

# An audit of the management of innovation and projects: a case study of toyota res...

[Business](#), [Company](#)



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## **Abstract**

An innovator is a person who develops new ideas and looks for efficient ways of accomplishing a certain task. Innovation is the art of developing new ideas and looking for efficient ways of accomplishing a certain task. This means that an innovator can include people across all the professions that currently exist in the world (ANDREW, 2010). An innovator does not necessarily have to be a business person he or she can even be an engineer. This paper seeks to conduct an audit of the Toyota Motor Global Corporation. The main objective of this study is to analysis of strategy, structure, culture, human resource management, and controls of the Toyota Motor Global Corporation with respect to innovation.

## **Introduction**

The Toyota Motor Global Corporation is one of the largest motor vehicle manufacturers in the world. The company originates from Japan, but it has

operations in almost each and every country across the world. The company is also one of the leading motor vehicle companies with respect to global motor vehicle sales. The company employs approximately more than seventy thousand employees throughout the world as at 2009, and this is according to the website of the organization (Barrette & et., 2007). Toyota Company is not only an organization that manufactures motor vehicles; it also specializes in conducting research on biotechnologies, as well as it provides financial services. Toyota Company has a robotics segment that specializes in the building of robots.

This research will concentrate on identifying ways through which Toyota Motor Corporation is managing innovation and projects. In the course of the research, the researchers will analyze the strategies, organizational structure, human resource management, and organizational culture with respect to the management of innovation and projects (Betz, 2011). The researchers will seek to establish the mechanisms that the organization is putting in place so as to ensure the effective management of innovation and projects within the organization.

This research will seek to establish some of the mechanisms that Toyota Motor Corporation has put in place so as to be able to effectively manage innovation. It shall also seek to establish some of the benefits that the company has realized as a result of effectively managing various projects on innovation (Haas, 2006). The paper aims at investigating some of the key benefits that Toyota has been able to realize as a result of introducing one of the most innovative systems in the motor vehicle manufacturing industry that is known as the Toyota Production System (TPS). The paper will also

serve as an audit of the various departments of the organization so as to establish the areas that require the development of innovative solutions. It will identify some of the ways through which the company can be able to encourage the culture of innovation.

## **Research question**

- What are the main ways through which Toyota Motor Corporation manages innovation and projects?

This research question is employed because it is going to answer how the researchers will analyze the strategies, organizational structure, human resource management, and organizational culture with respect to the management of innovation and projects. The research question will also seek to establish the mechanisms that the organization is putting in place so as to ensure the effective management of innovation and projects within the organization and to establish some of the mechanisms that Toyota Motor Corporation has put in place so as to be able to effectively manage innovation. The research question will also seek to establish some of the benefits that the company has realized as a result of effectively managing various projects on innovation.

## **Literature Review**

Strategy is the method through which an organization or an individual will conduct his actions in order to achieve the desired results. Organizations employ unique strategies in order to beat their competitor and also in order to gain competitive advantage (Birley & et., 1999). In most cases companies normally keep their strategies as a secret that is known to a few individuals

who are responsible for implementing the strategy. Strategies are normally kept as a secret because if an organization's strategy is known by a competitor, the competitor may commence employing measures to counter the effectiveness of the strategy thus the business may not achieve the desired competitive advantage. It is important to highlight that during the implementation of a strategy the staff of the organization is normally briefed on the implementation process. This would facilitate effective and efficient implementation of the strategies in the organization (Lock, 2007). The implementation process of a strategy is as vital as the process of formulation of a strategy.

Strategies can be made at various levels of a commercial entity. A corporate strategy is concerned with the efficiency and effectiveness of a commercial entity as a whole. This strategy takes care of the various stakeholders that are involved in the commercial activities of the business (Cobbenhagen, 2000). A corporate strategy usually forms the basis of strategic decision making in the entire organization. The corporate strategy is normally stated in the mission statement of an organization. It puts into consideration all the aspects that affect the organization as a whole. The corporate strategy is comprised of the long - term corporate strategy and the short - term corporate strategy. The short - term corporate strategy is concerned with the factors that affect the entire business for a duration of less than one year. On the other hand, the long - term corporate strategy is concerned with the factors that affect the entire business for a long period exceeding one year (Kloppenborg, 2012). The corporate strategy is normally formulated by the board of directors in consultation with the various stakeholders of the

business.

One of the key strategies that have enabled Toyota to become one of the greatest corporations in the world is the development of the Toyota Production System. This production system seeks for new and modern ways of producing the various products that are produced by the company (Ettlie, 2006). The main objective of this strategy is to eliminate waste from the entire production system. This serves to reduce the cost of production, through the elimination of wastes from the production system. Another objective of this production system is to facilitate the production of motor vehicles in the fastest way possible while still guaranteeing high quality products.

The production system was developed through continuous auditing and making improvements. It is imperative to take note of the fact that this production system has been based on two different concepts; the first concept is known as “Jidoka,” whereas the second concept is commonly referred to as Just in Time. “Jidoka” is part of the production system that facilitates the automation of the production system that is characterized by some degree of human touch (Haas, 2006). The second concept of Just in Time will serve to ensure the production of only the materials that are required during the next stage of the production process. The system of Just in Time seeks to eliminate waste from the production process.

Human resource management is critical to the success of an organization. This is because organizations are comprised of human beings. As a result of this, Toyota Motor Corporation strives to ensure that its employees are always motivated at all times. Employees who are well motivated normally

display high performance, as opposed to employees who are not motivated. The company employs various techniques in order to ensure that its employees remain motivated (Hatchuel, Weil, & Masson, 2010). One of the techniques that the company employs is the provision of good remuneration packages. Toyota Motor Corporation offers competitive remuneration packages. Employees at Toyota are compensated through an employee compensation plan. The compensation of employees is made up of the following components: consumer vehicle financing, medical benefit, paid holidays, resettlement packages, long term handicap, insurance plans and retirement plans. Another technique is that the company employs is the provision of a working environment that is friendly. This serves to ensure that employees are able to concentrate on their tasks when they are at work. A good working environment also makes employee to enjoy working for the company.

In order to be effective in human resource management, the company aims at recruiting the appropriate employees for the right job positions. Toyota achieves this objective through the application of creative and innovative techniques of recruiting their employees (Haynes, 2002). The company offers very competitive remuneration packages so that it can be able to attract high quality of the employees that it desires to have. Before the recruitment of employees, the management looks at the nature of work that the new employee will be carried out. This will give the human resource personnel the opportunity to identify the skills and talents that an individual should have in order to be effective at carrying out the tasks. The human resource personnel normally analyze the job design, job scope and job depth (Salter,

Gann, & Dodgson, 2008).

Toyota Motor Corporation operates in many countries across the world. Each and every country that the company operates in has its own culture. As a result of this, Toyota has to look for ways of operating within all of these countries without infringing on the cultures and traditional practice (Storey, 2005). As a result, the organization respecting the cultures and traditions of the people that are found within the countries in which they operate, it is normally able to attract and retain highly skilled employees. This is because employees feel a sense of mutual respect between them and the organization. Employees also develop a good perspective about the organization. They are able to relate positively to the company, and they rarely view the organization as a foreign company. This facilitates Toyota to be able to attract innovators that develop products that are best suited for that specific market (Mayle, 2006). This has a positive impact on the level of sales that the organization will be able to generate within that specific region.

An organization needs to put into consideration the existing cultural differences of the people that are working for the organization. The organization needs to provide a working environment that respects the existing cultural diversity (Healey, 2001). Failures to appreciate cultural differences can quell a lot of animosity in amongst the employees. Culture is a very sensitive issue because it greatly influences the behavior of an individual. People attach a lot of significance to culture, and this influences the nature of the decisions that they market. An organization that takes into account the prevailing cultural differences are able to ensure that most of



their policies are acknowledged and appreciated by a majority of the members of staff.

## **Research Methodology**

The research methodology describes what shall be done during the research in technical terms. It shows the phases of the research project; the research design population and sampling procedures, data collection methods and instruments, and the proposed data analysis (Richman, 2002). The main purpose of the research methodologies is to enable the researchers to be able to gain a proper understanding of the procedures that were implemented during the research and how they affected the results. The description of the research methodology allows the reviewers to be able to form a good critique about the project. This is because their critique will be founded on the dynamics that were prevailing during the period of conducting the research.

Researchers will obtain data from the employees and trading partners of Toyota Motor Corporation through the use of questionnaires. The total target population for this research is One thousand five hundred people, and a sample of five hundred employees will be used (Murch, 2001). The sample population will be determined through random selection. The sample population will be comprised of all people that work for and work with the organization. The questionnaire will contain both closed and open ended questions. The research will be carried out over a period of three months. The first month of the research will be spent in data collection, the second month will be spent analyzing and interpreting the data, and the third month

will be spent drawing conclusions and making recommendations. In order for the research to be carried out in a manner that is effective, the research will need to recruit four people who will assist him in conducting the research (Murch, 2001). These four individuals will work as research assistants and will mainly focus data collection. The data to be collected will be analyzed through descriptive analysis as well as through the use of the statistical packages for social sciences (SPSS).

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