic research

The social sciences encompass a range of cultural fields that are evolving on a continuous basis. Bochner (2000: 268) advances the view that “no single, unchallenged paradigm has been established for deciding what does and does not comprise valid, useful, and significant knowledge”. Across the social sciences there exists no one right way to conduct and evaluate research. Traditional empiricist standards cannot be used to evaluate new or alternative forms of ethnography. Alternative ethnographers want to do “innovative, meaningful, interesting, and evocative work that nurtures the imagination not kills it” (Bochner, 2000: 268). Questions such as where are the hypotheses? How have you analysed your data? What are your findings? end up sounding parochial, narrow, and downright silly (Freeman, 1993). Richardson reminds us that “postmodernism awakens us to the problematics of collecting and reporting *data*” (2000: 253). The word *criteria* itself is a term that “separates modernists from postmodernists, foundationalists from antifoundationalists, empiricists from interpretivists, and scientists from artists”. One side believes that ‘objective’ methods and procedures can be applied to determine the choices we make, whereas the other side believes these choices are ultimately and inextricably tied to our values and our subjectivities (Bochner, 2000: 266). Traditionally social scientists have been worried about how our work is judged by other ‘scientists’ than whether our work is “useful, insightful, or meaningful – and to whom; we get preoccupied with rigor but neglect imagination” (Bochner, 2000: 267).

Because of the nature of the autoethnographic genre, the usual criteria that we employ to evaluate our research work, such as validity, reliability, and generalisability, must be amended from the usual sense by which we understand these terms and applied in

a different manner. What other criteria have been advanced by autoethnographers and alternative ethnographers as credible evaluators of their genre of research? Ellis and Bochner (2000) advance definite opinions on this issue, as shown in Box 3.1.

Box 3.1: Ellis and Bochner (2000)

The concept of *validity* in autoethnography must be amended to account for the notion that language cannot be regarded as transparent and so there exists no single standard of truth. For them validity means that “our work seeks verisimilitude; it evokes in readers a feeling that the experience described is lifelike, believable, and possible” (p751). They also offer two additional criteria for judging validity - whether it helps readers communicate with others different from themselves, or offers a way to improve people’s lives. With regard to the concept of *reliability*, there can be no such thing as orthodox reliability in autoethnographic studies since researchers create their narratives from a personal and situated location. However, when other people are involved it is possible to indulge in reliability checks by allowing them to read the written material and give them the opportunity to comment, change their minds, add new material, or offer more interpretations. Finally, with regard to *generalisability* in autoethnography we must bear in mind that although our lives are particular, they are also typical and generalisable through our joint participation in a bounded number of cultures and institutions. Thus, researchers need to stress both the particular and the general. Readers constantly test a story’s generalisability by comparing it with what they already know and have experienced. It must ring true. But additionally readers want to be informed about the unfamiliar, bringing meaning and understanding “from one world to another” (p751).

Richardson (2000: 254) in pursuing her viewpoint that “ethnographers should not be constrained by the habits of somebody else’s mind” puts forward five new criteria for judging this genre of research, as shown in Box 3.2.

Box 3.2: Richardson (2000)

Substantive contribution

Does this piece contribute to our understanding of social-life? Does the writer demonstrate a deeply grounded (if embedded) human-world understanding and perspective? How has this perspective informed the construction of the text?

Aesthetic merit

Does this piece succeed aesthetically? Does the use of creative analytical practices open up the text, invite interpretive responses? Is the text aesthetically shaped, satisfying, complex, and not boring?

Reflexivity

How did the author come to write this text? How was the information gathered? Ethical issues? How has the author’s subjectivity been both a producer and a product of this text? Is there adequate self-awareness and self-exposure for the reader to make judgements about the point of view? Do authors hold themselves accountable to the standards of knowing and telling of the people they have studied?

Impact

Does this affect me? Emotionally? Intellectually? Generate new questions? Move me to write? Move me to try new research practices? Move me to action?

Expresses a reality

Does this text embody a fleshed out, embodied sense of lived-experience? Does it seem ‘true’ – a credible account of a cultural, social, individual, or communal sense of the ‘real’?

Bochner (2000) pays attention to the narrative genre as representing one of the multiple forms of alternative ethnography. Self-narratives in particular involve “looking back on the past through the lens of the present (and) represent the carefully chosen constructions and subjective understandings of the author” (Bochner, 2000: 270). Through self-narratives the researcher can extract meaning from experience, rather than depicting that experience as an exact, accurate, and ‘factual’ occurrence. For Bochner (2000: 270) researchers “narrate to make sense of experience over the course of time (thus) fashioning experience in language”. Bochner looks for the following criteria in judging a narrative study, as shown in Box 3.3.

Box 3.3: Bochner (2000)

Abundant, concrete detail; concern not only for the commonplace, even trivial routines of everyday life, but also for the flesh and blood emotions of people coping with life’s contingencies; not only facts but also feelings.

Structurally complex narratives, stories told in a temporal framework that rotates between past and present reflecting the non-linear process of memory work – the curve of time

The author’s emotional credibility, vulnerability, and honesty; I expect the author to dig at his/her actions and underneath them, displaying the self on the page, contradictory feelings, ambivalence, and layers of subjectivity.

The expression of a believable journey from who I was to who I am, a life course re-imagined or transformed by crisis.

A demanding standard of ethical self-consciousness; showing a concern for how other people are portrayed, for the kind of person one becomes in telling the story, to provide a space for the listener’s becoming, and for the moral commitments and convictions that underlie the story.

A story that moves me, my heart and belly as well as my head that acts out a subjective life in ways that show me what life feels like now and what it can mean

Duncan (2004) pursues a more scientific genre of autoethnography, in contrast to the artistic and poetic licence displayed by Ellis and Bochner, Richardson, and Bochner. Duncan seeks to address the issues of legitimacy and representation in view of the potential bias which may be displayed against the value of inner knowing within research culture. She writes “although I was the main source of data, I was not the only source, and I took pains to describe the criteria by which my research could be judged to save my reviewers such pain” (Duncan, 2004: 8). She addressed six key issues to establish the quality of her autoethnographic study, as shown in Box 3.4.

Box 3.4: Duncan (2004)

Study boundaries

Careful delineation of the study boundaries is essential to defining and reporting the research, in an attempt to show the appropriateness of applying the autoethnographic methodology.

Instrumental utility

The instrumental utility (or usefulness) of an autoethnographic study can be served by showing how useful it is to others with similar concerns. This would avoid the accusations sometimes levelled at the artistic genre of autoethnography that it can be self-serving, narcissistic, introspective, self-indulgent, and individualised (Holt, 2003).

Construct validity

This criteria refers to establishing the correct operational measures for the concepts being studied. In addition to the researcher's first-person account, this criteria can be supplemented through the use of multiple data sources, recording of a chain of evidence, and verification of accounts through others involved in the study.

External validity

External validity of an autoethnographic study can be shown by addressing the strength of the themes and theories contained in the study's findings and how they might be applied to other situations.

Reliability

Reliability can be shown by establishing a protocol that would allow somebody else to follow the procedures of the researcher.

Scholarly account

As opposed to the more artistic genre of autoethnography, it can be argued that the scientific approach can provide a more scholarly account if in addition to providing and provoking emotional responses the account also offers deeper levels of reflection or analytic scholarship, and analyses the relationship between personal experience and broader theoretical concerns.

Ethics in autoethnographic research

The concept of ethical research is invariably framed within the context of a set of procedural ethical practices that are focused upon the protection of the research participants or informants. The researcher is obliged to uphold a set of 'universal human rights' (such as informed consent, anonymity, confidentiality, no deception, freedom from harm, and risk minimisation) that are located within those "being researched" (Bruni, 2002: 28). However, these obligations can prove difficult to uphold in some autoethnographic research settings. Obtaining informed consent may sometimes be an unreasonable goal, even irresponsible, or put the researcher in harm's way, or prevent a project from being undertaken that would encourage healing (Ellis, 2007). When a researcher is embedded within a cultural or social context, such as a workplace, how do they make their status salient in every interaction? Ellis reveals the inconvenient practicality – "do I say before any interaction 'hi, nice to see you, now remember I'm a researcher' " (2007: 7-8). For example, in *Poker Face*

(Hayano, 1982) the researcher studied the dynamics within a poker cardroom of which he was a member. He did not announce to the participants that he was performing a research study. The reason for not obtaining informed consent lay in the transient nature of the members of the cardroom who, because the room was a public social domain, could arrive and depart at any time. He considered that obtaining informed consent would have been futile and impractical, a not uncommon scenario in social science research:

“Scientists may routinely make observations about people without informing them. No disguises are involved; it is just that social scientists constantly observe others’ behaviour. These everyday observations of our family, friends, and self frequently become parts of the theories or data of the researcher. Certainly the social scientist cannot wear a warning sign: “you may be the subject of scientific observation”. We can see, therefore, that many of our observations are not ‘open’ and known to those we are observing” (Hayano, 1982: 157)

An additional ethical issue for researchers performing autoethnographic research is that they are located outside the traditional research categories of participants, informants, or those ‘being researched’. This exclusion poses a dilemma for those who position themselves within the role of an autoethnographer, whose field of interest explicitly encompasses themselves. Thus, the concept of ethical research is problematised by the methodological genre of autoethnography.

Bruni (2002) seeks to establish a re-constitution of what is meant by ethical research as it applies to autoethnography. She bases her reading of ethical practices on a “discourse of harm” (p30), specifically that human research activity should not generate harm to any living beings, whether this harm be of a physical, social, or psychological nature. Accordingly, the ethical autoethnographer will not engage in any research practices that negatively impact on themselves or others involved in the study. As we have seen, the quest of disclosure marks the work of the autoethnographer. By adopting a stance that is reflective, self-questioning, self-interrogating, and deconstructive of self, researchers become both visible and vulnerable. They reveal themselves, as well as significant others (for example, work colleagues) and intimate others (for example, family members). This constitutes a potentially high level of danger in terms of Bruni’s conception of ‘doing no harm’.

Ellis and Bochner (2000: 738) note that the autoethnographer “cannot take back what they have written and have no control over how readers interpret it”. Correspondingly, throughout the process of data collection, analysis, writing up, and subsequent reading of the study by self and others, the researcher not only has the potential to directly harm themselves, their participants, and their readers, but also to enable themselves and others to be positioned by others as ‘harmer’.

If researchers wish to write evocative autoethnographies that wish to explore say their sense of being suicidal, or being a drug user (Bruni, 2002) they may find the experience therapeutic to themselves and meaningful for others in similar circumstances. But by telling their version of the story a catharsis may be released that has less beneficial consequences. This raises a series of questions that the researcher must address: what am I prepared to portray and why? How will I tell it? Which data will I use? Who may contest what I say and on what basis? What will be the impact of disclosure on myself and on others? Will I be compromised legally or professionally? Will it affect my employment and employability? In other words how does the autoethnographer “position themselves and others in the scenarios they create and how do they envisage being positioned by them” (Bruni, 2002: 31).

Questions of this nature possess no definite answers, and as such are not amenable to the development of a checklist of acceptable ethical practices. For Bruni (2002) it is the researcher who constitutes the ‘positioning’ process, not an external entity such as an ethics committee. The autoethnographer “reconstructs the ethical dilemmas which they may create and through which they must work” (p31). It is their subjectivity which underpins this judgment. Self-interrogation constitutes a process of subjugation – researchers generate and adopt their own rules of ethical behaviour.

In writing about the death of her brother in a plane crash, Ellis (1993) had to consider how she positioned other family members in the story and be concerned with their reactions. She was worried that the mere existence of the story might disturb them. Her older brother declined to read it because of the sad memories it evoked, and her mother stopped Ellis from reading it to her after only a few paragraphs. This is a poignant issue for Ellis who in publishing an earlier work, *Fisher Folk* (1986), had raised the ire of some of her participants and informers who felt hurt, angry, and

embarrassed about the manner in which she had portrayed them. Similarly, in *Final Negotiations* (1995), Ellis writes about the chronic illness and death of her partner, Gene. She divulges “personal details that show flaws, disappointments, and weaknesses in my character and Gene’s as well as our strengths, achievements, and good judgments” (Ellis, 2007: 15). Gene approved and participated in the writing and data collection before he died. He encouraged her to continue because of its therapeutic value to her. But when the book was eventually published after his death, some parts of the story revealed him in a less than flattering manner. Ellis received criticism for this. She writes: “did he assume my story would portray him only positively? Did he assume his personal life would be hidden in abstract concepts? Given what he knew about me...I doubt either is true” (Ellis, 2007: 15). Ellis states that she was driven in her ethical and moral directions to reveal things that provided insight and healing, especially those that improved their relationship.

“As I decided what to tell after Gene died I moved back and forth between considering the constraints of telling and the possibility of healing, between loyalty to Gene and creating the best self I could become after his death. The backdrop for my decisions was considering how we had dealt with trust when he was alive” (Ellis, 2007: 15-16).

In these situations there is always a subjective tension that has to be played out in the researcher’s mind between revealing and concealing, between openness and pretence. The researcher always tries to tell a truthful account whilst being aware of the dilemma that “to write an effective autoethnography demands showing warts and bruises as well as the accolades and successes” (Ellis, 2007: 16-17). Ellis wanted to protect her and Gene individually and together as well as other people in her story. She was concerned about how Gene would be remembered, but as with all autoethnographic research she was unable to predict how people would respond to her rendition. Importantly, Ellis *had* to tell her story to move on personally and professionally. It was a story that became implicated in her own experience and growth – “I considered what I needed to tell for myself while honouring Gene the best I could” (2007: 16).

By teasing out these issues Ellis (2007) defines an area of ethical practices that she calls ‘relational ethics’, defined as doing what is necessary to be true to one’s

character, acting from our hearts and minds, being responsible for our actions, and acknowledging our interpersonal bonds to others. Ellis agrees with Bruni (2002) that there exist no definitive rules or universal principles that can guide precisely what a researcher should do in every situation that may be encountered, other than the generic exhortation to ‘do no harm’. Not that Ellis attempts to shy away from trying to establish such principles. For instance she tells her students to: seek the greater good; make ethical decisions in research the way they make them in their private lives; research from an ethic of care; include multiple voices and interpretations; pursue positive change and make the world a better place; and remember the researcher’s well-being is not always less important than the well-being of the other. But the general must often, of necessity, give way to the dictates of the particular. Frank (2004: 191-192) reminds us that “we do not act on principles that hold for all time. We act as best we can at a particular time”. Ellis also feels implicated by this necessity in the sense that no sooner does she think that she has a ‘handle’ on a certain principle “on closer examination my understanding unfurls into the intricacies, yes-ands, uniqueness, and relational and personal responsibilities of the particular case under question” (2007: 22). And it is these peculiarities that embed the researcher within the responsibility of their own subjective positioning. For Ellis, as researchers and as people, she believes we want to do the right and sensible thing, live lives that are meaningful and seek the greater good, develop trusting relationships that care for others, and perform ethical research that makes a difference. “To come close to these goals we constantly have to consider which questions to ask, which secrets to keep, and which truths are worth telling” (Ellis, 2007: 26).

Use of autoethnography in this thesis

In this section I will analyse the justification for using autoethnography as the methodology of choice for the PhD and describe and justify the manner in which the methodology has been employed within the particular context of Toyota Australia. Although I am respectful of the artistic or evocative genre of autoethnography described in the previous section I do not follow this approach in the thesis. My natural inclination both as a practitioner and as an academic researcher lies within ‘so-called’ rational analysis. Having been schooled within an engineering-manufacturing environment for over twenty years I have been heavily socialised within this culture.

Nevertheless, and as frequently illustrated in this thesis, I have attempted to modify this culture in my roles as manager, HR trainer, and facilitator of action learning teams within the company. Although I do adopt some aspects of emotional and introspective writing at times within the thesis, in general I have adopted the approach of analytic autoethnography (Anderson, 2006).

Atkinson (2006) writes that the autobiographical has been an element of qualitative sociological research for a long period of time, but the contemporary fashion for subjective and evocative work has acted to sideline the goals of analysis and theorising. Anderson believes that “autoethnography loses its sociological promise when it devolves into self-absorption” (2006: 385). The quest for personal fulfilment on the part of the researcher biases such texts towards an inward focus on the emotional life of the ethnographer-as-author and overlooks an outward focus to an intellectual constituency informed by social theory:

“[such texts] elevate the autobiographical to such a degree that the ethnographer becomes more memorable than the ethnography, the self more absorbing than other social actors...the problem stems from a tendency to promote ethnographic research on writing on the basis of its personal commitments rather than its scholarly purpose, its theoretical bases, and its disciplinary contributions” (Atkinson, 2006: 402).

Because of his concern that “the impressive success of evocative autoethnography may have had the unintended consequence of eclipsing other visions of what autoethnography can be”, Anderson (2006: 374) promotes the value of an alternative paradigm that he calls analytic autoethnography. Five key features constitute the essence of this alternative approach:

- Complete member researcher
- Analytic reflexivity
- Visible and active researcher in the text
- Dialogue with informants beyond the self
- Commitment to an analytic agenda and theoretical analysis

I will structure the remainder of this chapter according to these five features, describing the elements of each feature and illustrating how these have been applied in the thesis.

Complete member researcher

The complete member researcher is a member of a social world which exists through virtue of a clear location and sub-culture: “the ultimate participant in a dual participant-observer role” (Merton, 1988: 18). Being a complete member researcher typically confers the most compelling kind of ‘being there’ on the ethnographer. In comparison with other researcher roles the complete member researcher “comes closest of all...to approximating the emotional stance of the people they study” (Adler and Adler, 1987: 67).

In this thesis I satisfy the requirement of being a complete member researcher. I have been employed at Toyota Australia in Melbourne since 1989. As shown in chapter 6, I have occupied multiple roles within the company: machinist, shop steward, team leader, training officer, supervisor, facilitator, and project leader. Since 2000 I have occupied several managerial roles including Manager of Capability and Change, and Deputy General Manager of Asia Pacific Global Production Centre at Toyota Motors Asia Pacific Engineering and Manufacturing in Thailand. Apart from a brief teaching assignment in China I have known no other form of employment other than with Toyota in Australia. I understand the culture completely.

Analytic reflexivity

Reflexivity expresses awareness on the part of the researcher that s/he has a necessary connection to, and effect upon, the research situation they study and hence there is a reciprocal influence between researchers and their settings and informants (Davies, 1999). Mutual informativity is necessarily implicated in ethnographic work. Researchers form part of the social process. They co-create cultural meanings in conversation, action, and text. Self-conscious introspection helps the researcher to better understand themselves and others by interrogating their own perceptions and

actions in dialogue with others. In so doing the researcher helps to transform their own beliefs, actions, and sense of self.

Throughout the thesis I try to make the reader aware of my reflective and reflexive nature. My training and education has heightened my awareness of how my own actions impact on those of others and how, in turn, I am personally implicated by these actions of others. I regard my personal reflection as one of my primary strengths and have attempted to impart this to others both on an individual and team basis.

I commenced my doctoral studies in 2002 and much of what is written in this thesis about events before this date are due to pure reflection on my part of those events which had long since passed. After this date, however, much of my data represents an ethnographic account constructed in real time as the events actually occurred. I would reflect on what had happened and why, make field notes, and rush to my supervisor as soon as possible to share the experience. In such circumstances, reflection and reflexivity are often aided by the intervention of others. In collaboration with my supervisor we were able to create 'co-produced' text. Much of the material that forms the analytical base of this thesis was obtained by drawing on material emanating from numerous 'interrogations' by my supervisor (Kempster, Parry, and Stewart, 2008). With tape recorder running my supervisor would set the scene with a broad and open-ended question "*tell me about...*", and as my discourse proceeded he would pepper me with probing questions, such as: "*what happened next; how did s/he react; how did you react; what were your feelings and emotions; and why did you do that?*"

This approach enabled me to generate not only more detailed and denser material for analysis it also facilitated a more evocative form of writing. I was able to reveal my own emotions in response to disappointments and successes, such as satisfaction, pride, achievement, frustrations, and sometimes tears. My own training has taught me to control my emotions and to be as rational, detached, and objective as possible when analysing events and processes. I have also imparted this advice to action learning team members in the organisation. However, analytic autoethnography does not preclude evocative or emotional writing. Indeed, in the correct balance, such writing adds to the quality of the autoethnography.

Visible and active researcher in the text

It is a central feature of autoethnography that the researcher is highly visible as a social actor within the text. Researchers should reveal themselves as “grappling with issues relevant to membership and participation in fluid rather than static social worlds” (Anderson, 2006: 384). The researcher is personally engaged within the social world under study and his/her thoughts, experiences, story, and feelings constitute vital data for analysis: “acknowledging and utilising subjective experience is an intrinsic part of the research” (p385).

In this thesis I place myself as the central character in the autoethnography. As revealed in chapter 4, the ‘plot’ commences in earnest with the discovery of significant faults in motor vehicles shipped to major export markets in the Middle East during 1997. This caused a major embarrassment for the company, revealing the necessity for strategic renewal through cultural change across the organisation. The formation of the Change Leaders’ Program was a critical element in the renewal process, and my role as a member and ultimately manager of this program was a crucial factor in the commencement of the action learning process at Toyota Australia. With significant support from others I have been the main facilitator and champion of this process.

Dialogue with informants beyond the self

Although analytic autoethnography is grounded in self-experience it must also reach beyond it. It calls for an inter-relationship and dialogue between the researcher, data, and others to inform and change social knowledge.

In this thesis I reach beyond myself to reveal my interaction with others. Of particular importance has been my relationships with senior managers, action learning team members, shop stewards, and influential others such as shop floor champions. The enormity of the role that commenced during the late 1990s could not have been attempted alone. It was vital that I acted as mentor to others within the organisation as well as continually lobbying for support from senior managers. To show these inter-relationships I have relied not only upon my own personal reflection, memory, or

viewpoint but also presented the views and discourse of others throughout the thesis resulting from interactions, observations, conversations, emails, documents, and written reflections from others. This attempt to use data from other sources has, in turn, influenced my own interpretation of events. In so doing I am aware of the professional ethics involved in writing and distributing an autoethnography. Since others are implicated in my text they are entitled to the usual norms of informed consent, right to privacy, and protection from harm. Within workplace-based autoethnographies, because my identity is already disclosed in the text, it may be argued that the identity of others could be gauged through their association with me in the organisation. Complete confidentiality is therefore difficult if not impossible. With this reality in mind, Chang (2008: 69) states that if all the usual devices for ethical protection have been exhausted then “you simply have to use the real identities of others with their consent”. In this thesis, however, I do not name others and have taken steps to protect the identity of all individual parties. Sometimes this has implied that I have had to make small changes to relevant details and/or context to provide this protection. This has not affected the integrity of the analysis. By so doing I meet Chang’s criterion that “although perfect protection of privacy is not always possible, you should model an honest and conscious effort to adhere to the ethical code of research” (2006: 69).

Commitment to an analytic agenda and theoretical analysis

The defining characteristic of analytic autoethnography is “to use empirical data to gain insight into some broader set of social phenomena than those provided by the data themselves” (Anderson, 2006: 386). It has a data-transcending goal directed towards addressing general theoretical issues, such as the development, refinement, elaboration, extension, and revision of theoretical understanding. In other words analytic autoethnography possesses a value-adding quality. It is not enough simply to document personal experience, truthfully describe the defined social world, provide an insider’s perspective, or evoke reader sympathy. The analytic autoethnography must provide broader generalisation.

In this thesis I use my autoethnographic experience as data to refine and elaborate the 4i model of organizational learning as originally expounded by Crossan, Lane, and

White (1999). As discussed in chapter 2, this model is particularly apposite because it was originally developed within the context of analysing how organisational learning can be employed as a means of achieving strategic renewal within an organisation. The authors conceived the model as being embryonic in form and specifically invited other researchers to refine and expand the model. I have taken up this challenge. The thesis can claim to be significant in the sense that it uses longitudinal autoethnographic data from a specific international company in need of strategic renewal to deepen the insights pertaining to the 4i model. This connection with the 4i model was not planned from the outset of the thesis. I commenced the thesis with only a broad topic of interest, namely the role of action learning in organisational learning. As the data was expanded and the analysis commenced I became aware that my initial theorising was mirroring the stages of the intuition-interpretation-integration-institutionalisation model of Crossan et al (1999). My discovery of this literature acted as a 'eureka' moment when I clearly realised that my study was capable of making a contribution to the literature by taking up the challenge set forward by the authors to deepen and refine the 4i model.

Chapter 4

The ALT Journey

(i) The Early Days

This is the first of two chapters which trace the development of the action learning team (ALT) process at the Toyota Motor Corporation of Australia (TMCA). I chart the beginning of the process, from my earliest days in employment at TMCA until the commencement of what I regard as the building of the strategic ALT architecture. In this chapter I recount the formation of the Change Leaders' team and the subsequent establishment of several individual ALTs across various units of the organisation.

Beginning the ALT journey

I was born in Guangdong, China in 1964 and all my education including my first degree was undertaken there. I was always a very dedicated student, continually in the top three from primary school through to high school. At university I studied biology at the Southern China University, and then spent four years in my first job teaching biology in a college (now named Shaoguang University, Guangdong). This was a period when many of my friends and peers were travelling abroad to obtain overseas qualifications and I was not immune from this trend. Also most of my mother's family members resided in USA, Canada, and Jamaica. My mother was born in Jamaica into a fairly wealthy family. Her father possessed coffee farms in Jamaica and department stores in USA and Canada, as well as marrying three wives. When my mother was five years old she departed to Hong Kong to accompany her grandmother who owned a five-storey building. My mother was a top-class student at the Peninsula school where she became involved in Communist Party activities. In 1949 she left for China to pursue her ideology when Chairman Mao established the Republic of China. The story of my mother and her family fascinated me and influenced my desire to travel and explore a wider world. From my high school days I harboured the passion of going overseas for further study. Australia became my destination because some of my friends were already there and the country possessed a good reputation in biological sciences. When I told my parents about my decision to go to Australia they could not understand and did not agree with me. I was doing very well at college and senior management was planning to send me to Beijing Normal University for three

years to complete a Masters degree on full pay. By the age of 24 I was regarded as a person of high potential and targeted as a Vice-Dean candidate. I felt that I was envied by many of my peers. However, despite all the arrangements made by my college for my career development, and the privileged conditions created by my parents, no one could convince me to let go of my dream of travelling overseas. I was very determined. My decision broke my parents' hearts and they tried everything they could to persuade me to stay, but failed. I can still remember all the lengthy discussions between us, and their tears when I said goodbye. In some way I believe that I had inherited some of my mother's characteristics – go for the dream with determination and courage to take risks.

I arrived in Melbourne on Boxing Day 1988. At that time everything was new and unknown. I did not have any definite long-term plans to stay in Australia. My adventure was more about exploration. I spent the first nine months attending an English language course and working part-time in a restaurant to support myself. My objective was to finance myself to study for a Masters degree in biology, the fees for which amounted to AUS\$15,000. I decided to try to find an afternoon-shift job which would enable me to earn sufficient income and yet still attend day-time English classes. In October 1989 I commenced work with Toyota as a machinist on the afternoon shift in the seat and trim area, making seat covers. At that time Toyota was hiring a lot of people but I had no factory experience. Basically, I did not know anything about motor vehicle manufacturing. When I was asked what kind of job I preferred I replied "*spot welding*". I had no idea what spot welding was. Instead I was told by the recruitment officer to "*go with this lady*" who took me to the sewing area where I commenced work. Of course she realised that I had no hope of holding a welding gun with my physical stature. My plan was that after a couple of years at Toyota and attending part-time English classes and biology courses, I would possess the necessary finances and language skills required to enrol in a Masters degree in biology.

During this period I paid close attention to the marketplace for job vacancies in biology. Eventually I began to realise that studying biology did not provide a very good career opportunity. The number of available job vacancies was limited. Accordingly, I continued to work on the shop floor in Toyota at night whilst attending

school during the day. Soon I was approached by the trade union to become the shop steward for the afternoon shift workers. I turned down the offer. I did not want the challenge and was not interested. However, the union persisted. I was approached a second time and told that the workers saw me as an educated person who was a good communicator and they wanted me to represent them. When the issue was put to me in these terms I felt that I could not let them down. I took on the role. This respect from the workers and the union hierarchy inspired me. In retrospect I realise that this was where I started to develop my leadership skills. I was extremely fortunate at this time to fall under the influence of one of the most significant mentors in my life, who eventually died in 2000 from a heart attack. He was an older man who I met whilst working in the restaurant and who I eventually came to call my uncle. He told me *“Lucy you have leadership potential, which this role will give you the opportunity to demonstrate. All you need to do is expose your talent”*. He inspired me and helped me regard the role as an opportunity. I learned so much from this person, especially the importance of listening and how to deal with uncertainty. I realised that a good mentor can offer priceless wisdom.

Whilst performing the role of shop steward I was also promoted to team leader in the sewing area in 1992. Balancing these two roles was not easy due to the conflict of interests between team members and management. But by performing these dual roles I began to develop my communication, negotiation, and work organisation skills. These experiences and skills proved invaluable in enabling me to secure an appointment in 1994 as a training officer in the Human Resources Division.

After working in that role for two years I applied for the position of supervisor in the manufacturing division. During the interview came the inevitable question *“you have got a good job in HR, why would you want to go back to manufacturing?”* My answer was immediate. Manufacturing was my root. I wanted to pursue a career involving leadership in manufacturing. This career ambition was inspired by a book I read around this period authored by Leonie Still, an Australian female academic, entitled *‘Where to from here: the managerial woman in transition’* (Still, 1993). It encouraged me to develop a long-term vision for myself to become the first female manager in manufacturing in Toyota Australia. So I made a big step forward and went back to the

sewing area in 1996 as a supervisor. There I was responsible for more than forty employees.

The combination of my shop-floor knowledge, relationship with the union, and my HR experience worked to my advantage. In 1997 I was selected to be a facilitator for a supervisory development programme. The context of this development was provided by the potential loss of major export contracts with customers in the Middle East due to quality problems within the manufacturing division. A cultural change programme was initiated aimed at ‘levelling-up’ the people-management skills of supervisors. A large investment was placed into supervisory development. I was one of six supervisors chosen to act as a facilitator. The company selected an international consulting firm DDI, which had expertise in HR, to work with us. This consultancy had an excellent suite of training and development programmes, including the Interaction Management Skills training course for supervisors, which we adopted. This programme had a profound effect on my interaction style. I found it to be one of the best programmes that I have ever experienced, very simple, practical, and process-driven. This period took me through a deep learning curve as I needed to provide training and coaching to supervisors who were a lot more senior than me.

When this project was completed I returned to the trim fabrication department in 1998. However, my manager had a surprise for me. He did not want me to continue in my role of “*just being a supervisor for the group*”. He had a far more challenging ‘kaizen’ project for me in mind. The objective of this project was to achieve a significant improvement in our performance in the trim and seat department. This entailed becoming more efficient through the removal of waste, to be achieved by implementing the TPS (Toyota Production System) ‘properly’. As the leader of this project I was responsible for improving the efficiency of the production line layout, space utilisation, process re-engineering, and parts flow. This was a constant change process encompassing several layers of staff involvement: shopfloor team members, team leaders, supervisors, management, Japanese support personnel, and internal and external trade union representatives. This was not easy, particularly in a fully unionised environment, where efficiency was running at the very low rate of about 68%. However, during the eighteen month period that I spent as leader of this project approximately \$1M in cost savings per annum was achieved through efficiency

improvement (process reduction) and space utilisation. This project allowed me to gain valuable experience of how to achieve ownership during a period of change.

Change Leaders' Team

Because of my developing interest in leadership I had by this stage decided to enrol in the Master of Management programme at Swinburne University. This academic exposure greatly influenced me in my next role in the Change Leaders' programme. Due to my success and greater exposure resulting from the kaizen project, I was one of only six supervisors (and the only female) to be selected as the Change Leaders. This was an investment made by the company to try to change the culture of the organisation. The programme commenced in February 2000 after two years of planning. In TMCA in 2000 the percentage of supervisors who were female was only 1.5 per cent. I was the only female in the Change Leaders' team, and I only possessed four years supervisory experience. Most of the other Change Leaders possessed between ten and fifteen years supervisory experience. During the first few months I did not feel that I was very well accepted. My perception was that in their eyes I was just a junior female supervisor. They appeared to be treating me just like a little woman. I was quiet and they did not pay much attention to me. However, within six months I was recognised as their informal leader and after twelve months I was promoted to be the manager of the programme with the title of Manager of Organisational Culture. This was the first time that the company had promoted a supervisor directly to become a manager, missing out the three intervening levels of group leader, general foreperson, and senior general foreperson.

Once the Change Leaders' team was formed I found it interesting that senior management did not provide us with any direction and could not articulate where to start in terms of changing the culture of the organisation. There existed no clear timeframe to indicate how long the programme would operate for. There was a possibility that after twelve months we would be sent back to the shop floor. Senior management merely sent us on a number of training programmes. We became bored and my frustration started to build. However, this hiatus provided the Change Leaders' team with a good opportunity to chart its own direction. I started to think that maybe I could initiate something and practice leadership without formal

authority. The fact that I was simultaneously studying for my Masters degree worked to my advantage. This academic exposure provided me with valuable theoretical insights and reflective thinking skills which helped me to conceptualise my previous practical experience in change management and provide me with an enhanced ability to formulate frameworks and processes for introducing change. Within a few months I started to provide a framework for the team. I also wrote an analysis of the TMCA culture. I sensed that the team started to afford me more respect and my confidence rose accordingly, to the stage whereby after about six months I began to consider myself the natural leader of the team.

Action learning became one of the central planks of the Change Leaders' programme and the subsequent report. I had become aware of the concept of action learning as an integral part of adult education and learning during my period as a training officer in HR. I was able to conceptualise how the action learning process could act as the central model for driving cultural change within the company. At the end of 2000 I had to write a workplace-based assignment for my academic study and the idea formed in my mind that I should write a reflection of the Change Leaders' programme at TMCA. I saw this as an innovative approach for driving cultural change within organisations from the middle (supervisory) level. I was chosen as the best student for this subject and received an award from the university. So I was fortunate that I was able to synergise my conceptual and theoretical university education with the practical aspects of my company role at that time. The two dovetailed well together and informed each other. I became excited by the ability to formulate and apply a model that could emerge from the mixture of practical 'doing' and conceptual 'theorising'. This excitement inspired my further progression into PhD research.

Fortuitously the Japanese President had commenced his four-year tenure in Australia in January 2000. He took an interest in the Change Leaders' programme, and after my reflection appeared in November he requested that the team give him a presentation. It was perfect timing. The consequence was that the President gave us absolute support and encouragement. In a personal remark to myself he commented "*your team is better than my [senior management] team*". I was inspired. Shortly afterwards we produced the final report of the Change Leaders' programme that was actually written by me. One of the recommendations was to continue with the programme utilising a

rotation of membership concept in order to expose other supervisors to the experience. In December 2000 I received promotion to the position of Manager of the Change Leaders' programme. I felt proud to be the first female manager within the manufacturing operation at TMCA.

Port Melbourne ALT

In May 2001 I was approached by one of the company's senior managers Alfie [pseudonym]. This was a time of uncertainty and mistrust in the Port Melbourne plant of TMCA which acted as the company's component manufacturing facility. The outsourcing of three cleaners' jobs had resulted in a five-day period of industrial action, severely damaging the relationship between management and shop floor employees. Alfie approached me to ask "*Lucy, we need to do something at Port Melbourne, how can you help?*" I considered this request as both recognition of my ability and the setting of a challenge – a complex issue that I had never experienced before. I thought that the only way to recover the relationship was by improving communication between management and shop floor employees in order to form the base for sustained healthy interaction. I felt we should try the action learning model developed through the Change Leaders' programme as this had proved effective in creating a common sense of purpose, building a team, and resolving problems. My plan was to form an ALT composed of managers and employee representatives from the internal union. I shared my thoughts with Alfie and he supported my idea.

The following week I arranged a lunch time meeting with Samson [pseudonym], one of the prominent shop stewards in the Port Melbourne plant. Alfie also attended. This was intended as an informal meeting aimed at breaking the ice. We discussed with Samson our plan to form an ALT, and how he could assist us in improving the communication between management and employees. As a result of this meeting Samson agreed to try the process. We suggested that he should nominate four people (two shop stewards and two team members) from the employee side, and we would nominate four managers from all levels, who would collectively form the membership of the team. However, two weeks later when we convened the first meeting we were confronted with a surprise. Samson was sat there with four shop stewards but no team members. After the meeting I approached him and asked "*Samson, what happened,*

why did you change your mind, why did you only bring shop stewards and no team members?" He explained that he had discussed our plan with his fellow shop stewards, but when they heard that four managers would be attending they insisted that all four employee representatives should be shop stewards in order to ensure equal power representation. Obviously this numbers game was a strong indication of the extent of mistrust. In response I felt that we should not spend time on arguments about the membership of the team. Our focus should be on building trust, so we accepted their nominations.

To ensure sufficient interaction the ALT met for one hour each week. The first few meetings were devoted to establishing common objectives, such as what we wanted to achieve as a team, and setting team rules to frame how we should interact and work together. Once this step had been completed we commenced stage 1 of the action learning process, namely 'identify the gaps'. By common consent the team identified the topic of 'communication' as the most pressing issue impacting on employees and the company. The team designed a survey instrument designed as a 'problem identification tool' aimed at eliciting employee feedback about the state of communication practices and outcomes within the plant and suggestions for how these could be improved. The survey was sent to the 600 Port Melbourne employees and 350 responded (58 per cent). The team collated and analysed the survey results, identified the communication gaps, and generated and implemented action plans. Box 4.1 shows the major communication gaps discovered by the ALT.

BOX 4.1
Communication Gaps and Issues

- Little communication and interaction between management, supervisors, and shopfloor employees
- Employees feel that managers come to see them only when there is a problem
- Employees pick up a lot of information through the rumour mill
- Business plan and situation not being shared and understood by employees
- The weekly communication between supervisors and shopfloor employees is one-way and lacks interaction
- Some employees do not have the confidence to raise issues in meetings or with supervisors and managers
- Communication and interaction skills of some supervisors are inadequate

This process occupied approximately six months and for me constituted a difficult but rewarding learning experience. I felt the pressure on me. The early meetings in

particular were conducted in an atmosphere of mistrust with the union shop stewards. On the management side I experienced impatience on the part of some managers who appeared merely to be seeking a quick fix and expected immediate results and swift changes. Comments from some senior managers included “*not much is happening*”, “*things are moving too slowly*”, and “*the action learning team is not working*”. This was a period when I was acting as a facilitator to the team by focusing on building relationships and the internal dynamics within the team. This is a slow process that demands persistence through the investment of time and effort. It was frustrating for me that some senior managers needed convincing about the veracity of the team’s progress. However, assistance in this direction was provided not only by Alfie but also by another senior manager John [pseudonym] who both attended some of the later meetings to offer encouragement and congratulations when important actions were implemented.

The involvement of this team in improving communication and facilitating change was demonstrated in early 2002 when a business restructuring proposal was initiated that involved outsourcing 330 jobs at the Port Melbourne plant by December 2003. Senior management sought to share this issue with the ALT. The team was asked for its help to gain understanding and acceptance from the union and employees, and to develop a communication strategy and process for the announcement. In April 2002, John announced the outsourcing proposal to all employees. He also subsequently conducted four more plant meetings on the subject. The company offered the affected employees either a redundancy package or a job in the company’s other plant. The ALT devised and implemented the systems and processes for effecting the change. Following the announcement, the team gathered 250 questions and other concerns from employees and provided answers to these as a team. Every week the team meeting summary was distributed to all employees. Accordingly, the objective of achieving the outsourcing of the 330 jobs was achieved in the required time period. The crucial differences between the two outsourcing events are shown in table 4.1.

Table 4.1

Contrasting Processes and Outcomes of Two Outsourcing Events

May 2001: Outsourcing 3 jobs	December 2003: Outsourcing 330 jobs
<ul style="list-style-type: none"> • Management kept thing secret and no communication process in place. • Employees found out about the outsourcing by the rumour mill. • Shop stewards were not consulted and worked against management. • External union took control of the situation. • 5-day strike. 	<ul style="list-style-type: none"> • 20 months notice given to impacted employees. • Director announced the business change plan to all. • Shop stewards worked together with management. • Shop stewards gained co-operation from the union. • No strike.

Co-timeously with this development, the Change Leaders’ team was continuing its journey. For the purpose of maintaining the culture of this team, and developing more supervisors, a rotational membership process was pursued, one in and one out, every 3-4 months. A buddy system was also adopted between new and experienced members, aimed at building a bridge between different generations of the Change Leaders, so that the vision, team values, and activities are shared.

Operations Management and Control ALT

Building on the foundation of the Change Leaders’ team and the Port Melbourne ALT another ALT was formed in August 2001 under the leadership of another senior manager, Frank [pseudonym]. The purpose of the Operations Management and Control (OMC) ALT was to improve cross-divisional communication and build alignment to achieve continuous improvement in KPIs (key performance indicators) through increased employee participation and learning. The ALT was composed of managers located in different functional areas with responsibility for the following KPIs – occupational health and safety, quality control, environmental management systems, and 4S+1 (a Japanese term for workplace cleanliness, tidiness, and discipline). Every month the leadership of the OMC ALT was rotated. This process helped to remove some of the divisional barriers, and some managers in the team started to spread the ALT concept and team rules in their own departmental meetings.

Weld Shop ALT

These early ALT successes started to attract the attention of other areas in TMCA. During 2001 the company started to generate a strong focus on employee satisfaction. The lowest score on the Employee Satisfaction Index (ESI) was held by the Weld Shop, which traditionally had suffered from the harshest working environment and an employee turnover rate of 10 per cent. In October 2001 I was approached by an advocate of the Change Leaders in the Weld Shop, Nigel [pseudonym], who requested my assistance in establishing the ALT process in his Shop. I readily agreed as I saw this as a great opportunity to further test the veracity of the ALT system. If the system could be shown to achieve effective results in the harsh working environment of the Weld Shop then there was no reason why it could not work in all the other areas. This could be a valuable step in the spreading of the ALT 'seeds'. At this stage I started to have a vision of turning the ALT process into a key vehicle for engaging people and changing the organisational culture.

The Weld Shop ALT was formed in November 2001. The ten-strong team consisted of managers, supervisors, team leaders, team members, and shop stewards from both the day and afternoon shifts, with the specific aim of addressing issues adversely impacting on employee satisfaction. At the first meeting I invited Samson and several other members from the Port Melbourne ALT to share their thoughts about the nature of the team forming process, open communication, interaction, and employee involvement. The Weld Shop ALT also adopted these issues as their main focus. The team established their own ESI ALT communication board on which it displayed its various activities as well as team members' photographs, a strong indicator of identity. The following year the Weld Shop ESI increased by 10 per cent to become the second highest score achieved in manufacturing.

Assembly ALT

The message started to spread. In February 2002 the Assembly area decided to go down the same route as the Weld Shop in relation to the employee satisfaction index. As before, the initiative was pioneered by an advocate of the Change Leaders in Assembly. The ESI Assembly ALT had a similar aim and membership as the Weld

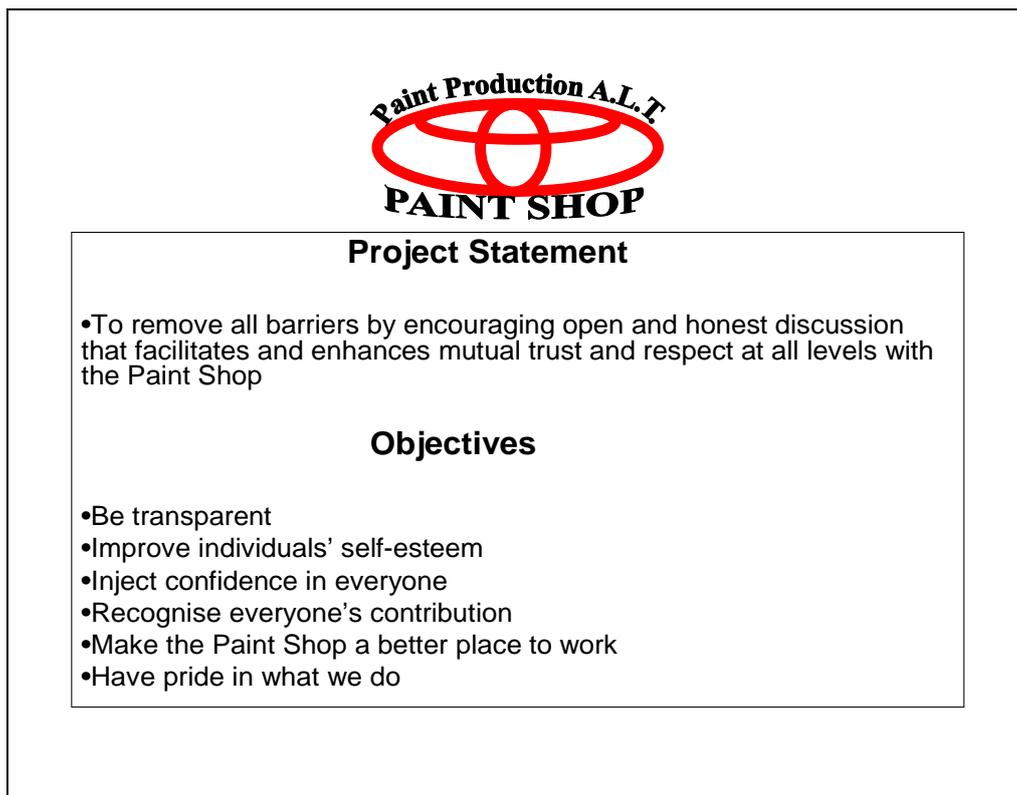
Shop. This time the team was also addressed and supported by both the Port Melbourne ALT members and the Weld Shop ALT members. The team developed its own folder for each member with team goals, team rules, activities, and photographs. Once again the ESI score for Assembly showed a strong improvement.

Paint Shop ALT

From 2002 onwards, ALTs started to mushroom across Manufacturing. Every 2-3 months on average a new ALT would be established in different departments, using a similar formula but with different purposes depending on individual circumstances. For example, the Paint Shop Production ALT had the following project statement and objectives as shown in figure 4.1.

Figure 4.1

Paint Shop Production ALT: Project Statement and Objectives



It is noticeable that the emphasis in these statements revolves around the promotion of so-called 'soft skills' through such concepts as emotions, culture building, interactions and relationships, and individual and team behaviours and actions. Employee

involvement and participation is heavily stressed as indicated by the type of discourse adopted in the first bulletin distributed by the ALT as shown in Box 4.2

BOX 4.2

Extract from first Paint Shop ALT Bulletin: 2002

Welcome to the first Paint Shop Production ALT bulletin

In the coming weeks your ALT through this bulletin will keep all shop floor members informed as to what progress has been made to concerns that you have raised.

In order for us to do this we will be asking you for your feedback via an employee survey at next Wednesday's Communication Meeting. You will have one week to complete the survey.

Your ALT members would really like all employees to consider the main concerns you have on the shop floor. This will give us a base from which action can be taken.

Team Leaders' ALT

A further application of the ALT concept was developed in May 2002 when a group of production Team Leaders approached Alfie with personal concerns about their increased levels of responsibility and associated rates of remuneration. I was requested by Alfie, with the support of the Change Leader's team, to establish a Team Leaders' ALT to analyse their problems and implement solutions. This team was established with a 7-strong membership comprised of one Team Leader per department. The ALT developed a new job description for Team Leaders and implemented the Frontline Management Certificate (an Australian qualification programme) to 400 Team Leaders. This was an important outcome in the sense that the Team Leaders were involved in their own role development and selection of a qualification programme. However, the process was far from simple. Conflicts of interest were exposed between Managers and Team Leaders. However, the process was extremely useful in developing the cognitive paradigms of Team Leaders to accommodate a balance between personal and business needs. Several of these Team Leaders were later promoted to Supervisors.

Chapter 5

The ALT Journey

(ii) Building the Strategic Architecture

This chapter builds upon the foundation of ‘the early days’ presented in chapter 4 by charting the ALT journey from the commencement of the building of the strategic architecture in TMCA. The notion of ‘strategic architecture’ refers to a deliberate attempt to build a network of ALTs that could be progressively linked together both horizontally and vertically in order to create a web of teams to facilitate organisational learning. This chapter is presented in three sections: first, building the ALT architecture in the Maintenance Division; second, building the ALT architecture in the Production Engineering Division; third, building networks to link these two separate Divisions through the mechanism of ALT conventions.

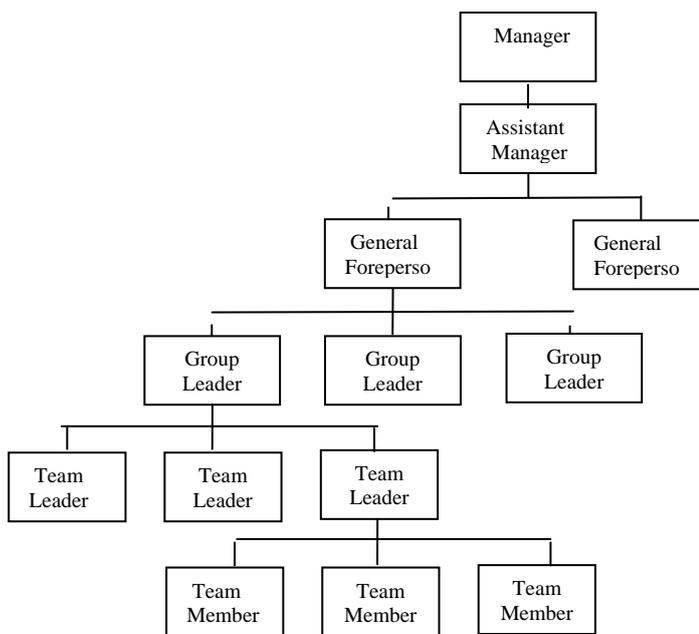
(1) BUILDING THE ALT ARCHITECTURE IN MAINTENANCE

Within the Manufacturing operation, Maintenance is an extremely important function. To maintain the efficiency of the production process, all equipment must be kept in good condition to avoid malfunction. Any breakdown or stoppage results in additional cost to the business due to the loss of production, idle time (labour), spare parts for repair, and other related expenses. Hence, the capability and responsiveness of the Maintenance crew is paramount to the efficiency of the organisation when operating under the just-in-time system. Therefore, building a united and high performance Maintenance workforce is essential.

In 2005, approximately 300 employees were employed in Maintenance, allocated in six ‘shops’. The structure in each shop consisted of six levels: Maintenance Manager, Assistant Manager, General Foreperson (GF), Group Leader (GL), Team Leader (TL), and Team Member. As shown in figure 5.1 it was a very hierarchical structure. In every layer two to three members reported to the next level of supervision. This span of control is less than is the case with production employees due to the technical expertise involved, especially at the lower level.

The average age of the workforce is 45 with an average length of service of 15 years. Whilst experience associated with age and years of service is an advantage, it also contains certain disadvantages. For instance, the speed of learning is slower than the rate of technological advancement within the ageing group. Over the years much maintenance work has changed from mechanical to electronic requiring a change to multi-skilling in order to perform flexible functions. Additionally, work habits and practices developed over a long period of time are often harder to change and complacency can be generated through the attitude of “*I have done it all before*”. These issues form part of a set of restraining forces hindering organisational change and development.

Figure 5.1
Hierarchical Structure in Maintenance



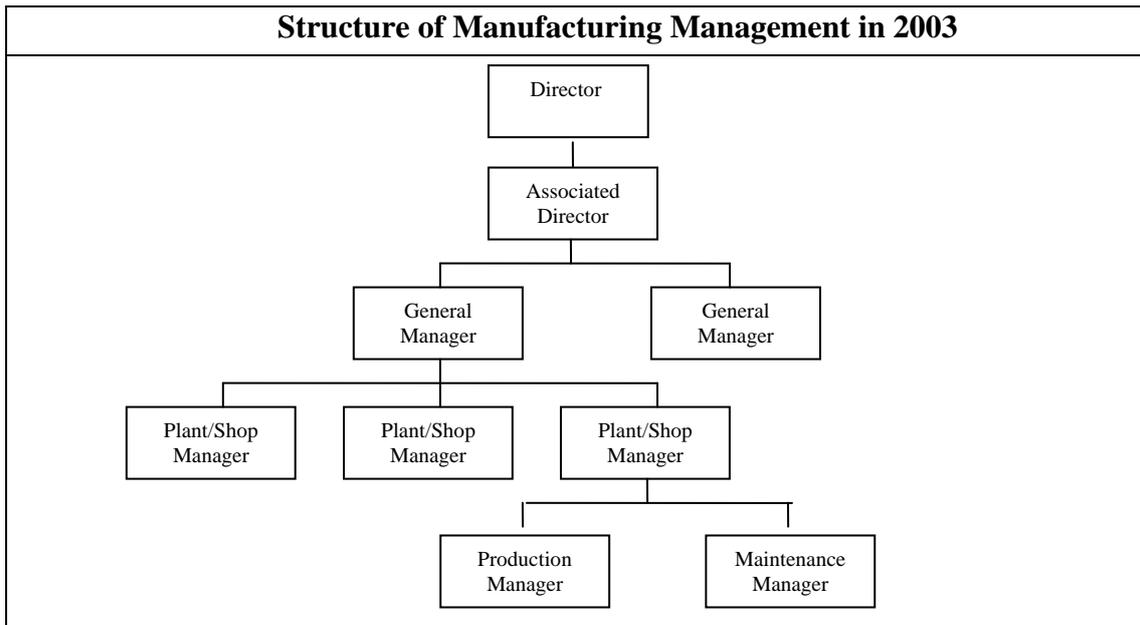
During the 1980s and 1990s, TMCA senior management put much effort into transforming the Maintenance culture through restructuring (from centralisation to decentralisation), rationalisation, and several reform projects. For example, a project of ‘Maintenance Integration’ was initiated in 1996 with the intent of removing demarcation between different trades and professions. However, all these attempts achieved little impact or success. From a management point of view Maintenance continued to be the most problematic area within the whole company. For example,

the general perception was that in response to the smallest issue, the union or the senior employee representatives would call a mass meeting and instruct the Maintenance staff to go home. Plant operations had to stop on many occasions due to disruptions and disputes emanating from Maintenance which added much additional cost to the business. The widely held view was that Maintenance employed the tactic of threatening strike action in order to get what they wanted. The relationship between management and employee representatives was fragile and volatile. The perception amongst the middle management, GFs, and GLs was that the union had more power than them because senior management was too willing to compromise in order to avoid a strike or lose production. The informal network and grapevine between the employee representatives and shopfloor employees was strong. Rumours and information could travel extremely fast sometimes generating confusion and misunderstanding. This made managers and supervisors feel powerless because their channels of communication and networking are slower and weaker.

Early in 2003, John reinforced the importance and urgency of pursuing Maintenance reform again. Figure 5.2 shows the structure of manufacturing management as it was in 2003. Maintenance reform had been the top priority of several new senior managers since 1995. They believed that if the culture and capability of Maintenance did not improve, the business would suffer seriously. In April 2003, Alfie invited me to a meeting to discuss the need to transform a group of frustrated and cynical Maintenance GFs (total 6) into a leadership team. This request presented a real challenge to me. Because of my previous success with ALTs I suggested that using the action learning process may be the way forward. Alfie agreed. My thinking was that we needed to try a different approach to Maintenance reform than had been employed in the past. GFs play a critical role in managing the operation. For about a decade, senior management had tried many approaches with the GF group with the intention of building teamwork amongst them, but had not been successful. In the eyes of many managers, they represented a negative and incompetent level of supervision. Managers did not regard them as allies, but rather considered them as a part of the problem. To prepare for the formation of the GF ALT, Alfie referred two people to me to act as 'champions': Evan and Paul [pseudonyms]. Evan was a senior maintenance manager and was allocated the role of championing the Maintenance reform. Paul was an influential GF in Maintenance. These two were nominated by

Alfie to build the GF team. At the same time, John appointed Charles [pseudonym], a senior manager in manufacturing, to be the sponsor for the overall Maintenance reform program. I recognised the important role of these three. Paul on his own, without Evan’s support, could not be effective. Evan without Charles’ sponsorship could not be impactful. It was critical for me to build a partnership with them.

Figure 5.2



In order to meet this reform challenge, the first thing I focused on was diagnosing the problems and obtaining more insights into the Maintenance culture. By talking to a range of people across hierarchical levels, from team members up to directors, and managers (including several retired managers who were involved in the previous Maintenance reform activities) I was able to confirm the following fundamental issues within the Maintenance culture:

(i): Management working in isolation

Six ‘shops’ comprise the Manufacturing operation - Press, Weld, Paint, Assembly, Powertrain, and Unit Assembly. Each shop manager has two managers reporting to him directly: production manager and maintenance manager. Within each shop, there existed endemic conflict and tension between production and maintenance. Between the shops, maintenance managers had little communication and worked as silos. Over time, the practices in each shop had begun to deviate from company policies and

standards. In some cases, different shops simply created their own policies and rules without sharing and considering the implication of their decisions. When inconsistency was found by the trade union, they used this as a weapon to manipulate management and often won the argument even in the Australian Industrial Relations Commission. When a manager lost his battle, he would accuse the other shop's maintenance manager in relation to the precedence created. These arguments between shops damaged the relationship and generated barriers in the communication process. It was a vicious cycle.

(ii): Mistrust between levels

Within the hierarchical structure, little trust or teamwork has traditionally been exhibited between levels. Higher levels blame lower levels for being incompetent. Lower levels blame higher levels for inaction and not showing leadership. It was interesting to hear that managers would say: *“we don't get support from our GF and GLs, they are not doing their job properly.”* In turn, the GF and GLs would counter with: *“our managers are doing nothing. We should get rid of them. We are the meat in the sandwich, not receiving support from above or below. The TMs don't care much about the company.”* Additionally, TMs would say: *“we do the hard work, but nobody cares about us. We don't need GLs and managers here, they are the watch dogs.”*

(iii) Mistrust between the company and the union

The trade union is one of the most powerful union organisations in Australia. The structure consists of external officials and internal employee representatives (total 9). The industry has struggled with the union for decades due to their militant approach. Within TMCA, the employee representatives, in particular the two senior representatives, have traditionally been perceived by management as being very aggressive, disruptive, and the cause of much industrial action. Senior management is frustrated about their attitude and approach. The employee representatives believe that management cannot be trusted. Any changes proposed by the company are usually treated with suspicion.

These three issues working together have created an intractable situation within Maintenance. Trust and communication have been difficult to establish. Company attempts to try to get people working together have invariably been thwarted over the years. Frustration and cynicism ensued. Whenever managers, GFs and GLs became 'burned' after a failed change initiative, they became progressively more disillusioned and despondent. Because Maintenance skills are in short supply nationally, this power imbalance between management and employees in the event of a dispute was invariably resolved in favour of the employees, inevitably as a result of management backing down to avoid work stoppages in the face of a militant trade union. The company was continually trying to present industrial relations harmony to the parent company in Japan in order to convince it to continue its investment in Australia. So under this kind of pressure there developed a perpetual process of management compromising and 'backing off'. Numerous examples developed of inconsistent practices originating in different shops. These inconsistencies were picked up by employee representatives and used as bargaining counters to obtain concessions across all shops. Supervisors and managers often complained that they spent most of their time on IR-related issues, and received little support from senior management due to the latter's policy of appeasement.

In my perception, therefore, one of the most important intervention strategies was to bring people together - to stop them doing things on their own, or trying to fix problems in isolation. Such actions merely caused more problems for others. Supervisors and managers needed to act as a team, possessing a stronger and more united approach towards helping each other. It was within this context that the concept of ALTs was devised. That was the starting point.

Building the GF ALT

Soon after my meeting with Alfie, I invited Evan and Paul to my office to prepare them for the formation of the ALT. I had never worked with these two people before and the first task for me was to get to know them and try to develop a positive relationship. In the first meeting, my approach was not to impose the ALT concept. Rather, I explained the process of ALTs and gave them some successful examples. However, I could see that they were far from interested. From their body language in

the meeting I knew they were not convinced that an ALT would work. They listened, but did not say much. I could feel the distance between me and them. The implicit message they sent to me was: “*we have tried many things before. Nothing has ever lasted for long. Why would this time be any different?*” They regarded this latest attempt as just another fad. In fact, they regarded it as a joking matter, an element of sardonic humour – after two months everybody would have forgotten about ALTs.

So our first meeting was far from auspicious. So was our second meeting about one month later. No commitment was provided. These outcomes indicated that I needed to do more work on them in order to get their buy-in. My concern was that if the leaders of the ALT are not committed, the activity would not have any chance of success. However, at our fourth meeting in July 2003 we formally formed the GF ALT. Paul was the leader. Evan was the management support. I was the facilitator. Although they still had some doubts, I felt assured that their commitment to try something new and their confidence in me was at a ‘readiness’ level. I believed I could get the level of support and partnership I needed from them. Two years later Paul wrote a reflection of the GF ALT process, confirming that initially he had very little belief in the ALT concept.

The team formation process experienced a slow start. The GFs harboured negative experiences from past reform efforts. They had tried weekly meetings with lunch provided, weekly off-site gatherings, and several other forms of team-building activities. None of these had produced a sense of unity or sustainable outcomes. Any changes they tried to implement had always met resistance from the team members and employee representatives. They felt frustrated because the harder they pushed, the harder the system appeared to push back. They perceived they were the meat in the sandwich when dealing with pressure coming from above (demanding results) and stress coming from the bottom (resisting change). Over time, they cultivated their emotions and cynicism. They blamed management for not giving them enough support when being challenged by the trade union, as their decisions were often over-ridden from higher levels for the sake of avoiding industrial confrontation. This disillusionment among the GFs caused some mental blockages towards any newly proposed reform initiatives. When Evan and Paul approached them with the ALT concept, the general reaction was: “*oh, not again!*”

Through the encouragement of Evan and Paul, the GFs eventually accepted the ALT concept, but with hesitation and doubts. The group agreed to meet for one hour every Wednesday. For the first couple of months the attendance at the meeting was a problem. People did not consider the ALT meeting to be a priority. Paul or I had to phone each one of them or remind them through an e-mail notice. Before the ALT meeting, I would discuss the agenda with Paul and Evan. After the meeting, I would phone them to do a debriefing. Gradually my perceptions of these two colleagues began to firm. I found them to be honest, committed, and humble people. They demonstrated a high level of loyalty toward the company and persistence in leading change. I felt we had a common sense of purpose and openness which enabled us to develop a strong partnership which was a critical ingredient in ensuring the progress of the ALT. I was impressed with the cohesion and trust between the three of us.

During the first few meetings held in June 2003, I had to do quite a lot of talking and work hard to get the interaction going. We started by setting objectives and team rules and developing a phone contact list. After a couple of months, the group picked up the initiative and got the dialogue going. They started to realise that they could relate to each other and the ALT meeting provided them with time and space to share ideas and to be listened to. I acknowledged to them that the meeting was not well structured or focused, but was not too worried about it. I believed it was necessary to go through this process in order to create a safe learning environment for free exchange of thoughts and feelings. I thought the journey was more important than the destination. The GFs enjoyed telling each other what had happened in their shop, for example, people issues, frustrations with the union, or machine breakdowns causing headaches. After a little while, this sharing resulted in building a thread offering help to each other as they realised that they were not on their own. The phone list was very useful.

The first turning point occurred about two months after the team was formed. A dispute in the paint shop was threatening a potential stoppage of production. The GF in the paint shop immediately contacted the other GFs to alert them about the situation. Instead of waiting for instructions from management, they organised an urgent GF meeting and put a contingency plan together to prevent the stoppage of production in the event that a strike took place. For the first time, the GFs considered

an issue from a whole of Manufacturing viewpoint instead of from a siloed shop perspective. This event had a significant impact on turning a group of individuals into a team. They experienced the power of networking, idea sharing, and taking proactive action together. The speed of communication between them also made them feel empowered. This time, they received information directly from their peers, and not from the shopfloor grapevine. Whilst the whole exercise was not rocket science, it was considered to be a breakthrough in the eyes of Alfie and the other senior managers. They had been hoping to see this co-operation for many years. Amongst the GFs, they realised that the structure and process provided by the ALT had built the connection amongst them. By working together, they realised their extra strength and effectiveness. This incident acted as a catalyst in the team formation stage. As the process continued, a stronger sense of belonging and open communication gradually developed. They felt safer to share their thoughts and feelings, and more comfortable to contact each other to ask for help when dealing with labour problems, or parts or operational issues. For example, “*Hey, I am short of one guy, do you have an electrician to help me out?*” or “*I am running out of part X, do you have it in your store?*” The GFs began to see the benefits of the ALT. A key indicator of this movement was that attendance at meetings became the norm. Paul no longer needed to chase them up.

As is often experienced in team formation processes, a stage of ‘storming’ followed closely on the heels of initial relationship building. Due to their trade background, I was keenly aware that their personal interaction skills were inadequate. Their comments were often extremely blunt. Such candid and direct communication could generate heated debates and tension. There were also some very strong personalities within the team, I found it difficult to maintain harmony among all the members. One day, there was a serious personality clash between two GFs in an activity outside of the team meeting. As a result, one of them decided to drop out of the ALT. This situation required immediate intervention otherwise the team was in danger of disintegration. I conducted several one-on-one meetings with the two GFs and tried to identify the area of misunderstanding and remove the emotion between them. At the same time, I also asked Paul and the other team members to talk to them. After this background work had been completed, I suggested to Paul that he conduct a team reflection on team rules in relation to how the team had behaved. This tactic was

carefully devised to encourage team working rather than targeting individuals for blame. It additionally served the purpose of creating a set of team rules that were agreed upon by all the members. This acted to enhance the level of emotional awareness and maturity of the group, serving as another important milestone in their development. One-on-one coaching and team reflections were the major tools employed to assist the group through the storming stage.

By August 2003 we felt that we could move beyond simply having a meeting and listening to each others' issues, important as this may be for relationship-building, and start to engage in some forward planning. In one of our meetings, we discussed learning and development issues relevant to the GFs. Paul emphasised that all the members were good tradesmen, and that this was the primary qualification in their promotion through the company. However, in order to become more effective leaders it was imperative that they learn more 'soft skills'. The group agreed to undergo interaction skills training under my facilitation. This provided an excellent opportunity for me to attempt to combine learning and planning together. Team reflections had previously concluded that the group needed to be more structured in their meetings and activities. They started to acknowledge that they had been operating thus far in a reactive manner and spending too much time on day-to-day fire-fighting issues. Planning had been marginalised. I realised this was an opportunity to move the team on from the storming stage.

To facilitate this I discussed the proposal of conducting a two-day off-site GF ALT workshop with Alfie and Charles in order to plan some of the more fundamental issues within Maintenance. They fully endorsed the idea. On 26th October 2003, the GF workshop kicked off in a convenient venue at a nearby motel. At 8.30 am, Alfie and Charles came and gave their opening speeches. As with many group processes it was interesting to see how the GFs came together in this workshop to solidify their own cohesiveness through an attack on 'outside others'. For example, typical statements included "*our managers are doing nothing*", "*our managers are hopeless*". Frustration, anger, and lack of trust typified the relationship between GFs and managers. It was imperative that we moved beyond this stage. I attempted to achieve this through my facilitation. The team created their vision and plans, and identified their skills gaps. I ran some training on interaction management skills and provided

them with some concepts and frameworks on leadership and prioritising issues and tasks. We stayed in the motel for the first night. That evening, we invited six shop managers to join the workshop. The team presented their day one outcomes to the managers. Dinner, drinks, and socialising continued until midnight. During day two, the team worked on their issues. After lunch John came in for half an hour to demonstrate his support. The team openly requested John to back them up when they were facing pressure from the union. John's talk was frank and down-to-earth and went some way to changing their perception toward him. In the past, they thought John did not have much faith in them and would compromise with the union due to the fear of losing production. It was at about 4.00pm before the close of the workshop and the team surprised me with a wonderful token of appreciation - a large bunch of flowers. I was very touched by their sincerity. We took a photo together, and the workshop ended in an extremely convivial atmosphere. This photo together with the team vision statement was subsequently placed in each ALT member's folder as a cover sheet. I regarded this workshop event as another significant milestone in the ALT developmental process. The following Monday, I provided senior management with a report on the workshop outcomes. Alfie said: "*It was really worth doing. We must do more of this kind of activity to bring people together. We do not need external consultants.*" For me this recognition provided me with the type of reward that I considered necessary to persist with the journey.

Following the success of the workshop, the team operated in a far more effective way. They started to locate their meetings in different shops on a monthly rotational basis. The activity plan that had been developed in the workshop made the meetings more focused and productive. After the team reviewed several policies and received the approval of senior management, they began to feel that they were really achieving something. By creating policies and guidelines, issues became a lot easier to manage, in the sense that it allowed GFs to make informed decisions. These achievements helped the team to believe that they were making an impact and influencing management in their decision making.

By the end of 2003, the effectiveness of the GF ALT stimulated my thinking of building a three-tier ALT structure in Maintenance. During one of my regular weekly meetings with Alfie, I discussed my plan to form a Managers' ALT early in 2004

followed by a GL ALT during the latter half of the year. Once these three levels of ALTs were established and active, a connection could be built between them. This vision was strongly supported by Alfie. Evan and Paul would once again provide assistance in this endeavour, with Alfie acting as an influential advocate.

In February 2004, another two-day off-site workshop was conducted. The same level of support was offered by senior management. The workshop provided the team with structured and purposeful reflection, planning, and consensus building. The fact that GFs had come together as a team highlighted their awareness of the lack of cohesiveness at the managerial level. GFs were saying “*we are a team, but you guys (managers) are hopeless, you are in silos, you should also form an ALT*”. That is how they started to sell the idea to higher levels that GF cohesiveness depended for its veracity on managerial cohesiveness. So the message started to come across. As building the three-tier ALT model was the direction for the next stage of the reform agenda, the workshop was aimed at gaining endorsement from all. This time, the facilitation of achieving consensus was relatively easy because the GF ALT’s performance had reached a measurably higher level, and they could see the gaps between them and the level above (managers) and the level below (GLs). They started to have a belief in the synergies that could flow from an integrated ALT process. In the workshop, they recognised the value of a Managers’ ALT in further breaking down endemic silos, and also the value of a GLs ALT so that the GFs could coach the GLs and contribute to the building of trust between these two levels. One of the key outcomes of the workshop was a revised 2004 annual plan with the goals of forming the Managers’ ALT in March and the GL ALT in August 2004.

From the facilitator’s perspective, each of the workshops had produced a significant impact on team bonding, planning, and learning from reflection and sharing. They were key milestones during the journey.

Building the Managers’ ALT

With the increased impact of the GF ALT, the maintenance managers started to observe the changes generated in GFs through the process. Also, the GFs were actively selling the benefits of being an ALT member to their respective managers

and lobbying them to form their own Managers' ALT. At the top level, Alfie and Charles demonstrated their physical commitment toward building the three-tier ALT infrastructure in Maintenance. Evan, Paul, and I also had many one-on-one discussions with the maintenance managers on separate occasions and in some of the meeting forums to set the climate for forming the Managers' ALT. However, even with all this preparation work, some managers still felt very cynical about this initiative due to the past negative experiences with the reform activities. Colloquially, they felt "*sick and tired*" with the resistance of the union – "*this place is run by the union*" - and did not feel that any major breakthrough could be achieved. From my point of view the only way that any progress could be achieved in establishing a Managers' ALT was by working with a small number of positive managers leading the process. At the end of 2003, Paul was promoted into a higher managerial role, still reporting to Evan. Vince [pseudonym], also moved into a managerial role in the paint shop. These three were the drivers of the managers' group (a total 7).

In March 2004, a two-day off-site Managers' ALT 'kick-off' activity was conducted. Alfie opened the workshop. His presentation had a strong focus on reinforcing the need for creating a 'breakthrough culture' and the challenges and threats faced by TMCA due to increasing competition coming from the global environment, including the other Toyota Affiliates, such as Toyota Thailand. His message was clear: "*we must lift our game in order to sustain our business*". And in this endeavour he articulated his expectation that the maintenance managers should be leading the change. Charles stayed for the whole morning to demonstrate his commitment toward sponsoring the Maintenance reform process. Whilst the managers were discussing the past reform efforts I could perceive that approximately half of them did not show much enthusiasm toward the workshop and the ALT concept. A few had been badly burned by past experiences and still had not recovered. They were putting a lot of blame on a number of factors: lack of vision, inadequate support from senior management, the power and manipulation of the union, and poor leadership displayed by GFs and GLs. I feared that several appeared to have given up and did not have the drive to try new methods. Past failures seemed to have created mental blockages in some of the managers' minds. Their negative emotions caused serious concerns for the two senior managers, Alfie and Charles. I could see that Charles was disappointed with this group through his body language. After he had heard enough of this blaming

discourse he confronted the group: *“you are leaders - I expect you to lead and not wait for someone to fix the problem for you.”* Charles came to me to say: *“Lucy, could you leave the room for a few minutes? I need to have a talk with the managers.”* I realised that Charles had reached the limit of his tolerance and wanted to use some strong language to stimulate their thinking and regain their focus. Being the only woman in the room he did not want to embarrass me. But I could certainly imagine the kind of words he was going to use. His ‘private’ session lasted for almost one hour. After this ‘frank and colourful talk’, Charles returned to the manufacturing plant and the workshop resumed. I asked the managers for feedback regarding what the discussion had been about. Their answer was that Charles was ‘reinforcing his expectation’ of the role of the managers as leaders and change managers. They should not simply wait for instructions from the top. His strong message was met with a reaction of silence and emotional reactions from different members of the group. It was evident that there were misalignments, issues, and even some tension between senior management and middle management. This was the fraught environment that characterised the starting point of the Managers’ ALT journey. From the facilitator’s perspective, this provided a tough challenge as the workshop atmosphere was tense, and harmony was missing. In attempting to put the workshop back on track, I guided the team to focus on the future by learning from the past. Subsequent discussion then concentrated on creating the vision of the Managers ALT. Once consensus had been reached, I asked Paul to show them the vision that the GFs had created. While some words were different, the overall intention was the same. This activity was intended to make the managers feel that they had something in common between them and the GFs. At that time, the managers had little trust or faith in the GFs, GLs or the employees.

During day two, the managers identified the problems and barriers within Maintenance. People issues were identified and grouped into categories of Knowledge, Skills, and Motivation. All agreed that mistrust was the most critical problem, and relationships between employees, employee representatives, and supervision were dysfunctional. Through the facilitation of the discussion, everyone realised the need to do things differently to build better relationships between people. Step one of the change should be on improving interaction and communication. In terms of the long and historical battle with the external union and internal employee

representatives, it was acknowledged that they could no longer afford to continue with such a confrontational approach. Hitting a brick wall was not an option. Managers must have the courage and make an effort to repair the worn relationship.

Two positive outcomes emerged from the workshop: channel energy toward the future rather than harping back to the past, and henceforward work as a team, not individuals. The activities of creating a vision, common focus, and operating rules served to establish the groundwork. It was fulfilling for me to perceive that by sharing the GF ALT vision, issues, and experience with the managers, it made them feel closer to the GFs because both teams were in fact working toward the same direction and facing the same challenges. One of the advantages of conducting the workshop was the formation of a safe learning environment to facilitate frank discussions and free exchange of emotions and feelings. It did service as an effective ice-breaker to formally start the ALT journey.

The first few months of the Managers' ALT meetings experienced similar difficulties as previously experienced with the GF ALT. Attendance at meetings was a problem. Evan and Paul kept phoning and reminding people to come. Their persistence and commitment further cemented the strong bond I was developing with them. The team also struggled to set a clear focus during meetings. Since each manager had different needs and priorities, it was not an easy task to reach agreement. For example, one of the early projects was the creation of an 'escalation policy'. This policy was intended to create a standard process on how operational problems should be reported from team members to director level. In Charles' opinion, this was a low-level activity, implying managers should delegate this to GFs. He expected managers to handle higher task levels. However, it actually took the managers several months, encompassing tough debate and storming, to reach consensus. I found the competitive egos between the managers to be far stronger than amongst the GFs. Also due to the functional structure, each maintenance manager reported to their respective shop manager. Whenever the shop manager did not consider the ALT activity to be a priority, their attitude influenced the maintenance manager's behaviour or commitment toward the ALT meetings. I found it very difficult to engage the maintenance managers in the process.

One of the tactics I utilised to build the ALT momentum was to ask for support from the sponsors. I discussed the struggles with Alfie and indicated the need to have Charles' physical presence in meetings during the early stage of the team development exercise. This was aimed at achieving two objectives: first, to enhance the ownership of the sponsors, and second to make managers feel that senior managers were serious about ALT activities and that attendance at meetings was a requirement. This tactic improved the situation. On reflection, attendance was a key factor impacting on the effectiveness of meetings. Low attendance invariably results in low morale, slow progress, and loss of ownership. I knew that it was critical to keep the meeting process going when the team was going through some downturns. Making the sponsorship visible proved an effective mechanism in lifting the profile and priority of ALT activities.

Within six months I considered that the team had started to show a sufficient level of maturity to transform ALT meetings into a forum for decision making. Performing this function would generate a stronger sense of purpose and meaning of what it meant to be a member of an ALT. Not only could the team discuss maintenance issues together, but it would also provide a forum for other stakeholders to consult, and exchange ideas and information, with all maintenance managers as a group.

For example, one of the HR managers commented that previously any consultation with managers had to be conducted on a 'one-by-one basis.' Often each manager would present different views and only focused on his own area, not the bigger picture. This was a frustrating process because of the confusing and conflicting array of comments and opinions. However, it was now possible to replace this process with a dedicated space for consultation and consensus building. A production engineering manager also commented on the opportunity of becoming a part of the developing ALT network which acted to reduce the amount of conflict previously experienced between Production and Maintenance. He could now attend Managers' ALT meetings and work with the maintenance people, thus reducing their previous distance. This helped to create a climate of reciprocal assistance, making each operation more effective.

One of the key learnings for me as the facilitator coming out of the Managers' ALT process was the necessity to remain persistent. Keeping the meetings going was a way of keeping the process going. Progress with the Managers' ALT during the first few months was slow, almost invisible. For the ALT members themselves any progress was not easy to quantify on a weekly or even monthly basis. When people raised doubts about the veracity of the process or displayed lowered interest, it was critical for me to continue to encourage the leaders and members to work together with the sponsors. Process was just as important as the destination. I regarded the building of the Managers' ALT as another experiment in how to encourage a group of competitive individuals to work together as a team. By creating a scenario whereby Evan, Paul, and myself attended both the Managers' and the GFs ALTs, and organised interactions and discussions between the two teams, a link was gradually developed between the two levels.

In October 2004 a combined GFs and Managers' two-day workshop was conducted in an off-site conference centre. The objective was to combine communication, interaction, and planning activities. The workshop was designed to enable the two teams to reflect on their journeys, develop plans, and gain insights into each other's problems and issues. As their alignment and relationship gradually improved they were more able to conduct cohesive discussions. It was vital for me to sideline the old culture of mistrust and mutual blame. A key activity in facilitating such an outcome is to encourage the participants to reflect on their journey and discuss the benefits and positive achievements delivered by the ALT process. A strong conclusion from the workshop was the desire of both teams to extend the ALT network in order to consolidate the power that could be derived from inter-level co-operation. They recognised that without having the GLs on board, there existed a critical gap in the system. I was pleased with this initiative because it represented a key step in my design for building the ALT architecture in Maintenance. Finally, I felt that a 'pull' system was in the process of being established. This was another important milestone. We did not need to 'push' for setting up the GL ALT.

The journey of the Managers' ALT changed the way they operated: from short term to long term and from reactive to proactive. As a result of this change, by mid 2005 a long term business plan with seven policy items had been created. Each manager was

assigned with the task of leading one policy item. A quarterly report to the Director was employed to ensure execution and follow up.

Building the GL ALT

As the formation of the GL ALT was a part of the initial picture of the ALT architecture within Maintenance, the planning started from first having this vision in 2003, and securing the necessary support from senior management, the GFs, and then the managers. The actual preparation of an ALT leader commenced in April 2003.

Evan and Paul observed significant changes that were occurring in one of the GLs, Walter [pseudonym], through his participation in the Change Leaders' program. Walter worked in the production area in the body shop. Prior to his involvement in the Change Leaders' program, he was regarded as an energetic, but confrontational and reactive, GL. By the end of his 12-month term in the Change Leaders' program his significant progress as a GL was noticed by management, and he was rewarded with promotion to GF in the body shop. The changes within himself, together with the changes initiated by him for the body shop, were significant and convinced Evan and Paul that having a Change Leader in Maintenance would be necessary for two reasons within Maintenance reform, first, to develop high potential for the future, and second, to prepare someone for leading the Maintenance GL ALT. Evan and Paul nominated Martin [pseudonym], a GL in body shop Maintenance to be the first Change Leader for Maintenance in April 2003. Martin was respected for possessing an analytical mindset with a strong learning capability. During the first few months of the Change Leaders program, he learnt how to interact and facilitate team discussion. To expose him to a higher level of Maintenance issues and be prepared to lead an ALT, we asked him to attend the GF ALT meetings and the GF and Managers' off-site workshops. These activities broadened his understanding toward the goals of the Maintenance reform agenda and enhanced his confidence and skills in establishing an ALT.

In August 2004 the GL ALT had its inaugural meeting comprised of seven members from different shops. The issues and difficulties encountered during the first 3-4 months were very similar to those experienced in the formation of the GF and Managers' ALT. Many frustrations were directed toward management as well as

doubts about the veracity of the ALT concept. During the first couple of meetings, the paint shop GL representative continually blamed the actions and inactions of management. He argued that if the specific role of the ALT was not to 'fix' the union and the employee representatives, then he did not want to be a part of it. His anger and emotion dominated the meetings. Finally, he decided to drop out of the ALT after three meetings, and the team was not able to influence him to stay. I used this critical incident as an exemplar during my coaching sessions with Martin to reinforce the fact that it was a very challenging task to bring people on board and also to persuade them to remain. If one or two drop out, the process should not be abandoned. I encouraged him to stay persistent.

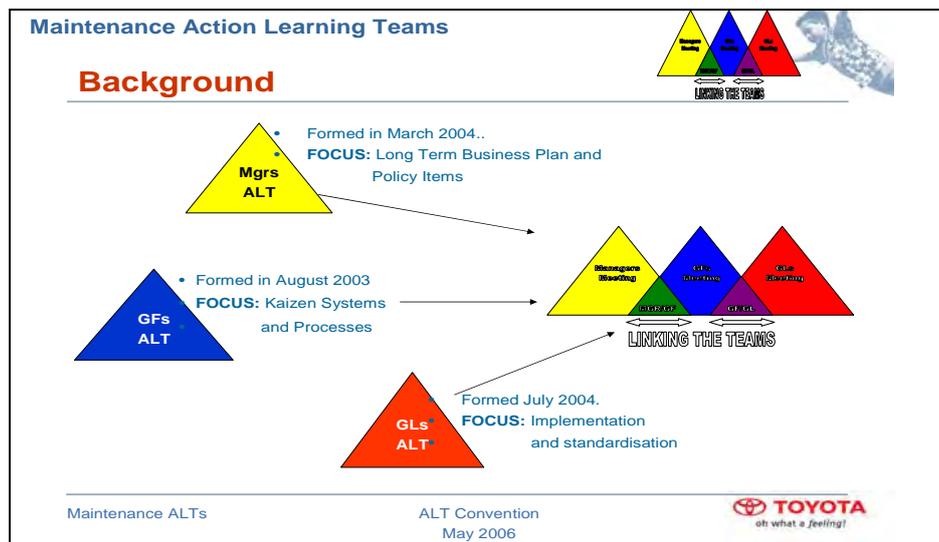
After going through a similar processual pattern to that of the GF and Managers' ALT, the GL ALT finally became a key part of the Maintenance reform agenda. The 'forming and storming' process took 5 to 6 months. At the beginning, their activities were focused on standardising the policy implementation and practices. Their intent was aimed at achieving a level of consistency to improve the perception of fairness and equality in the workplace and hence making their role easier. From addressing human relations and communication problems, the GL ALT moved into more proactive types of issues. One of their best projects was the development of a Down Time Report procedure and coaching the team leaders and team members to conduct root-cause analysis.

Building horizontal and vertical alignment

The formation of an ALT at each level significantly helped to improve the horizontal alignment within the organisation. A maintenance manager returning after a two-year overseas assignment commented: "*silos have been replaced by horizontal networking - I can see and feel the difference*". I was convinced that the fact that the ALTs were able to continue their journey after the first GF ALT meeting in 2003 help to increase the confidence that ALT members had in themselves and in the overall organisation. At each level, I was keen to emphasise that the ALT process was designed to engage people in problem-solving and improving existing practices.

Once the horizontal network was showing evidence of sustainability, I then became keen to commence the next step of building vertical alignment, as shown in figure 5.3. Three main methods were utilised: first, use the facilitator and the ALT leaders to build communication links by attending cross-level ALT meetings; second, convene quarterly combined ALT meetings to share each team’s progress; and third, convene off-site combined workshops. The first level of vertical alignment was aimed at creating positive relationships and developing trust between teams. The second level of vertical alignment was aimed at building links between each team’s activities and eliminating double-handling of issues. The third level of vertical alignment was to direct all team efforts toward the long-term business plan.

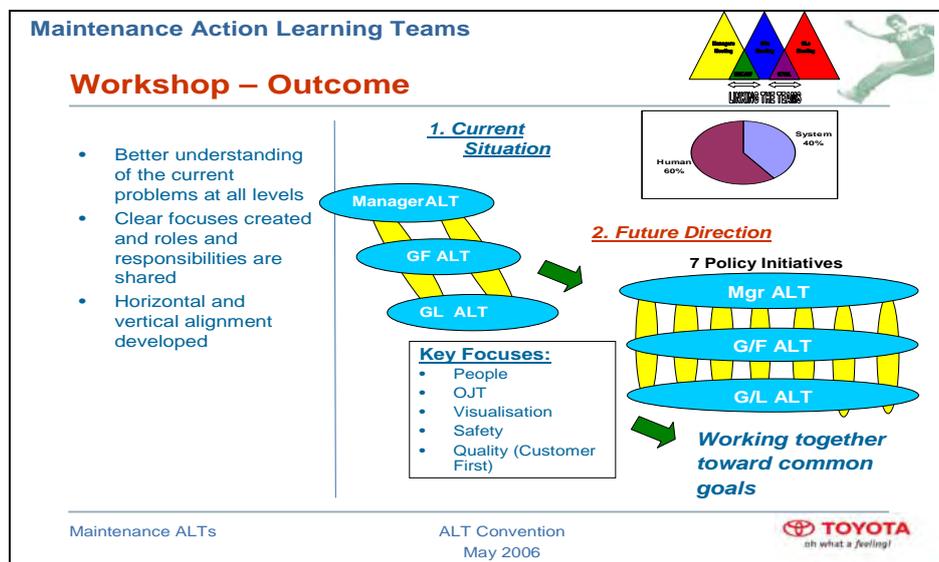
Figure 5.3
Linking ALTs



One of the key learnings deriving from the whole ALT process related to the importance and effect of conducting off-site workshops. Although the individual team-based workshop acted as a catalyst for team formation, it was the combined workshop that provided an effective mechanism that allowed all teams the opportunity to reflect, communicate, and plan activities together. In an off-site environment, participants appeared relaxed and easy-going. The evening dinner, drinks, and socialising provided excellent activities for relationship-building and establishing informal communication networks.

From the formation of the first GF ALT, a total of seven workshops were held within a three-year timeframe. The first three workshops were based on individual teams. The fourth one developed into two levels - GFs and managers. From the fifth onwards, workshops represented the three levels of ALTs combined. The focus evolved from removing communication barriers and mistrust between the three levels, to working together to achieve common goals. The seventh workshop, held over two consecutive days in April 2006, demonstrated the growing maturity of the ALT architecture. One week before this workshop, the managers in their ALT meeting had set the following theme: ‘people make a difference – where to from here?’ The purpose of the workshop was to: enhance the link and synergy between the three ALTs; cascade the Maintenance long-term business plan down to the GFs and GLs; formulate an action plan for each long term business initiative with input from all three levels; and focus on the HRD implications of culture change. Twenty five people attended the workshop, excluding a number of senior managers who came to observe activities and interact with ALT members during the afternoon on both days. Figure 5.4 shows the nature of this vertical ALT policy alignment.

Figure 5.4
Vertical ALT Policy Alignment



An additional important attendee at the workshop was Frank, a senior manager in Production Engineering (PNE). Frank had been invited with the objective of attempting to build a bridge between Maintenance and PNE. For a long period of time

there had existed strong politics and barriers between these two Divisions. Being a facilitator for both Divisions' ALTs for a few years, I had observed how these politics and barriers had generated negative impacts on the emotions, relationships, and morale of the people involved, to the point where they freely used expressions such as "*they are our enemy*". My thinking was always along the lines that before we could build productive inter-divisional networks, we first had to build teamwork within each division. After a few years of the ALT journey, I reached the conclusion that the time was right to start to work on creating such inter-divisional connections. Having Frank and Charles together in the same workshop provided a good opportunity to demonstrate teamwork at the senior management level to the Maintenance group. At the close of the workshop I was presented with a very special, and expensive, gift by the group – a pair of Formula 1 racing shoes. For me, this was more than a gift; it represented a symbolic epiphany that we were making progress. At 4.15 pm on the final day, Paul reflected on the personal journey he had travelled with the ALT process, explaining how he had been transformed from a non-believer to a passionate advocate. What he said there was consistent to the reflection that he wrote to me in December 2005 as shown in Box 5.1.

BOX 5.1: A Senior Managers' Reflection on the ALT Process

My first experience with the ALT concept was in mid 2003 when I transferred from Assembly maintenance to the Body maintenance group. One expectation that accompanied my transfer was that I would help form an ALT among the Maintenance GFs group, with a view to progressing Maintenance reforms. I initially had reservations about the concept. In my time I have seen many different Management initiatives come and go. They would usually start with a bang but fade out soon after when other issues become a priority. My biggest struggle was to convince myself ALTs could be different.

On the formation of this ALT in August 2003 we faced numerous challenges. Maintenance in a car manufacturing plant is very time critical. The more time lost on a breakdown, the fewer cars you are able to produce. Needless to say all members were very task driven and time conscious. It is at this stage that the role of the facilitator is most critical, reminding the group that learning and self development are as important a component of ALTs as are the actions produced. Failure to recognise this renders the ALT as nothing more than just another management review committee. This was a difficult concept to come to grips with as was the idea that members held no rank in the group. But with the support of the facilitator and some key leaders within the group the idea became more accepted. Our first workshop was conducted in October 2003 with the stated aims of:

- Closing the gap between G/F's & employees to improve relationships.
- Enhance our people skills in order to motivate people effectively.
- Develop a consistent unified approach with a focus on people.
- Develop a strategy to deal with difficult people.

Clearly the aims that we put forward were considered by the team to be "soft KPIs" with a focus on relationships and interaction with our team members. This was identified as an area that we could benefit from through development of our skill sets. The workshop was of benefit in setting a clear agenda for the direction that the ALT wanted to take and getting buy in from all the different stake holder groups. We invited employee reps and management to take part in the workshop so that they would have a clear picture of our plans and strategies and address their concerns about the process.

Since the first workshop two more maintenance ALTs have come into being, The Maintenance Managers and the Maintenance GLs both have similar aims to progress reforms in the maintenance area. Alignment of these three groups was seen as critical to the overall success of maintenance reform. So in order to achieve alignment we have held joint workshops, share members between ALTs, attend each others ALT as required and hold joint meetings every three months. The advantage of this alignment is to confirm the overall direction for maintenance reform, ensure we have agreement at all levels of maintenance management, reduce the chance of conflict between the different activities carried out by the groups and provide a network for all three levels of maintenance management.

With the introduction of the maintenance ALT network the business now has a vehicle to take advantage of the vast experience contained within the group. Ideas that in the past may have remained just that or been adopted in only one part of the organisation can now be networked with in the ALTs, consensus sought, agreed upon and implemented across the organization. The business also has a way of introducing change via the ALTs. Whereas in the past if the business wanted to introduce change to the maintenance group it needed to consult and seek agreement on an individual plant by plant basis. It now has the opportunity to deal with a representative group from maintenance management and seek feedback representative of all the maintenance groups and obtain support for the change introduction.

One example of the advantage of the ALT network relates to the issue of trades training. Our 2002 workplace agreement allows maintenance TMs up to 8 hours paid training leave per week. In the absence of clear guidelines and with a militant trade union group we faced the potential of having a huge influx of unsustainable training requests. Absence due to training leave was approaching 10% in some areas with the potential for it to be pushed even higher. The maintenance ALT groups put forward a process for determining how many team members could be released for training at any one time and what criteria should be applied to their selection. This was discussed and agreed upon with the trades representatives and is now used to determine appropriate levels of trades training commitment. In the absence of this ALT network it is likely that less satisfactory agreements would have been made on an individual group by group basis that would have become the "past custom and practice" and prove very difficult to alter at a later date. Accordingly, many of my concerns I first held about the ALT process have now been addressed. It allows us to have a significant input into the way we operate our maintenance groups while providing a consistent approach across the organisation.

Establishing a centralised structure

Maintenance centralisation had been one of the objectives of Maintenance Reform. The main purpose of centralisation is to standardise business systems and practices by building alignment on direction and priorities – an essential aspect of integration and institutionalisation (Crossan, Lane, and White, 1999). In general, centralisation provides stronger leadership, a stronger focus, and a more consistent framework and systems. The transformation from a decentralised to a centralised structure within Maintenance required an adequate level of inter-relationships and synergy between the Maintenance managers in each shop and between leaders within different layers of the hierarchy. To build this level of readiness for the structural change was not a simple excise of changing the reporting lines on an organisation chart. In fact, the process of building the ALT architecture served as a means to gradually soften the barriers in communication and organisation politics within the fragmented organisation, thus setting the climate for the centralised structure. As previously analysed we have seen how Maintenance managers have traditionally operated in silos. Negative competition, blaming, and mistrust were common features amongst managers and between levels and people working in different functional areas. Some of the conflict and inconsistent practices were attributed to the decentralised structure. Through the process of building ALTs at Manager, GF, and GL levels, the structure gradually became connected through the social architecture created by the ALT network.

In April 2007, with the rapid growth of Toyota's business, a new regional headquarters was set up in Thailand. I was requested to go to Thailand in July 2007 to support the development of the young regional organisation. My role was the Deputy General Manager of Asia Pacific Global Production Centre (AP-GPC) at Toyota Motors Asia Pacific Engineering and Manufacturing. My key responsibilities included building systems, structures, and capabilities of AP-GPC. The mission of AP-GPC is to assimilate the Toyota Global Knowledge (Know How) into twelve affiliates in the Asia Pacific region. This experience stimulated a new level of intuition of how to institutionalise learning at regional and global levels. I organised a benchmarking study for both Charles and Evan to join me in Thailand in November 2007. During their trip, Charles informed me that the decision had been made to centralise

Maintenance into a separate Division as from January 2008. Charles would be the Divisional Manager and Evan would be promoted to the Operational Manager's role as the formal leader for Maintenance managers located in different shops. He also recognised the impact of the ALT architecture in facilitating the structural change. After three months in the role Evan remarked to me: *"Lucy, I don't experience any difficulties running the Maintenance crew because the managers' meeting is the same ALT members. I feel that I am just running my normal ALT meeting."* Charles felt that the ALT process developed the software for operating the hardware (structure): *"without the ALT architecture in Maintenance, centralisation would have struggled. We have built teamwork and alignment before making the physical change."*

In January 2009 I wrote to Paul asking his permission to use his name in my thesis and enclosed various portions from the thesis so that he could read them. He replied with the email shown in Box 5.2.

BOX 5.2
Email from Paul

Dear Lucy,

It was great to read about the ALT journey that we started together in 2003 & to look back with some reflection at the changes that have come about. Some of the faces have changed due to organisational rotation and promotion. However the building blocks still remain that we worked so hard to establish in 2003 & I firmly believe that these are even stronger now in 2009.

Without all your hard work & support from the beginning none of the above would have been possible, and we would still be searching around looking for answers, complaining about how difficult everything was & making little progress. For the part you played in this we are all very grateful.

I must say I don't know much about theoretical analysis on organisational learning as I am only a poor old maintenance man but I believe you would be justified attaching some of the results & data that show the improvements to the bottom line as this activity has had a significant bearing on them. Yes Lucy I know what you are thinking that the journey is more important than the destination but every road must have its sign posts!

Great work Lucy & thankyou for sharing it with me.

Regards
Paul

Yet again such positive feedback acted as its own reward for me and confirmed that there is shared interpretation of the past journey between us. His suggestion to attach hard quantitative data to justify the output of the ALT process and to act as reinforcement for the qualitative data made a lot of sense. However, the story behind

the development of 'hard data' provides an interesting scenario in its own right and reveals the role of the ALTs in facilitating the process. In 2003, when the Maintenance ALT process started, there were no common KPIs (Key Performance Indicators) to measure performance because of the fragmented structure and inconsistent approach between shops over many years. As such, no historical data for the whole of Maintenance was available.

The story goes back to 1999. Paul was sent to the Toyota Kentucky Plant in USA to learn new model introduction while he was working in Assembly (he rotated to Body Shop in 2002). Upon his return, he introduced the Kentucky plant's KPIs in Assembly before the GF ALT was formed. In 2004, the GFs were requested by senior management to give the Directors a monthly performance report on each shop with a set of common KPIs and standardised reporting format. Paul was given the task to lead this project, using Assembly as a base, and started to have discussions with all the GFs. I remember there were a lot of heated debates over a couple of months to reach a common interpretation of what should be measured and how the data should be presented. Requesting all shops to give up their old ways of doing things and change to new standards of performance measurement was a daunting task. Standardisation often generates tension among individuals and between the "old" and the "new". After many changes to Paul's initial draft, the GFs still could not reach consensus. One day in the GF ALT meeting Paul said: *"I will send the last version out again. If I don't receive serious complaints from you, please keep your peace forever."* I always enjoyed his sense of humour.

The standardised KPIs for Maintenance shown below reveal the nature of progress within the Division.

ESN (equipment stop numbers causing lost production): average per month: 2007 – 85.9; 2008 – 66.7; reduction by 22%.

MTBF (mean time between failure: production time divided by number of equipment stops): average per month: 2007 – 3.58; 2008 – 4.64; increased by 30%.

ESI (employee satisfaction index): 2004 – 66.3; 2008 – 76.8; increased by 16%.

(2) BUILDING THE ALT ARCHITECTURE IN PRODUCTION ENGINEERING

The Production Engineering Division (PNE) has also used the ALT approach to drive culture change and people development initiatives. Frank was a highly experienced senior manager who rotated into PNE in January 2002 as part of the management rotation programme. Because he had worked with me previously, and had been a strong sponsor for the Change Leaders' Programme and also several ALTs, he had faith in this approach.

ESI ALT

In 2002, PNE had the lowest employee satisfaction index (ESI) within the whole corporation. Frank expressed a wish to use the ALT process to improve the morale of the workplace. The first ALT meeting occurred on 29 April 2002, comprised of ten people from various cross-sections and levels, including engineers, technical officers, and trade union representatives. Two managers also attended, Frank and a section manager Sam [pseudonym]. After twelve months a rotation process similar to that adopted by the Change Leaders' program was applied. Initially many engineers and managers felt cynical about this ALT. However, Frank acted both as an active sponsor and a member. He articulated his commitment by attending almost all the meetings, addressing issues, and encouraging the others to participate or support the initiative. In the first meeting Frank asked me to explain the concept and process of ALT. No one else (besides Frank) had any experience with ALTs. I had trouble making a connection with the participants and my perception was that they were wondering what this new senior manager was trying to achieve. Prior to Frank's rotation the previous senior managers had been the typical command-and-control type of leaders. They displayed little interest or investment in people motivational approaches. During one of my interview sessions that I conducted with a typical senior manager in March 2000 when I was in the early stages of the Change Leaders' Programme, he clearly indicated his strong views in the following terms: *"I think you guys are making things complicated. What is culture or this behaviours kind of stuff? My daughter is at*

university studying psychology. I think that stuff is crap. Things should be simple. The workplace should be managed by rules. If people follow the rules you just have to wave the rips”.

I shared an idea with the team that it should conduct its own survey in order to better understand the factors impacting on the job satisfaction of the PNE members. A simple survey form was created composed of two questions: (a) name three things that PNE does well, and (b) in what areas does PNE need to improve? All ALT members became involved in the collation and analysis of the data, as well as contributing to the development of a subsequent action plan. This helped to foster the building of momentum.

Manager Coaching ALT

One of the major problems identified by the PNE ESI ALT related to the leadership behaviours of the managers. Such problems were identified with the engineering backgrounds of these managers. Typically they had received little training or coaching in how to interact with people and build teams. I suggested to Frank that we should employ the ALT process to take all managers through a leadership development program. He readily agreed. In April 2003 we commenced the managers’ leadership development program with a strong focus on transformational leadership theory, practice, and behaviours. Frank made this program a compulsory activity for all managers in the PNE division (a total of ten). Initially, and typically, some of the managers felt cynical about this initiative. They had little belief in this kind of “soft stuff”. Their passion lay with engineering processes and systems. The program commenced with a few half-day sessions followed by bi-weekly meetings, starting with the setting of a vision, objectives, and team rules before moving into the transformational leadership model. After three months we commenced sessions on the giving and receiving of feedback utilising the 360 degree feedback tool. I felt that this proved to be a turning point when the managers started to feel safe in giving honest feedback to each other on specific behaviours. Some managers took longer than others to be convinced, but within twelve months I felt confident that the concept of ‘leaders as coaches’ had been grasped and accepted by the managers. From that point on the PNE management team renamed itself the Coaching ALT, a transformation

that from late 2004 allowed these managers to discuss 'real-life issues' related to people development and performance, both at individual and team levels, and to assist each other in the search for solutions. Feedback from managers became increasingly more positive, stressing the veracity of the action-learning model and how it broadened the managers' people skills and perspectives through engaging with other managers' actual issues and experiences.

People Development ALT

A third opportunity to form an ALT in the PNE division occurred in late 2004 when some technical officers raised a career development issue with management. When technical officers reach the top level in their classification their lack of formal engineering qualifications means that they cannot progress into the engineering stream despite being highly experienced. Also, due to family commitments, many do not have the opportunity to study part-time. Thus, once they reach the 'ceiling' they perceive they have no career path. This had been an issue with technical officers for a long time and was attracting union support. Within the classification structure there are clear boundaries between the technical and engineering streams. To become an engineer requires satisfying two conditions – first a vacancy must exist within the organisation, and second the applicant must possess an engineering degree. Although management has an obligation to attempt to meet the career needs of technical officers, it was not in a position to change the qualifications structure in order to create engineering positions. If this issue with the technical officers remained unresolved it could impact on morale and turn into confrontational mode involving the union.

Being both a sensitive and a complex issue I considered that the best way to resolve it would be through the ALT process by allowing the technical officers to be proactive in devising an appropriate solution. As usual, I shared my thoughts with Frank and the other managers. I commenced the process by conducting one-on-one discussions with six technical officers to set the climate for establishing an ALT. In January 2005 we kicked off the team formation process and called the team the PNE People Development ALT. Meetings were held every week for one hour. After a few discussions the team started to recognise that career development could be defined

through horizontal as well as vertical progression. In other words, the concept of 'career' took on a broader perspective. The team objectives were established as: (a) maximise the Performance Development Review process to ensure that each person has a learning and development plan annually and supported by management, (b) develop processes for horizontal and vertical progression, and (c) develop a hand-over process for staff and managers' rotation. Under each objective, the ALT took an active role identifying problems, developing solutions, gaining support from managers and other stakeholders, and implementing Kaizen actions. For example, the ALT conducted a survey to identify the issues related to the Performance Development Review process and developed a flow chart for horizontal movement and rotation within teams, both within the PNE division and between divisions. Subsequently they continued with the ALT journey, and in September 2005 they initiated the idea of developing a coaching and mentoring process for their own learning and growth. One of the senior managers in PNE remarked to me at the time that he believed this was a novel way to deal with the technical officers' issue on the grounds that "*instead of asking the managers to fix the problem for them, they take ownership for their own career development.*" Sharon [pseudonym] played a key role in driving this ALT and she was subsequently developed into the facilitator's role for PNE ALTs, thus easing the pressure on myself. The amount of time that I spent on PNE ALTs gradually decreased as the internal capability of leading and facilitating these ALTs improved.

Supervisors' ALT

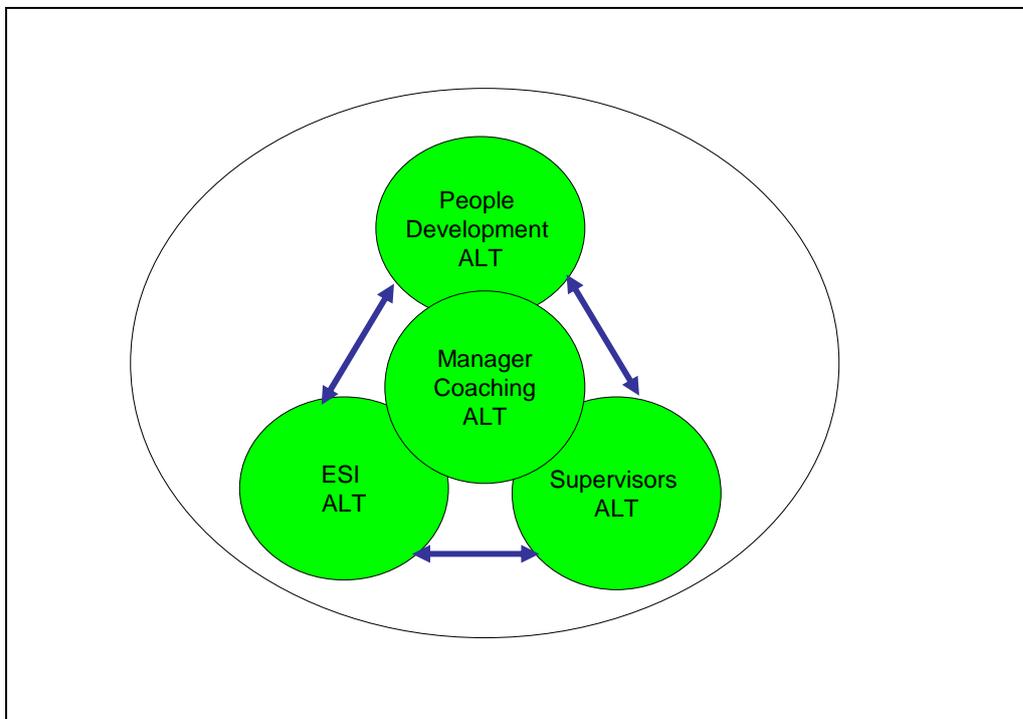
A fourth opportunity to establish an ALT in the PNE division occurred in 2006 when the managers identified a capability gap within PNE related to the people skills of the Supervisors. They were performing the role of a team leader with responsibilities for supervising a team of engineers or technical officers. Many of the supervisors had a strong technical base and in one of the Managers' Coaching ALT meetings I proposed the concept of forming a Supervisors' ALT. Sharon and myself co-facilitated this new ALT at the beginning to set up the process. Her development in ALT facilitation went through the stages of observing, participating, leading a team, and co-facilitating multiple teams. She involved herself in all PNE ALTs to build networks and

alignment. In fact, in 2005 she had earlier joined the Change Leaders' Program as part of her development.

Building a networked architecture between the ALTs

Thus, within four years the PNE division became an ALT networked unit, linking the four different ALTs and becoming the key social construct for linking people together. This is shown in figure 5.5.

Figure 5.5
The ALT Networked Architecture of PNE



Our objective was to transform PNE from a hierarchical to a networked division, from a task-driven engineering culture to a people involvement, development, and empowerment-focused culture. To further foster the links this has been added to through the creation of an ALT forum every quarter to share team activities and ideas, and a half-day ALT workshop every six months involving past and current ALT members to continue the momentum. Through the rotation process 70% of PNE members were involved in the ALT process within the first four years, and the ESI increased significantly from 79.7 in 2002 to 90.8 in Dec 2006.

Frank, Sharon, and myself had worked as the network builders. I had many planning and reflection meetings with them to discuss the design of the ALT architecture and ensure common understanding and a consistent approach. The three of us played different roles but complemented each other. Frank was the overall sponsor and champion. His formal authority provided direction. I was the designer and facilitator to guide the ALT process and offer an outsider's perspective in problem solving. Sometimes a solution to a specific PNE problem without understanding the broader context can create a negative impact on the other parts of the organisation. Sharon was the PNE internal process driver to keep the ALT progress on track, motivate ALT members, and give managers feedback on the ALT members' feelings and issues.

Cross-checking my observations and interpretations with other people can be instructive, and to this end I asked one of the ALT members, Violet [pseudonym], to provide me with her reflection. Violet was a temporary administrative staff member in the PNE when we first set up the ESI ALT in 2002. She participated in the meeting as an observer not a formal member. After a few months Violet's temporary contract with Toyota ended and she left the company. Eighteen months later she returned to PNE as a permanent employee and formally became an ALT member. Her experiences of being in and out of the ALT provide a good comparison and relevant insights in relation to the successes and struggles. Violet's reflection of the evolution of the ESI ALT between 2002 and 2005 is shown in Box 5.3.

BOX 5.3
The PNE ALT's Evolution
March 2002 to November 2005

The PNE ALT was first formed in March 2002. Its main purpose was to enhance communication in PNE and create an understanding of why staff were not motivated or challenged. The team consisted of 14 Members, a minimum of one representative from each department who rotated yearly. We met on a weekly basis during our lunch break – catering provided. I found the ALT a very unique concept as I hadn't experienced this sort of commitment from an employer to pro-actively enhance the employees' satisfaction.

The ALT initially took some time establishing rules, rosters, team objectives, and a team structure to ensure the team had focus and goals. They found it difficult to establish agenda items, and at times were not sure where to start. In-fighting also occurred due to the different personalities and I believe staff had different agendas and communication was poor.

After leaving PNE for 18 months I returned in a different role and once again joined the ALT as a permanent member, and found the ALT had evolved in many different ways. The rules and objectives had remained the same, but the overall feel of the ALT was definitely different. The in-fighting had stopped and the ALT was constantly thinking ahead of new agenda items in advance. They would thoroughly analyse and implement changes based on the ESI scores and verbatims. Communication has been enhanced by three ALT specific noticeboards quarterly meetings with the Management Forum, presentations at Communications Meetings, Bi-monthly ALT Bulletin, and finally we ensure the ALT is an agenda item at all team meetings. This has created a transparent working environment whereby staff are better informed. This is reflected in constantly improving ESI scores.

There are many benefits I have noticed that staff take away with them after sitting on the ALT for 1 year such as:

- Enhanced meeting skills
- Presentation experience
- Chairing experience
- Enhance communication not only with ALT members but to their direct teams
- Confidence in dealing with supervisors/managers
- Getting to know employees from other teams
- A clearer understanding of Divisional and TMCA policies and procedures
- Responsibility

Sub-groups are now a common occurrence. If there is an item that may be a bit difficult for the team to work on in a large group, sub-groups are formed that report back to the ALT on a fortnightly basis. This is purely on a voluntary basis, and shows their commitment in creating a satisfying work environment for all.

An ALT Workshop was held at the September 2005 Communications Meeting with all PNE Staff. Teams were formed randomly and each team had to present on Past, Current and Future PNE. The feedback from this workshop showed that the "Past" comments were extremely negative, the "Current" comments were positive, and the "Future" comments showed optimism and confidence in PNE's future. This is a great improvement on the comments received from the survey back in 2002.

In July 2007 I was transferred to Bangkok and commenced my global assignment in the Regional Headquarters. During my 13 months overseas I maintained my contact with PNE. At the end of 2007 Violet wrote her second reflection of the progress of the ALT over the period 2005 to 2007, as shown in Box 5.4

BOX 5.4

PNE ALT Evolution between 2005-2007

PNE's ESI score has been marginally increasing each year. For 2007 our stretch target is to achieve a score of 92. Our difficulty at this time is how to do this, as it has been explained to us by HR that we cannot expect huge increases in the score. Recently the ALT has invited a representative from HR to present and discuss the ESI score. This has proved beneficial to the team. He showed us areas where we were under the corporate target and what we should focus on. We are learning more and more all the time. We now ensure that the Divisional ESI analysis is completed by the end of May to allow time to action ESI items and influence the next survey. We had never thought of this prior and I believe this shows how much more focused we are to previous years.

In regards to the running of the ALT meeting, once upon a time the meeting would come to a bit of a standstill without a manager in attendance, but now the team has progressed whereby the staff chair the meeting and set the agenda as a group. One of the most beneficial aspects is to ensure a minimum of two people are permanent members to ensure we aren't going over old ground, and also create inconsistencies. A lot of time can be spent on certain topics only to find the ALT did exactly the same thing two years ago without success.

All the members of the ALT contribute to discussion and we genuinely do have a laugh and enjoy ourselves, but in saying that I have noticed that some people are louder than others and therefore can dominate discussions. As a countermeasure we ensure the Chairperson is aware of this and will ensure everyone receives equal time at the meeting. I know members feel that they are making a difference. This is indicated by the observation that when members are due to rotate out after twelve months they often offer to stay on longer than the required twelve month period until a particular item is closed, for example. The average term is now closer to eighteen months.

When the ALT was first formed people were not keen to join. Then about two years ago people were complaining because they hadn't been asked to become a member (interest had obviously increased). Now people seem once again disinclined to join the ALT. We are not sure why, but to counteract this tendency we asked one of our new members to make a presentation at a Communication Meeting to the Division about her personal experiences within the ALT. After the next ESI analysis we will be replacing about four members and need to ensure team members are keen to participate and volunteer to be a member. I have also presented to the PCD Wellbeing Team (ALT) on the lessons our ALT has learned and what we could have done better. PCD members seemed a bit lost – similar to when our ALT first started. I explained to them that not everything goes according to plan and it really is trial and error. Earlier this year we also held a PNE Celebration for one hour in the Auditorium, which included lunch. From the 60 people in the Division 42 current and previous members were invited. We reviewed the ALT's history and aims.

Two new initiatives are planned. First, the ALT Bulletin has been a great success and it has now been suggested that in addition to ALT information we also include general TMCA and PNE information. Second, our Quarterly Joint Meetings with the other PNE ALTs and Management will from now on have a rotating chair from each ALT, rather than management leading.

(3) BUILDING INTER-DIVISIONAL NETWORKS: ALT CONVENTIONS

The analysis so far in this chapter has captured two separate examples of building an ALT architecture in different Divisions. However, for ALTs to be integrated at the organisational level it is necessary to build networks and connections between teams, departments, and Divisions. The ALT Convention has played an instrumental role in building this integration.

In total, 5-6 ALT Conventions have been held. The first Convention was held in June 2003. It was a very informal, low-key occasion, held in the canteen between 4-5pm after work, with only four ALTs making a presentation. The idea of conducting a Convention came from the Change Leaders' meeting as a method of sharing ideas between teams. At that time we had just established a couple of new ALTs and we saw the Convention as a method of having the new ALTs learn from the established ones. Following the Convention we placed the following article into the company's magazine Toyota Today, as shown in Box 5.5

BOX 5.5

Sharing the ALT Experience

An Employee Satisfaction Improvement Action Learning Team (ALT) network meeting was held in the Body Shop Canteen on June 5. The aim of the meeting was for existing ALTs to share their experiences and outline the ALT process to those interested in establishing or participating in a future ALT.

One of the initiatives of the Change Leaders' Program, an ALT is a cross-section of employees at various levels, who come together to share their ideas, knowledge, and skills to help tackle a specific problem or improvement opportunity. Through this process, employees promote and practice the Toyota core values: respect for people and continuous improvement, whilst also enhancing their own learning and growth.

Currently ALTs are operating in Port Melbourne, Weld, Assembly, PDE, and PNE. Each ALT is tackling the key employee issues identified through the Employee Satisfaction Index (ESI) results. At the network meeting, ALT members shared their teams' successes, and explained how they overcome the various struggle points along the way. They also expressed the personal satisfaction gained through effecting real change within their area, and hearing positive feedback from employees.

In concluding the network meeting, ALT facilitator Lucy Liu said the aim of ALTs is quite simple: *"it's all about taking 'action', 'learning' through the experience, and working as a 'team' with trust and respect"* she said.

Six months later we conducted a second Convention, held in a similar informal manner in the company canteen, but this time a total of seven teams made presentations. We made a point of inviting Alfie to this Convention. This helped to bring our modest efforts to the attention of senior management who decided to give it a boost. Alfie said to me *"Lucy, next time we should hold the Convention in the auditorium – we could have the Directors attend and hundreds of people could be there"*. Accordingly, since 2004 all Conventions have been held in the auditorium at six-monthly intervals. Holding two Conventions per year serves the purpose of continually building momentum. The aim was to have each ALT make a presentation in the presence of Directors and senior managers. But we saw the role of an ALT

Convention presentation as being quite distinct from the usual Quality Circle presentation. The latter can sometimes be fairly lengthy in terms of time and invariably have an element of competition underlying them. My intention was to keep the Convention presentations as short and concise as possible, four to five minutes, in a competition-free environment, with the emphasis on sharing ideas in a collaborative atmosphere that could be absorbed and perhaps taken up by others as necessary. By providing refreshment and a chance to mingle we could also turn the Conventions into a social occasion, helping to build community spirit, and a sense of creating a bottom-up initiative.

It was the success of the Convention held in May 2006 that really convinced me that the Convention had become firmly rooted as part of the ALT architecture. By this stage a total of eleven ALTs were presenting on different topics. Both the Maintenance ALT and the PNE ALT presented as integrative teams, whilst the other teams made presentations that were singular and more task-based, emphasising how they had approached and solved a particular problem, not unlike a quality circle. These latter ALTs were not regarded as part of the overall ALT building architecture, unlike the Maintenance and PNE integrative ALTs. We had planned to conduct the Convention on the second last day of the production of the old Camry model. This is normally a time of year usually described as ‘crazy’ with so many activities in train. I wanted to cancel the Convention under the impression that attendance would be low with so many people distracted by other activities. Low attendance would have meant low value for the Convention if the impact was not there. The occasion is normally arranged by the Change Leaders’ group as part of their involvement as drivers of the change process, and I was heartened to learn from the group that 150 people were scheduled to present in eleven different teams. The managers had even arranged their own mini-ALT Convention as a preparation to test whether they were ready. With this level of commitment the Convention had to go ahead, and another milestone was reached through the attendance of the company Vice-President.

We now realise the importance of these ALTs Conventions as serving three distinct roles. First, the Conventions serve the role of promotion, acting to continuously build the momentum of the ALTs. I found it interesting to hear how many people quickly became excited by the idea of holding a convention, asking questions such as “*are we*

going to hold another Convention this year?” Second, the Conventions act as an idea-sharing forum by making improvements and methods available to people who may not otherwise have become aware of them. As an example, at the Convention held in May 2006 the Safety ALT reported how it had helped to reduce the number of muscular injuries from eighty six to four over a three year period. Such examples help to inspire others. Third, the Conventions act as a recognition and celebration of the effort and success of the people involved in the ALT journey. By having ALTs make a presentation in front of senior managers and Directors provides a forum for their members to have their achievements heard in the presence of senior people, an opportunity not usually afforded in large corporate organisations.

Chapter 6

Intuition

This chapter examines the first ‘i’ in the Crossan, Lane, and White (1999) model of strategic renewal – intuition. The chapter is divided into three main sections: the impact of the surrounding environment and decision-making context on intuition; the role of expert status and its impact on intuition; and the role of the ‘attending’ process and its impact on entrepreneurial intuition. In turn, each of these three sections is related to the situation at TMCA, culminating in a model of entrepreneurial intuition at TMCA.

What is intuition?

Behling and Eckel (1991) reported that as a result of a literature search between 1976 and 1987, 24 books and articles had been published that deal primarily with managerial intuition. These works yielded 87 descriptions of intuition that ranged from precise to vague. These descriptions could be grouped into six clusters, intuition as a: personality trait; paranormal power or sixth sense; unconscious process; set of actions; distilled experience; and residual category. During the last two decades researchers and scholars have continued to debate what intuition actually means and have brought different perspectives to its study from many disciplines. There are now many definitions in the literature emphasising common ideas but also notable points of contention, for example:

- “*knowing without being able to explain how we know*” (Vaughan, 1979)
- “*guesswork, insight, hunch, speculation, imagination, judgement, gut feel, sixth sense, a feeling in the bones*” (Ray and Myers, 1989)
- “*a feeling of knowing with certitude on the basis of inadequate information and without conscious awareness of rational thinking*” (Shirley and Langan-Fox, 1996)
- “*a form of cognition that operates in two ways based on experience and feelings*” (Burke and Miller, 1999)

- “*automatic and involuntary that increases with seniority*” (Sadler-Smith and Shefy, 2004)
- “*affectively charged judgements that arise through rapid, non-conscious, and holistic associations*” (Dane and Pratt, 2007).

The most recent definition of intuition which appears to be gaining wide acceptance belongs to Dane and Pratt (2007). They attempt to build on and bridge work in psychology, philosophy, and management by focusing on those aspects of intuition that are common and central to all three. In so doing they converged on four characteristics that make up the core of the construct, namely intuition is a: non-conscious process; involving holistic associations; that are produced rapidly; which result in affectively charged judgements. These characteristics had already been anticipated by Sinclair and Ashkanasy (2005) who likened intuitive processing to a non-conscious scanning of resources in a non-logical, non-temporal manner in order to identify relevant pieces of information that are fitted into the solution picture in a seemingly haphazard way, similar to assembling a jigsaw puzzle. When the assembled pieces start making sense, the big picture suddenly appears, often accompanied by a feeling of certitude or relief. The individual remains unaware of any reasoning taking place in their mind prior to the ‘appearance’ of the solution.

Earlier notions of intuition used to conflate it with such concepts as instinct, insight, incubation, and creativity. Recent theory and research, however, tends to point to clear distinctions between these concepts.

Instinct is an in-built fast biological reaction with which evolution has equipped us in order that we can respond to stimuli in ways that maximise our chances of survival in the face of a physical threat (Sadler-Smith and Shefy, 2004). Other scholars may be accused of still confusing intuition with instinct. For example: Moir and Jessel (1989) claim that intuition may have a genetic evolutionary component that is inherited as an unlearned gift; Myers (2002) claims intuition emanates from an ancient biological wisdom associated with survival mechanisms related to quickly assessing strangers as friend or foe; and Behling and Eckel (1991) quote authors who relate intuition to

extrasensory powers of perception, clairvoyance, and telepathy in the realms of parapsychology.

Incubation is the unconscious processing of information which may yield an insight in a ‘eureka’ or ‘aha’ moment (Sadler-Smith and Shefy, 2004). During incubation a person keeps assembled information in mind but does not appear to be working actively on the problem. However, the subconscious mind is still engaged – “while the information is simmering it is being arranged into meaningful new patterns” (Dubrin, Dalglish, and Miller, 2006: 329).

Insight is a lengthy, conscious, and explicable process that starts with rational, deliberate analytical thinking about an issue or problem (immersion) that precedes an incubation period (Hogarth, 2001), a long gestation period following an impasse in problem solving, and a final insightful, sudden, and unexpected thought (an ‘aha’ or ‘eureka’ moment) marked by a distinctive sense of knowing or understanding of the problem or of a strategy that aids the solving of the problem being worked on. Intuition may precede insight (Hodgkinson, Langan-Fox, and Sadler-Smith, 2008).

Creativity is a preconscious activity which guides or alerts an individual to highly novel, creative, and unusual ideas and outcomes (Finke et al, 1992). Intuition may be involved as an antecedent in the early stages of the creative process by providing somatic signals for or against a course of action (Hodgkinson, Langan-Fox, and Sadler-Smith, 2008).

Factors affecting intuitive decision making

Many variables have been postulated as impacting upon the prevalence of intuitive decision making. A number of authors have categorised these variables into various clusters as shown in table 6.1.

Table 6.1
Factors affecting intuitive decision making

Authors	Clusters
Dane and Pratt (2007)	Domain knowledge factors Task characteristics
Sinclair and Ashkanasy (2005)	Problem characteristics Decision characteristics Personal disposition Decision-making context
Burke and Miller (1999)	Dispositional factors Contextual factors
Shirley and Langan-Fox (1996)	Social / acquired characteristics Biological characteristics Situational characteristics

For the purpose of this chapter I will not follow the structure of any of these models, although in my analysis I will employ some of these variables to develop my ideas. Instead, I will follow a structure determined by my own experiences of intuitive decision making within TMCA. The following three sections will be used as the framework for the rest of the analysis: environmental and decision-making context; expert status and learning; and entrepreneurial intuition.

Environmental and decision-making context

The nature of the surrounding environment and decision-making context has a major impact on the prevalence of rational or intuitive decision making. When problems are tightly structured, simple, and routine then rational decision making is more likely to occur (Sadler-Smith and Shefy, 2007). In contrast, intuitive decision making is likely to be more prevalent when environments are novel, uncertain, unstable, unfamiliar, complex, or ambiguous (Agor, 1991; Sadler-Smith and Shefy, 2004; Anderson, 2000; Behling and Eckel, 1991; Dane and Pratt, 2007). Business environments are particularly susceptible to these circumstances when they are dynamic, fast-paced, ill-structured or in the process of globalisation (Anderson, 2000). Managers may suffer from an information vacuum or information overload, either through volume or complexity (Sadler-Smith and Shefy, 2004). Objective data may not seem to be correct or the ‘facts’ may be conflicting (Agor, 1984; Sadler-Smith and Shefy, 2007). Accordingly, problems which emanate within such environments are often poorly structured and ill-defined, without existing precedents or well-accepted decision rules

for dealing with the situation (Dane and Pratt, 2007; Parikh et al, 1994). Business managers will often find themselves facing issues where relevant variables are less predictable. The 'facts' of the situation may be limited or do not clearly point the way to go (Agor, 1991). Where there are no predetermined guidelines and no obvious rules to follow, then managers may find that several plausible alternatives exist (Agor, 1991; Sadler-Smith and Shefy, 2007). This absence of objective criteria or demonstrably clear solutions will tend to steer managers towards making 'judgement decisions', especially when accompanied by high decision costs (Tomer, 1996) and time pressure in urgent situations (Kuo, 1998). Judgement decisions tend to be extremely intuitive and are often made based on moral, political, aesthetic, or behavioural assumptions (Laughlin, 1980).

Environmental and decision-making context within TMCA

The motor assembly industry operates in a highly competitive and globalised environment. During the late 1990s Toyota was making concerted efforts to expand its international operations. The recall by TMCA of thousands of defective vehicles sent to Middle East export markets acted as a wake-up call for the organisation. Senior management quickly diagnosed the causes as relating to the culture of TMCA. The organisation was heavily unionised, siloed thinking proliferated, communication was distorted, and the lack of a unitarist culture was noticeable. Accordingly, the Toyota philosophy and production system had been compromised in its application. Strategic renewal was a necessity, but how could it be accomplished? This was a new situation for TMCA for which there were no established precedents. It was a time of high uncertainty. Swift action was required for fear that TMCA would lose its valuable export markets in the Middle East. But there were no predetermined guidelines to follow. This new, dynamic, ill-structured scenario during a period of rapid globalisation follows the textbook situation that pre-disposes managers towards intuitive rather than rational decision making.

However, intuitive, judgement decisions are actually made by individuals not situations. What type of individual is most likely to act upon the uncertain and ill-structured situation and step forward to make the intuitive decision? The literature suggests that this mantle invariably falls upon those who possess expert status and

extensive learning within the organisational domain in question. This topic will be analysed in the following section.

Expert status, learning and intuition

Crossan, Lane, and White (1999) distinguish between expert and entrepreneurial intuition. Expert intuition involves a process of past pattern recognition. Expert intuition can be regarded as distilled experience (Behling and Eckel, 1991) in the sense of involving variations upon a relatively small number of decisions that have become frozen into habit through the lessons of experience. Expertise that has been built up by an individual through experience and knowledge within a certain domain is held in a schema (or mental map, action script, cognitive structure, or framework). A schema represents “knowledge about a concept or type of stimulus, including its attributes and the relations among those attributes” (Fiske and Taylor, 1991: 98). As such, expert intuition is a pattern-matching process, whereby information is encoded and chunked into patterns, stored in schemas, and then equated with environmental stimuli (Dane and Pratt, 2007). A highly sophisticated and complex map enables the expert to perceive patterns that novices cannot. Experts possess a long duration of employment within a certain domain. Focused effort, deliberate practice, socialisation, training, and learning provide the deep experience in particular domains that is fundamental to gaining expertise and fostering intuition (Lawrence et al, 2005; Ericsson, 1996; Klein, 1998). Experts hold in their memory not only a set of learned patterns but also information about the significance of the pattern, including information relating to its emotional salience, such as the risks or advantages from previous episodes associated with it (Klein, 1998). Thus, the ‘expert intuitive’ initially recognises situational cues that are similar to ones previously encountered, and then selects or modifies actions that proved effective in that situation in the past (Behling and Eckel, 1991). On the way to expert status, thoughts and actions that were previously deliberate, conscious, and planned become the obvious thing to do. Experts know, almost spontaneously, what to do. They possess a ‘feel for the game’. When asked to explain their actions an expert is often unable to do so. For example, when comparing a novice with an experienced foreman, Prietula and Simon (1989: 121) note that the veteran “has learned to grasp the meaning of certain patterns of operations and activity on the shop floor”. Accordingly, he reacts to information

without seemingly needing to think about it. Thus, expertise can be thought of as unconscious recollection. It is highly subjective and deeply rooted in individual experiences (Crossan et al, 1999). But we must remember that expert schemas only develop within a certain domain – the area of one’s expertise. When placed in different contexts the expert is less likely to display the same extent of intuition because their schema embraces less complexity and contains less domain relevant knowledge (Dane and Pratt, 2007).

Experts usually benefit from extensive learning within a certain domain. Learning is a crucial mechanism through which experts develop complex domain-relevant schemas. Two types of learning are important: explicit and tacit. Lovett (2002) defines explicit learning in terms of individuals being consciously aware that changes are accruing to their underlying knowledge bases. Some individuals deliberately accrue such explicit learning by heightening their exposure to certain types of practices in terms of variety, repetition, or duration over long periods of time. When such practices occur in kind learning structures such learning will be enhanced even more. Kind learning structures are where learning refinement occurs through immediate and accurate feedback coupled with exacting consequences (Dane and Pratt, 2007).

With regards to tacit learning, as an individual’s exposure, experience, and expertise increases within a certain domain their amount of tacit knowledge can be expected to increase in tandem. Most tacit knowledge is in the form of “complicated, multicondition rules for how to accomplish specific goals in specific conditions” (Hovarth et al, 1994). Tacit knowledge is ‘knowing how’ rather than ‘knowing that’. More often than not it is acquired without explicit help from others or direct environmental support. It tends to be action-oriented, practically useful, and used to attain valued goals. People with high levels of tacit knowledge are usually better able to adapt to their environment through being able to modify their behaviour. Tacit knowledge is stored differently in the brain from explicit knowledge, as shown when persons suffering from amnesia are able to remember such knowledge whilst forgetting explicit knowledge (Seger, 1994).

Tacit knowledge is the “end product of an implicit learning process” (Reber, 1989: 232) defined as “the process by which knowledge about the rule-governed

complexities of the stimulus environment is acquired independently of conscious attempts to do so” (p. 219). Implicit learning enables knowledge to be acquired about the patterns or structures underlying complex stimulus environments. Thus, implicit learning is the process of gaining tacit knowledge as a precursor to intuition, and is reliant upon the individual having attained the needed knowledge through seniority and expert status.

My expert status and learning within TMCA

At the time I intuited the idea of action learning in TMCA during 2000 I had been employed in the organisation for over ten years. Apart from my initial teaching experience in China I had no experience of working for any other organisation. I carried very little ‘baggage’ from other organisations and readily became socialised into the Toyota culture. Table 6.2 summarises the duration and variety of roles I occupied in Toyota as explained in more detail in chapter 4.

**Table 6.2
Expert status in TMCA**

Date	Experience
Oct 1989	Machinist: seat and trim area
1991	Shop steward: seat and trim
1992	Team leader: seat and trim
1994	Training officer: human resources division
1996	Supervisor: seat and trim
1997	Facilitator: supervisory development programme
1998	Kaizen project leader: seat and trim
Feb 2000	Member of Change Leaders’ programme
Dec 2000	Manager of Change Leaders’ programme

I started from the ground up but eventually had the opportunity to interact with senior management. My roles varied across many hierarchical levels (machinist, shop steward, team leader, supervisor, facilitator, training officer, project leader, and manager) and across different operational and service units (seat and trim, trade union, and HR division). This exposure allowed me to forge relationships with social groups across the social hierarchical structure, from shop floor workers to senior management, from production units to service units, and from trade union to management. I gained a broad perspective about the company. Accordingly I was in a better position than most employees to understand the needs, problems, politics, and inter-relationships between social groups and different hierarchical levels. My tacit

knowledge of how things worked and how to get things done gradually became finely tuned. I implicitly started to understand what would work and what wouldn't work within the organisation. I also acquired a wide range of explicit knowledge within Toyota through my roles as a training officer, supervisory facilitator, and kaizen project leader.

Entrepreneurial intuition and the process of 'attending'

In contrast, entrepreneurial intuition is future possibility oriented. It has more to do with new insights, innovation, and change (Crossan et al, 1999). The key is the ability to make novel connections, perceive emergent relationships, connect patterns in a new way, and discern possibilities that have not been identified previously. In this sense, the passage from expert intuition to entrepreneurial intuition is not unmoderated. In contrast, experts may possess difficulties in exercising entrepreneurial intuition precisely because they are too locked into the dominant ways of doing things. As constrained actors they may be less able to perceive divergent views. They become institutionalised. Hence it may be argued that novices rather than experts are better placed to recognise and grasp new structures, processes, and systems without experience or expertise (Langley et al, 1995). Novices might be more intuitive *because* they lack analytical knowledge of the subject that could interfere with their ability to generate novel insights (Baylor, 2001).

This analysis would suggest that an element of 'unlearning' or 'organisational forgetting' might be beneficial in the passage from expert to entrepreneurial intuition. How might this be facilitated? One suggestion lies in exposing organisational members to divergent viewpoints located outside organisational boundaries. In scenarios of strategic renewal organisational members may consciously perceive opportunities for learning and innovation by turning to the external environment as a source of inspiration for generating new ideas. Kleysen and Dyck (2001) define 'attending' as a process of searching or scanning the environment for information from opportunity sources, which in turn becomes the raw material for intuition and new ideas. This deliberate scanning is an active, conscious and analytical process which not only uncovers new ideas to innovate but also may actually lead into the preconscious process of intuiting. When organisational members 'attend' to the

environment they purposely expose themselves to carriers of alternative views (Castaneda and Rios, 2007). Once avenues of direct contact are opened up then relational ties tend to develop with promoters of alternative views, which often influence the intuition of individual organisational members (Zietsma et al, 2001). This intuition may be sparked by private reflection which stimulates thinking and greater consideration of alternatives. In a study of a Canadian logging company, Zietsma et al (2001; 2002) found that those organisational members who actively sought and integrated divergent viewpoints from outside their organisation tended to develop direct contact and strong relational ties with opponents (environmentalists) and could be expected to diverge privately from their company's dominant frame. They were able to 'think outside the box'. It also helped if they were self-reflective, well read, formally educated, and "able to have a conversation with just about anyone" (Zietsma et al, 2001: 689).

Thus, our analysis suggests that the passage from expert to entrepreneurial intuition is not automatic. Indeed it may be fraught, unless the expert is willing to embrace divergent viewpoints from outside organisational boundaries. We suggest the process of 'attending' acts as a moderator between the two forms of intuition. We argue that this suggestion has not been sufficiently recognised in the literature. For example, Lawrence et al (2005) drawing on the original analysis of Crossan et al (1999) argue that intuition is the process through which individuals first recognise patterns in their experience that allow them to imagine new solutions or opportunities. The implicit assumption in this assertion is that there exists an uncomplicated progression from expert to entrepreneurial intuition. We would argue that this is not necessarily the case. Somebody who possesses extensive experience in the domain (expert) will not necessarily possess the facility to channel that experience in imaginative ways (entrepreneurial).

This conflation of the two elements of intuition is also evident in the analysis of Klein (1998) who refers both to the way in which decision makers "size up the situation to recognise which course of action makes sense" and "the way they evaluate that course of action by imagining it" (p. 24). By imagining people and objects "consciously and transforming those objects through several transitions" experts are able to project how the present will move into the future (Klein, 1998: 73). This analysis overlooks the

possibility that when a scenario calls for strategic renewal, experts who are deeply immersed in the organisation's traditional way of doing things are often unable to recognise divergent courses of action in the first instance. Their frames are too narrow. We would argue that such experts need to simultaneously 'attend' to external environmental circumstances in order to nurture entrepreneurial intuition. A similar tendency towards conflation is also revealed in the work of Lawrence et al (2005). They argue that as organisational experts begin to understand themselves in relation to their experience this impacts on their agency and focuses on shaping their identities as discrete and autonomous individuals. As their identities mature they provide experts with psychological and discursive resources for relating themselves to organisational experiences. Thus, intuition is fostered by "deep levels of experience and consistent bases for identity formation" (p. 188). Again, however, we would argue that although expert status may contribute to identity formation, there is no necessary connection between the development of these psychological and discursive resources and the nurturing of entrepreneurial intuition. Such resources cannot emerge from a vacuum that is not supported by external 'attending'.

My entrepreneurial intuition at TMCA

As detailed in chapter 4 I first became aware of action learning during my period as a training officer in HR. My wide reading at that time exposed me to the concept as an integral part of adult learning. On reflection I probably tucked the concept away in my mind as an interesting idea. It never really became operational until I commenced my postgraduate studies at Swinburne University in Melbourne. This university had a reputation for teaching its business subjects through experiential learning and many of its academics were well versed in the theory and practice of action learning. It was fortuitous that I was a member of the Change Leaders Team at Toyota at the same time that I was required to write a workplace-based assignment for my studies at university. The idea came to my mind that I should write a reflection on the Change Leaders Programme employing action learning. The theoretical and practical aspects of my university and workplace environments came together simultaneously. The final report of the Change Leaders Programme (written by myself) was strongly influenced by the insights from this crucial period.

The literature suggests a number of factors that may account for the predilection of certain people towards the process of ‘attending’. In my case some of my personal characteristics may have helped. People are more likely to exhibit entrepreneurial intuition if they are self-reflective, well read, formally educated, and “able to have a conversation with just about anyone” (Zietsma et al, 2001: 689). My Chinese heritage has instilled into me the importance of building lasting relationships with people. I have always pursued the goal of trying to understand people and benefit from their knowledge. I take great pains to nurture and maintain such relationships. This relationship-oriented approach, when combined with more rationally-objective attitudes inherit in Australian society, has probably allowed me to combine the benefits of two cultures and facilitate a predilection for being able to think beyond the organisational box. The critical role that mentors and relationships have played in my life is captured in Box 6.1 which relates part of an interview with me conducted by Kerry Devine (2002) and published in Swinburne University’s Quarterly Newsletter of the National Centre for Gender and Cultural Diversity.

BOX 6.1

The Importance of Mentors and Relationships

What transpires in the course of our conversation is the slow uncovering of significant people in Lucy's life, those who have nurtured and shaped her unswerving commitment to personal learning and transformation. She talks with gratitude and respect about the influence of her family, their housekeeper, and a dear friend who became her mentor – all of whom, in different ways, imbued in her a strong sense of the importance of vision, hard work, discipline, loyalty, consistency, service, two-way giving, and taking responsibility. I am fascinated to learn that in Lucy’s family home in China, there was a much-respected housekeeper who dedicated herself for 35 years of service and took full control of everything. The housekeeper’s position of centrality, entrusted as she was with the long-term care of a whole family, is perhaps one model of stewardship that informs Lucy’s own conception of her role as a change leader and manager at Toyota Australia.

But there have been other equally important models, mentors and experiences. What stands out for me as we speak is Lucy’s almost grail-like quest as the Learner. She has obviously embarked on a journey of personal learning and this informs how she sees herself as a professional, as a manager, and as a catalyst for organisational cultural change within Toyota.

Of course, being formally educated has probably played an important role also. I am keenly aware that I would not be the same manager I am today if I had not undertaken my postgraduate studies. My teaching background and on-going pursuit of academic study and qualifications has enabled me to think critically whilst still being subject to the constraints of corporate employment. Critical thinking facilitates self-reflection.

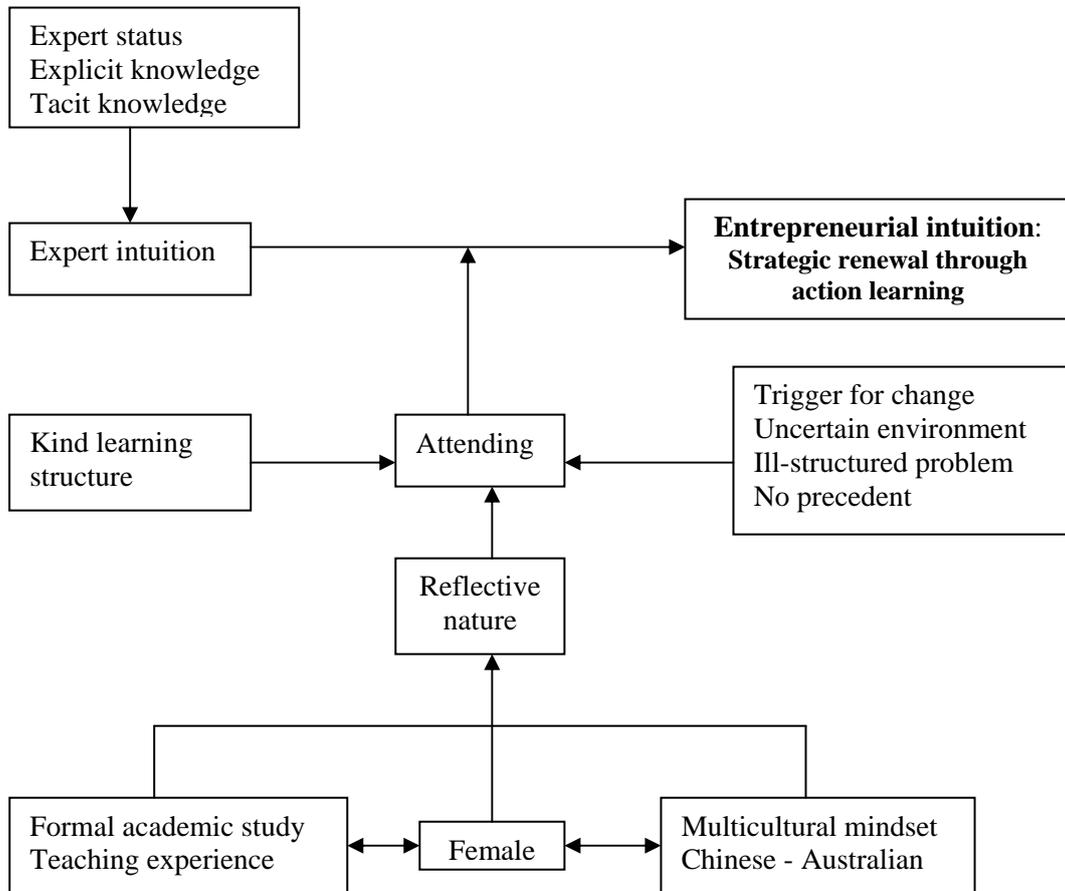
Two other personal characteristics that can also facilitate entrepreneurial intuition are positive mood (Bless, Bohner, Schwarz, and Strack, 1990; Elsbach and Barr, 1999) which was strongly prevalent during the period of the Change Leaders' Programme, and female gender (Pacini and Epstein, 1999) which requires no further explanation.

The 'kind learning structure' in Toyota also undoubtedly assisted my 'attending'. Toyota's culture is based on continuous improvement and problem-solving which encourage a participative learning culture. Experimentation, kaizen, and PDCA (plan, do, check, and act) are embedded into the company operations and philosophy and encourage employees to challenge their thinking. Consequently, I was aware that new concepts are more likely to be tolerated and embraced by the organisational environment rather than being suppressed in favour of the status quo. Quality circles rather than action learning have always been the traditional improvement vehicles within Toyota. However, Toyota culture is sympathetic towards new ideas and allows them to be trialled. There always exists the opportunity to try out things and be supported in one's endeavours. The opportunity to influence 'powerful' people is a reality. Such awareness facilitates seeking and incorporating divergent views.

The situational context also helped. The Middle East crisis gave the opportunity for organisational focus and attention by providing the urgency and trigger for action. I was also able to take the action learning concept back to an immediate enabling architecture in the form of the Change Leaders Team which provided the power and authority to initiate action and experiment with new ideas. The lack of direction given to the Change Leaders Team also accentuated my intuition. It had been left to its own devices. Accordingly a lacuna had been created which demanded filling. As a result I began to think that I could initiate something positive in the team and show my leadership. Through the team and my position within it I had strong ties with senior managers as sponsors and champions. This relationship network gave me a feeling of informal power to communicate at high levels. This realisation facilitates 'attending'.

Figure 6.1 below summarises the inter-relationships between factors affecting entrepreneurial intuition analysed in this chapter.

Figure 6.1
Factors affecting entrepreneurial intuition at TMCA



Chapter 7

Interpretation

This chapter examines the second ‘i’ in the Crossan, Lane, and White (1999) model of strategic renewal – interpretation. The chapter is divided between the concepts of self-interpretation and group interpretation: the latter analysed through the vehicle of three significant case studies – Change Leaders’ Programme, Team Leader Development ALT, and Port Melbourne ALT. The major factors impacting on self and group interpretation at TMCA are identified and analysed in this chapter.

What is interpretation?

Crossan, Lane, and White (1999: 525) define interpreting as “the explaining, through words and/or actions, of an insight or idea to one’s self and to others”. Interpreting is a process that “begins at the individual level and moves on to include other individuals through conversation and dialogue” (Lawrence, Mauws, Dyck, and Kleyson, 2005: 181). Accordingly, interpreting bridges the individual and group levels.

Three separate but related concepts comprise the essence of the interpretation process: language, cognitive maps, and conversations/dialogues (Crossan, Lane, and White, 1999: 525). Language is pivotal in enabling individuals to develop a sense of shared understanding. A common language is created and refined through the social activity of interpretation. Through the process of interpreting, individuals develop cognitive maps about the various domains in which they operate (Huff, 1990). It is language that plays a pivotal role in the development of cognitive maps. Through language “individuals name and explain what were once feelings, hunches, or sensations” (Crossan, Lane, and White, 1999: 528). Talking and acting together with others, “developing words to describe what had been vague insights, and enacting these insights enables a deeper meaning to evolve” (p531). Shared observations and discussions “can bring about agreement on a common grammar and course of action” (Daft and Weick, 1984: 291), as well as clarifying images, creating a shared understanding of what is possible, and developing shared meaning. Chang (2008) notes how meanings are not available from the data as ready-made answers; rather

they are formulated in an individual's mind. Interpretation, therefore, "focuses on finding cultural meanings beyond the data" (p 127). It addresses processual questions of meanings and context: "what is to be made of it?" (Wolcott, 1994: 12). Thus, individuals form larger meanings of what is going on in certain situations or sites: interpretation thus involves "making sense of the data" (Creswell, 1998: 144). In this manner it is through "group dialogue and conversation that one's own understanding and cognitive complexity are enhanced" (Crossan, Lane, and White, 1999: 531).

Although "cognitive and cerebral processes of learning" have traditionally been stressed in organisational learning theory, it can be argued that "socio-political dynamics" play an equally vital role (Kleysen and Dyck, 2001: 388). Three concepts have been explored in the organisational learning literature related to experimenting, championing, and power.

(i) As individuals and groups "experiment and explore new territories, often mapless or with only a vague vision, a mental picture can slowly emerge with finer levels of detail" (Crossan, Lane, and White, 1999: 531). Experimenting is an action-based learning process that stands alongside the more cognitive process of interpreting. Individuals and groups can "act on, test out, and develop their interpretations via experimenting" (Zietsma, Winn, Branzei, and Vertinsky, 2002: S69). In this manner the process of experimenting can act as an important component to aid the process of interpreting in moving from individuals to groups.

(ii) However, as Zietsma, Winn, Branzei, and Vertinsky (2002) remind us, experimenting is only possible "when experimenters have either the autonomy to act alone or the endorsement of someone in power" (p S69). Novel ideas challenge social structures and vested interests (Pfeffer, 1992) and must overcome political resistance. New ideas need to find a champion or die (Schon, 1963). A champion is an individual who emerges to take "creative ideas and bring them to life by promoting the idea, building support, and overcoming resistance" (Kleysen and Dyck, 2001: 388).

(iii) As we have argued, the communication of ideas to others occurs through a process of interpreting and allows individuals' ideas to be shared with others. However, some ideas can be caught within a 'legitimacy trap' whereby external ideas

are resisted because the source is deemed to be illegitimate (Zietsma, Winn, Branzei, and Vertinsky, 2002). Hence, only some interpretations will be accepted by others as legitimate or valuable. Lawrence, Mauws, Dyck, and Kleysen (2005) argue this depends on the episodic power of the ideas' sponsors – their ability to influence the thoughts, feelings, and behaviours of those around them. Weick (1979) suggests that individuals are more likely to see something when they believe it rather than believe it when they see it. It is influential people who are more likely to instil such belief in others than people who are regarded as non influential. Lawrence, Mauws, Dyck, and Kleysen (2005) argue that influence is the most effective form of power during interpretation because it can affect the costs and benefits that individuals associate with specific interpretations of an idea. They suggest a wide range of tactics can be used, such as moral suasion, negotiation, persuasion, ingratiation, and exchange.

Self-interpretation

As argued by Crossan, Lane, and White (1999) the process of interpretation involves explaining an idea or insight to oneself as well as to others. Self-interpretation was an important process for me in connecting my individual intuition with group interpretation within the company. I had to understand for myself how the action learning concept could be married into the strong extant TMCA culture and thus facilitate the process of strategic renewal. On reflection a number of factors aided my self-interpretation including the importance of my experience across various organisational roles, new learning, networked relationships, social dynamics, self-reflection, emotional control, and academic study. These factors are examined below.

In 1996, I was working in the Human Resources Division as a training officer, undertaking classroom-based training. During that time, I familiarised myself with much of the literature on workplace learning. I remember reading some publications on action learning that I found to be interesting and relevant. However, at that time I did not have any opportunity to practice action learning. That opportunity only arose later in 2000.

In 1997, I left Human Resources and returned to Manufacturing to be a group leader in the Trim and Seat department, the area where I had started with Toyota before

transferring to HR. Six months later I was selected to be a facilitator for the supervisory development program, which involved training and coaching supervisors for the Port Melbourne plant in interaction management skills. This program had a profound effect on me by enabling me to develop and level-up my skills to interact with people through teaching and coaching others on the job, facilitating group discussions, and giving and receiving feedback. The fundamental skills of being an action learning facilitator were laid down during this period.

Following the completion of the supervisory development program in 1998, I again returned to the Trim and Seat area to become the kaizen leader. My role was to implement TPS in the trim fabrication area to improve quality, efficiency, and delivery. By this stage we were in survival mode, trying to keep the operation in house. This was the most challenging project that I had undertaken so far during my career in Toyota. Whilst in the HR training role teaching TPS I only learned concepts and tools, but did not understand what was involved when implementing it. During the project substantial process reductions were achieved involving labour savings. The labour saved was then used for volume-up. Nobody was made redundant.

This kaizen project gave me valuable experience in implementing standardised work, improving the production process layout and equipment, and managing change. The most difficult element in all this was learning how to manage resistance to change from the shopfloor members and the union. This twelve-month episode in change management was an eye-opener for me. Productivity improvements are not normally readily accepted by people as they are perceived as making people work harder. Communication and team meetings proliferated. To prepare people for the change, I consulted external union officials and internal shop stewards and shared the business context and the intention of the kaizen process with them. My previous role as a shop steward stood me in good stead. The relationships and associations I had developed in the past certainly helped me to gain their support. On reflection, I believe that one of the things that I do well lies in valuing relationships. No matter where I go or what I do I always believe in keeping in touch with people that I have been associated with, regardless of their gender, background, position, or social status. Perhaps this is related to the influence of my family and the Chinese culture. The longer I have worked with Toyota, the more people with whom I have connected. They become my

support network in many of my change initiatives. One of the techniques I have practiced is that before and after team meetings I try to have casual one-on-one conversations with some people to develop relationships with them and give some subtle influence. I have found this was very useful in setting the climate for the formal communication session and reducing tension when conflicts of interest occur.

Another key learning from the kaizen project was the importance of listening to members and controlling my emotions. The interaction skills developed from my supervisory development facilitator role in 1997 were extremely beneficial in giving me the confidence and techniques to deal with group dynamics and manage human emotion by practicing three key principles: maintain and enhance self-esteem, listen and respond with empathy, and ask for ideas when resolving problems. Another key lesson I learned was that in order to convince people one communication meeting was never enough. Telling people, and pushing my proposal forward, would invariably result in push back. So I changed my tactics. Instead of telling people to do it my way, I explained to everyone the purpose and reason first, and then asked everyone to put their ideas forward. After the ideas were collated I allowed the team to try different ideas, including me. After the trial we jointly made the decision. It was interesting to know that 80% - 90% of the time, the team chose my way. That turned my initial push system into a pull system. It was the first time I understood how the pull system concept could be utilised in generating change. This experience had a significant influence during later stages of my work in relation to making a conscious effort to establish a pull system when introducing change. Through the involvement, open dialogue, and opportunities to trial team members' ideas, the level of resistance seemed to reduce dramatically and ownership increased. I also found that it was even more effective when I gave my ideas to a couple of team members, allow them to translate it into their own words and then present to the team. They became the champion for kaizen. One day, whilst using such techniques my manager observed and said to me: *“Lucy, this is my image of empowerment in the workplace. You are the role model for the other group leaders”*. Such recognition is always a reward for me.

Whilst the kaizen project was underway, I was simultaneously studying a subject in Change Management, Leadership, and Team Building as part of the Master of Management degree at Swinburne University in Melbourne. The subject matter had

strong connections with my work, and engaged me deeply. I attended evening classes twice a week after a long working day. Leaving home each morning to go to work at 6.00 am and then rushing to the 6.00 pm evening class at university, to finally arrive home at 9.30 pm was not easy, but incredibly worthwhile. The study provided me with useful theories and models to relate to my practical working activities, substantially enhancing my effectiveness. The timing of the study correlated perfectly with my role in the workplace. By consciously experimenting with the academic theories and concepts in real time with real complex problems, I gained understanding through reflection and action. Without doubt, subconscious processes also played a role in the interpretation and sense-making events. After working on the project for almost a year, I attended the semester examination on Change Management. I recall that I wrote for 2.5 hours non stop. My experience emerged out of my head in a smooth flow. I felt so engaged, confident, and rewarded. It was the first time in my life that I had been able to put my name to a change management model referenced as 'source from Lucy Liu'. I can remember this sensational moment on my way back to work after the exam. I was so proud of myself regarding my performance during the examination. The juxtaposition of academic study with practical work activities assisted my own internal debate and reflection with myself, thus helping me to interpret the importance of communication, involvement, and the process for change. I completed my Masters in 3 years.

From self-interpretation to group interpretation

The process of self-interpretation is a continual one and does not come to an end when the process of group interpretation commences. Quite the contrary. I found that when I moved into the stage of facilitating others to understand action learning that the feedback to my own self-interpretation was substantial. In line with the extant literature I found that factors associated with language, cognitive maps, conversations/dialogues, experimentation, championing, and power were significant determinants in the efficacy of moving from self to group interpretation. However, through my experience with group interpretation I would add several other factors to these literature-derived concepts. These factors are listed below and elaborated in the following sections. However, I do not propose to examine these factors one by one.

Instead I will provide an account of the group interpretation activities I observed and participated in, and which led me to identify these factors as important:

- Crucial role of the facilitator
- Real-life, real-time experimental opportunities
- Influential convert missionaries
- Frequent company-wide publicity
- Active support and recognition from senior management
- Continuous report writing and document preparation
- Sharing credit amongst all participants
- Consistent messages
- Transparent and 'vulnerable' senior management
- Support network-coalition between facilitator, ALT, senior management, and human resources division.

During the period 2000-2002 I was fortunate to be involved in three separate group experiences which enabled me to experiment with the action learning concept and derive valuable skills as a facilitator during group interpretation, namely the Change Leaders' Programme, the Team Leader Development ALT, and the Port Melbourne ALT. These experiences are examined below, paying particular attention to the issues and nuances associated with group interpretation and how this process, in turn, fed back into my own on-going self-interpretation.

(i) Change Leaders' Programme

By 2000, the kaizen project had achieved a 30% efficiency improvement and 40% space usage reduction. Due to this achievement I was selected to be a 'change leader' working alongside five other supervisors (group leaders) in the Change Leaders' Program. At that time, an external consultant was hired to help the group through the team forming process. Initially I was quiet. I occupied a junior status compared with the others who had already been in the supervisor's role for 15 – 20 years. I contented myself with being the main person to develop and write proposals, plans, and reports. In May, I produced a cultural analysis of Toyota Australia. The team was surprised but eager. We sent the analysis to senior management who expressed delight. One of

the Divisional General Managers told us: “*this is better than the external consultant’s report. It should be the compass for change*”. This level of recognition and sponsorship from senior management gave us a high profile and represented a turning point for the Change Leaders’ Program. We were requested to present the report to all manufacturing managers and to the HR division. This communication process helped the organisation to understand the vision and purpose of the program and the nature of the problems that existed in the organisation’s culture. We started to draw the main organisational players into the dialogue, thus facilitating the process of interpretation.

By mid 2000, I felt that I was becoming recognised as the natural leader of the team due to the input I provided. With many of the papers I wrote, I took care to put every team members’ name onto the paper. Such co-authorship acted as a mechanism for sharing the ownership and credit with them. This approach enhanced my bonding with the team and helped to gain their commitment towards the action. Sharing credit in this way is not a cynical manipulative move. It is an important part of my value system. It builds relationships and teamwork. Ownership and commitment act as crucial elements in achieving consistent interpretation across the team.

One day, after we had finalised an initiative of implementing a standardised meeting structure across all manufacturing shops, we conducted a reflection on the project. I developed a framework for reflection in my responsibility area which I shared with the Change Leaders. It became the standard reflection tool for our team. It comprised three columns with three simple questions: (i) what went well? (ii) what can be improved? (iii) how can we improve (kaizen actions)? We used this framework to conduct individual and team reflections on a weekly, monthly and annual basis to support planning, learning, and continuous improvement. Later, this reflection tool was shared with many parts of the organisation. To date, many people, teams, and units are still using it. It has become institutionalised thus greatly facilitating dialogue and standardised interpretation.

Another approach I applied in the Change Leaders’ Program related to my experience in consulting with the shop stewards in a proactive way. By continually trying to build relationships and shared objectives with them I hoped they would become less of a barrier to change. Figure 7.1 shows the reflection note I prepared for discussion.

Figure 7.1

Meeting with Port Melbourne Shop Stewards

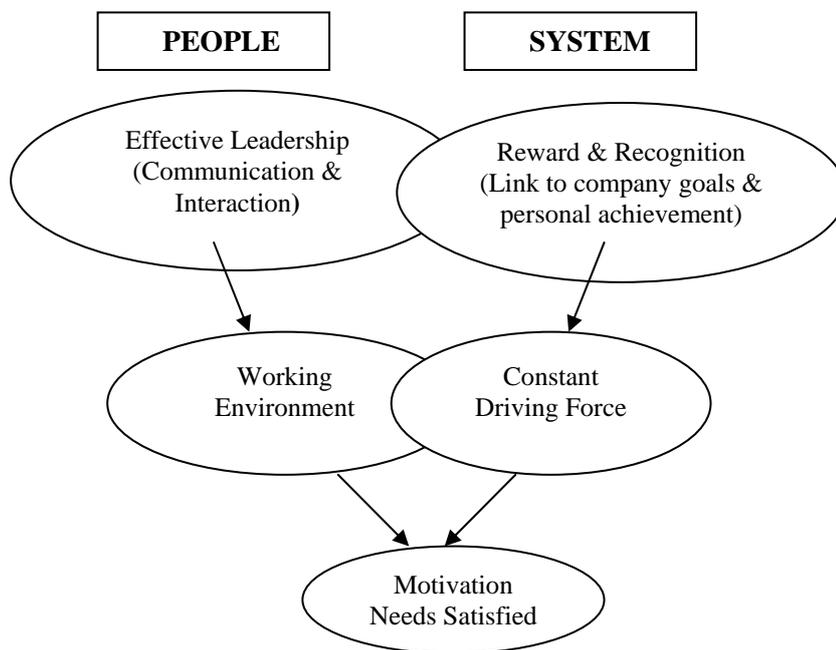
Subject: Involving and Communicating with Union Reps regarding the Change Leaders Program

Date: 3.30pm 3 / 7 / 2000

Topic 1: Project Objective: Creating a Motivated Workforce

(See Motivation Paper: What, Why, How)

Topic 2: Change Leaders' Motivation Model: People & System Integration



Topic 3: What Changes Have Been Implemented?

Improving the interaction between managers and shopfloor - better working relationship
(See attachment: What, Why, How)

Topic 4: What is the next activity?

Improving the effectiveness of the communication meeting - two-way & standardisation
(See attachment: What, Why, How)

In September 2000, I was requested to provide the HR Division with a brief report on the Change Leaders' Program. This provided the first opportunity for me to interpret the program to the organisation, thus further extending and strengthening the dialogue. Box 7.1 shows the note that I wrote at the time for the briefing meeting.

BOX 7.1

A brief report on the Change Leaders' Team from two perspectives:

(1): The Team (the team's development)

(2): The Task (the project's progress)

THE TEAM

1: At the start of the project six change leaders possessed different understanding and expectations. To date we have established a common purpose, consistent approach, and strong commitment towards building a foundation for sustainable cultural change.

2: The team has traversed through the process of forming, storming, norming, and performing. We have adopted an action learning approach. We have a task structure and a learning-from-doing approach. The most powerful learning tool for the team is reflection. We regularly reflect on what went well, why, what could be improved, and how. Not only do we constantly reflect on the team's performance, we also reflect on each individual's behaviour. The purpose of this activity is to ensure that we are an effective team, as well as effective individuals. When there is a high level of stress or frustration, we will also conduct a reflection on that particular day to rebuild our momentum.

3: The most important and valuable norms within the team are openness, honesty, and total commitment towards team goals.

4: Project control tools. To keep the project on track we use visual controls. Our road map, project plan/Gantt chart and Team Dashboard (a tool developed by an external consultant for monitoring the morale of the team) are displayed in our little shed (our office). So the project's progress and team morale are monitored on a daily, weekly, and monthly basis.

THE TASK

So far, our key focus has been on communication. Communication is the most important and fundamental element for culture change. Two sub-projects have been implemented.

1: Improving the interaction between management and shopfloor members

--- To improve leadership style

--- To help managers to understand

2: Standardise the weekly communication meetings, so the same message can be communicated to everyone at the same time.

This report contained a stronger focus on the team than it did on the task. I was keenly aware that I was only learning and feeling my way through the process of establishing teams and conducting action learning. But at least I had started to come to some understanding. The change leaders' experience was different from the previous kaizen project. The kaizen in Trim and Seat was conducted with natural work teams, and the task was focused on standardised work and process improvement. In the Change Leaders' Team, no formal leaders were appointed. It was a self-managed cross-functional team. Also, no clear direction was given because the problem was broad, vague, and complex. When topics are related to culture, normally they touch the subjects of people's deep assumptions, beliefs, and values. These things are difficult

to see and quantify. At the end of 2000, I prepared a dissertation for the subject of 'Innovative Practices' as part of my Master of Management degree. Normally, students chose topics concerned with creating new products or services. However, I picked the topic of management practices because I thought the Change Leaders' Program was unique. We were initiating changes from the middle. It was different from the common practices of top-down driven or bottom-up. The key argument was that people in the middle had a better understanding of the problems related to upper level and lower level positions. I received the Best Student award for that subject. Once again the Change Leaders' Program provided an opportunity for me to experiment, reflect, and validate the theories of team building and organisational culture change.

Winning the Best Student award for the Innovative Practices subject stimulated my thinking to write a report on the program for senior management. Coincidentally, Alfie, who was the main sponsor of the program, also requested a report from the team. I produced a detailed document with the objective of creating an organisational memory bank which I called 'The Road Map for Change'. On completion of the draft, I asked the team to check and give their input. As usual, I placed everyone's name on the report to share the ownership and credit. Even if they had not written the report they were still a part of the story and should be recognised. The report captured our journey including the successes and struggles, and recommended strategies to move forward. In this report I acted both as a participant and a researcher. It helped me to make sense of the journey that I was going through and to conceptualise the events and activities I had observed and been involved in into frameworks, models, processes, and tactics. Senior management endorsed the report and the strategy and gave the change program a life for another five years. By continually sharing the dialogue with the Change Leaders' Team, senior management, and the HR division this helped to create a common interpretation between all these key players and pave the way for a strong coalition to support the agenda. What I benefited most from was that every time I produced a formal report for work or study, it provided more opportunity to initiate action, gain experience, reflect, and secure deeper insights and sense-making. My performance in the Change Leaders' Team was recognised by senior management when I was promoted to be Manager of the Change Leaders' Program as from January 2001. My role changed from the informal to the formal leader.

Disseminating the dialogue in order to reach a wider audience so as to secure a broader and more shared organisational interpretation was also a goal of the Change Leaders' Team. For this purpose we utilised the vehicle of the internal company magazine 'Toyota Today' on a frequent basis. The story in Box 7.2 appeared in December 2000, and is typical of the type of message we tried to communicate.

BOX 7.2

Leading the Change

In May this year, Toyota Today introduced the Change Leaders to Toyota people. They are a group of supervisors from manufacturing. The Change Leaders' program aims to create an environment with everybody working together to achieve common goals. The sponsor of the program is P.S.I Group (consisting of Manufacturing Director, General Managers, and Senior Managers).

The program is driven by the change leaders, a self-directed team. The shared mind-set and total commitment toward the program vision has maintained a high level of motivation and effectiveness. The spirit of unity has enabled the team to get over some hurdles.

Since May 2000, the Change Leaders have implemented some activities in the workplace, intended to improve workplace motivation through Communication, Team Leader Development, Support Department and Policies and Systems. The biggest success out of these activities is the standardization of the weekly group meeting which communicates KPIs, company messages, and answers employees' concerns.

The Change Leaders thank you for your support during this program and look forward to working with you to meet the 2001 challenges. Merry Christmas and a Happy New Year.

Message from the Change Leaders

In February 2001, I created the first document aimed at interpreting, both for myself and for others, the meaning, significance, and application of action learning. This interpretation was based solely on my experience and background knowledge. At that time, I had not performed a literature review on action learning. The document is shown in figure 7.2.

Figure 7.2

From Concept to Application Action Learning

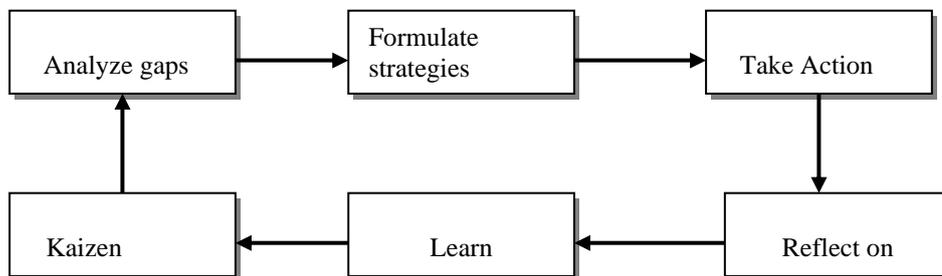
Components of Action Learning

(1) Task	<ul style="list-style-type: none"> e.g.: to influence and energize people through effective communication, stimulation, and recognition.
(2) Learning	<ul style="list-style-type: none"> Group interaction: Share knowledge and skills Reflection: action/strategy (how) + Individual and team's behaviour

Team Learning/development Process

Forming	<ul style="list-style-type: none"> Establish the structure: Roles and responsibilities Establish agreed rules/behavioural standards Establish objectives
Storming	<ul style="list-style-type: none"> Different background, expertise, expectations, personalities Different ideas, direction Conflict
Norming	<ul style="list-style-type: none"> Common understanding Unwritten rules Bonding
Performing	<ul style="list-style-type: none"> Balanced approach between task, spirit, intellect and emotion Adding value to the task and individual development

Action Learning Model



(ii) Team Leader Development ALT

Senge (1990) has argued that to capture a concept sometimes takes only a few moments, but to translate a concept into application could be a life long journey. It was at this time that a coincident event occurred that enabled me to move beyond the action learning concept and into the realm of experimentation and application. This event further enabled the interpretation journey around strategic renewal and action learning. Early in 2001, a group of team leaders rushed to Alfie's office and complained about the stress they faced every day in the workplace and demanded a

pay increase of 10 – 15%. Their frustration and dissatisfaction was palpable. They had raised their concerns and issues many times, but each time the response from management did not meet their expectation. The tension escalated. All the team leaders were members of the union and industrial disputation was possible. Alfie referred this issue to the Change Leaders' Team because he perceived us as neutral, with credibility in the eyes of the shopfloor team members and senior management. I suggested that we approached the problem through the mechanism of an ALT comprised of one team leader representative from each 'shop' and facilitated by myself plus two Change Leaders. I found the inclusion of the Change Leaders to be a beneficial strategy. They were influential people who carried shopfloor respect. They were also experienced in the action learning concept and could pass on their knowledge and ideas using a common language. In effect, they had been converted to the cause and acted as missionaries in passing on their experiences. They were invaluable aids in the interpretation journey. Consequently, whenever I established ALTs in subsequent periods I always employed the services of influential people who had experienced success in a previous ALT.

Despite this, I still found my relationships with the six elected team leader representatives to be extremely challenging. They were demanding, emotional, and under a lot of pressure to deliver on the expectations of their peers. Before launching into their topic, my first action was to attempt to develop a positive relationship with each of them through one-on-one informal conversations. I deliberately informed each of them that I had personal experience of the team leader role and could empathise with their difficulties and frustrations. I was not an enemy or 'one of them'. When the team came together, I suggested they form an ALT amongst themselves with our support to resolve the problem. The document I had written about the ALT concept really helped. We then went through the processes of creating a vision for the team, setting team rules, creating a project plan, and initiating actions. We took them to the Change Leaders' room and showed them our vision, values, team rules, and project plan. I thought that we did the right thing to work on their mindset first, before getting into their pay increase claim. This was a very political, complex, and emotional issue. One of our activities during the ALT journey was to conduct a survey to collect management, supervisor, and team leaders' views regarding their image of the team leaders' role. The misalignment found was significant. Trying to bring all parties into

a shared picture was a daunting task. From their managers' and supervisors' perspectives, they believed that team leaders should do more than they were actually doing, and should not ask for extra remuneration. From the team leaders' perspective, they believed they were doing all the hard work for managers and supervisors, and hard-to-manage difficult team members. With high absenteeism, they were constantly on-line replacing the team members and responding to andon calls (line stoppages due to identification of defects) and toilet relief.

My strategy was to shift their focus away from remuneration issues towards career development and personal recognition. We used a nationally recognised Frontline Management program to set the base to determine the competency framework for Toyota team leaders and define their role. As it was a nationally accredited qualification, it was easier to gain the acceptance of the union and team leaders because it was not set by management. There was severe mistrust between management and team leaders. One of the key challenges I faced was that when we appeared to have influenced the six team leader representatives and achieved an adequate level of shared interpretation on the resolution of the issue, they would subsequently move away from the initially agreed proposal due to peer pressure. To help them develop their skills of influencing others, we conducted many coaching sessions for them in relation to personal influence and effective communication.

A number of the techniques that I learned from the kaizen project and the Change Leaders' Program assisted me with managing conflict amongst the team leaders and securing a shared interpretation. First was to always use the team objectives and team rules to keep the group together. Without some measure of unity it is extremely difficult to obtain shared interpretation. Second was to stop and reflect if tension levels rose too high. Our reflection always referred to the necessity to balance personal and business needs. Third was to keep all issues and processes transparent. I found openness and transparency were critical in building trust. One incident I can vividly recall was when we agreed that our focus should be on team leader development and career pathways. We decided to select an educational provider to deliver the Frontline Management program. The six team leader representatives were involved in setting the selection criteria, benchmarking the program providers, and conducting panel interviews. I remember noticing how these activities seemed to

inspire them. Their co-operative behaviour reflected the new power of ownership they felt over their development. Our final recommendation involved a 5% pay increase on condition of completing the qualification and demonstrating new competencies on the job. My responsibility was to sell it to senior management and HR. Their responsibility was to sell it to their peers with the Change Leaders' support. We succeeded. To gain common interpretation from the parties who were initially so far apart was for me a stressful but enormously rewarding learning experience. This had been my first attempt to use the action learning approach to resolve a complex and emotional problem in a unionised environment where no pre-existing solutions were available. The action learning process had turned six negative and frustrated team leaders into effective front-line leaders. Subsequently they have all been promoted to the group leader role. I have always found it rewarding to see how people could be developed through this process.

Obtaining common interpretation at team level is one achievement, but as usual we attempted to enhance wider organisational interpretation through company-wide publicity. Box 7.3 re-produces the article printed in the company magazine 'Toyota Today' for this purpose.

BOX 7.3

Team Leader Development

Our Team Leaders play a vital role in managing the day-to-day operations of the manufacturing plants. As our frontline managers they are responsible for leading their team successfully towards achieving and improving safety, quality, productivity, and human key performance indicators (KPIs). To be an effective frontline manager requires the right attitude, knowledge/skills, and the ability to apply their knowledge/skills on the job.

Having the correct competencies and confidence to perform their tasks within a clear career path, plays a key part in driving our Team Leaders' job satisfaction and motivation. Management recognises this, and is committed to supporting our Team Leaders' learning and growth.

An Action Learning Team (ALT) was formed earlier this year to challenge Team Leader competency gaps, change their existing structure, and create a career path for them. The team's objective is to develop a career path structure by August. ALT members are all elected by their fellow Team Leaders.

With the support of our Change Leaders, the ALT is progressing well. As a result of the team's commitment to the project and their willingness to learn and use innovative ideas, they have gained the confidence and support of both management and their peers.

(iii) Port Melbourne ALT

As the reputation of the Change Leaders grew, senior management started to refer difficult people-related problems to the group. Each such reference played a crucial part in developing a shared interpretation of events across both individual teams and the whole organisation. On reflection, probably the most significant incident on this 'interpretation' journey occurred in May 2001 when industrial action was precipitated in the Port Melbourne manufacturing plant by the outsourcing of three cleaners' jobs. Employees eventually returned to work after a five-day strike as a result of strong exhortations from management and an Industrial Relations Commission's ruling, but the relationship and trust between management and employees was severely damaged. Union anger was strong. Rumours about the imminent closure of the plant were rife in the workplace, impacting on employee morale and causing anxiety about job security. The Director of Manufacturing was summoned to Japan to explain what had happened and why the strike action was allowed to occur. I remembered attending his regular monthly management meeting during which he gave some insights into his Japan visit and the repercussions. His Japanese boss had been extremely firm and remonstrated with him: "*please learn from this mistake and never allow it to happen again.*" A few days after this meeting Alfie approached me and said: "*Lucy, I will come to the Change Leaders' room at 10.00 am tomorrow morning to discuss the Port Melbourne issue.*" He turned up next morning and frankly raised his request: "*Lucy, we need to do something at Port Melbourne, how can you help?*" I considered this request as both a recognition of my ability and a big challenge - something very complex and involving a lot of human emotions and political tension. I suggested to Alfie that we form an ALT with membership coming from both the management side and the shop steward side. I thought the only way to attempt to recover the relationship was to create an environment for healthier interaction, and turn un-discussable issues into dialogue items. Following the success of the team leaders' ALT I had become more emboldened. I wanted to further experiment with the effectiveness of the process in creating a common sense of purpose, building teams, and resolving problems. Alfie supported my idea. So, the 'interpretation' journey continued with a different problem.

The following week I organised a lunch time meeting with a Port Melbourne Senior Shop Steward, Samson, in the presence of Alfie. We discussed with him our intention

of forming an ALT and how he could help us to improve the communication between management and employees. It followed my usual approach of arranging informal one-on-one meetings with people prior to more formal meetings in an attempt to break the ice. Stemming from this meeting Samson agreed to try the ALT process. We suggested to him that he should nominate four people (two shop stewards and two team members) from the employee side and we would nominate four managers from all levels to be the members of this ALT. At our first meeting two weeks later a surprise greeted us. Samson had invited four shop stewards but no team members. To preserve harmony nothing was stated at that time, but after the meeting I approached Samson for an explanation. He said that following our informal discussion he had taken the proposal back to his fellow shop stewards. They had insisted that if four managers were to be members of the team then four shop stewards would be necessary to ensure equal power and representation. In many ways such a demand merely reflected the existing culture of the company. This insistence on a 'numbers game' was a strong indication of mistrust between shop stewards and management. I felt that we should not waste time on arguing who should be in the ALT. Our focus should be on building trust, so we accepted their nomination.

To ensure sufficient interaction, the ALT met for one hour per week. For the first few meetings we devoted a lot of time to setting common objectives to determine the way we wanted to interact and work together – what the ALT wanted to achieve and setting team rules. I shared the Change Leaders' rules with them as an example. The team endorsed them. Once the interaction of the team had reached an adequate level, we moved to the first step of the action learning model: identify the gaps. Everyone in the ALT believed that communication should be the topic for the ALT to work on. Accordingly, we designed a survey together as a problem identification tool and issued it to 600 Port Melbourne employees. 350 employees responded and gave feedback on the issues they had encountered and ideas on how to improve. Collating and analysing the survey results together was important in giving the members a sense of teamwork and ownership. Once the gaps in communication were identified, the ALT then generated and implemented a number of specific actions. For example, communication boxes were installed in each shop.

In order to soften what previously had been conflictual relationships I considered that it was necessary not only to work on common issues but also to stop and celebrate achievements in order to continue to build the momentum. As a facilitator, I had frequent communication with senior management, especially Alfie. I was confident that my information or idea-sharing would guide their actions and that they would respond promptly with any support I needed. Team achievements would precipitate a visit from John and Alfie who would acknowledge their work. Whenever they had time, they would sit in on ALT meetings, listen, and contribute. This explicit recognition and encouragement was an important component in boosting team morale. Accentuating the positives rather than negatives was a strategy of mine whenever queries were made from other sources. For example, when the ALT was first formed some managers appeared to seek merely a quick fix and expected to see immediate results or change. During the first couple of months, whilst I was focusing on building the internal relationships and dynamics of the team as a facilitator, some managers said to me: “*not much is happening, things are moving too slowly.*” Some even said “*the ALT is not working*”. I was able to convince these doubters only by remaining persistent and retaining my firm belief in the ALT process. Building relationships and trust is always a slow process. Time and effort have to be invested in the team forming process. This first six months had to establish a strong foundation for the future success of the team. If common values and goals could be bonded into this team this could act as the precursor for a common identity. If this could be achieved then a leadership role model would have been established as an example of rebuilding relationships for the rest of the Port Melbourne plant.

The bona fides of the ALT were tested in early 2002 when a business restructuring proposal was initiated that involved outsourcing 330 jobs at the Port Melbourne plant by December 2003. This was a serious development. If the outsourcing of three cleaners’ jobs caused a five-day strike, what would happen if 330 jobs were outsourced? I could project the emotional reaction of the people and the risks associated with potential industrial action. John and Alfie shared some confidential long-term business change proposals with me. I proposed to them a strategy that involved allowing the ALT to drive the change process. This was an experimental approach. It was different from other approaches typically adopted within the

company. I indicated that a level of risk was involved and there was no guarantee that it would succeed. I said “*if it does not work we have nothing to lose. All we can say is that we have tried.*” I put forward a strategy paper with recommendations for using communication as the key focus and the ALT as the main vehicle to manage the outsourcing and consolidation process. This was supported by senior management. My belief was that if we could demonstrate our trust in the ALT by sharing the business change with them and ‘asking for help’, we would gain currency in our objective of securing their support and turning them into business partners. The development of common meaning is a vital milestone in the ‘interpretation’ journey. In early April 2002, John and Alfie met with the ALT and shared the outsourcing proposal. They asked the team to develop a communication strategy and process for the announcement. That support from the ALT was forthcoming.

On 11 April 2002, John announced the outsourcing proposal to all employees. Box 7.4 presents the opening part of his address.

BOX 7.4

Speaking my Mind from my Heart

I am John [a senior manager]

- Why am I here?

I am here to deliver my promise, to be 100 % honest with you and keep you informed regarding business decisions, particularly decisions directly related to you.

- What am I going to say?

I am going to talk about the business decisions and plans related to the Port Melbourne land, manufacturing operations, and people.

I am going to give you 100% honest answers. Last year, when I spoke to you, I promised that I will be 100% transparent and honest with our employees. My promise will never change. Whatever I say here, I am committed to deliver my words in actions. I am no different from you. I am a normal human being, a person who has a family, who needs a job, trust, respect, and security... No employees will lose their jobs as an outcome of this business rearrangement. Toyota is absolutely committed to offering employment security. For any one who wants to work for Toyota, we will find a job for him or her within the company.

[the rest of the speech contains details of all the proposed changes and how they will be implemented]

Industrial action did not eventuate. Employees accepted the announcement. What was highly surprising, given the organisational climate, was that his address was greeted with a round of applause. John had spoken not only in an extremely frank and transparent manner but he had also revealed a degree of empathy and ‘vulnerability’ – qualities admired by the company workforce. When the meeting was over, John, obviously relieved, said to me: *“This was a great success. It’s the first time in the company’s history that employees have responded positively to such a political and emotional issue.”*

Following the announcement, the ALT gathered 250 questions and concerns from employees and answered them together as a team. The ALT worked to put systems and processes in place to manage this complicated and emotional task. The approach taken by the team was to ensure a balance between employee and business needs. Every week, the ALT meeting summary was put out to all employees. To demonstrate his support for the ALT, John attended the team meeting as a participant and followed the team rules. He also conducted four plant meetings to reinforce the company’s values and keep people informed on the outsourcing process. To ensure credibility it was important that his message was always consistent. I started to become more emboldened as the achievements of the action learning process became more evident. I was confident that this model would eventually become highly commended by management, employees, and the union. One particular comment at the time by a manager who was a member of the ALT has stuck in my mind. He commented: *“before joining the ALT, I didn’t know how to deal with the shop stewards. Now I do not see them as troublemakers any more, I can communicate with them and have confidence in them. Together we look for a win-win solution.”*

Table 7.1 summarises the Port Melbourne ALT Journey from its formation to the end of 2002.

Table 7.1

The Port Melbourne ALT Journey

Objectives	<ul style="list-style-type: none"> • Encourage everyone to listen and respond. • Develop a process that will improve the effectiveness of communication between all levels. • Send clear and timely messages to avoid misunderstanding. • Develop mutual trust and respect within the organization. • Address employees' concerns and issues in a timely manner and prevent problems before they happen.
Team Rules	<ul style="list-style-type: none"> • Every meeting to start on time (if cannot attend, contact the leader of the month). • Work as a team, not as individuals. • Keep focused during the discussion. • Listen to all opinions and respond with empathy. • Maintain and enhance each other's self-esteem. • Ask for help when resolving the problems. • Give feedback and encouragement to each other.
Strategies and action implemented by the ALT	<ul style="list-style-type: none"> • Survey conducted with 600 employees on communication issues. • Quarterly meetings between the Director and Plant A employees introduced. • Monthly department meeting between the manager and employees introduced. • Standardised 20-minute communication meeting between the supervisor and team members implemented. • All proposed business changes to be discussed with the ALT first, then the ALT would consult and communicate with all employees. • Communication boxes placed in tearooms, so employees could raise questions and concerns. • Communication skills training delivered to all supervisors.
Outcomes of the action learning process	<ul style="list-style-type: none"> • Open communication developed between managers and shop stewards. • ALT members shared a set of values (team rules). • Teamwork culture developed within the ALT. • Barriers between management and shop stewards mitigated. • More trust and respect engendered through ALT bonding. • ALT recognised as the leadership team in the plant for improving communication and introducing changes. • ALT took a balanced approach in addressing employee issues.

The experience I gained from the experiment of the Port Melbourne action learning project deepened my understanding of using this process to manage business change and influence the attitudes and behaviours of people. This same ALT followed the whole journey through to the eventual closure of the plant, known as the 'Port Melbourne Consolidation' – in total a four-year process. The ALT played a key leadership role in securing the balance between company and employees' needs. I learned the real value of organisational communication and involvement in this process. During this process I also wrote the eleven speeches that John delivered to plant management and employees. This consistency aided the interpretation process by sending the same transparent and frank message that not only kept people informed along the journey but also facilitated credibility.

The three success stories of the Change Leaders' Programme, the Team Leader Development Programme, and the Port Melbourne ALT, all combined to promote the action learning concept and practice within the company. Other units and parties in the organisation started to approach me and ask for guidance on how to form an ALT. Their requests made me feel that I needed to produce a formal information pack in order to build on my initial concept paper on action learning developed in February 2001. I developed training packages and conducted workshops on action learning in 2002. I also coached the Change Leaders to establish ALTs in their separate shops to address the issues raised in their respective Employee Satisfaction Surveys.

By mid 2002 the number of ALTs in Manufacturing had reached seven. To continue the momentum I produced another report for senior management to further promote the initiative and aid common interpretation and understanding. An excerpt from this report is shown in Box 7.5 below:

<p style="text-align: center;">BOX 7.5 ALT Report for TMCA Senior Management (excerpt)</p> <p>Background</p> <ul style="list-style-type: none">• ALTs are an effective tool utilised to tackle issues identified in Employee Satisfaction Surveys within each department• The process promotes the Toyota Way and core values of respect for people and continuous improvement• ALTs provide an effective approach to develop internal networks and change the company's culture• ALTs offer an opportunity to share experiences, struggles, and successes. <p>Structure</p> <ul style="list-style-type: none">• A cross section of employees at all levels who come together to share ideas, knowledge, and skills with a view to solving problems or addressing issues identified in the ESI• All team members share equal status• Teams develop their own rules, vision, and objectives• Teams meet weekly to identify issues and work on solutions to improve the issues identified• Opportunity to enhance members' learning and growth. <p>Results</p> <ul style="list-style-type: none">• Tangible outcomes shown in the latest ESI data, for example, UA#2 has improved its ESI result continuously since the ALT formation: from 72.5 to 73.8 to 77.0
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Role of the facilitator in group interpretation

During the interpretation stage, the most important thing is to establish a shared image of the goals, expectations, and the journey the team is expected to travel. At this stage it is critical to have a facilitator. The facilitator will keep the big picture in mind to design the way forward, set milestones, and facilitate the dialogue in order to gain ownership and consensus from the team. The team should expect to go through the normal forming, storming and norming process. My experience has led me to identify a number of factors that are significant in ensuring a sound level of team interpretation.

(i) Preparation and setting the climate for team formation

The facilitator needs to spend time and effort to plant the seeds so that a level of shared mental model or commitment is established with the key players before the formal establishment of the ALT. If the sponsorship from senior management is missing and the buy-in from influential players at grass-roots level is inadequate, then the success of the action learning process is likely to be compromised. For this reason the initiator or facilitator should spend time and effort with the key stakeholders to create a shared picture of the objectives and build commitment to taking the action learning approach in tackling a certain task or problem. I found this to be one of the crucial success factors, especially because ALTs were not a part of the formal organisational structure. The way to secure strength and credibility for the ALT is to build coalitions with the senior managers (who possess the formal authority) and the team members (who possess the power to influence their peers to support the process).

Obtaining support from sponsors or champions

The most effective way of achieving this is through one-on-one interaction. One of the most important pre-conditions for setting up the ALT is to gain a shared image of the objectives and tactics with the sponsor or sponsors. Their role in the process needs to be agreed upon. Often, having a dialogue with the sponsor or champion is the start of the interpretation journey. For example, in the case of the Port Melbourne ALT this started with the discussion of the one-page strategy paper with John and Alfie to

secure their confidence with the action learning approach. The risks and difficulties associated with the unknown were highlighted to gain their attention and understanding. For complex problems senior management sponsorship is vital. Their high formal authority has a direct impact on the level of the ALT's profile, credibility, and morale. The sponsorship from the senior leaders would make the action learning members feel valued and motivated.

Ensuring influential peers act as advocates

Based on the purpose of the ALT and the type of problem to be tackled, the facilitator must be able to grasp the social dynamics of the environment. Once the key players or influential members have been identified, the facilitator should endeavour to build positive relationships with them through informal dialogue, so they can become the advocates for the ALT. In the Port Melbourne case, two shop stewards, Shaun and Arthur [pseudonyms], were influential union delegates. I had considerable amounts of informal discussion with them after the strike had occurred. By building relationships with them and demonstrating a certain level of trust, I endeavoured to remove some of their mental blockages about distrusting management. Our open dialogues aimed to start a new approach to address the problem. I felt that our conversations showed them the necessary respect to take on added levels of responsibility. To a certain extent I found them willing to try something different in an attempt to recover from the confrontational situation resulting from the five-day strike. The next objective was to discuss the action learning concept with them and emphasise the importance of having them in the team because of their leadership skills. To further gain their respect and ownership I asked them for their opinions on team membership selection.

Membership selection based on strategy design

Members of the team should be selected based on the purpose of the action learning process. To set the necessary climate, skills are required in team member selection according to what the ALT is trying to achieve, how to approach the issue, who has the power to make things happen, and when to hold the dialogue. Teams can be cross-section, cross-department, or cross-division. One of the differences between a Quality Circle team and an ALT is that Quality Circle members come from the same group or

natural work team addressing operational or quality problems. ALT members are cross-functional and address complex human or organisational change issues.

A range of methods exist to select team members. (i) Nomination by the facilitator and the sponsor supported by a consensus from the management team and the key shopfloor players. This was the case with the Port Melbourne project. (ii) Voluntary participation. Most of the Employee Satisfaction ALTs contained volunteers, although some of the targeted candidates were encouraged by the facilitators or advocates. (iii) Mandatory participation. Due to the urgency and importance of involving the targeted group, senior management could make participation mandatory. The Maintenance GF ALT and Managers' ALT were formed following a specific management request. This was felt necessary in these cases because of the negative experience that people had had and the importance of having the entire level together to generate synergy and change. (iv) Using the formal structure and transforming the natural work team into an ALT. This was the case with the Plant Administration ALT. The department was going through a change process with 40% new members joining the group. By utilising the weekly department meeting the members all participated in the action learning process.

(ii) Establishing common objectives, team values, and an agreed project plan

This stage marks the commencement of the team forming process. I found that to enable the interpretation process a key role for the facilitator is to help the team to create shared objectives, behavioural and operating standards (team values), and a project plan. A number of tactics are very useful for achieving these.

Brainstorming

During the initial team meetings, the team members are normally subdued. They are figuring out what is going on. The ALT is a new social environment for them. To break the ice, Quality Circle techniques are quite useful. For example, selecting a name for the team through a brainstorming activity can generate some fun, energy, and a sense of identity.

Questioning

During the first few meetings, the facilitator would need to spend a lot of effort to get some dialogue going. When members cannot give any input or respond to the discussion, questioning is an effective method to prompt people's thinking. Sometimes throwing out some suggestions and getting comments from the participants can guide the discussion process and provide some direction. Asking for ideas by going around the table also helps with getting input from members.

Setting team rules

Once objectives are agreed upon, the most important activity for the team is to set behavioural and operating standards. By asking the team the question of how they should work together, a list of team rules can be established. This is about turning unwritten rules (not a formal company policy) into group norms. As the ALT is a self-managed team, the facilitator or the leader of the team would only have informal authority. Ensuring the team takes its own rules seriously is crucial in maintaining social interaction standards and common interpretation of expectations.

Rotating roles

For the ALT to be effective, roles and responsibilities within the team need to be clearly defined. During the early stages of the ALT, although there is a need for the facilitator to be a key driver within the team in order to engage people, this should not detract from the imperative of ensuring that shared ownership and responsibilities are inculcated amongst the members. I found a very effective technique is to establish a monthly rotation process so that every member could experience a different role. This helps members to gain understanding about what is involved in each position and foster teamwork. For example, after the member has experienced the monthly leader role, he or she would have gained insights into the level of support required from the others to fulfil the role. This could contribute to offering support to the other people when the role is reversed, thus facilitating common interpretation. I also found the rotation process created a sense of equality, leading to shared power, ownership, and

identity. Nurturing an environment with strong sharing is the foundation for creating a healthy social learning community and aiding the interpretation journey.

Visualising

Once the goals and the team rules are agreed upon, the facilitator needs to guide the team to create a 'processual journey' involving milestones and key actions to tackle the problem selected. One of the key attributes which the facilitator needs to demonstrate is to translate his or her ideas across to the others. This is a key step in facilitating common interpretation. This can be approached in several ways. For instance, the facilitator can draw up a skeleton plan first and then ask for everyone's input. This approach makes the discussion efficient and yet maintains the involvement and ownership of the members. Another approach is to coach one of the key members or leader of the month to develop a draft and leave this person to present the draft to the team and obtain consensus from the others.

The project plan is an important document. It needs to be fully utilised as a tool to guide the process. Putting it away in a drawer reduces its meaning and impact as an interpretation mechanism. It becomes just a piece of paper. Team ownership and understanding of each step is vital. The Change Leaders' Programme was a wonderful learning experience for me. I learned that by visualising the team objectives, team rules, and project plan that this could become an important self-regulatory tool. We had a project room where each document was displayed. Another approach is to provide each member with a folder with the team name, objectives, and rules laminated on the cover. Continually checking and reflecting on the visualised documents can contribute to keeping the focus, standard of behaviours or operations, and activities on track.

Reflecting

Regular conscious reflection is a key learning tool to facilitate common interpretation of the team objectives, rules, and activities. After the ALT has travelled together for a little while and a level of openness has been created, the members start to feel more comfortable in raising their opinions and engaging in debate. This stage is called

storming (Tuckman, 1965) and a high level of tension can be created during discussions. To help the team through this hurdle and build cohesion, I found that reflection was a useful tool to manage individual behaviours and team dynamics.

In the Change Leaders' Program and the Port Melbourne ALT, a scheduled reflection with the whole team was conducted on a monthly basis. Reflection is a very subtle and invisible mental process. After some experimentation we found that two main reflection points were very effective in aiding common interpretation: the effectiveness of our action(s) in dealing with the problem or meeting the original objective; and the behaviour of the team as measured against team rules. These experiments led us to translate our reflections into a process of analysis in three areas – what went well, what can be improved, and how can it be improved? These questions eventually became standard practice and were widely employed by many other ALTs at a later stage. On top of the monthly reflection, I also found it useful to smooth some of the heated debates by calling for a reflection on the spot to defuse the tension and remind members about the agreed behavioural standards. The team needs both time and support to develop the emotional maturity to manage conflict and diversity before common interpretation can be achieved.

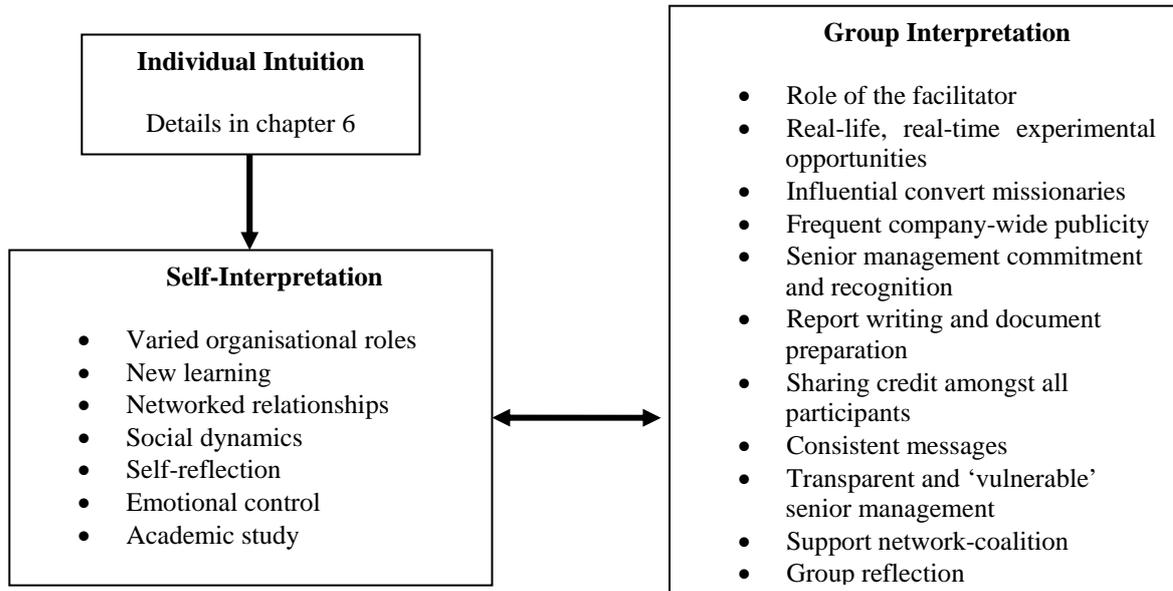
One-on-one feedback

I found regular one-on-one feedback sessions with individual team members to be beneficial in facilitating the transition of learning from an individual level to a group level. One-on-one dialogue helps each team member to achieve understanding at the same level. In a culturally diverse environment such as Toyota Australia with more than 80 nationalities, I found that individual coaching of people was useful in developing a level of tolerance to cope with different personalities. Removing personal conflict from the team and instilling a shared image can greatly aid common interpretation. Whilst this is a time consuming process it is an investment the facilitator must make in order to build a cohesive team.

In summary, figure 7.3 below summarises the inter-relationships between factors affecting self and group interpretation analysed in this chapter.

Figure 7.3

Factors affecting interpretation at TMCA



Chapter 8

Integration

This chapter examines the third ‘i’ in the Crossan, Lane, and White (1999) model of strategic renewal – integration. The chapter commences with an analysis of the cognitive-behavioural and socio-political factors that impact upon integration. The remainder of the chapter is then divided into two sections: the horizontal integration of Manufacturing-based ALTs at Toyota Australia; and integrating the strategic ALT architecture in two divisions – Maintenance and Production Engineering. The concept of ‘facilitated coalition-building’ is stressed within this chapter, and is illustrated through three separate individual case studies.

What is integration?

Integrating is the process that links the group and organisational levels. The extant literature in relation to the integration process emphasises two broad groups of determinant factors: cognitive-behavioural and socio-political. Cognitive-behavioural factors concentrate on the development of shared meaning and coherent, collective action. Through shared understandings and joint sense-making, different groups can form interactive systems that engage in mutual adjustments. Socio-political factors, in contrast, concentrate on the process of the allocation of power and resources to integrating. This invariably implies either autonomy of action by certain individuals or groups or else endorsement by powerful others. The processes of ‘championing’ and ‘coalition-building’ play vital roles in such developments.

Cognitive-behavioural factors

Crossan, Lane, and White (1999: 525) define integrating as “the process of developing shared understanding among individuals and of taking coordinated action through mutual adjustment. Dialogue and joint action are crucial in the development of shared understanding. This process will initially be ad hoc and informal but if the coordinated action taken is recurring and significant it will be institutionalised”. A key requirement of integration is being able to translate new ideas across members

and groups in order to achieve coherent collective action (Lawrence, Mauws, Dyck, and Kleysen, 2005). Such collective action is represented in the form of mutual adjustments and negotiated action. How can such coherent action evolve? Crossan, Lane, and White (1999) argue that this depends on a process of continuing conversations and shared practices between members and groups that can result in the development of shared understanding and a collective mind.

Thus, integration involves linking cognitive maps within and across different organisational groups. Through dialogue, different workgroups “identify areas of difference and agreement, gain language precision, and develop a shared understanding of their task domain” (Crossan, Lane, and White, 1999: 531). Accordingly they can negotiate mutual adjustments to their actions, facilitating learning in the process. The assumption is that coherent actions emerge from a shared understanding of the business environment, the essence of an emergent strategy.

An evolving form of language is required for organisations to learn and renew by breaking dominant frames of thinking. In this sense, dialogue and conversations must be capable not only of conveying familiar meanings but also to effect new meanings. Isaacs (1993) argues that dialogue should possess the quality of transforming the thinking that lies beneath the conversation. Shared meaning can result in the participants “to more or less spontaneously make mutual adjustments to their actions” (p 25) not dissimilar, using his example, to a flock of birds suddenly taking flight from a tree. This all-at-once movement epitomises the inter-connected nature of action whilst still permitting individual differentiation. Thus, Isaacs’ argument emphasises that integration depends on a dialogic process that conveys not only the message but also a deep interconnected meaning. It is through the process of “delving into the underlying meanings” (p25) that the risk of groupthink is minimised.

Integration initially occurs when a new idea or practice is experimented with in isolated pockets (Zietsma, Winn, Branzei, and Vertinsky, 2001). Such experiments are normally initiated by an individual or by small groups, and can be criticised by those organisational members who still normatively support existing norms. However, despite meeting resistance such experiments can still lay the framework for later actions in that they can become “part of the organisation’s behavioural repertoire or

genetic code” (p 691), and the commencement of a developing awareness of the necessity to embrace new norms in response to new pressures. If team members and groups can agree on what constitutes valid data and analysis (sometimes soliciting the help of outside others as necessary) they can often jointly identify various issues and options for acting (Zietsma, Winn, Branzei, and Vertinsky, 2002). Tacit assumptions associated with diverse perspectives held by different individuals and groups can gradually be surfaced in a joint sense-making process. This process is aided if different groups are held together by an overarching goal which can provide a common identification. This allows different groups to “work through the conflict to a solution that integrates divergent stakeholder views” (p S70). New guiding metaphors can provide such a function.

Socio-political factors

Whilst such cognitive-behavioural considerations carry a great deal of weight we are also reminded of the discussion in chapter 7 about the importance of socio-political processes in organisational learning. Kanter (1988: 185) argues that “social and political factors...may account for as much or more than technical factors, such as the quality of an idea, in determining the fate of an innovation”. It is for this reason that Zietsma, Winn, Branzei, and Vertinsky (2001: 692) argue that if those individuals and groups who espouse alternative views and practices want to succeed then they should either have “the autonomy to act or the endorsement of someone in power”. New ideas have to overcome institutional rituals, dominant logics, vested interests, and political resistance in order to become accepted. Socio-political processes are vital in protecting and promoting new ideas. Kleysen and Dyck (2001) argue that such ideas are in need of champions and coalitions with sufficient power to ensure their survival and continued development.

Howell and Higgins (1990) define a champion as an individual who emerges to take creative ideas and bring them to life by promoting the idea, building support, and overcoming resistance. This person is the defender of the idea even though s/he may or may not have been its originator. However, Kleysen and Dyck (2001) argue that championing on its own is not sufficient for new ideas and learning to be integrated and institutionalised. Rather, they argue that “coalition-building is essential to feeding

forward new ideas from group to organisation levels because resource allocations are needed to support the continued development of the idea and its eventual implementation” (p 389). Accordingly, it is the interaction of integration and coalition-building processes that produces “the necessary information, resources, and support needed to realise the new ideas into coherent, collective action” (p 389).

Socio-political processes are closely associated with the exercise of power. Lawrence, Mauws, Dyck, and Kleysen (2005) argue that the form of power most relevant during the integrating process is ‘force’. Force is defined as “involving the construction of circumstances that restrict the options available to organisational members” (p 186). This might involve: restricting the consideration of alternative practices; restricting issues for discussion on formal and informal agendas; and removing or transferring opponents of the innovation. Unlike influence which relies on the willingness of members to co-operate, the use of force in contrast can move groups forward by providing them with a predetermined course of action. Whereas influence depends on informal networks, organisational force is associated more closely with hierarchies and formal positions that possess authority to restrict the actions of others.

Crossan, Lane, and White (1999) remind us that, as with interpretation, the context surrounding the process of integrating is critical. Quoting the ethnographic work of Seely-Brown and Duguid (1991) they argue that the concept of ‘communities of practice’ captures the importance of the integrative context, and requires one to study and understand the situation in which practice occurs. Building on from this observation, this chapter analyses my experience within the context of Toyota Australia to further develop and theorise the process of integration within this specific environment. Table 8.1 summarises the different ALTs, and the linkage mechanisms, that were introduced and discussed in chapters 4 and 5.

Table 8.1
ALTs in Toyota Australia

Manufacturing-Based ALTs	Maintenance Division	Production Engineering Division
Change Leaders' Team Port Melbourne ALT OMC ALT Weld Shop ALT Assembly ALT Paint Shop ALT Team Leaders' ALT + others	GF ALT Managers' ALT GL ALT + Maintenance centralisation	ESI ALT Manager Coaching ALT People Development ALT Supervisors' ALT
+ Inter-ALT Workshops + ALT Conventions		

Horizontal Integration of Manufacturing-Based ALTs

As argued by Zietsma, Winn, Branzei, and Vertinsky (2001) integration often occurs initially when a new idea or practice is initiated by an individual or small group through experimentation in isolated pockets. This mirrored my experience at Toyota Australia. My experience in the Change Leaders' program during 2000 as an action learning participant gave me the initial understanding of the concept of how individual and team learning could take place through action and reflection, and how a self-managed team could function effectively without a formal structure and hierarchy. Subsequent experiments during 2001 with the Team Leaders' ALT and Port Melbourne ALT, using action learning to resolve complex human issues, helped me to translate the concept into operational realities. I realised that the action learning process could be a powerful tool for securing a balance between the needs of the company and the employees, reducing emotional tension when there was a conflict of interests between various parties, and gaining ownership from employees and management in resolving problems which contributed to relationship building.

The imperative of a guiding metaphor and the focus provided by data collection and modelling (Zietsma, Winn, Branzei, and Vertinsky, 2002) in order to facilitate joint sense-making across divergent groups was achieved through our emphasis on improving communication and employee satisfaction under the overarching goal of 'bringing people together in order to fix their problems collaboratively'. The catalyst was provided during 2001 when the company re-introduced an Employee Satisfaction Survey to monitor the morale of the workplace. The new President of Toyota Australia wanted to use the survey index as a driver for workplace improvement. The survey was conducted every six months for the first few years to track progress. The survey comprised 75 questions across five categories: quality of life, my job, work environment, attitude to work, and company ownership. Responses were based on a nine-point Likert scale ranging from 1 (very dissatisfied) to 9 (very satisfied). A similar type of survey had been conducted during the 1990s but was not sustained. Both management and employees did not see the value of the survey because little or no changes were ever made. This meant that the company needed to do something different with the re-introduced survey.

When the first survey was completed in 2001 I attended one of the meetings between HR (the division managing the survey) and manufacturing senior managers to discuss the Employee Satisfaction Index (ESI) and the feedback (verbatim comments) written by the employees. Both the quantitative and qualitative data indicated significant gaps between the needs and expectations of the employees and the requirements of the company. Table 8.2 shows that the major factors causing dissatisfaction were related to management, advancement, rewards, recognition, and growth. During the meeting I started to think (intuition) that by forming an ALT in each Shop we could start to create a bottom-up approach in generating actions and ownership from the employees.

Table 8.2

2001 Survey: Key Issues Related to Dissatisfaction		
Dissatisfied factors	Mean	Type of issue
Promotion/career opportunities	(4.13)	Growth
Productivity improvement rewards	(4.38)	Reward
Equal employment practices	(4.71)	Management
Our pay and rewards recognise people who make a special effort to achieve outstanding results	(4.81)	Reward/Recognition
Management follow through on suggestions for improvement in my area	(4.96)	Management
Managers exercise leadership and responsibility in making fair, speedy and appropriate decision	(5.03)	Management
The barriers between sections of the company are coming down	(4.72)	Management
We are all learning new skills here	(5.27)	Advancement
Their opportunity to get better job	(4.38)	Advancement
The recognition they get for the work they do	(4.45)	Recognition
senior management has the ability to deal with the challenges faced by the organisation	(5.05)	Management
When employees have good ideas, management makes use of them	(5.13)	Recognition

After the Port Melbourne ALT was formed in June 2001 it used its weekly meetings to analyse the ESI data. For the purpose of interpreting the data, the ALT members created a mini survey in each of their workshops to canvas and understand the feelings of the team members in that area. As many of the ALT members were shop stewards, or nominated by the shop stewards, they did enjoy natural trust from the shopfloor. The mini survey obtained a 70% response rate. The ALT held many discussions to categorise and prioritise the problems. It was agreed that communication was the most important factor. Important issues included poor communication skills of the group leaders and managers, concerns were not listened to, feeling uncomfortable approaching their group leaders, and fears of losing employment as a result of closing down the Port Melbourne plant. The ALT subsequently developed an action plan and followed through on the issues related to communication. Examples included: rolling out the Interaction Management training to all managers and group leaders; installing a communication box in each area, so that team members could raise issues or offer suggestions; establishing a communication board in each area so that employees could see what actions had been taken to address their issues; and creating a weekly bulletin to inform people on developments in the Port Melbourne plant. These communication feedback loops helped the ALT to build its reputation. Once the ALT had shown its capability in

resolving problems, more and more shopfloor employees started to directly approach the ALT to raise their concerns or issues. As the team's recognition grew it started to acquire the persona of a leadership team instrumental in driving change at the plant. On several occasions I invited John and Alfie to attend the meetings of the ALT, thus further enhancing the role and importance of the team.

This positive experience with the Port Melbourne ALT gave me the idea to expand this practice into other Shops to address their ESI issues. At that time, the Welding shop held the dubious distinction of recording the lowest Employee Satisfaction score in manufacturing. This was hardly surprising since the Weld (Body) shop experienced the harshest environment due to the nature of the work. I thought it would be another good test if we formed an ALT in this shop to deal with the complex human motivational issues. The Change Leader in the Weld Shop at that time was Nigel [pseudonym]. At the end of 2001 Nigel and I discussed the proposal to form an ALT in his shop. I suggested using a similar approach to that employed in the Port Melbourne ALT formation. As Nigel lacked experience in establishing ALTs, he asked me and Shawn, a shop steward, to help him to set it up. The ALT structure that we proposed consisted of Manager, Group Leaders, Team Leaders, Shop Steward, and a Team Member from the day and afternoon shifts.

We started having one-on-one meetings with the volunteers, and explained to them the purpose and process of the ALT, and what they as team members could do to improve the morale of the workplace. In the first Weld Shop ALT meeting we mentioned the positive effect that the Port Melbourne ALT had made. Nigel proposed to ask a couple of people from Port Melbourne ALT to share their experience with them. In the second meeting we brought Shaun and Samson over. They both talked enthusiastically about the journey of the ALT, the benefits of being involved, and the positive effect on team members. As the voice was from two shop stewards, not managers, it was accepted well. Shaun and Samson also gave every member a copy of the Port Melbourne ALT objectives, team rules, leadership and rotation schedule, and activity plan. In the next few meetings the Weld Shop ALT used the Port Melbourne ALT material as a base, but very quickly established their own vision, objectives, team rules, and the process of dealing with employee satisfaction issues. In the same vein as the Port Melbourne ALT, the Weld Shop ALT also conducted mini surveys

and set up similar communication channels. They also created their own bonding initiatives, for example, arranging BBQs to celebrate productivity improvements. I attended most of their meetings during the first three months to support Nigel as the ALT traversed through the forming and storming stages. A significant challenge during this process was to manage the tension between management and team members. Sometimes, when the team members made unreasonable requests, or if management did not respond to the team members concerns appropriately, as a facilitator I needed to find ways to bring the two parties onto common ground. One of the tactics I used was to urge the ALT to address those issues that they could resolve, rather than tackling large complex issues from the start. Small wins build credibility and reputation. I guided them to think in terms of showing management that the ALT did not exist to ask for money to fix things for the ALT but to create solutions for both the company and shop floor employees. This would generate respect from both sides. By following this approach the ALT noticed that within three months they were receiving more support from management and the shop floor. In line with the usual practice of seeking company-wide publicity Nigel placed an article in Toyota Today to promote the ALT.

Later in the year we were pleased to see that the employee satisfaction scores for both Port Melbourne and the Weld Shop had improved. This was a powerful message to all stakeholders. We promoted our success in a report to senior management. Other Shop Managers started to consider establishing an ALT in their areas. The Change Leader in Assembly, Fabio [pseudonym], led the charge in February 2002. To support him I applied the same process as adopted in the Weld Shop. Based on my evolving ALT experience I found myself better equipped to interpret the ALT concept. I provided a folder to each Assembly ALT member containing information and stories about the Change Leaders' team, and the other ALTs in Port Melbourne and the Weld Shop. Shaun, Samson, Nigel and other Weld Shop ALT members were invited to attend the Assembly ALT meeting. They all started to build on each others' ideas – a concept I referred to as 'network sharing'. During one ALT meeting when they were discussing arrangements for conducting the Assembly employee satisfaction mini survey, one of the team members remarked: "*you know, the company used to do a lot of good things, but I don't why they stopped.*" I thought this was an insightful comment. It made me reflect that perhaps, through poor communication, management failed to recognise the

things that they did well and why, therefore, they were often discontinued. I responded: *“you are right. We should not have to reinvent the wheel. If management are doing good things, we should tell them and encourage them to continue. Maybe our survey should aim to achieve this.”* I suggested the mini survey should be simple and balanced and that we should ask Assembly employees only three questions: (i) name three things that Assembly does well (ii) name three areas where Assembly needs to improve (iii) what ideas or suggestions do you have? The ALT endorsed this survey format. The data was collated and communicated to management and the whole department. The structure of these questions guided the team members’ mindset to recognise the positives and not just focus on the negatives. It also helped in their quest to secure respect from the managers. Later, this survey format was shared with the other ALTs which they all used for their mini shop survey.

Following this development in Assembly, new ALTs were formed approximately every two to three months, not only in the production area (for example in the Paint Shop) but also in the Production Engineering Division (PNE) and Production Development Division (PDD). There was strong support from the General Managers in both these latter Divisions.

A vital integration strategy that was implemented throughout this period involved the scheduled rotation of the Change Leaders. Each Change Leader served a 12 – 18 months term. When they returned to their Shop the next supervisor would join the Change Leaders’ program. By doing this we could ensure having a Change Leaders’ team in each shop to facilitate change. More and more supervisors could be developed through being a Change Leader. Accordingly the strength of driving the change could be enhanced. By the end of 2005 a total of 24 Change Leaders across five generations had been developed. We found this created a strong network of values and processes created by the first generation and carried over by the new generation. However, keeping the rotation process smooth was not easy. Every three or four months, a new member would be inducted into the team. When a team constantly has members with different levels of understanding, experience, and emotional attachment to the initiatives already created, it becomes a very challenging role for the facilitator/coach to manage the team’s forming and storming processes. Common interpretation across a constantly rotating team is hindered. If a team merely focuses on inducting the new

member, then the activity/task can be impacted and existing members will become impatient. On the other hand, if a team does not spend the time with new members, then these members struggle to understand the purpose of the activities. As a facilitator I again used a lot of one-on-one dialogue with new members and assigned an experienced Change Leader to be their buddy. These tactics brought about better balance and harmony between the old and the new, between tasks and people, and between speed and consensus building.

The practice of rotating Change Leaders also aided the process of coalition building. It was vital that as the ALT concept moved forward through linkages and integration that a strong coalition was built and maintained between powerful organisational individuals and units, namely, senior management, facilitator, Change Leaders, union, HR, and informal shopfloor champions. This was no easy task. For example, as my relations with the union and its main characters gradually softened I found myself having to deal with some hostility from the HR Division. They became upset with some of the activities of the Change Leaders' team and the ALTs because we were perceived as interfering with their formal role and processes. This created some tension. To bring HR and the Change Leaders closer together I proposed a strategy in mid-2003 of having an exchange/rotation process between the Change Leaders and the HR Advisor. One Change Leader would work in the Employee Relations group and one Advisor would join the Change Leaders' program with a designated Shop. The duration was 12 months. The key purpose was to help both groups understand each other's role and initiatives and help to develop a culture of working together. Basically it was about integration. This proposal was strongly supported by the General Manager of HR and the Senior Manager of HR. Both of them were advocates of the Change Leaders' program and the ALTs. The exchange occurred at the end of 2003. Fabio went to HR from Assembly to learn the HR Advisor's role and Noyaka [pseudonym] acted as a Change Leader for Assembly. This integrated the Change Leaders' program into the formal organisational rotation system and Fabio actively promoted the activities of the Change Leaders and ALTs in HR. He also helped the ER Advisors understand the shop floor issues and how difficult it was for the Group Leaders to deal with them at the coal face. Noyaka helped the Change Leaders to understand HR policies and their implications. During her term, she developed an

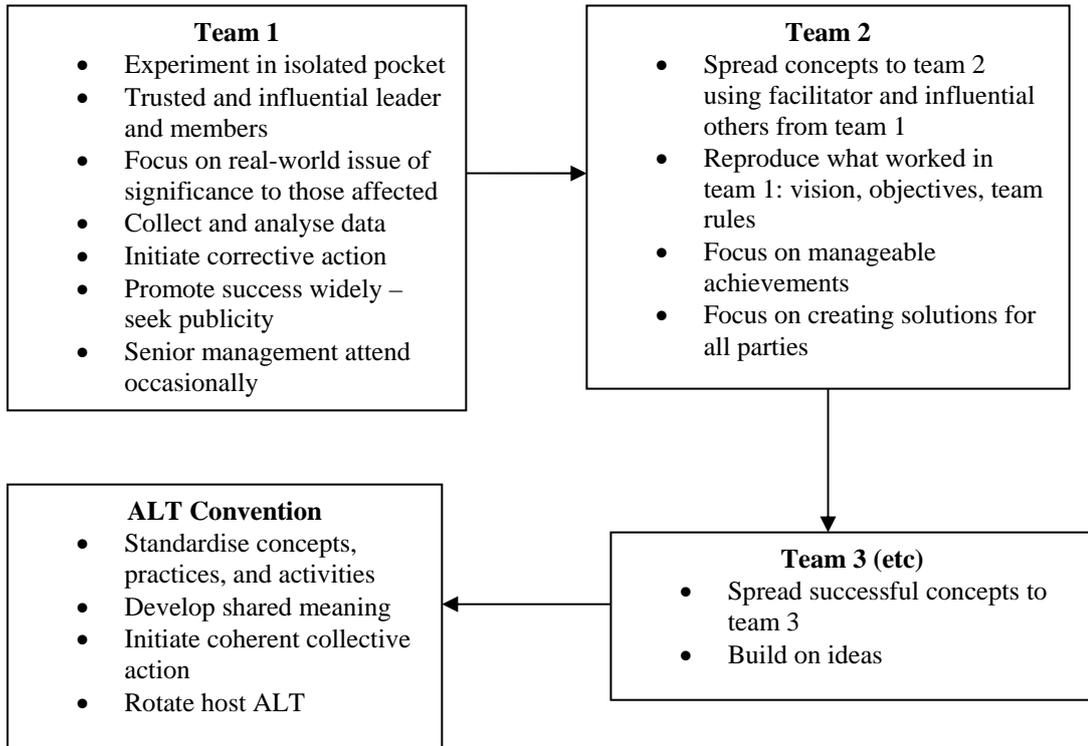
interest towards working in manufacturing, and recognised the need for HR to be closer to the shop floor.

Once the number of separate manufacturing-based ALTs had reached six the Change Leaders thought it would be a good idea to conduct a mini convention so that the different teams could network together and share their ideas and activities. Our inaugural ALT convention was conducted in the canteen in June 2002. It was a very informal occasion. Each team presented their objectives, team rules, action plan, and activities to date. The atmosphere was friendly. This integration also facilitated their on-going interpretation. ALT members started to create their own common language and a sense of belonging and purpose. They started to learn from each others' problems and solutions. They also found that many human issues were common, particularly in relation to communication and lack of recognition for 'a job well done'. As usual, the convention was publicised in the company magazine Toyota Today. The positive response from the participants in the convention set the foundation for turning this network into a more formalised event. The Change Leaders placed this into their annual activity plan and arranged the convention every six months. A rotation of ALTs as the host of the convention was developed in order to enhance learning opportunities, ownership and sharing. The ALT convention became a major event within a few years with more than 200 participants. The company's conference room was filled to capacity, a major change from our inauspicious inaugural conference in the canteen. John and Alfie always attended to show their support by delivering opening or closing speeches.

Figure 8.1 shows a stylised summary diagram of the linkage process involved in the horizontal integration of manufacturing-based ALTs across different shops.

Figure 8.1

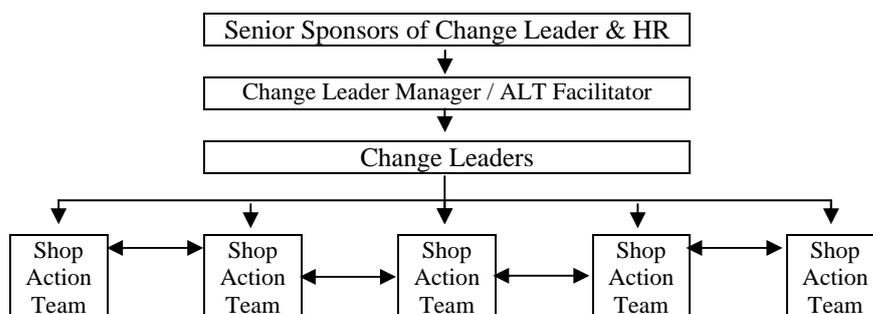
Horizontal Integration of Manufacturing-Based ALTs



During 2002, the process of building ALTs in each Shop became one of the major efforts of the Change Leaders. The informal structure to facilitate this horizontal integration was established with the support of senior management and the Human Resources Division. Figure 8.2 shows the relationship between the various champions of the ALT process and the support received from senior management and HR.

Figure 8.2

ALT Champions and Senior Management / HR Support



Figures 8.1 and 8.2 depict the social architecture involved in the horizontal integration of connecting ALTs across different manufacturing-based Shops. This integration was driven by a champion (myself) who originated the idea, promoted and defended the idea, built support, and overcame resistance. The process commenced with an experiment in one team, leading to further re-experimentation in other teams. To facilitate the speed of integration, the champion developed a team of process drivers to build networks between the drivers/local leaders and ALTs, in order to carry out the implementation and create an environment where any source of constraint, such as the trade union or organisational politics, can be reduced or removed. At the same time formal recognition and support are secured from senior management, HR, and union leaders. Once a model or process has undergone experimentation and re-experimentation the aim is to eventually achieve translation into a standardised operating guide for people to learn or adapt, so that all teams can acquire ownership, a common purpose, behavioural rules, learning processes, and a willingness to share successes and struggles. This standardisation process is an incremental journey, which leads to institutionalisation at three levels: individual, group, and organisation.

A number of points are worthy of separate emphasis in connection with the social architecture required to achieve successful horizontal integration:

- To connect learning from the group level to the organisational level a social structure is needed to support the learning architecture:
 - ❖ A designer
 - ❖ A facilitator to oversee the building of the architecture
 - ❖ An internal driver (Change Leader) in the respective area to own and drive the process with the necessary support and coaching
 - ❖ A cohesive team amongst the internal drivers (Change Leaders' Team) to network together the different ALTs
 - ❖ Scheduled rotation of Change Leaders
 - ❖ The designer, facilitator and the internal driver/Change Leader to be the seed carriers of ideas and initiatives
 - ❖ Opportunities for Yokiteon (sharing and face-to-face interaction between teams), so that ideas are built on and best practice is travelled with speed.

- For the action learning initiative to be broadly embraced it must integrate all community leaders (both within the formal structure and informal organisation) into a powerful guiding coalition, for example, senior managers, facilitator, Change Leaders, HR, union, and informal shopfloor champions.
- There is an on-going intuition and interpretation process happening in parallel with the integration effort. Most of the main players, but in particular the champion-designer-facilitator, is going through a constant action and reflection process to develop and spread new insights
- Integration is a huge effort and takes time to achieve, particularly in a large organisation with a hierarchical structure, diverse functions and a unionised organisation. The formal system and structure creates many boundaries and discourses. The informal ALT process helps remove boundaries and create common discourse (interpretation).
- Organisational communication and promotion in the action learning initiative is critical to achieve integration, involving: senior management's participation and emotional, moral, and physical support; structured conventions on a regular basis; company magazines and publications; and exchange of membership between groups and sections to build bridges and facilitate the process of interpreting and integrating.

Facilitated Coalition-Building

The foregoing discussion has emphasised, amongst other issues, the significance of coalition-building as a vital strategy during the integration process. I have also intimated that coalition-building is not an easy task, especially in a large company like Toyota Australia which has traditionally operated with steep hierarchies and powerful silos. One of the key roles played by a facilitator during the integration process is to reduce the opposition from entrenched separate interests and secure shared meaning and coherent action across different groups. I call this 'facilitated coalition-building'.

Two examples will now be presented of separate cases where such facilitation aided in the coalition-building process: Shaun and Christo [pseudonym].

Case 1: Shaun

As already indicated, the positive experience with the Port Melbourne ALT gave me the idea to expand this practice into other Shops to address their employee satisfaction (ESI) issues. One of the Port Melbourne ALT members who played an instrumental role was Shaun. My experience with his development and contribution in the ALT process was most rewarding.

The membership of the Change Leaders' team comprised six people from each shop. After I was promoted into the manager's role in January 2001, Shaun was my replacement. He was a group leader in the Port Melbourne plant. He held strong beliefs about the union movement. Some of the managers had difficulties with him due to his one-sided employee-centric approach. Management's perception of him was that his heart was in the right place but he was from the 'old school'. He could be direct and blunt. I felt he was a traditional shop steward, but extremely open and honest. I remember his behaviour whilst a participant in one of the training classes I conducted in 1997 on Interaction Management Skills. It was about 9.30 am and I was about ten minutes over the scheduled tea break. He interrupted me: "*sorry, you have to stop. I must go and get my breakfast.*" At the end of the training session I assigned some homework to the participants. He retorted to me: "*I'm not going to do any homework. After work is my time. If my wife sees me doing company work she will throw it in the rubbish bin. After 3.30 pm is my own time for my family, not for the company.*" Instead of confronting him in front of the group, I looked for opportunities to have one-on-one informal conversations with him. I started to coach him on interaction skills and computer skills. Gradually, we started to develop some sort of rapport between us. After I was selected as a Change Leader I maintained close communication with him in order to explain the purpose of the Change Leaders' program. I consulted with him on major changes or activities. My aim was to make him feel important and hope that he could show leadership and assist the change leaders.

He chatted to me about his tough childhood and his union movement involvement in another country even before migrating to Australia during the 1980s. I started to understand his motivations. When the selection of my replacement in the Change Leaders' team was being considered I had discussions with senior management regarding who should be chosen. Shaun was on my list, but not because of his excellent performance. My thought was that if we could change his attitude we could transform him into a driver of change and overall gain more than just selecting one of the best group leaders. I also calculated the risks of being unable to change him and potentially damaging the Change Leaders' team. Senior management supported the view that changing Shaun could solve a lot of trouble for managers. So we decided to choose him.

When I approached him regarding the opportunity of becoming a Change Leader he was surprised and doubted whether he could do the job. He was concerned about his trouble-maker image in the eyes of some managers. However, he did not say 'no'. In fact, he was very interested in the Change Leaders' program. I started to think that all my efforts to build rapport with him were being successful in creating a common image of the program. I said to Shaun: *"You can do the job because your heart is in the right place and people respect you. I will support you in any way I can."* After he discussed the offer with his wife he accepted the role of Change Leader. For his induction I established a buddy system to teach him how to consult people and work in a self-managed team. After two weeks I asked him to attempt an experiment – attend a meeting with one of the managers himself. He was apprehensive. Before he went I sat down with him and coached him through the meeting. Half an hour later he was back in my office: *"Lucy, I can't do this job. He (the manager) would not even look at me. I really had to try to be polite and kept myself calm, but he doesn't show any respect. I just can't handle this type of manager."* I replied: *"Shaun, if all managers were perfect we wouldn't need this program. You managed the situation well. You did the right thing by just keeping calm and positive. You will win him over eventually."* I set up a supportive network for him within the Change Leaders' team. Each day he was accompanied by an experienced Change Leader who showed him what they did in their area and shared their learning with him. I also used one-on-one feedback and the Change Leaders' regular reflection as a tool to influence his thinking and behaviour. After six months in the role people started to recognise the changes in

Shaun. But an even more rewarding experience was that he could feel the changes in himself: *“I have learned a lot from the Change Leaders. I’m not that rigid and stubborn any more. I’m starting to see things from both sides - employees and the company, and I’m also learning how to handle the difficult managers.”* His change helped him to earn more credibility from managers and this further motivated him.

This was during the period when I was establishing the Port Melbourne ALT. The timing was perfect. This was the time when I felt that he was ready to be the leader of this ALT. He would be able to influence the others to adopt a balanced approach when dealing with issues. Every week before the ALT meeting I would conduct a pre-meeting with him to prepare him for chairing the meeting. Following the meeting I would have a reflection session to give feedback on how the meeting went and what we needed to do next. Such recognition, advice, and affirmation always seemed to inspire him. He told me: *“Look Lucy, I am over 60. But you really know how to deal with me and guide me.”* When the mid-year company Employee Satisfaction survey results were released it was encouraging for both Shaun and myself to see that Port Melbourne’s score had improved.

Case 2: Christo

Growing and linking ALTs across all sites was not easy. One of the challenges was the demarcation and politics within the union’s structure between the two plants at Port Melbourne and Altona which created many barriers. Although the Port Melbourne ALT contained Shop Stewards and team members and had gained credibility from the shop floor people, it had not been able to gain the support and buy in of the Shop Stewards at the Altona plant. They were suspicious of the intent of the ALT and felt that it was a management tool to reduce the power of the union. They also did not trust Shaun and Samson due to past conflicts and their desire to protect their power in their own area. They also thought the Port Melbourne Shop Stewards were breaking the ‘unwritten rule’ by becoming too close to management. Accordingly, when I first invited Christo, one of the leading Altona shop stewards, to attend the ALT convention he did not turn up. Undeterred, the Change Leaders and I maintained a consistent approach of respecting Christo and the other Shop Stewards

by always consulting them in regard to the activities conducted by the Change Leaders' program and the ALTs.

Christo was very influential and possessed an enormous amount of power within the union. He was a natural leader, held strong beliefs, and was not afraid of conflict. He was regarded negatively by most managers due to his actions and attitudes during past disputes. One example occurred in July 2000. The President had spoken to the press about the Australian automotive industry and the need to change its organisational culture. He used the term “*chicken shit*” to describe the size of the Australian car market compared with the rest of the world. In response Christo wrote a letter to the President and distributed it to the shop floor. That was a big shock for the President. Box 8.1 reproduces the letter.

BOX 8.1

Letter from the Altona Shop Steward Committee

I could not believe what I read in the Herald Sun and the Age last week. There was an article by our new President, what a load of crap! You insult us by saying we have self-interest too much. We haven't got self-interest what we have is a life which you obviously lack. We work to live not live to work. We have a life after Toyota. What you must understand is our families, lives come first, and you will never change that. In addition, your comment about our sick leave is too high because we have an old workforce again crap! These older workforce as you put it are and have given your company 101%. In addition, to brand our industry as chicken shit compared to the world I would have thought you, as a President of a company would have picked better wording. Can I say if you wanted to lose support from the shop floor let me tell you, you have achieved that 100%. Let's hope next time you think before you talk.

Yours in disgust

I had many discussions with Christo to try and create a mutual understanding of each other's role and set some ground rules for working together. With regard to change initiatives I showed my respect for him by always having a one-on-one meeting with him and made a lot of effort to explain the external and internal environment. I also put a lot emphasis on what he could do to help. I was keen to guide him towards self-reflection and to see things from a broader and higher perspective. Often I used a simple format to start our dialogues: What is the issue and why? What are the needs of the employees and the company? What solutions are proposed for the issue and how can we manage the impact on the employees and the company? By placing the focus on bridging the gap between the needs of the employees and the company, I tried to take away the emotions and confrontation. At the same time his Shop

Stewards and team members who were involved in ALTs also gave him positive feedback on their activities. I invited him to attend the Change Leaders Sponsors' meeting and off-site workshops. This made him feel important and he had the opportunity to raise concerns before things were rolled out. One of the rules that the Change Leaders and the Sponsors had adopted was 'no rank'. This impressed him and influenced his attitude. Gradually we developed a working relationship, but this did not mean that Christo would always agree with me. However, at the end of 2003 when we conducted our ALT convention, Christo gave a closing speech to demonstrate his support. The change in Christo was obvious and this contributed to facilitating the ALT integration in Manufacturing.

At the end of 2003 Christo sent a personal reflection to John. He mentioned 23 incidents which we had tackled and resolved together over a twelve month period. When I received a copy of his letter from John I was very touched. When I compared it with the letter he sent in 2000 it was obvious that the changes in his attitude and approach were significant. Box 8.2 reproduces his letter.

BOX 8.2
Letter from Christo

Hi John,

I thought I'll give you a brief reflection since you made me a full time co-ordinator. It's been a eye opening 12months I have had the pleasure of attending the P.S.I meetings which I have never attended in the past. I have also had a close working relationship with the ALT and Change Leader teams. You have a lot of excellent people who work in the ALT'S and Change Leader teams and I don't believe people appreciate the work they do. Lucy!! Well what can you say she lives and breaths Toyota! She just loves the place. I will now just set out a couple off dot points on issues I have had over the last 12 months [23 issues listed].

And of course you have your day-to-day issues on top of all this, commission cases were at a bare minimum. So once again thank you for giving me this opportunity to prove myself to you and to prove that we can all work together if we want to. I also appreciate the support that you have given me over the years.

Integrating the Strategic ALT Architecture: Maintenance and Production Engineering

Chapter 5 examined the building of the strategic ALT architecture in two separate divisions: Maintenance and Production Engineering. Both divisions suffered from chronic problems including a siloed mentality, low morale, command-and-control

management styles, and industrial relations conflict. By the time the integration process commenced in these two divisions I had already acquired considerable experience in building ALTs in the Manufacturing division and through reflection I could see a pattern of development emerging that stood me in good stead for tackling this new journey. The ALT process commences through constant effort and encouragement simply to entice people to come along, just to talk about the issues, initially in an extremely unstructured environment. Meetings concentrate on sharing issues and listening to each other – ‘*what has happened in your shop*’, ‘*what problems are you having*’? Once open dialogue is commenced, relationships begin to develop. People feel they can share their ideas and their pain. Once such dialogues become open and healthy, then people will feel comfortable to ask for help if they require something, or need assistance from another shop. It takes approximately six months of intensive facilitation to overcome the hurdles encountered during the phases of forming and storming. A lot of effort is required to build internal leadership and develop key drivers within the team to keep the motivation going. One-on-one discussions and reflection are important tactics in nurturing the dynamics of the ALTs. Once stable leadership is established through the engagement of key players and the acceptance of team rules, the process can gradually move into the norming phase. During this stage, the team’s activities will be better structured, focused, and planned. Members can start to achieve some small wins. These wins or positive experiences will enhance members’ beliefs and commitment toward the process. After approximately nine months, teams become more productive and reach the performing phase where they exhibit more maturity both emotionally and operationally. Cohesiveness is cemented as teams continue to ‘kick more goals.’ Networks start to develop, resulting in managerial giving and taking. Hopefully this provides the groundwork for bonding and trust.

Chapter 5 gives a comprehensive account of the ALT journey in Maintenance and Production Engineering and this section will simply draw together some of the most significant aspects of the integration process. The GF ALT was the first team to be established in Maintenance. On reflection, the epiphany for this ALT occurred in reaction to the dispute in the Paint Shop when the GFs spontaneously contacted each other, shared their different understandings with each other, and acted as a coherent and collective unit to design a contingency plan in the event of a production stoppage.

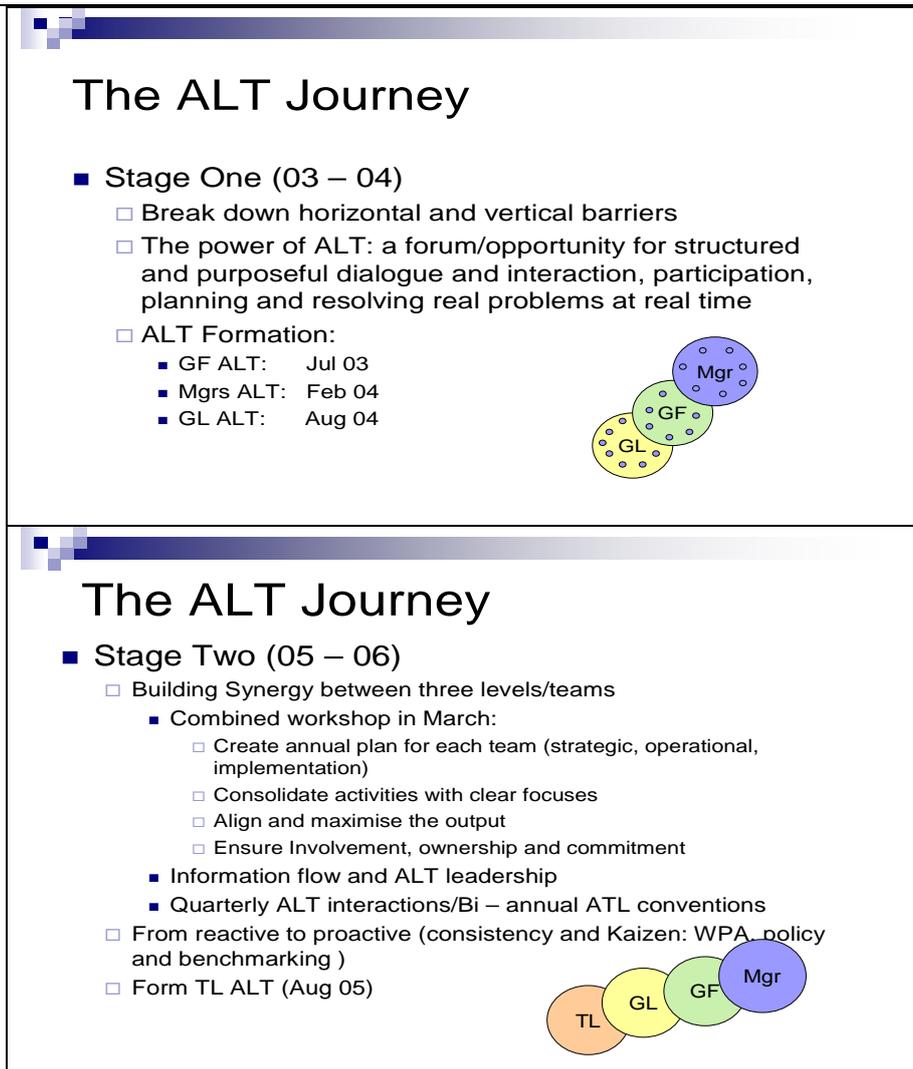
It was their developing awareness of their own synergies obtained from acting as a team that enabled them to perceive the lack of cohesiveness at the managerial level. The subsequent establishment of the Managers' ALT derived directly from the pressure placed on them by the newly-cohesive GF ALT (and also by the senior management and myself as facilitator who could see the benefits of an integrated strategic ALT architecture). The Managers' ALT benefited from the learning of the GF ALT in terms of vision, objectives, and team rules, and also through individual workshops, joint workshops, ALT conventions, and support from sponsors. Finally, the establishment and integration of the GL ALT followed the same familiar path. In effect, this ALT journey in Maintenance comprised two stages: stage one was to establish the power of an ALT to break down barriers through acting as a forum for discussion, participation, and action; and stage two was to build synergy between the three levels. Figure 8.3 shows the nature of these two stages.

The Maintenance Reform journey traversed a stage-by-stage development process over the course of its transformation. Reflecting on this journey, there are several key factors which made positive contributions:

- Consistent core leadership/change team since 2002 which provided continuity in direction and commitment in driving the ALT process (Charles was the sponsor; Lucy was the facilitator; Evan was the leader for Maintenance Reform; and Paul was the ALT champion and network builder between levels)
- Create relationships and synergy vertically and horizontally through a step-by-step process to build a networked organisation (ALT architecture) - starting from the middle (GFs), then engaging and influencing upward (Managers) and downward (GLs) to engage key players.
- On-going effort to improve communication through formal channels, ALT meetings and activities, and combined workshops between ALTs
- Develop key players to act as champions and missionaries for the ALT process.
- Invest in building the relationship dynamics of the organisation to prepare the software for facilitating the formal structural change.
- Institutionalise the ALT process/activities into normal business practices.

Figure 8.3

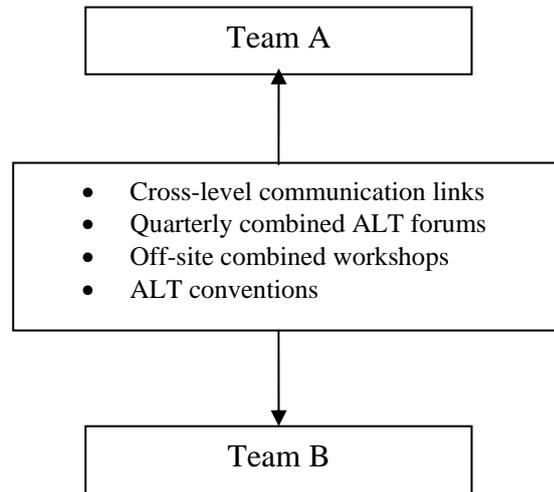
Stages in the ALT Integrative Journey in Maintenance



At this juncture it is worth mentioning that much of the information contained in figures 8.1 and 8.2 in this chapter, plus the ensuing discussion, is also apposite in regard to the analysis of ALT integration in the Maintenance and PNE divisions, and as such will not be repeated here. However, what does bear repetition by way of summary are the main methods used to build vertical integration between the ALTs in each division, as originally discussed in chapter 5, namely: the facilitator and ALT leaders build communication links by attending cross-level ALT meetings; quarterly combined ALT forums were convened to share the progress of each team; and off-site combined workshops were conducted. The first method was aimed at building positive relationships between teams; the second method was aimed at building links between each team’s activities; and the third method was aimed at directing all team

efforts towards the long-term business plan. Added to these is the integrated effect of the ALT conventions. Figure 8.4 shows these integrative mechanisms.

Figure 8.4
Integrative ALT Mechanisms in Maintenance and PNE Divisions



Facilitated Coalition-Building (again)

Earlier I gave two case studies of facilitated coalition-building in the manufacturing-based ALT process. The necessity for such an approach was no less in the Maintenance and Production Engineering divisions. The latter division, in particular, has experienced a hierarchical form of command-and-control leadership for many years. This leadership style was strongly inculcated into all the management team, greatly hampering coalition-building. In the following case I will explain how I facilitated a behavioural change in one of the ALT members in PNE, Sam [pseudonym].

Case 3: Sam

During the early stages of our ALT meetings, Sam clearly demonstrated the same approach to leadership as had been dominant in PNE for many years. He came from a military background and I perceived that he always looked serious, with little sense of humour and lacking emotional intelligence. During ALT meetings he would be very

direct and unintentionally dominate the meeting or shut people down. Sam tended to act like a ‘manager’ who did more talking than the other team members. Although the team had established the team rule of ‘no rank’ and agreed on rotating leadership on a monthly basis, this form of interaction did not turn the written rules into behavioural norms. One of the female engineers was the first-turn monthly leader according to the rotation schedule and during my one-on-one coaching sessions with her she openly expressed her feelings of frustration with the way that Sam interacted with the team and the silence and low level of input of the others. The stories that people told about Sam’s militant behaviour in the past had become the stuff of workplace legend. One story really made me laugh. It occurred several years ago. Sam was chairing a meeting when someone arrived late. He said: “*if you are late, don’t bother to come in.*” He just closed the door and would not let the person in.

My concern was reinforced by Frank (a new senior manager in PNE) during our conversations. I normally met with Frank to have a pre-ALT meeting planning session or post-ALT reflection session to ensure common direction and approach. One of the key success factors for a facilitator is the one-on-one interaction sessions with the ALT sponsor, leader, and members before or after meetings. Such discussions are time hungry but I consider them to be an important investment. In my experience they are crucial for relationship building, promoting ideas, identifying issues proactively, and influencing group dynamics. My observation combined with the others’ feedback made me feel that intervention was needed otherwise Sam’s behaviour could affect the participation and engagement of the other members. There was another element in regard to Frank’s relationship with Sam. Frank was still a new ‘boss’ for Sam, and Sam had been influenced by his relationship with his previous long-term boss. Frank was not yet well accepted. I thought that I had to achieve two things before I could give Sam effective feedback and help him to understand the impact of his behaviour on the others: first, build a level of respect between him and Frank, and second build a level of respect between him and me. Box 8.2 shows the nature of my facilitation interaction with Sam. It took approximately twelve months for a noticeable and stable change to develop in him. He was enrolled in an MBA degree. Although he was rotated out of the initial PNE ESI ALT, he is still an ALT advocate and a key player in the Coaching ALT. The gradual change in the nature of Sam’s interaction with the ESI ALT members certainly helped dialogue to become more open and productive.

BOX 8.2

Facilitation Interaction with Sam

My first one-on-one meeting with Sam occurred after four ALT meetings. By that time, the team rules had already been established. I phoned him:

Lucy: “*Sam, I would like to have a meeting with you before our next ALT meeting. You are a key player in this process.*”

He accepted my invitation and we met in PNE meeting room. I said to him:

Lucy: “*Sam, I did not have a chance to work with you in the past. Through this ALT I can see you are a very open, honest and straightforward person.*”

Sam: “*Yes, I like to be straightforward. Just cut the corners. My previous boss was like this. If you did something wrong he would tell you in front of your face. If you did something good he would pat your shoulder. We knew each other well.*”

Lucy: “*You are right. Knowing and trusting each other is the key. Frank actually acknowledges your honesty and integrity. He thinks having you in the ALT is a big plus.*”

He was surprised and pleased to hear this.

Sam: “*I did not know what he thinks of me. Thank you for telling me.*”

Our discussion then moved on in an informal way. His seriousness was reduced. I asked his opinion regarding the ALT dynamics.

Lucy: “*I have observed that some of the members are very quiet. Do you think that they are intimidated by the status of the managers? Although the team rules say no rank, establishing this new norm takes time. I need your help.*”

Sam: “*We are managers, but we are not trained in human interaction. You know our background is in engineering. We don’t understand much about motivation theories, psychology, or emotional intelligence. I want to learn.*”

I was very satisfied with this discussion outcome. This was a good start with building trust.

My second one-on-one meeting with Sam occurred several weeks later. I started by asking for his feedback regarding my facilitation and behaviour.

Sam: “*You have good knowledge and experience about action learning. I think the ALT is still something new for many people. You need to explain the process more. Also some of the motivation factors that you mentioned, people had difficulty in understanding. Even myself, I struggle to grasp the topic of employee satisfaction.*”

I thanked him for his honest feedback.

Lucy: “*Sam, we all have blind spots. I appreciate your honest feedback. The reason I came to you is because of your honesty. You always tell the truth. I need this more often.*”

I then discussed the importance of giving and receiving constructive feedback.

Lucy: “*You have modelled your commitment very well and actively participated in discussions. Perhaps when you are talking, you could be more concise and ask for other people’s views. I think it is quite common that when we are passionate about a topic and engaged in a conversation, we try to express our view, rather than listen to the others. When we are concentrating on doing one thing, we tend to forget that other people may have been waiting and get a chance to raise their voice. Then, sometimes, our behaviour could be misinterpreted as dominant. Sam, as you are a very open and direct person, when you say ‘no’ or ‘I disagree’ to a team member directly, they may withdraw from participation or fear saying the wrong thing. If you let them finish and acknowledge their effort, then propose questions, this may be a more effective way. You would maintain their self-esteem.*”

He was receptive toward my feedback and admitted that emotional intelligence was one of the areas in which he wished to improve. Afterwards we had regular face-to-face or telephone interactions. I often reinforced the message that Frank appreciated his effort and support in the ALT process. Since this message was consistent with Frank’s direct feedback to him, he started to trust Frank. I also gave him one of my research papers titled ‘Needs in Today’s Manufacturing Industry’. The paper discussed motivation theories and Toyota’s ESI survey findings. One week later, he came back to me and said that he enjoyed reading it.

After a few feedback sessions with him, for a little while, he was very quiet in meetings. In fact, he was too quiet. I was concerned he may have lost interest. I asked:

Lucy: “*Sam, you are really making an effort in listening. I can understand that this requires a lot of patience, particularly when you are interacting with people at lower levels. I have noticed that in the recent meetings you are very quiet.*”

Sam: “*Yes, I am trying to change my behaviour. Talk less and listen more.*”

Chapter 9

Institutionalisation

This chapter examines the fourth ‘i’ in the Crossan, Lane, and White (1999) model of strategic renewal – institutionalisation. Following a summary of the institutionalisation literature the chapter is divided into three main sections, namely an analysis of the facilitators and impediments to institutionalisation in three case study areas: Change Leaders’ program; Maintenance reform; and PNE transformation.

What is institutionalisation?

Lawrence, Mauws, Dyck, and Kleysen (2005: 181) argue that “through institutionalising, ideas are transformed into organisational institutions that are available to members on an on-going basis, at least partially independent of their individual or group origins”. Crossan, Lane, and White (1999: 525) define institutionalisation as “the process of embedding learning that has occurred by individuals and groups into the organisation” thus ensuring that routinised actions occur. The organisation defines and specifies tasks and actions and puts organisational mechanisms in place to ensure that these actions occur. Such mechanisms include policies, rules, systems, structures, procedures, strategies, and prescribed practices. Because of institutionalisation, organisational learning does not amount simply to the sum of the learning of each of its individual members, in the sense that “individuals may come and go but what they have learned does not necessarily leave with them” (p 529).

The organisation makes investments in information and diagnostic systems, material technologies, physical layout, and infrastructure so that patterns of interaction, relationships, and communication that have worked in the past are captured by formalising them. This process, in turn, feeds back by creating a context through which subsequent events and experiences are interpreted which begins to guide and redevelop the rules and procedures. If formal systems produce favourable outcomes then the actions deemed to be consistent with the systems facilitate the repetition of routines (Crossan, Lane, and White, 1999: 530). Human resource policies and

practices are particularly instrumental in the institutionalisation process through the effect of positive reinforcement, and include training, recruitment and selection, performance appraisal and management systems, and intrinsic and extrinsic rewards in the form of praise, promotion, prestigious projects, extra compensation, and other forms of recognition.

A large literature exists on the topic of institutionalisation, especially in the organisational change area, although the phenomenon is actually referred to using many different terminologies. Examples include: internalisation (Carnell, 1999), rearchitecting (Tichy and Devanna, 1986), anchoring (Kotter, 1995), refreezing (Lewin, 1951), commitment (Scott and Jaffe, 1989), legitimation (van Dijk, 1998), paradigms (Johnson, 1992), dominant logic (Prahalad and Bettis, 1986), and discourse (Foucault, 1972). Each of these terms in one way or another refers to the process of stabilising a change at a new level and reinforcing it, not only through supporting mechanisms such as policies, structures, or norms, but also through such ‘binding’ tools as symbols, heroes, rituals, and stories (Whiteley, 1995).

Within which contexts is institutionalisation likely to be impeded or facilitated? Using the analogy of a force-field, Lewin (1951) stresses the need to eliminate restraining forces whenever moves to a new institutionalised position are considered. If such restraining forces are not removed then they will tend to lie dormant awaiting the arrival of more favourable conditions. Once re-activated, these forces can push the situation back to its original position, in the manner resembling a coiled-spring. Preventing regression back to past tradition by removing restraining forces is also stressed by various other authors in such terms as ‘getting rid of obstacles’ (Kotter, 1995), ‘confronting key disrupters’ (Patrickson, Bamber, and Bamber, 1995), and ‘removing people’ (Lawrence, 1998).

Skinner (1953) articulates the concept of operant conditioning wherein behaviour is seen as a function of its consequences. Behaviour that gets rewarded gets repeated. Thus people tend to repeat those behaviours that have led to past success and rewards. Winning formulas and tried-and-true activities become the order of the day and are extremely difficult to dislodge (Sull, 1999). Positive reinforcement can institutionalise situations that are then anchored in place through various forms of exclusion

(Foucault, 1972) and groupthink (Janis, 1982). Once a discourse is established it tends to be maintained through the formation of a system of ‘silencing’ enforced by taboos, or by labelling people who speak out in opposition as mad, incomprehensible, or non-experts. An institutionalised status quo situation can also lead to an extreme form of cohesiveness that gives rise to groupthink where people feel pressure to conform and where opposing ideas are scoffed at or dismissed. People who oppose the status quo can be ostracised and labelled as trouble-makers, dissidents, disloyal, enemies, traitors, or non-team players.

In their case study of a large Canadian logging company, Zietsma, Winn, Branzei, and Vertinsky (2001; 2002) argue that the biggest impediment to institutionalisation lies in the isolation of new learning within individuals or groups which is not spread to the rest of the organisation. In contrast, institutionalisation is facilitated under a number of specific circumstances:

- when a solution has been shown to effectively deal with an organisational problem and produce positive outcomes;
- when the solution is widely and officially endorsed by a charismatic leader, senior management, trusted niche representatives, and external stakeholders;
- when the benefits of the solution are openly communicated to organisational members; and
- when organisation members are ready to adopt the change, often because sufficient ‘unlearning’ has taken place usually as a result of erosion of support for the old institutionalised interpretations

This analysis of the facilitation context, however, ignores the important consideration of the form of power most applicable to ensuring successful institutionalisation. Lawrence, Mauws, Dyck, and Kleysen (2005) argue that the institutionalisation of new ideas depends on a mode of power that is able to maintain new ideas as part of organisational life without repeated intervention by interested actors. For them, “fully institutionalising innovations requires their incorporation within systemic forms of power” (p 184). The key requirement within this power play is to overcome the resistance to change of organisational members, and this is best achieved by restricting available behaviours. They argue that systemic forms of power are best

able to overcome potential resistance and consequently support the institutionalisation process (p 186). Within the context of organisational learning they believe the most effective political strategy for institutionalisation is 'domination'. Domination refers to a system that significantly restricts the actions available to organisational members. Domination as a form of power can be found in any system that "provides organisational members with predetermined decision paths...and hence supports patterns of practice in an on-going way without the complicity of those on whom they act" (p 187).

The social constructionist literature has played a major role in developing the process of institutionalisation within organisations. Phillips, Lawrence, and Hardy (2004) analyse how the institutionalisation process can be achieved through discursive means. They employ Parker's (1992: 5) definition of discourse as "a system of statements which constructs an object". Discourse therefore rules in or rules out certain ways of talking about a topic or what is regarded as acceptable or intelligible ways of conducting behaviours. In this sense "discourses can make certain ways of thinking and acting possible and others impossible or costly" (Phillips, Lawrence, and Hardy, 2004: 638). They argue that the likelihood that a discourse will produce an institutional effect depends on two major factors: the more the discourse is coherent and structured; and the more the discourse is supported by a broader discourse that is not highly contested by competing discourses.

In similar vein the legitimation literature also relies upon social constructionist ideas. Vaara and Tienari (2008: 986) define legitimation as "creating a sense of positive, beneficial, ethical, understandable, necessary, or otherwise acceptable action in a specific setting". Van Leeuwen and Wodak (1999) distinguish four general types of 'legitimation strategies' – authorisation (through institutional authority), rationalisation (through the utility of specific actions), moral evaluation (through specific value systems), and mythopoesis (through narratives). Legitimation strategies refer to specific ways in which legitimation can be carried out through "mobilising specific discursive resources to create a sense of legitimacy" (Vaara and Tienari, 2008: 987) often dependent on the power relations of the social actors involved.

Three cases of institutionalisation

In this thesis I have concentrated on three separate cases of building and consolidating the action learning architecture to the point of institutionalisation within Toyota Australia. Much learning can be drawn from both successes and failures in each of these cases. The rest of this chapter will be structured so as to analyse the institutionalisation process in each case: (i) Change Leaders' Program (2000 – 2005), (ii) Maintenance Reform (2003 – 2008), and (iii) Production Engineering (PNE) Transformation (2002 – 2007).

Case One: The Change Leaders

Horizontal integration is critical for spreading the message across an organisation via a team of seed carriers (Change Leaders, or change agents, or opinion leaders) and sharing ideas and practices through informal networking to break down the boundaries created by formal structures. The Change Leaders' Program has been referred to in chapters 4, 7, and 8. It commenced in February 2000 and ended in December 2005. During this period it became well recognised in the organisation with a sound reputation as the driver of change within the Manufacturing division. It also became the window of opportunity for the other organisational functions (e.g. Human Resources) to test the water for corporate change initiatives, and co-ordinate the communication and implementation process. The most powerful period of the Change Leaders' Program occurred between year 2002 – 2004 when the team was well supported by senior management and the scheduled rotation of membership extended the Change Leaders' family. Senior management (the General Managers in the Sponsor Group) used the team as a central point for initiating or implementing people-related policy changes in Manufacturing. The communication systems and messages were controlled by the Change Leaders. Every week a consistent set of messages would be delivered to every team member at the same time. All questions asked by team members would be recorded and answered. Every month a Manufacturing magazine would also be published by the Change Leaders with the support of a communication expert.

From 2002 onward, building ALTs became one of the key activities in the Change Leaders annual action plan. The web of ALTs, with the Change Leaders at the centre, became a powerful mechanism in connecting the workforce and resolving complex human issues through a bottom-up approach. The force and speed of the Change Leaders in implementing change, the ability to engage the union and shop floor members, and the direct link with the senior leaders gave the program a high profile and extensive reach. Quite often, when HR and the other operating arms wanted to implement changes which would impact on Manufacturing employees, the senior managers would ask: *“have you discussed this with the Change Leaders?”* or *“please talk to the Change Leaders, they will give you feedback and help you with the communication and implementation process.”* Over time it developed into a norm within the organisation that people would consult the Change Leaders when proposing and communicating changes.

As we have already observed, an integral part of the literature on institutionalisation is the recognition played by the endorsement received from senior management, especially when elements of charismatic leadership are shown. This endorsement was displayed very early in the action research journey by a senior and respected manager in the HR division, Charles. Towards the end of 2002 Charles submitted an application for the Premier’s Award for Partnerships at Work on behalf of Toyota Motor Corporation Australia. In this submission, the Change Leaders’ Program and ALTs were included as company initiatives. I was also invited to the interview session with the panel members. Box 9.1 shows portions of the submission document. It is significant to note that the company gives formal endorsement and recognition to the Change Leaders’ program and ALTs as integral elements of Toyota processes, systems, and structures alongside other long-standing elements such as quality circles.

BOX 9.1

Toyota Submission for Premier's Award for Partnerships at Work

Describe the ways in which your workplace effectively uses information and knowledge to make decisions, evaluate policies and improve workplace performance.

- *TMCA effectively uses information and knowledge to make decisions, evaluate policies and improve workplace performance via a number of mechanisms.*
 - ❑ *The Balanced Scorecard*
 - ❑ *Yokoten (sharing information)*
 - ❑ *Change Leader Program*
 - ❑ *Quality Circles*
 - ❑ *Action Learning Teams (ALT)*
 - ❑ *Employee Satisfaction Index (ESI)*
 - ❑ *Human Resources Statistics pack*

- *TMCA has introduced a **change leader program**. During 2000 TMCA identified that the organisation required a commitment to improving the culture and employee satisfaction. As a result, six change leaders were appointed. The role of a change leader is to drive organisational change. An organisational change model based on action learning has been developed.*

- *One of the tools the organisational change program has implemented at TMCA is **Action Learning Teams (ALT)** in each functional area. An ALT consists of a group of employees from all levels of the function. The focus is to involve employees, particularly shop floor, in decision making. The ALT gives employees the opportunity to challenge, create new ideas and learn to work together as a team. The objective of the ALT is to improve employee satisfaction and to reduce hierarchical barriers. The ALT is currently working on business structure change at Port Melbourne. This illustrates the level of employee involvement in decision making in relation to significant changes to the organisation.*

- *In addition, TMCA conducts regular **employee surveys (ESI)** to ascertain the level of employee satisfaction. The ALT's use the information from the ESIs to develop strategies to create improvements in employee satisfaction. For example, the results of the ESIs identified the need to commit to resourcing an executive development team to focus on executive development initiatives. ESIs are conducted as a sample size throughout the year and annually for all employees.*

Nevertheless, despite the pervasive power of senior management endorsement, victory should never be declared too soon in the battle for institutionalisation. Organisational politics are ubiquitous and when vested interests feel threatened they can bite back strongly to stall and reverse the drive towards institutionalisation. Lewin's (1951) coiled-spring effect emphasises the importance of eliminating restraining forces whether animate or inanimate. Failure to do so can have significant adverse consequences. In this regard, the position held by the Change Leaders outside of the formal structure created some political issues. In retrospect, two crucial obstacles were not adequately addressed and removed during the institutionalisation process: (i) Human Resources division, and (ii) Shop Managers. The reasons for, and consequences of, such deficiencies can now be analysed.

Early in the process I became aware that some people felt that the Change Leaders were overstepping their boundaries by intruding on traditional HR issues such as communication, human resources development, change management, and employee relations. I constantly challenged this traditional view and believed that the business units should possess the ownership and responsibility for their own people development and building a healthy culture. As the credibility of the ALTs grew, the Shop Stewards and shop floor team members often consulted directly with ALT members, instead of going to HR. Some HR people feared they were losing their power. In 2003, Toyota Global HR conducted an assessment of the performance of the TMCA HR. The intention of the assessment was to identify the needs of the HR customers and set priorities for implementing improvement activities. The project team from Japan interviewed several hundred people. Their report contained many critical comments about the performance of the HR division in contrast to the many complimentary comments about the activities and approach of the Change Leaders. This created a tense and competitive relationship between some HR managers and administrators and the Change Leaders.

During the period 2003-2005 there were significant changes in the HR Division. The three advocates for the Change Leaders Program within HR in senior positions left due to rotation, resignation, and business structure change. These people movements eroded the existing high level support for the program. Many new managers and staff joined HR with no understanding of the Change Leaders' Program. This process

started to generate some political barriers and threatened to create cracks in the integration architecture. New HR incumbents constantly questioned: “*what is the role of the Change Leaders?*” I observed that in some high-level meetings the response of senior managers in Manufacturing to this question tended to be along the lines: “*the Change Leaders’ Program is here to bridge the gaps in HR.*” Unfortunately this barbed retort merely exacerbated the degree of defensiveness from the HR side. As a consequence, the Change Leaders’ Program became the focal point of organisational politics due to the fear that the role of HR would be diminished.

At this stage I present a second example of institutionalisation through senior management endorsement which is slightly more subtle than that shown in Box 9.1. In 2003, I was promoted into the position of Executive Assistant, reporting directly to John. In a way, this implied that a certain level of authority had been delegated to me. This seemed to create some discomfort with some of the General Managers (GMs). At that time, John managed a relatively new generation of GMs. They were not so comfortable involving me in their GMs’ strategy meeting, especially as I was two levels below them. I would sense their resistance and felt upset about their behaviour. John had hired an external consultant to assist him to build up his new GM team. This consultant said to me “*the GMs are questioning your role and the Change Leaders role in the organisation.*” I replied: “*there are still many managers who do not support the bottom-up approach. They would certainly question my role and that of the Change Leaders.*” However, the consultant’s message upset me deeply. I did not understand why people could not see the value of the Change Leaders’ program. I was emotional and phoned John in tears. The following day he sent me an email, as shown in Box 9.2. I use this as another example of institutionalisation through senior management endorsement because it exhibits the behaviour of a major organisational player who I regarded as charismatic telling me that the people who matter are aware of the importance of the Change Leaders’ program, that resistance can be due to emotional reasons (jealousy), that his support is assured, and that I should soldier on. Messages of this nature are rarely (perhaps never) communicated widely within the organisation. They invariably occur behind the scenes and are informal in nature.

BOX 9.2

Email from John

I am sorry that you are so upset because you are feeling a negative response to your involvement. I decided to write to you rather than ring because sometimes time is necessary for self-reflection especially when we are feeling strong emotional reactions.

I do not know all of the circumstances but I think that recently you are feeling reaction from multiple sources which you might feel is negative. In the case of the General Managers' request [what is the Change Leaders' Strategy over the next 3 years?], I think this is just a business question because we are all now starting to feel the pressure of the headcount reduction. While it is easy to see the huge value of the Change Leaders' process, it is also easy to understand why questions might be asked about their value first - even recognising the value of their role, this is also a substantial resource commitment and when resources are subject to deep scrutiny then the Managers are bound to look at all their resources. Anyway I am sure you are not intending that the current style of Change Leader will just continue year after year - so please think of this request by them as a business question [of Strategy] which therefore just needs a business answer. I don't think you need to start from an emotional or defensive stance, because I am sure that this [as a kind of personal attack] was not their intention.

Regarding your involvement in the Strategy Meeting – firstly, this is my decision, not theirs. Even the fact that the purpose of your involvement is not so clear to them is not so important [I do not have to explain every decision, even to my GM's!]. I hope however that you understand the reason for my involving you - that is I want you to see how Top Management is making strategy [of course we are not at that stage yet, but we soon will be] - this reason fits with my request to you at the PDP feedback timing - that is, as a potential top person yourself, how to make correct perspectives of views when you are considering large complex Management functions, such as we have. Because we have been so lacking until now as a group [ie the GMs], I am not at all surprised that it will take time to start moving forward smoothly.

I sincerely respect and appreciate your contribution - I think some of the negative reactions you are feeling is due to a kind of jealousy, because you have been able to make effective relationships at many levels - and frankly, some of the GM's are not very good at doing likewise. Equally frankly, I have no time for petty jealousy, and hope that in realising this you will continue to be involved. Sometimes when we are trying to make change, resistance is the first and most natural response - I have been doing this kind of thing for many years - sometimes you just have to ignore those kinds of people and press on regardless, confident in the knowledge that you know what you are doing.

One thing I can say for sure - your emotional response tells me something else entirely - that is your passion - if only we could generate such a feeling in others - we could spend less time "paving the way" which often means just removing unnecessary resistance. Hang in there - you have my full support, but please also learn to observe - this is one of the clues of TPS - keen observation - so often you can see much more than is initially there! Remember in both your heart and mind that the people who need to know do know the value of your input!

However, even with this on-going senior management endorsement within Manufacturing, the Change Leaders could not avoid political challenges. It was widely admitted that the informal networks and relationships created by the Change Leaders increased both speed and cooperation when rolling out change initiatives and resolving complex and emotional human issues. Unfortunately these activities did not align with the priorities of the different Shop Managers because their primary focus lay with the hard data surrounding production activities. They did not fully appreciate

the importance of building an organisational learning architecture and the need to engage the shop floor members and union in problem solving. Additionally many Change Leaders' initiatives were related to 'soft' issues which did not show immediate or direct impacts on hard production data. For them, it was difficult to quantify the value of the program. Accordingly there was constant tension between the bottom-up action learning approach and traditional managerial mentality of top-down command and control. The traditional authority of managers derived from their formal position within the hierarchy. This formal structure clashed with the informal networks of the Change Leaders. For example, it was difficult for them to reconcile such activities as problem solving and dispute resolution through a process of trust and relationship building, rather than through formal HR dispute resolution and arbitration processes. The increased influence of the Change Leaders and direct support for them from senior management and sponsors (for example, John and Alfie) also created emotional sensitivity, jealousy, and constraints.

From a structural point of view the Change Leaders' Program was conceived, and always regarded as, a project, not a formal organisational structure. The Change Leaders were a part of the shop managers' headcount. I did not own the Change Leaders from a resource point of view although I had the responsibility of guiding their activities and coaching their development. This probably accounted for the constant tension between the priority of the Shop Managers and the Change Leaders' Program. These conflicting priorities were highlighted throughout 2004 when a number of global initiatives were initiated by the parent company, at a time when Toyota Australia was simultaneously going through a new model preparation process. Resources were very thin to meet all the demands and the approach of the Shop Managers was to concentrate their resources primarily on immediate and pressing task-based objectives.

At the beginning of 2004 the size of the sponsorship group was extended to ten people for the purpose of accommodating and engaging the Shop Managers. This involvement made the activities of the Change Leaders more open and transparent, thus assisting to dispel the perception that they operated as a secret society. However, it changed the dynamic of the sponsorship group due to a number of reasons. First, the new sponsors lacked an understanding and emotional attachment to the program.

Second, the initial sponsor group, which had traditionally acted as the champions for the program, became smaller due to retirement and role change as a part of the normal organisational rotation process. Third, the sponsor group now encapsulated two generations and two hierarchical levels which differed in their interpretation of the role of the Change Leaders. Fourth, the ten-person group was too big for effective operation. A misalignment occurred within the group and it became difficult for them to agree on a common direction. The strains became intense.

When the head of the sponsors, Alfie, rotated to HR in April 2004, the sponsorship group became even more fragmented. The group struggled to provide any direction, purpose, or support to the Change Leaders because the extended membership created another 'storming' stage. This impacted adversely on the motivation of the Change Leaders. As the leader for the Change Leaders I tried to coach them to be self-reliant, and not to rely solely on the sponsors' direction. We continued our activities based on the annual plan.

In January 2005 I rotated to HR. My role as the leader for the Change Leaders was not replaced. Despite the absence of a replacement I continued to offer support to the Change Leaders outside of my formal responsibilities. However, this was not agreed to or supported by my direct HR manager. Throughout 2005 the sixth generation of the Change Leaders struggled, and the program finally ceased in December. I was emotional to see the program end. The situation was now extremely difficult for me to influence or control. I did not possess any formal authority and my direct HR manager did not want the program to continue.

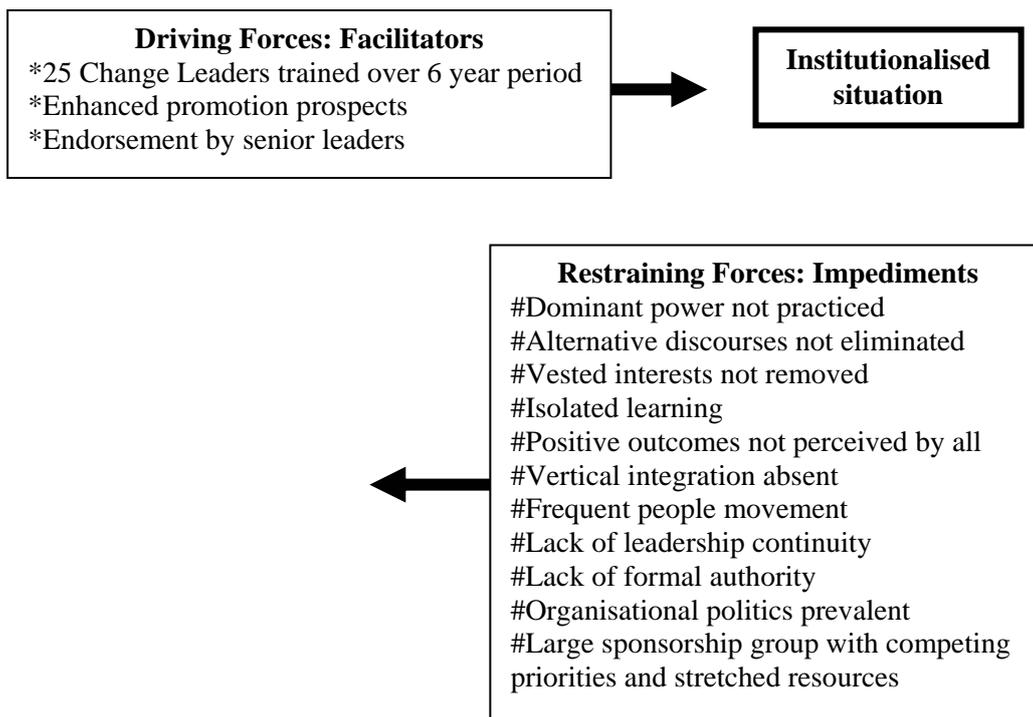
In any case, many people in the organisation still considered that the Change Leaders program was one of the most successful and long lasting change programs in Toyota Australia. Through the rotation process, a total of 25 Change Leaders had been developed over six years and six generations. Thirty percent of them had been promoted. They still bear a distinct identity and pride in being part of the program as well as an on-going behavioural norm centred around the process of action, reflection, and team facilitation which carries over into their current positions.

Some key lessons out of this experience are summarised below and represented in figure 9.1:

- Endorsement by senior leaders was actively practiced. So were some forms of human resource rewards such as promotion. However, in isolation these were not sufficient to ensure institutionalisation or prevent a coiled-spring reaction.
- Domination, as a form of power, was not practiced leaving important vested interests the option to pursue other modes of behaviour. Restraining forces were not eliminated. Resistance was not overcome. A new coherent and structured discourse failed to become entrenched allowing alternative competing discourses to survive.
- Learning was isolated and not spread to the wider organisation within Manufacturing so that widespread unlearning did not occur.
- Important power centres only saw action learning as a threat and not a solution which would produce positive outcomes for them.
- Horizontal integration on its own cannot achieve institutionalisation if vertical integration is missing. The vertical organisational hierarchy controls the formal authority, direction, policy setting, and resource allocation based on priorities. Leaders in senior positions possess formal power to make decisions regarding which activities to continue and which to stop. Without leadership continuity at high level, and an aligned management team at the operational level (middle level) with shared objectives, institutionalisation cannot be achieved or sustained.
- In a large organisation with constant rotation and people movement, various processes (such as interpretation-integration and forming-storming-norming) are continuously re-created, resulting in an ebb and flow of support that can significantly detract from institutionalisation.
- In the absence of formal authority it is difficult to reconcile the strains between the informal social networks and the entrenched structural and hierarchical power within the organisation.
- Organisational politics are ubiquitous. The tensions encountered between vested interests and between top-down and bottom-up processes are ever-present

- A large and diverse sponsorship group can become unwieldy and fragmented, exhibiting competing priorities which adversely impact upon the motivation of the Change Leaders, especially when current resources are stretched.

Figure 9.1
Facilitators and Impediments to Institutionalisation:
Change Leaders' Program



Case Two: Maintenance Reform

Maintenance Reform has been referred to in chapters 5 and 8. It commenced in 2003 and ended in 2008, culminating in the creation of a formal centralised structure in Maintenance. In the discussion below this is referred to as stage 3 of a three-stage institutionalisation journey.

Stage 1 (2003 – 2004) comprised the building of the horizontal integration architecture at each leadership level, one team at a time, connecting firstly the GFs, then the Managers, and finally the GLs. The aim was to establish the power of an ALT to dissolve barriers through acting as a forum for discussion, participation, and

action. Each team adopted a common approach in defining their goals, team rules, and common issues. This process was able to progress organisational learning from individual to team level. As previously analysed in chapter 5, during the period 2003-2004 the endemic culture in Maintenance was epitomised by siloed operations, negative competition, inconsistent practices, mistrust, and blame. Much of this organisational conflict was attributed to the decentralised structure under which Maintenance had operated for the previous 15 years. Accordingly the initial crucial step in the Maintenance Reform journey was to create a social fabric through the process of building ALTs at the levels of GFs, Managers, and GLs.

Stage 2 (2005 – 2006) comprised the building of the vertical integration architecture. The aim was to generate synergy between the three different levels. This process started by developing a core group of champions (Evan and Paul) to drive the process by ensuring each level of the ALT leadership was connected. They attended all ALT meetings at each level to make the links between teams and myself. Once the teams had bridged the storming stage, and worked on activities based on their own priorities, the next step was to create time and space for interaction between the teams. This was achieved by conducting combined ALT forums (two hours per month) and off-site ALT workshops (two days every six months) with all the ALT members and inviting the Shop Managers to join the afternoon and dinner sessions. These structured and scheduled interactions contributed to shared objectives and issues and the removal of duplication. Discussions between different levels contributed to broadening the perspectives of members and assisted them to understand the needs of others and the wider implications of their actions and decisions.

An integral part of this vertical integration involved connecting ALT activities to the long run business plan. Between 2006 and 2007 each key business initiative was linked to a policy team comprising members from each of the ALTs at GF, Manager, and GL level. This vertical policy team strategy was first developed during the preparation of an ALT off-site workshop in April 2006. It helped the organisation and senior management understand the value of ALTs in delivering business outcomes to meet organisational objectives. Even at this stage however, the Shop Managers still had questions about the Maintenance ALTs. Often they did not support the ALT activities and felt that they had no control over their maintenance managers' activities

and priorities. This was a similar problem to that encountered during the Change Leaders' program, namely constant tension between the Shop Managers (formal authority) and the informal social learning structures, networks, and processes. Some Shop Managers even labelled the Maintenance ALTs "*a secret society*". Even at the higher managerial level there was sometimes a misalignment between Charles's priorities and his fellow Divisional Managers. Charles had been the sponsor of the ALTs from day one. The continuity of his leadership combined with the consistent championship from Evan and Paul were instrumental factors in the institutionalisation process.

Stage 3 (2007 – 2008) involved a process of anchoring into place the action learning architecture through the mechanism of structural change, namely centralising Maintenance into one business unit under a single Divisional Manager, Charles. It also provided formal recognition to the ALT network. The main purpose of centralisation was to build common direction, priorities, and standardised business systems and practices within the Maintenance function. Ensuring that every maintenance manager reports to one Divisional Manager is a key factor in reducing the complexity in reporting relationships. It also avoids the situation where maintenance managers were sometimes given conflicting directions - one from the sponsor and the other from the Shop Manager.

The transformation from a decentralised to a centralised structure is not a simple exercise of changing the reporting lines within the organisational chart. It requires an adequate level of inter-relationships and synergy to be built both vertically and horizontally. It could be argued that the long process involved in building the ALT architecture served to lay the groundwork and develop the mindsets that eventually resulted in the culmination of the institutionalisation journey in January 2008 when Maintenance formally became a Division. In effect, as argued in chapter 5, the ALT process developed the software that enabled the successful creation of the hardware. During a phone conversation with Evan in March 2008, he related to me that conducting a managers' meeting was similar to conducting a normal ALT meeting, of which he had already gained much experience: "*the communication systems and processes are already there. Really, the centralisation was just a formality. The*

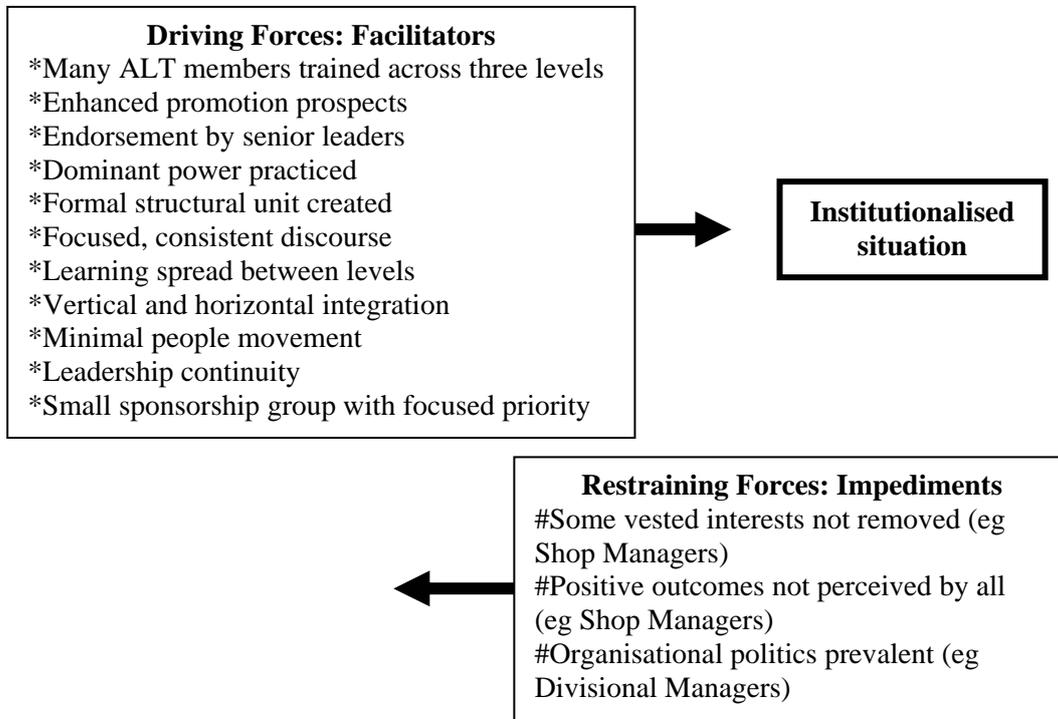
managers are aligned and the network is already there". Accordingly, the ALT journey dovetailed neatly into the new formal organisational structure.

Some key lessons out of this experience are summarised below and represented in figure 9.2:

- The ALT process culminated in the establishment of a formal structural entity.
- A consistent core leadership team existed from the commencement of the process which provided official endorsement and continuity in direction and commitment in driving the ALT process: Charles was the sponsor, Lucy the facilitator, Evan the leader for Maintenance Reform, and Paul the ALT champion and network builder between levels.
- Vertical and horizontal integration created communication, relationships, and synergy through a step-by-step process aimed at building a networked ALT architecture, starting from the middle (GFs), then engaging and influencing upward (Managers), and downward (GLs) to engage key players and missionaries.
- A process which involves preparing the 'software' prior to formalising the 'hardware' facilitated the institutionalisation journey.

Figure 9.2

**Facilitators and Impediments to Institutionalisation:
Maintenance Reform**



Case Three: Production Engineering (PNE) Transformation

PNE Transformation has been referred to in chapters 5 and 8. It commenced in 2002 and ended in 2007. The process started with the appointment of a new Divisional Manager in PNE in 2002, Frank. Prior to this role he had been my General Manager and a key member in the Change Leaders' sponsorship group. He was an advocate of the program from the beginning and always exhibited a strong emotional attachment.

In PNE, the first ALT was formed in 2002 to work on the issues impacting on employee satisfaction. Engaging the managers and engineers to focus on "soft" issues was a real challenge since the traditional PNE culture was driven by engineering mindsets and processes through a command-and-control managerial style. Frank's persistent sponsorship was instrumental in helping to drive the process through the interpretation and integration stages. Because PNE's traditional strength lay in its

technical (engineering) expertise, it was a constant effort to secure the right balance between people and tasks. During Frank's term of office in PNE (2002- 2006), he sponsored the building of four ALTs to connect the individual and team learning within the Division. In 2003 the Division was rated as the most improved Division in Manufacturing. Between 2002 and 2006 the employee satisfaction index increased from 79.7 to 90.8.

Chapters 5 and 8 discuss the mechanisms by which the four separate ALTs (ESI, Manager Coaching, People Development, and Supervisors) were integrated horizontally and vertically into a networked structure, albeit without the luxury of formal organisational recognition. Rather, the ALT architecture was informally embedded into the PNE social system. Through the rotation process approximately 70% of PNE members had participated in ALTs within the first four years, some being involved on two or three separate occasions. People were engaged in the process which provided them with the opportunity to engage in open discussion, create a common purpose and focus, contribute their ideas for improving the workplace, and be involved in group reflection and action.

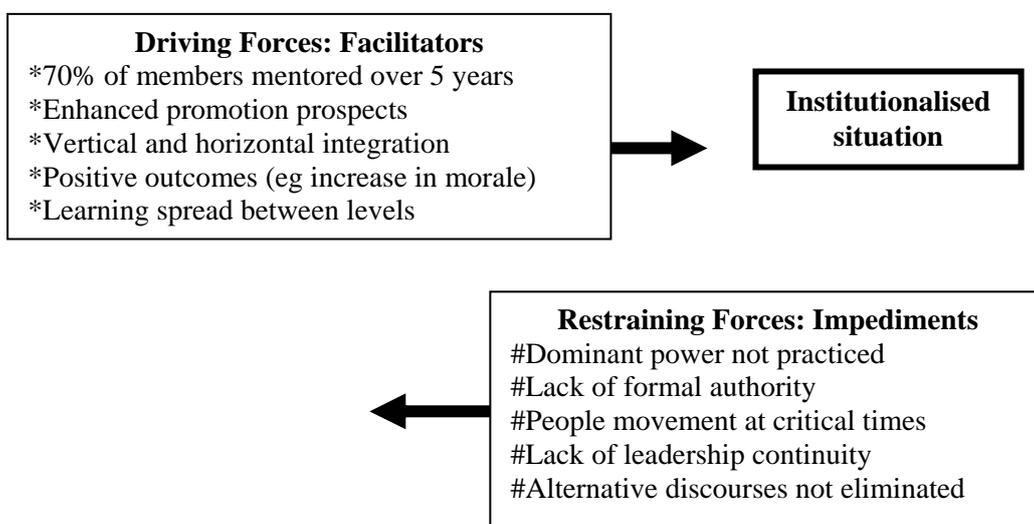
In January 2007, Frank rotated to HR, and a new manager rotated into his position. The new management style was very different with a traditional engineering mindset that exhibited little patience for addressing or resolving the 'soft issues' of the workplace. An attempt was made to continue with the ALTs, but the new management struggled to provide the same level of sponsorship to all of the ALTs as Frank. The new management's physical involvement and emotional engagement with the ALTs failed to give the members an impression that ALTs were a priority. When some of the ALTs needed a direction, they found it was difficult to obtain. I observed these developments before I left for Bangkok in July 2007 on my overseas assignment. I was worried about the survival of the ALTs. Two months later I received the sad news that the ALT process has stopped "*because they struggled to find direction*".

These events led me to reflect deeply on what had happened in PNE. Everything appeared to be in place. We had experienced passionate and consistent sponsorship over a five-year period. Tangible results had been obtained particularly with regard to hard data on employee satisfaction. A majority of members had progressed through

the ALT process. The ‘software’ was socially embedded but had not been transformed into hardware. Horizontal and vertical integration had been undertaken. However, these developments were not sufficient to ensure institutionalisation. Crucial people movements occurred at critical times which left a leadership vacuum. Frank rotated in January 2007. I left for Bangkok in July 2007. The new management was ambivalent about the ALT process. Accordingly, several important events occurred within a six-month period of time culminating in a dramatic erosion of support for ALTs. Five years work can be stopped very quickly without leadership continuity. Priorities can change and senior leaders are always able to make decisions to continue or stop any process. In the present case, with previous supporters absent, the process died away.

Nevertheless, although the ALT process failed to become formally institutionalised, its impact still remains embedded within informal norms and practices in PNE. As with the Change Leaders’ Program, a significant number of people were mentored within the ALT architecture and the same conclusion can be reached, namely they still bear a distinct identity and pride in being part of the program as well as an on-going behavioural norm centred around the process of action, reflection, and team facilitation which carries over into their current positions.

Figure 9.3
Facilitators and Impediments to Institutionalisation:
PNE Transformation



Summary

The analysis of the institutionalisation process in this chapter, and a comparison across the three separate cases would lead to a conclusion that although a number of factors are involved in facilitating and impeding institutionalisation, there exists a core group of five factors that are instrumental in enhancing the probability of a successful outcome, namely:

- Vertical and horizontal integration
- Consistent senior management endorsement
- Legitimation through formal authority
- Software development precedes hardware
- Positive outcomes.

Chapter 10

Conclusion: Uniqueness, Significance, and Implications of the Study

This chapter constitutes the concluding chapter of the thesis. It draws together the accumulated arguments throughout the study in a synthesis of the major barriers that may be encountered during an ALT journey. The chapter also analyses the uniqueness, significance, and implications of the study.

Barriers to the ALT journey

(a) Barriers encountered during the embryo stage

Impatience from senior management

The first few months of the ALT process are normally slow, but constitute the most vital stage in building the foundation of the team. It requires a lot of time and energy to help everyone to get on with the journey, understand each other, and set common values. Any impatience or unrealistic demands from senior management can kill the spirit of facilitators and the ALTs, and limit the growth of the ALT initiative. In a traditional manufacturing culture most managers and operational people are task driven. They focus on numbers and expect immediate output from their inputs and processes. Since action learning is an organic and social process, it takes time to build team dynamics and develop common interpretation among the members. On top of this, the problems the ALTs tackle often involve complex human issues. The transformative learning from individual intuition to organisational institutionalisation can take several years of effort. Such processes are not widely understood within manufacturing organisations. When people do not see what they want to see, they become impatient toward the ALT process. The 'quick fix' mentality of the managers creates pressure and tension, and affects their relationship with the ALT members.

In May 2001 I formed the first action learning team (ALT) at Toyota's Port Melbourne plant with the objective of rebuilding trust between management and the internal trade union representatives after a five-day strike related to outsourcing. The

ALT consisted of four managers and four internal union representatives. The relationship between the two parties had been severely damaged as a result of the strike action. Building human relationships and trust takes time, especially when recovering from a confrontational mode, and the inner changes occurring within people and social interactions during the process can be very subtle and invisible. Some senior managers felt that nothing was happening after the ALT did not appear to deliver much during the first few months and constantly criticised the process: “*it is too slow, we need to see some actions and outcomes, not just having meetings.*” Their impatience and lack of understanding about building human relationships generated much pressure on me as a first-time facilitator. If I had reacted to their demand, and rushed into fixing problems without continuing my effort to build a healthy team dynamic, the ‘us and them’ mentality would have continued to exist, and the ALT could easily have splintered when the first conflict occurred.

Lack of understanding from team members about the ALT concept and process

When an ALT is going through its forming process some team members can feel that the team is not doing very much. This feeling is particularly common for members who have been working in a task-driven environment and have become accustomed to ‘hard issues’ rather than “*all this soft stuff*”. They do not feel comfortable spending time on issues such as setting team rules or having regular reflection on team behaviours. If these feelings and attitudes of team members are not addressed they can impact on the dynamics of the ALT.

Lack of faith in the process

As I have discussed, during the early stages of building the ALT culture it was difficult to convince managers and employees who had not experienced or observed the benefits of action learning. Therefore, little support was given by management and little interest was shown by the employees. For example, one of the non-supportive managers expressed the view: “*if it has worked in one area that does not mean it will work for me – I have my own way of addressing my problems*”.

Also, past negative experiences in establishing teams and initiating changes had tended to generate mental blockages within many managers and employees, resulting in the assumption of “*we have done similar things before – why would this time be any different?*” For example, within the Maintenance division senior management had over the years made many efforts to build horizontal teams amongst the managers and supervisors prior to deploying the action learning concept, but had failed to achieve desired outcomes. Due to their isolated and inconsistent approach they had been ‘bitten’ by the trade union many times. When the first ALT was formed in this division amongst the General Forepersons I found that people were not placing much faith in the process and would not regard the weekly ALT meeting as an important priority. Time and time again I had to phone the members and remind them to attend the meeting. It took several months of hard work for me to get some commitment and realisation from them of the need to become an important part of the ALT. During the early stage of the team meetings I found the members tended to use the forum to get various issues off their chest. Most of their frustrations were related to their psychological connections to historical events and practices and the fact that their everyday work life was mainly associated with reacting to problems or crises in a fire-fighting manner. I found the most difficult aspect of my facilitation effort was related to transforming negative energy into positive drive. There existed no short cut or easy solution. I found the only solution lay in remaining persistent and refusing to be influenced by the pervasive negative energy, primarily through listening, encouragement, and one-on-one interactions both before and after meetings.

Membership selection, coverage, and team size

As Toyota Australia is a large organisation, it possesses very diverse functions and workforce characteristics. It is always a difficult decision for the facilitator and sponsor to make in terms of how many people and who should be in the team. If the ALT is too small then there is not enough coverage. If the ALT is too large then it is difficult to manage, particularly when membership exceeds ten people. However, I erred on the side of tending to establish larger teams, primarily to ensure adequate representation or involvement of the relevant areas. Most ALTs had between eight and twelve members, thus requiring more time and effort to build.

Some of the issues in the Manufacturing arm are related to the existence of three separate shifts. It is ideal to involve members from all three shifts but difficult to find a meeting time that suits everybody. This tends to impact on the attendance rate. When members miss meetings they can lose touch with issues and consequently struggle to understand the background and details of the ALT discussion. I found poor attendance caused problems with individual members' motivation, team bonding, and slowed down the action learning process.

(b) Barriers encountered during the growth stage

Lack of skilled facilitators

After a couple of years of the action learning journey, when more and more people had experienced or observed the positive outcomes of the process, overall interest in forming ALTs from management and the willingness to participate in the initiative from employees increased. As this was a new experience it was important to ensure that adequate numbers of trained facilitators were able to come through the system in order to assist ALTs through their forming, storming, norming, and performing phases. Within the first three years the number of ALTs mushroomed from one to twenty, and I found that I was unable to offer support to all these teams. Although I had coached a team of people to be action learning facilitators, their experience was very limited. Whilst the facilitators were still going through a deep learning curve they were not able to provide proper guidance or encouragement to the ALTs. Because of this some of the teams were adversely affected and even ceased to function. I isolated three main reasons for this: the ALT picked up a topic that was beyond its control; a lack of persistence and reduced momentum when the required support from management and other stakeholders was not given; and failure to resolve conflict within the ALT. The competency of effective action learning facilitators takes time to develop and the organisation needs to invest resources into their development. In the meantime it is imperative that management and team members should create a supportive environment for the facilitators and allow them to make mistakes without blame or recriminations.

Sponsors fail to deliver promises

Not every ALT requires a sponsor. However, if the team is dealing with highly sensitive and complex issues it is critical that a senior manager is assigned to be the sponsor in order to provide direction and support. Due to the busy role of senior managers and competing demands coming from a range of other dimensions, some sponsors failed to attend the team meetings or to have proper interaction with the team members. ALT members often interpreted this physical absence as a lack of interest or support. It is recognised that everybody in an organisation has limitations. Sometimes sponsors would promise something to the ALT without realising their limitations or the potential for pushback from their superior or other stakeholders. The sponsors' inability to deliver on their promises due to lack of formal authority, political barriers, union resistance, or other source of constraint, hindered their credibility. Whenever a team felt disappointed with their sponsor, their level of motivation tended to suffer adversely.

Conflicting priorities

In the Manufacturing area, shopfloor team members could only attend meetings after production hours. Often, the ALT meeting time clashed with production overtime. Due to the needs of running the production line, members could not be released to attend meetings. This sent a message to members that 'production is more important than people'. When ALT meetings had to be cancelled a few times due to low attendance, I noticed that the team tended to lose track of what had been discussed previously. This impacted on team momentum and dynamics. These conflicting priorities between line managers, ALT members, and the facilitator sometimes generated tensions within their relationships.

ALT process viewed as a threat by union representatives

As action learning is a social interaction process, people within the teams gradually develop better relationships, building trust, and resolving problems together. I found that some union representatives and members were reluctant to participate in the ALT process, or even actively opposed it, for a number of reasons all associated with

'fear': first, that union representatives and members could become influenced or controlled by management; second, that the union would start to lose its position and influence as shopfloor members would first approach the ALT for assistance rather than the union; third, that the union would start to lose its strength if the ALT process succeeded in transforming managers, supervisors, and employees from entities working against each other, into teams; fourth, that individual power bases and role prerogatives would be diluted as ALTs became increasingly empowered to establish policies, procedures, and standardised processes. Some union representatives made comments to me such as "*ALTs are all over the place – they are taking over our role*" and "*we don't want ALTs – they work for management*". Due to pressure from union representatives some ALT members felt stressed and compromised in their role.

Organisational politics

Organisational politics are ubiquitous in large corporate enterprises. I found that the ALT journey was not immune from the consequences of such internal politics. Three examples stood out. First, action learning is a bottom-up strategy formulation initiative. Some managers are more passionate about preserving a rigid, top-down, command and control working environment, and tend to perceive ALTs as an initiative that upsets the formal reporting hierarchy. Therefore, they give little attention or support to ALT activities. Second, some of the ALTs were formed to deal with extensive and complex issues and problems, whose solutions required cross-divisional support. Sometimes, although the ALT sponsor approved the team's recommendation, due to the power struggle between the divisions (at a high level), the recommendation either could not be implemented or else suffered long delays in implementation. This impacted on the morale and credibility of the individual ALTs affected. Third, during the fullness of time, ALTs began to resolve complex human issues without the need to involve the Human Relations Department. Accordingly, some HR staff began to feel disempowered and in danger of losing control. In some cases the ability of ALTs to build partnerships and networks with a range of diverse stakeholders began to make HR's past and present performance appear inadequate. Increasing insecurity amongst some HR staff had the consequence that they failed to offer support to the ALT process, and even became a barrier to the creation of an action learning culture.

Long term nature of the ALT process

In the Port Melbourne Consolidation case the entire process lasted for four years and the ALT played the key role in change management. It was only after the first stage of outsourcing 300 jobs in Trim and Seat had been successfully managed in 2004 that many people became convinced by the ALT process, and some respect and recognition was received from the company. Equally, in the Maintenance Reform case it took three years to complete the process of building the ALT architecture and five years to produce significant performance improvement. During this long journey a lot of effort was spent developing the ‘software’ (relationships), not the ‘hardware’ (structures and systems). It was difficult for people who were not a part of the journey to understand and quantify the subtle changes on a daily, weekly, or monthly basis. They assumed that the ALTs were doing too little too slowly. Their misperceptions generated a negative image for the credibility of the ALTs.

Tension between direction and autonomy

As a facilitator I constantly faced the challenge of defusing tension between various forces. ALT members often faced a dilemma between the need for direction from the top and their fear of being controlled or losing autonomy. When the members did not receive direction from the top they often felt disappointed and frustrated. Their expectations were: “*we need direction from our sponsors*” or “*senior management should guide our activity.*” On the other hand I observed situations that when direction was given by senior management the ALT members did not agree with the instructions and questioned the intent or agenda of senior management. They often suspected that management wanted to take control of the ALT: “*we should pick our own topic*” or “*senior management wants to use us to fix their problems, but we want to fix our own problems.*” Being a facilitator is a continuous process of trying to balance the needs and expectations of multiple parties.

Tension between the formal and informal

The ALT process commences at the organisation's periphery, outside the company's mainstream activities. Gaining a shared image of, and support for, the ALT process from the whole corporation is therefore a daunting task. Accordingly, it encounters tension between the formal and informal aspects of structure, systems, and authority. Because the ALT process exercised only informal authority it encountered opposition from the company's institutionalised knowledge, structures, and systems. People invariably have an emotional attachment to those elements that are part of the status quo, especially if they have created them and feel ownership. ALT members, as change agents, strongly felt the tension between unlearning (deinstitutionalisation) and relearning (change and institutionalisation). This was often compounded by a range of diverse perspectives that affected the level of support received from different people, such as fears of losing power or control, connections with various organisational political groups, mental image of management (top down or bottom up), personality (approachable or arrogant), and relationships with the sponsor or champion of the change initiative.

Tension between promoting the concept and initiating the action

Communication and coalition-building are crucial activities in securing support and shared understanding about the action learning initiative. However, in a large organisation with diverse functions and a hierarchical structure, these can become time-consuming and physically and emotionally draining processes. It is a tough call to judge the balance between how much effort and time should be spent on building the coalition or keeping focused on creating and implementing initiatives. There is no formula. In the cases of the Port Melbourne Consolidation and Maintenance Reform if the ALTs had become distracted by responding to negative comments it is debatable if they could have advanced beyond the interpretation stage.

On-going engagement and utilisation of ALT members

Many of the ALTs operated with a voluntary membership and their life cycle was linked to the duration of the problem-solving process. As such, the membership was not permanent. When members finished their role in the ALT they sometimes found that the environment limited their opportunity for on-going engagement and

utilisation of their skills developed in ALT process due to the nature of the task-driven culture. Their direct supervisors or managers often wanted them to just focus on their roles and responsibilities within their job description. For example, some of the Change Leaders who went through the 12 – 18 month rotation process found that after they returned to production some of their managers did not value their learning out of the program or did not know how to utilise them.

Uniqueness and significance of the thesis

This thesis has taken a holistic approach to validate and develop the 4i organisational learning model advanced by Crossan, Lane, and White (1999) and investigate the implication of using action learning to create an organisational learning framework for strategic renewal. I would argue that the findings of this thesis reveal not just the importance of a holistic approach to using the 4i model as the key to generating organisational learning but also the paradox at the core of attempts to bring about such change. The notion that there exists an end point where learning becomes integrated and institutionalised at the end of a linear change process may be argued, by some analysts, to be problematic. Indeed the findings of this thesis suggest a constant tension between the desire to institutionalise and the inevitability of practical experience which suggests a messier trajectory and less obvious or achievable end state. The linear nature of understanding that lies beneath the 4i model might be subject to some criticism stemming from the findings of the thesis.

This research study is unique in that it differs from the attempts of other scholars to verify and develop the 4i model (Zietsma, Winn, Branzei, and Vertinsky, 2001, 2002; Lawrence, Mauws, Dyck, and Kleysen, 2005; Kleysen and Dyck, 2001; Castaneda and Rios, 2007). None of these studies simultaneously concentrate on:

- (i) the role of an action learning process to build a learning architecture across multiple organisational levels,
- (ii) by focusing on all of the stages of the 4i process, and
- (iii) by employing an autoethnographic methodology within a complex organisational setting.

This thesis constitutes an autoethnographic, longitudinal study based on the insider experience of a practitioner-researcher, in a real organisation, with real events and problems, and real data observed and gathered by the practitioner. The knowledge and understanding developed in this thesis is not a matter of interpreting or bundling together other writers' theories. It is a process of intuiting, experimenting, testing, reflecting, conceptualising, documenting, and sharing the understanding of 'what', 'why', and 'how'. The insight provided by 'being there' (in terms of personal thoughts, emotions and organisational dynamics) is, arguably, beyond the reach of a pure academic, and the insightful analysis is above that of a pure practitioner. The culture of the organisation (Toyota Australia) presented a dilemma where organisational renewal was needed to respond to changes in the business environment and meet the expectations of the parent company. The issues and challenges encountered during the process of building an organisational learning architecture may have application in other large, complex manufacturing organisations.

Butterfield (1999) has identified a common issue with the action learning literature through his PhD research. He states that there is currently little qualitative research that addresses action learning application over a sustained period of time and suggests that future research of a longitudinal nature would add to the limited findings relating to the sustained application of action learning. This suggestion has been addressed in the current thesis. The longevity of the research over a ten-year time frame has provided the researcher with the opportunity to complete the cycle of intuition, interpretation, integration, and institutionalisation across multiple events and episodes, affording the opportunity to compare processes and outcomes to generate new insights. This repetition of constant planning, doing, reflection, and experiencing the process of transforming learning from individual to group and then to organisational level, has produced rich data and foci for continual questioning. Multiple methods of qualitative data gathering have been utilised such as: story telling, conversations, observation, reflection, field notes and diaries, memos, emails, company documentation, and tape recorded dialogues between the researcher and a third party to track memories and emotions. During the course of the research I have played multiple roles concurrently or at different times such as: a learner and experimenter in the workplace, an academic student, a facilitator, an initiator of the action learning, a designer and builder of the horizontal network and vertical integration, a reflector, and

a theorist. Being a practitioner-researcher in the role of organisational learning and development at Toyota Australia, combined with my on-going engagement in academic study, has provided me with deep organisational insights and multiple perspectives in interpreting, understanding, and analysing the real-life scenarios and problems as they occur in the field.

Autoethnographic writing allows the researcher ('I') to understand my doing and feeling in a deeper way and with this to enhance the understanding and learning of others (Ellis and Bochner, 2004). Arguably, this approach is the most suitable (perhaps the only) methodology for 'me' (practitioner-researcher) to conduct this longitudinal study to reflect on 'my' experience, formulate 'my' individual research questions, and generate new knowledge based on a theoretical framework. The analytic genre of autoethnography (Anderson, 2006) provides me, in my hybrid role of practitioner-researcher, with an authentic voice from the inside, giving me (the writer-analyst) a means of making sense of my unique situation within a theoretical framework. This method enables me to report specifically from my experience in terms of my inner dialogue, tacit knowledge, and knowledge-in-action. Arguably, no other person would be in a better position than me to report on and analyse the prevailing organisational dynamics, wherein I simultaneously shaped and am shaped by the extant situation(s) on which I report. My ten years of continuous experimenting, reflecting, and theoretical study has formed a critical part of the research environment. In this way the subjectivity of the researcher can be positively exploited as a valid representation of "knowing".

Whilst claiming these advantages for the thesis I would be the first to admit that the literature on management and emotions is underrepresented in this thesis. Within the context of organisational change some commentators may find this to be problematic. The advantage of the autoethnographic approach, it is argued, is that it allows unique insights into the emotions and feelings of the practitioner-researcher as that person traverses through the journey of designing and implementing change. The lived experience of events can enable the organisational insider to indulge in cathartic writing. In this thesis I have attempted to express this emotional side of myself as often as I have felt able, although some may argue that I could have gone to far deeper levels. At the end of the day, however, my writing and analysis in this thesis has

betrayed the type of person I actually am. I try not to let emotions ‘cloud’ my ‘rational’ approach to reflection and analysis. Like it or not, I am for the most part a technical, rational, and disciplined person. In countless conversations with my supervisor he would say to me “*and how did you feel?*” “*What emotions did you experience?*” “*Why did you react as you did?*” My responses always seemed to be filtered through the rational and unemotional ‘me’. I do not feel that I have to apologise for this, or even suggest that it remains a shortcoming of this thesis. At the end of the day my analysis and findings reflect a constructed understanding at the intersection of ‘me with my data’. The end result, it could be argued represents my interpretation, amongst multiple other alternative interpretations, that could be advanced. Accordingly, my construction is less chaotic and messy than many others may have interpreted.

Development of an integrated model

The significance of this thesis lies not only in those aspects analysed and presented above but also in the claim that it makes a contribution to the extant theoretical literature. This is achieved by exploring the relationships between experiential learning, action learning, and Crossan, Lane, and White’s (1999) organisational learning theory, and integrating these into one model. The nature of this integration is argued below.

Action learning is not new. Since its creation during the 1940s by Reg Revans, its main focus has been on team-based problem solving. By researching the origin and development of action learning, the thesis has found that a common definition of action learning does not exist, and there is no clear explanation of how learning can be progressed from the individual or group levels to the organisational level and, hence, to become institutionalised. In other words, the connection between experiential learning, action learning, and organisational learning is missing.

Despite the fragmented nature of the organisational learning literature, there is a common recognition that learning happens at, and across, three levels: individual, group, and organisation. The 4i model of Crossan, Lane, and White (1999) has articulated a basic framework of how an individual’s idea could be shared, accepted,

and utilised by the whole organisation by moving through the stages of intuiting, interpreting, integrating, and institutionalising. As we have seen, this model has been further developed by several other scholars. However, the existing research so far has not offered a holistic analysis and validation of the whole process. With the exception of Zietsma, Winn, Branzei, and Vertinsky (2001, 2002), the research does not benefit from an analysis of a real organisation. Additionally, the research tends to tackle only a portion of the 4i model, and no attempt has been made to examine the role of action learning as a facilitator of an organisational learning architecture. This fragmented approach and lack of explanation and illustration about how to activate and complete the entire 4i process has tended to confine the extant literature at the intuiting and interpreting stages, unable to break through the constraints associated with integration and institutionalisation.

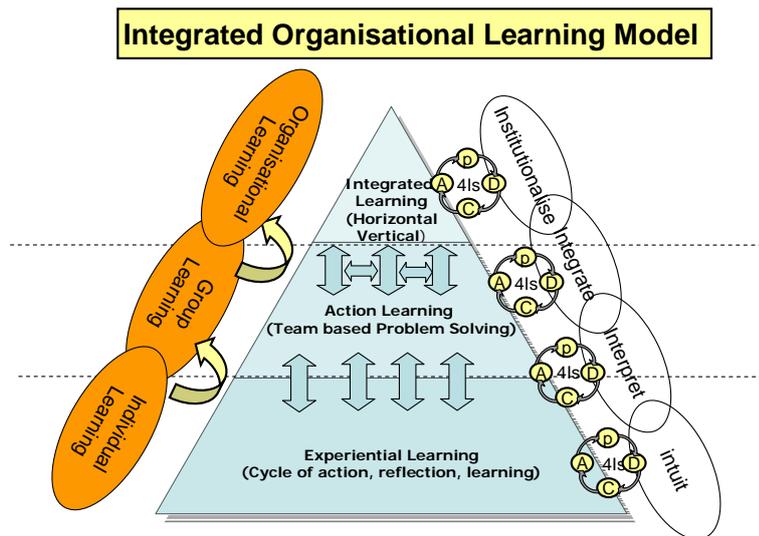
Within each of the stages of the 4i model of Crossan, Lane, and White (1999), it could be argued that the ‘plan-do-check-act’ stages of the experiential learning cycle describe the processes of ‘how’ individuals, groups, and organisations learn. The action and reflection approaches embedded in the experiential learning cycle contribute to the continuous learning of people involved in the organisation. One of the mechanisms for developing and reinforcing this action and reflection approach is the formation of action learning teams.

Based on the findings of the thesis, it can be argued that the practice of action learning can be executed at three levels:

- At the individual level, it is an experiential learning process following the cycle of action, reflection, inputting new knowledge, and generating new insight.
- At the group level, it is a social process of resolving real problems through structured and purposeful dialogue to achieve shared objective, behavioural standards, learning from group action, and reflection.
- At the organisational level, it is building a social architecture to integrate action learning teams horizontally and vertically.

Figure 10.1 shows the nature of this integrated organisational learning model. It is important to emphasise that organisational learning is an organic process. All the parties within this open system are interrelated and interdependent and, sometimes, multiple processes are occurring simultaneously.

Figure 10.1



Implications of the thesis

This thesis, by combining practical experience with theoretical insight, possesses the following implications for advancing the application of action learning:

- The process of conducting action learning at group level becomes clearer, so that new starters and facilitators can have some guidelines on how to initiate and travel through the action learning journey.
- The mechanism of building a social architecture has been constructed and illustrated to: connect ALTs horizontally in order to share problems, solutions, and learning; and vertically integrate action learning processes, activities, and outcomes into organisational policies, systems, practices, and structures.
- The context and process of applying action learning as a key change management strategy has been analysed for dealing with the complex human

issues implicated in a strategic renewal exercise in a highly unionised manufacturing environment.

While it is realised that the design and facilitation of action learning are highly contextual and influenced by personal and group dynamics, the above implications make the action learning process more explicit and generic and can assist in the translation into written form to guide future practices of what would otherwise be personal tacit knowledge in this field.

This study has confirmed that action learning is a practical and effective method in creating a learning environment within natural work settings. It deals with real life problems by real world people in real time. Traditionally, training at Toyota Australia has been performed in the classroom, with few effective processes in place to facilitate the transfer of knowledge. The action learning process and the integrated organisational learning model developed through this longitudinal study could have universal implications in all industries. By going through the process of building teams, defining problems and challenges, taking action, conducting reflection, and transforming learning into new situations, people involved in the process learn how to learn. When individuals and teams embark on the journey of action learning with common objectives, values, beliefs, and an in-built social process to connect teams into a learning network and integrate activities into organisational goals, policies and systems, then action learning can transform organisational learning from concept to application.

In broader terms, the integrated organisational learning model developed in this thesis could be applied to any business changes which have an impact on people in a unionised manufacturing environment. Organisations are experiencing continual change. One of the most difficult tasks in change management is to manage the impact of change on people by minimising the resistance which may be encountered. Action learning represents a sleeping giant as a facilitator of organisational change (Dilworth and Willis, 2003). It constitutes a potentially powerful application yet to be realised in handling lengthy, emotional, and complex processes where many uncertainties and conflicts of interest are faced.

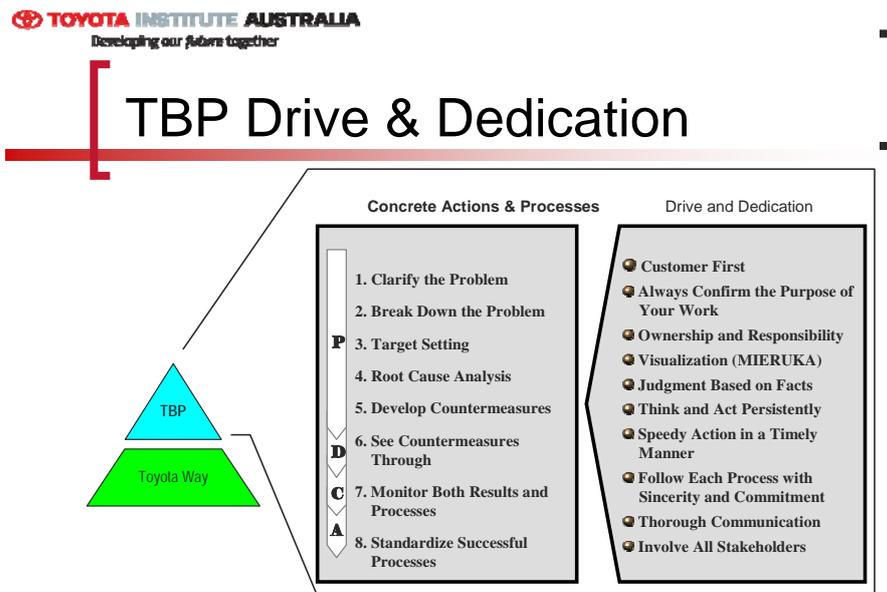
Specific implications for lean manufacturing (and Toyota systems)

Toyota's management system is a part of its competitive edge. Globally, many companies are attempting to learn, understand, and apply Toyota's systems and practices in relation to lean manufacturing. Chapter 1 of this thesis analysed the development and application of the Toyota Production System and the Toyota Way, noting that they are built upon the beliefs and values of the founders in addition to the accumulated wisdom of several generations of members. The Toyota Way is a philosophy. It cannot be realized simply by reading the company booklet or by attending classroom training. It needs to be demonstrated by behaviours and daily actions. Because the Toyota Way has proved so elusive to grasp and apply in its entirety, the former Chairman of Toyota Motor Corporation, Fujio Cho, announced in April 2005 that he was introducing the concept of Toyota Business Practices (TBP):

“While the Toyota Way principles have spread throughout the company, I have heard that it is still not easy for individuals to fully understand and practice the Toyota Way. Thus, I would like to introduce the Toyota Business Practices which explicitly outline practical business applications based on problem solving.”

The initiative of developing a problem solving program started during the late 1990s when Toyota was rapidly moving into a global business environment. The aim of TBP is to make the Toyota Way explicit, so that Toyota affiliates and members globally could gain shared understanding of the Toyota Way through practicing problem solving in a consistent manner in their daily work, and by using common language to communicate. For this reason, Toyota translated this philosophy into an eight-step process and a set of behaviours (known as 'drive' and 'dedication') to guide people in daily problem solving. This integration of processes and behaviours is now the standard of TBP. Figure 10.2 shows the nature of TBP and the concepts of drive and dedication.

Figure 10.2



"TBP Drive and dedication" is based on the values in the "Toyota Way."
 ⇒ Understanding the whole picture is vital

In 2005, the TBP training program was launched and became a compulsory course for managers globally. For TBP to be shared, understood, and institutionalised by Toyota's global members proved to be a difficult case of organisational learning. The implementation of TBP met many challenges. In North America, Europe, and the Asia Pacific, a common issue was encountered whereby managers experienced difficulties in interpreting the process and putting the training content into action. Participant feedback revealed some common themes:

- *"This is just another training program; there is no follow up."*
- *"My manager is not doing it; there is no example for me to follow."*
- *"The approach is individual based; there is no team learning and sharing."*
- *"The Japanese way is hard to follow; it is too detailed; when you breakdown the problem into pieces you lose the big picture."*
- *"The TBP process is too slow; I know the countermeasure, why should I waste so much time on showing the process?"*

(Source: Toyota internal documents)

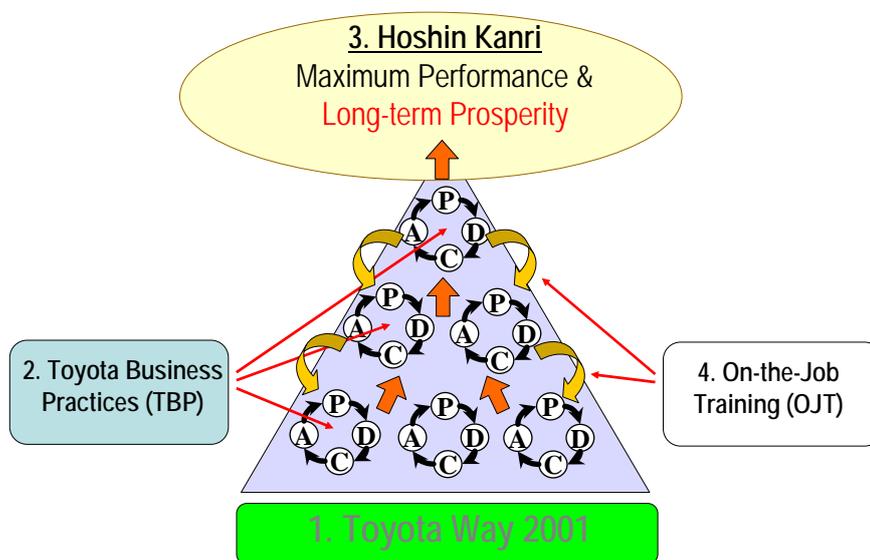
These participant responses are consistent with my own observations and experience during the roll out of TBP at Toyota Australia. A number of issues impacted on the effectiveness of the implementation exercise. First, there was too much focus on how

many people were being trained and not enough effort in building a process for learning to be transferred into action. Second, learning remained at the individual level, with slow progress towards the establishment of team level learning processes and dialogue. Third, the social architecture associated with building horizontal and vertical integration was absent. Accordingly the mechanism for connecting individual, group, and organisational level learning was missing.

At this stage it is worth noting that Toyota has developed a model aimed at facilitating the successful globalisation of its operations. This is known as the Toyota Global Management Systems and Practices. It is comprised of four components as shown in figure 10.3 – Toyota Way, Toyota Business Practices (TBP), On-Job-Development (OJD), and Hoshin Kanri.

Figure 10.3

Four Global Contents for Toyota's Management System

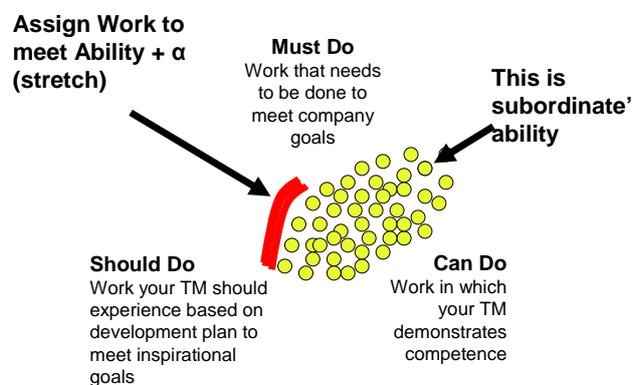


These four components are meant to integrate together to form a holistic system. However, I have already analysed some difficulties with the manner in which TBP has been implemented. Further difficulties also arise with the concept of On-Job-Development (OJD). To ensure maximum impact, the learning of TBP needs to be supported by a culture of focusing on (OJD) where individual and team coaching is offered. Toyota's management system emphasises 'developing people through the

practice of daily work'. The essence of Toyota's OJD model is based on the concept of building alignment between the needs of the company ('must do'), the employee's career aspirations ('should do'), and the competency of the employee ('can do'). For the purpose of developing employees, a manager should have an understanding of these three elements in order to assign employees with relevant assignments. Figure 10.4 shows the essence of the OJD model.

Figure 10.4

On-Job-Development



Toyota's OJD model was developed based on the Japanese culture of superiors constantly challenging subordinates 'to do things better' by lifting their capability through delegation. Appraising subordinates in Japanese culture is not considered as natural and can be perceived as embarrassing. In contrast, Western culture appreciates appraisal, regular performance feedback, positive reinforcement, acknowledgement, and self-esteem. In this respect, the traditional Japanese approach may be perceived as too aggressive or demanding because of the feeling of that it is "*never good enough*" or "*my boss always asks for more*". Since the Toyota OJD approach is not regarded as a 'normal' Western approach, it is perceived as difficult for Western managers to interpret and integrate the OJD model into their daily work activities.

Thus, two severe problems are detected in the Toyota Global Model, at least as perceived from a Western application: first, the manner in which TBP has been implemented does not integrate with OJD; second, OJD is not a natural Western

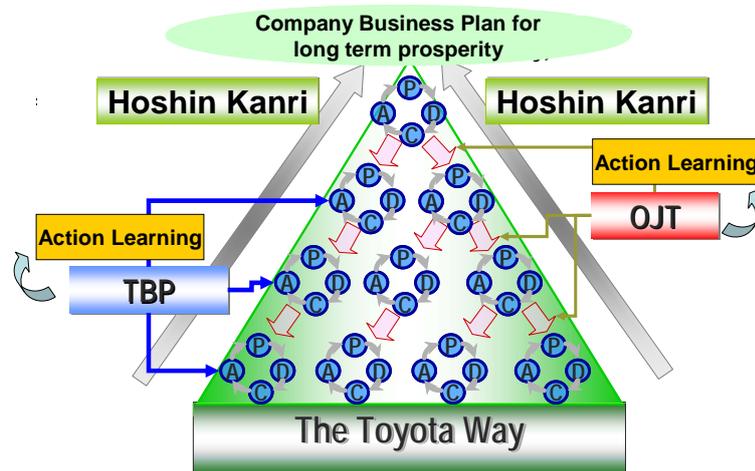
concept. From the viewpoint of the findings in this thesis I contend that the action learning approach has significant implications for the global implementation of lean manufacturing and, more specifically, for Toyota's systems. I would argue that action learning can be integrated into the Toyota Global Model. Action learning possesses the following common characteristics ensuring a better cultural fit in terms of learning style whilst still enabling the accomplishment of organisational goals through problem solving:

- real work-based problems resolved by real world people
- focus is on learning, action, and reflection
- non-hierarchical (no rank)
- democratic decision making
- group facilitator (usually)
- focus is on encouraging healthy debate and constructive conflict

What distinguishes action learning from other approaches to learning is that it has more of these features concurrently operative. This creates a learning environment surrounded by a strong sense of ethics and respect for human dignity, including a belief that individuals and teams can learn to make a difference. Empowerment becomes real and genuine, practiced not as a form of subtle manipulation, but rather as a way to unleash human creativity. The concept of action learning was developed in the West, giving it a better cultural fit within Western cultures when it comes to implementation. However, the characteristics of action learning are still congruent with the values of the Toyota Way and the intent of developing people through their daily work. As such, action learning would be an effective vehicle for conducting OJD both at individual and team level to develop the problem solving capability of Toyota personnel, and more generally all personnel operating in lean manufacturing contexts. The integration of the action learning approach into the Toyota Global Model would enable each of the concepts to leverage off each other's effectiveness. Such an integrated system would ensure that all action learning activities are aligned to the company's Hoshin (direction); whilst action learning activities help to translate the system into direct applications through team-based problem solving and OJD. Figure 10.5 shows the nature of such an integrated system.

Figure 10.5

Integrating action learning within the Toyota Global Model



Such an integrated model would suggest several future implications for building an organisational learning architecture along the lines of:

- Developing people through experiential learning and facilitating team learning
- Forming action learning teams to naturalise and mature a learning environment incorporating the process of practicing the 8-step problem-solving approach displaying the required behaviours
- Creating a social architecture and network to connect team learning horizontally and vertically to integrate problem-solving team activities into organisational goals, systems, and strategies

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