

CASE STUDY

AUTOMOTIVE INDUSTRY
TRANSNATIONAL ISSUES
OVERCOMING REACTIVE STYLES
TRANSITIONAL LEADERSHIP



HONDA

THE CHALLENGE

Following the 2012 Honda Leadership Summit, the company's North American precision parts arm began a leadership transformation program underpinned by the Leadership Circle Profile 360.

Traditionally, Honda did nearly all of its leadership and decision-making in Japan. With increasing production stateside, but a shrinking market share, Honda North America needed to build an American leadership team and turn its fortunes around.

It faced a huge leadership challenge to achieve those outcomes. But the company's philosophy – built around *The Power of Dreams* – had already inspired it to create innovative products that would enhance human mobility and benefit society.

As the first Japanese automaker to build motor vehicles in the US in 1979, its North American teams were up for the challenge.

At one of its key manufacturing centres, the Honda Precision Parts of Georgia plant (HPPG), the transition was led by Vice-President and Plant Manager Mike Jett.

He recalls what it was like: *"We were trapped in the vicious cycle of Problem-Reacting (Problem/Threat to Fear to Reactions). Our typical response to threats and fears was emotional and, occasionally, hostile."*

"Our typical response to threats was emotional"

THE APPROACH

Mike says his leaders had to transcend reactive management styles and, instead, practise outcome-creating, starting with understanding the company's vision and purpose, then tapping into its passion and translating that to action.

The Leadership Circle Profile helped begin that process, identifying three prevailing reactive leadership characteristics: 1. *Controlling* – autocratic leaders defined by personal achievement; 2. *Protecting* – using withdrawal, distance, and (ambitious/arrogant) superiority; and 3. *Complying* – achieving self-worth and security by complying with the expectations of others (pleasing).

The leaders then developed creative competencies across five areas:

1. *Relating* – the ability to relate to others and contribute to their success; 2. *Self-awareness* – developing leaders with high integrity; 3. *Authenticity* – forging genuine, authentic and courageous relationships; 4. *Systems awareness* – how well the whole environmental system, productivity and community welfare were recognised; and 5. *Achieving* – the extent to which visionary, authentic and high-achievement leadership were offered.



The Leadership Circle®

THE IMPACT

Today Honda employs more than 31,000 people in the US, with another 150,000 more working in 12,300 authorised dealerships across North America.

Adopting a strategy of building its products close to its customers, Honda has invested in excess of \$3.8 billion in manufacturing plants, bringing the company's total US capital investment to more than \$20 billion.

At his busy plant, Mike says, the focus now is on building relationships and on helping employees realise that they can rely on each other when times are challenging.

"The Leadership Circle Profile helped me see my strengths and weaknesses. Once I realised where I was, I set goals to get to where I wanted to go and identified what characteristics I needed to develop."

Afterwards, the rest of his senior managers went through the process.

"Our management had been very regimented. Now, if you ask my team what is most important, you'll find it's serving the people we work with, developing and maintaining relationships of trust."

The tangible impacts, he says, included lifting productivity 8%, cutting injury rates, sharply lifting quality – while dropping consumer complaints – and retaining more talented employees.

CASE STUDY

IN EVERY
CATEGORY OF
OUR BUSINESS
WE'VE SEEN
SIMILAR GAINS

"This approach led to exponential gains, not just incremental ones. In fact, in every category of our business, we've seen similar gains."

"The Leadership Circle Profile helped us see that – by applying what we learned to increase our skills and capabilities – we also increased our contributions and fulfillment, with less waste of energy and resources."



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Voice of the Client video

The Leadership Circle Asia Pacific
+61 2 8001 6570
info@theleadshipcircle.com.au
www.leadershipcircle.com

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