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BY JEFFREY ROTHFEDER



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None of the conference rooms were available, so the meeting was held in a maintenance closet: an 8-by-8-foot room with mops, brooms, and brushes, and the smell of detergent in the air. Ten men and women squeezed into the tiny space. They all wore white pants and white shirts with their first names embroidered in red on the upper right side. It's the uniform that every Honda Motor Company employee, whether pipe fitter or president, wears on the job at every factory or office. This is intended to diminish the influence of rank; in the moment-to-moment give-and-take of Honda workers' daily responsibilities, all points of view or suggestions are equal. You

may agree or think them foolish, but others' title or position, camouflaged by their uniforms, should not be a factor in drawing your conclusion.

Shoehorned into the room were factory floor managers, assembly line associates (that's Honda's term for *workers*), and quality control experts at the Anna, Ohio, engine plant, where Honda has been making motors and drivetrain components since 1985. The plant, which was opened three years after Honda inaugurated its first U.S. automobile factory in nearby Marysville, Ohio, produces about 1.2 million motors a year, making it one of the world's largest engine factories.

A serious crisis on the plant floor spurred this spontaneous meeting. A supplier had sent the Anna team dozens of camshafts with a

hairline defect that produced a faint, rhythmic chirping sound in the engine. This noise, barely audible but disturbing, was discovered at the Marysville plant at the end of the Honda Accord sedan assembly line when workers revved the motors for the first time. Because of the tight conditions under the hood, it appeared that it would be impossible to remove the defective camshafts without taking the engines out of the cars as well.

The factory managers at the two plants drew up a preliminary plan to ship the affected Accords 50 miles from Marysville to Anna, where the engines could be repaired and reinstalled. It seemed like the only viable option, although clearly not a desirable one. The whole process, not counting transportation, could take upward of three hours per car. When the plan was relayed to the Anna workers, a quality control specialist shook her head, saying: "Let's get off the floor and talk about it."

Such unplanned, shapeless gatherings are the hallmark of the Honda Way. They are called *waigaya*, which isn't a word in Japanese or any other language, but rather a name given them by Takeo Fujisawa, the business partner of company founder Soichiro Honda (at least according to company lore). He chose the word because to him the three syllables sounded like babble, the jabber of many people talking at the same time—*Wai-ga-ya, wai-ga-ya, wai-ga-ya*; in English, it could be *hubbub*. It is the noise of heated discussion and the free flow of ideas; it represents a battleground of facts and opinions—of chaotic communication, open disagreement, and inharmonious decision making.

Of course, most *waigaya* don't start out so dramatically. On that

day in Anna, away from the thrum of the factory, in the quiet, albeit congested, maintenance room, a Honda manager said to the others, “Look, I’d prefer not to belabor this issue because we’ve got a lot of work to do to get this process moving. And since the fix will be such a time sink, let’s not make it worse by losing more time discussing it.”

Although most in the room concurred with the manager, one of the associates noted testily: “We’re doing something very wrong if a slight problem in the engine isn’t addressed until the end of the vehicle’s assembly line, when we have no choice but to tear the car back down. We should have discovered this problem before.”

to be winding down when an assembler suggested a way to replace the camshafts without having to remove the engine completely and virtually rebuild the guts of the car: through an overhead pulley system that would lift the motor just far enough out of the Accord to give the workers room to maneuver.

“It’s not worth it,” one of his colleagues responded. “That’s more work than just doing the repairs. Let’s just give up and do it the obvious way.” But the assembler’s suggestion struck a chord with the quality control expert who had originally called for the meeting. Upon hearing it, she remembered something she had seen a month or so earlier in Marysville, an observation that

order, the Anna engine line and quality control workers had put together a scheme with “jigs, pictures, and everything else to basically roll the engine, pull the heads off, reset all the taps, put a new camshaft in—and tie up only an hour per vehicle, saving two hours for each car,” said Paul Dentinger, the Anna plant supervisor who was involved in that incident. Dentinger said that he recalled this story so vividly because it started out as one of those seemingly fruitless moments at Honda when you wished the corporate culture were more like that of most other companies—that is, less sensitivity about employees and their ideas and more top-down management, letting supervisors’ stances carry more weight in the discussion phase than, say, an assembly worker’s.

“If we had the old style of management at Honda that says do it this way, that there is no other way, follow the blueprint that we created without your input,” Dentinger said, “we would be literally sliding engines in and out of cars every day, not knowing that there might be a better way that, given the chance, one of our associates would think of. If we don’t include our associates in the decision making, we’re ignoring potentially our most valuable asset.”

Embracing Paradox

Soichiro Honda famously said that success is 99 percent failure. And, in fact, Honda’s spontaneous, open meetings may have little value half the time, and often appear to be a waste of resources. But on the whole, in Honda Motor’s experience, waigaya leads directly to significant improvements in productivity, process, systems, and performance that would otherwise have been absent.

As an offspring of Soichiro

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The Anna factory head was getting impatient. Hindsight and complaining about what should not have gone wrong were useless, and if that’s what this meeting was going to turn into—a session to air frustrations—he preferred that it end sooner rather than later. Yet he knew better than to try cutting off discussion about this too early; you didn’t do that at Honda. A balance had to be preserved between hearing everybody’s ideas—a good one might yet emerge—and moving people back to their jobs.

The discussion went on for about 20 minutes, with petty arguments flaring up and little being accomplished. The meeting seemed

she suddenly realized could provide a possible solution. “In Marysville, I was looking at how our engines were fitting just for the hell of it, and I noticed that there was a bit of room around the engine that just seemed larger than usual,” she told the team. “It was just a curious reflection; it didn’t mean anything to me at the time or until now. But that small bit of space, I think, will give us enough room to tilt the engine sufficiently to get at the camshaft. If it does, we can then make the fix without any pulleys or a major conveyance system. We can experiment with this and come back together to discuss within a couple of hours.”

Indeed, she was right. In short

Honda's unstructured management and cultural style—which is best exemplified by his insistence that Honda employees favor unorthodoxy over imitation—waigaya comes in many forms. It can be a half-hour meeting on a specific problem that

assess the status quo and shape new responses to ingrained expectations.

Although waigaya may seem too free-form to be productive and may appear to lack a leadership component strong enough to produce real results, these meetings

At the heart of waigaya is a single concept: Paradoxes and disagreements are the essence of continuous improvement.

needs to be addressed immediately, or it can be a series of sessions that go on for weeks or months about a new factory under development or a vehicle model upgrade. Every department at Honda practices waigaya—sales and marketing, manufacturing, maintenance. As few as three people or as many as 20 may attend.

At the heart of waigaya is a single concept: Paradoxes and disagreements are the essence of continuous improvement. Most companies are afraid of such dualities, but opposing concepts routinely alter the business equation: centralization versus decentralization, worker empowerment versus productivity, multinational control versus indigenous autonomy, disruptive innovation versus cannibalization of existing product lines, and on and on.

Indeed, once you begin considering conflicting possibilities, you must be prepared to continue doing so and to constantly weigh whether there is a contrasting point of view that has not been given full measure in the current strategic posture. Thus, throughout its history, Honda has welcomed paradoxes as opportunities to continually reassess

actually have an organizing framework that, at least in theory, ensures their success. Indeed, the central tenets of Honda Motor's waigaya approach can best be explained by four straightforward rules:

1. Everybody is equal in waigaya, and all can express their thoughts with impunity.
2. All ideas must be debated until they are either proven valid or rejected.
3. Once a person shares an idea, he or she doesn't own it anymore—it belongs to Honda, and the group can do with the idea what it will.
4. At the end of waigaya, decisions and responsibilities are generated—a precise list of who is to do what, and by when.

Channeling Bruce Lee

“Waigaya to me means perpetual dissatisfaction,” said one Honda executive. “At our company, self-satisfaction is the enemy.” Or, put another way, waigaya is the antithesis of the status quo. That was made clear in one of the most quarrelsome interactions at a series of waigaya leading up to the development of the third-generation Acura TL. A

mid-sized luxury sedan, the original TL was introduced in 1995, and immediately became Acura's best-selling model and the second best-selling automobile in its category in the United States, behind the BMW 3 Series.

Nearly a decade after its debut, the TL's boxy design had become a liability; more often than not, potential customers viewed the car as old-fashioned and stuffy. Sleekness, speed, and catlike responses to road conditions were increasingly the expectation for cars in this corner of the market. It was clear that the TL needed a design overhaul.

In 2004, Honda put together a team of designers; manufacturing experts; and sales, marketing, and engineering specialists to come up with the new model. The waigaya would be the channel through which the reinterpretation of the TL would initially be crafted. Ten people took part in this waigaya, which was frequently adjourned and went on for months.

After a lengthy early discussion, a catchphrase to conceptually characterize the car was agreed upon: “the Ultimate Athlete.” Inspired by this term, the car's chief designer envisioned a single individual as the manifestation of the new TL. “I'm a big Bruce Lee fan,” said Jon Ikeda, who has since been promoted to head of the Acura Design Studio. “So I saw the car, this athlete, as if it were a metallic version of Bruce Lee, flexing its muscles, its tendons tense and outsized, its body ready to pounce and move quickly, unimpeded, in any direction it had to go.”

The waigaya proceeded generally as expected. Each participant had ideas about what the car should look like and of the type of engine, interior design, and components

that would fit within the overall cost boundaries and still give the TL a facelift that could reanimate its potential customer base. As these recommendations were argued over,

After that, he sells the whole package back to us so we can call it our own and begin to think about the challenges of building the car now that we know its specifications.”

The purpose of waigaya is to extract the most distinctive ideas from a team of professionals with widely divergent backgrounds.

the large project leader—that’s the title given to the overall manager of each Honda development group—was looking for consensus: both points of agreement and areas that everyone felt might need more investigation in the next phases of the redesign effort. At the conclusion of the waigaya, his goal was to produce initial specifications for the vehicle that the entire team could support.

However, this story does not imply that waigaya achieves consensus through compromise. Quite the opposite; it would be a failure if that were the outcome, a triumph of the lowest common denominator. Instead, the purpose of waigaya is to extract the most distinctive ideas from a team of professionals with widely divergent backgrounds, generating previously unimagined recommendations that suit the conceptual, design, manufacturing, and budgetary framework of the vehicle.

“It’s not design by committee,” said Ikeda. “A good project leader will have a vision of where he wants to go with the car, and he will make sure that everybody’s ideas that survived the waigaya are considered for the final design—but then only some will make the final design; others won’t because they’re ill suited.

The most intriguing moment of the Acura TL’s waigaya—an instant in which a sudden burst of anger laid bare the full potential of the waigaya as a laboratory for innovation—occurred when Ikeda insisted on a radical concept for the car’s wheels.

Most of the cars in the Acura TL’s category had a relatively conservative tire thrust. Given his Bruce Lee conceit, Ikeda believed that if the new TL’s tires were conventional and didn’t support the athleticism of the rest of the car with their own sheer strength, the vehicle would look awkward and soft, like a man with a powerful torso and flabby legs.

Since the discussions about design elements during the waigaya had gone about as he had hoped, Ikeda could afford to approach the tire issue with a bit of swagger. He told the team: “I’m going to ask for a lot of stuff, or I’m going to ask for one thing; it’s your choice. Well, I know you’d rather one thing, so here it is: The tire size must be exactly what I want—17 inches [in diameter], 235/45, not 16 inches, 215/55, which would be more in line with a typical and less aggressive TL upgrade. I’m going to need the wider,

bigger wheels to make a powerful, potent statement on the road—a vehicle that will be noticed for its hard-body physique that can deftly turn from a dead stop. And I want these tires on the base model, not some upper-end version of the TL.”

Ikeda’s single-demand strategy worked masterfully at first. Although there was grumbling that the tire design would add to the budget and would necessitate modifications to the chassis, suspension, and drivetrain, most of the other waigaya attendees were drawn to Ikeda’s idea because it was singular and bold, perfect for a car that few people viewed in those terms anymore. The dynamics engineer noted that the bigger tires would improve performance. The representative from the engine team, although a bit less upbeat, was also basically on board. He pointed out that the wheels Ikeda had selected would reduce fuel economy, but he added that if the design required these specifications, he would be willing to work on squeezing a few more miles per gallon out of the motor. Ikeda was convinced that he had won an enormous victory.

Suddenly, though, a business-side vice president, who represented Honda’s Japanese headquarters, spoke up softly. “It’s not going to happen,” he said. “You don’t even understand what you’re asking for. The cost of the testing time to make such a change is immense. That’s crazy. We’re not going to pay for that. I know you guys will be unhappy to hear me say this, but this is not a road you want to go down for this car. We’re going to do the 16-inch wheel, and that’s that.”

Ikeda was fuming; he felt that the vice president had hijacked the waigaya by implicitly using his se-

niority and, worse yet, his access to top corporate executives in Japan, to undercut the other opinions in the room. And given the stunned silence as the VP finished talking, Ikeda concluded that the VP had indeed succeeded in intimidating everyone and, in the process, had undermined the ideals of the waigaya. Ikeda stared at the vice president, his anger visible in his deep-set black eyes. “We’re trying to make a dream here,” Ikeda said. (Ikeda admitted later that he chose

committing career suicide with this passionate but obviously angry rant at a superior. When Ikeda finished talking, the meeting was adjourned; there was a palpable sense of relief in the room. The other participants had known that someone had to say what Ikeda said.

In the end, Ikeda got what he asked for. The project leader, Erik Berkman, told him after the session that he would include the larger wheels in the design because undoubtedly it was the right choice for

manufacturing facilities, research labs, design centers, and offices around the world, that they, in effect, take the place of watercooler discussions. Many waigaya occur daily but are continued over a period of time. Just as it’s hard for most of us to separate one casual workplace conversation from another, Honda employees may find it difficult to remember exactly who said what yesterday or last week at an ongoing waigaya. That’s why waigaya have their greatest impact: Once woven into the fabric of day-to-day activities, waigaya become increasingly spontaneous, candid, fearless, and unself-conscious—the very characteristics that Honda believes are necessary for practical new ideas to blossom. +

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these words purposefully. The word *dream* has coursed through Honda Motor’s connective tissue since the debut of the Dream Machine, the company’s first completely Honda-built motorcycle, in 1949. It was a favorite word of Soichiro Honda, who said, “Honda has always moved ahead of the times, and I attribute its success to the fact that the firm possesses dreams.”)

“And you’re going to piss on our dreams?” Ikeda continued. “You’re going to reject them just like that, with some old-fashioned attitude that the new is impossible because it just looks like it is? Dream a little. Isn’t that what we’re supposed to do? Six months from now, if we are unable to live up to our dreams, then reject us. But not now.”

Even as he spoke, Ikeda kept reminding himself that there are no stupid questions, answers, or comments in waigaya, that he was not

this car and had the support of the waigaya. The waigaya had helped convince Berkman that the VP’s stance did not mesh with the overall direction that the new Acura TL needed.

The Everyday Waigaya

When you ask people at Honda about their most memorable waigaya, they often recall individual dramatic incidents such as when the faulty Accord camshafts were replaced in Anna or the iconic TL tires were agreed upon. After all, these were explicit, identifiable moments when out of the ashes of desultory discussion—blah, blah, blah, waigaya, waigaya, waigaya—something truly useful emerged; a simple, quiet idea was hatched out of noise.

But waigaya are so second nature to Honda, so prevalent each day in every one of the company’s

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