

There are several reasons behind GM's failure to capitalize on the successful changes it implemented at NUMMI. Learning from a competitor should be beneficial, as Toyota's unique knowledge of productivity ought to help increase GM's entrepreneur opportunities (M&O Spring 2021, Class 16 Creativity Lecture) However, according to Steve Bera, one of the workers at NUMMI, the success at NUMMI didn't impress other workers from the union, and the managers from other plants were resistant to improve. (This American Life, part 1) At the surface level, it was pride and ignorance from the leaders and workers that caused a depression of the company's culture. The issue would be solved easily if it stopped at this level because workers who went to the Takaoka plant in Japan did learn and bring success back to the US at NUMMI. They could send all GM workers to Japan and let them study from Japanese workers.

Nevertheless, the root of this issue was not that simple. The failure of expanding NUMMI's success ripply across other plants rises the **organizational problem**: what stops the continuation of one organization's divisional success to other divisions? In other words, what causes ineffective enlargement of success in one organization? According to Toyota's John Shook, he wanted GM workers to experience the culture at Takaoka. People were divided into small teams of 4 and 5, and it was welcome to ask questions and improve the production process all the time. Besides, the leader would help to correct problems. On the contrary, GM's workers never pulled Andon. Leaders and managers all worked separately in different divisions, as GM was a collection of individual car companies like Cadillac, Oldsmobile, Pontiac, Buick. (This American Life, part 1) Hence, the problem relates to the factors behind the productivity of a company, and the answer lies inside the cohesion of organizational structure, culture, and leadership.

The ineffective continuation of success was caused by the lack of fitness of GM's organizational structure, culture, and leadership. **The more cohesive an organizational structure, culture, and leadership are, the more productive the company would be.** By definition, an organization structure arranges the labor in the interest of achieving goals. (M&O Spring 2021, Lecture 5&6 Structure) A company culture represents what the members of the organization believe in. (M&O Spring 2021, Lecture 7&8 Culture & Diversity) And leadership gets to influence people to the achievement of goals. (M&O Spring 2021, Lecture 9&10 Leadership & Hierarchy) **To achieve the goal of a company, leaders have to motivate their workers through the culture, and the culture is what holds workers together while they work. A healthy company structure would advocate and act in line with the company culture, which is proposed by leaders.**

Therefore, **a causal chain above** is naturally formed when these three factors fit with each other. At Takaoka, leaders encourage new ideas of improving the production, and the culture of kaizen, continuous improvement, is what every worker believes in. The team of 4 or 5 people allows the communication and voice of every person to be heard at maxima, so the causal chain works perfectly in the case of Toyota. Toyota has a **great cohesiveness** of organizational structure, culture, and leadership. In the case of GM, though NUMMI was a success, at Van Nuys, there were no adjustments of structure, culture, and leadership. Workers at NUMMI had been influenced by Toyota's company culture, whereas workers at Van Nuys were reactant to alter the scenario — they remained to be lazy and having no rules while working. Leaders and managers at Van Nuys didn't take actions since "bonuses depended on the number of cars that rolled off the line." (This American Life, part 2) Teams should work together across departments according to Frank Langfitt, but per Ernie Shaefer, no one

understands the nature of the structure of teams. Hence, the cohesiveness of Van Nuys' structure, culture, and leadership are **weak**, which led to the failure of GM.

The importance of cohesiveness of organizational structure, culture, and leadership could be **tested** by the three **main functions of leaders**. Leaders decide how to complete the mission, how to promote the culture, and how to communicate within the given structure.

(M&O Spring 2021, Lecture 5&6 Structure) Toyota's team leaders did a great job on performing their responsibilities, whereas GM's leaders put their benefits first and push their responsibilities away according to Ernie Schaefer. The difficulty of changing culture also shows why GM failed to copy the success at NUMMi and how mismatched values, culture, and structure could damage the company. The **Attraction-Selection-Attrition theory** also proves that the weak culture of GM is a product of the personalities and behaviors of union workers who are demotivated to work. (M&O Spring 2021, Lecture 7&8 Culture & Diversity) **Max Weber's idea of bureaucracy** also shows that in a mass production environment, some formalizations and some hierarchy are required to ensure efficiency and quality. (M&O Spring 2021, Lecture 5&6 Structure) Van Nuys had a lack of formalization and hierarchy as union workers had a 'great' right of speech, which could decrease productivity.

The **weakness** of the argument is that there is no measurement or data to indicate how cohesive an organizational structure, culture, and leadership are. And what level of fitness is required to achieve organizational success. The theory could be applied to a company that has mass production; however, it may not be the same situation in companies that focus on giving services. If more data are telling the correlation of one factor to the organizational success

and a diagram representing the cohesiveness between factors, then it would be useful to determine the correctness of the above hypothesis. Conducting a survey of workers at a plant might be a meaningful way to prove the theory. For instance, by using a number scale from 1 to 5, least to most, we ask workers how significant do they believe a culture, Toyota's always improving culture, lead to the success the plant has. What quality of a leader and what team structure lead to success? After collecting data, we apply data analysis and generate graphs, indicating the correlation and cohesiveness between the three factors. Digitalized information and adding incentives to do surveys could address the lack of data. In this way, we can visualize the relationship between a company's success and these factors and know if the hypothesis is valid or not.

Reference

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