

# Organizational culture of toyota analysis



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BUSTER**

The organization which will be assessed will be Toyota Company. Toyota is the global leader in the manufacture of motor vehicles. It has branches in almost all countries, and states in the United States. Information regarding organizational culture was sourced from an employee who works in the company, in addition to the use of secondary information sources. The major aspects of organizational culture which will be assessed in this organization include leadership, team work, motivation, conflict resolution and communication. Toyota uses the democratic leadership style in its dominant operations. The democratic leadership style, as will later be discussed, is the most effective leadership style. Employees are involved in decision making especially when decisions affect them.

In addition to this, they are given independence in undertaking their activities and there is minimal supervisions from the management. This enables them be innovative and to work without interference. When employees make a mistake when carrying out operations, the supervisor and manager do not take punitive measures and instead, they advise employees to take it as a learning experience. This plays a role in motivating them. Communication within Toyota also flows effectively, with the management organizing regular forums between employees of all levels and sorting out any issues which affect them through dialog. In addition to this, the managers and CEO are available to employees of all levels, at all times, to solve their problems in the event that other channels of conflict resolution are exhausted. This encourages employees to implement decisions made by management and to solve problems affecting them in a timely manner.

Team work is another important aspect of organizational culture. Toyota is a company which undertakes highly technical operation. Innovation is therefore important to make processes easier, cheaper and more effective. Toyota encourages employees to use team work and innovation of new products and processes. Employees are usually divided into teams depending on their roles and they are allowed to work without interference by the management. The management encourages them to take mistakes as a learning experience and this has encouraged innovation in Toyota. Teamwork also enables employees share crucial skills and learn new ones, which improves the performance of the company. In analyzing conflict resolution, Toyota has mediators who are chosen by employees to handle conflicts which affect them. Mediators' decisions are final and should be accepted by both parties involved. However, in case of more serious conflicts, the management handles these.

Finally, motivation is equally important for the success of any firm. This is due to the importance of the workforce to organizations. The workforce is the most important resource irrespective of the levels of mechanization.

Motivation levels in Toyota are high mainly due to involvement of employees in making decisions and ease of communication within the organization.

Toyota also uses a combination of non-financial and financial means of motivation such as adequate remuneration, shares in the company, praise for employees, non-interference in duties by management amongst others. However, the global financial crisis has lowered employee motivation levels since they are unsure about their job security. The management should take steps to reassure them of its support.

## Part Two

### Organizational culture

Organizational culture is the key practices and operations which have been in existence in a company for a long time period. This culture is represented by the diverse practices in an organization such as leadership, communication, conflict resolution, motivation, team work and others. All these aspects have a direct impact on organizational performance. Every company should realize that its workforce is its key resource irrespective of the levels of mechanization in the processes. For a company to achieve high performance levels and meet its goals, its employees have to be highly motivated. Since employees are the key resource, employee motivation directly affects performance. In addition to employee motivation, leadership is another important aspect of organizational culture. There are four main leadership styles; autocratic, laizzes-faire, democratic and bureaucratic leadership styles. The democratic leadership style is the most effective since it involves employees when making decisions. When employees are involved in making decisions, this boosts their motivation levels and increases performance.

Another key aspect of organizational culture is communication.

Communication represents the flow of information in organizations. For an organization to meet its goals, there must be uninterrupted flow of information. The information should flow freely between lower and upper level employees. This ensures that decisions are made by management and implemented by employees. Conflict resolution mechanisms are equally important. In order to effectively deal with disputes at the work place,

mediation should be the first avenue pursued. There needs to be a mediator amongst employees who will try to solve disputes between them. The mediator should be freely chosen by employees. However, in case she or he is unable to solve such disputes, they should be forwarded to the management for appropriate action to be taken. Finally, teamwork should be used by organizations, since there are many benefits of this strategy. Teamwork enables employees to share skills and learn new ones through interaction. Team work also enables employees to be innovative and develop processes which reduce costs to the organization.

### **Part 3**

Various aspects of organizational culture have been analyzed for Toyota. These include communication, team work, leadership and motivation. These are all essential aspects which are required by any successful organization. The literature reviewed has also discussed the importance of these four aspects, in addition to conflict resolution. Toyota has an efficient communication system, leadership style, team work system and employee motivation levels. Employees are therefore highly motivated since they are able to participate in decision making and work without interference by the management. The conflict resolution mechanism is effective since the mediator who handles disputes is chosen by employees, and she or he is neutral. This has enabled Toyota to deal with conflict early, before it interferes with duties of employees. Effective communication has led to timely implementation of decisions made by management. Their remuneration is also consistent with their skills, which is important for

employee motivation to be present. This has ensured that the company remains the world's largest automaker.

However, there is concern over their job security due to the global economic crisis. Employees are unsure about the safety of their jobs in the long run, and if the management does not do anything about this, it may begin affecting their performance. The management should reassure employees on the safety of their jobs in order to ensure that they have a peace of mind and that they discharge their duties without any psychological distractions. This will ensure that the company retains its reputation of being the world's largest automaker.