

Toyota's production system and organizational structure



Section II

Toyota's production system and organizational structure have long been regarded as the most efficient and effective system, creating a great culture. They use the production system shortly. Which means that the raw material will be sent to the production plant as needed Toyota's organizational structure has changed significantly since 2013. Toyota's organizational structure depends on the traditional Japanese business class, where most senior managers make all decisions for the entire organization. It looks by slightly delegating power. All data flows from top to bottom in one direction. For example, factory managers in the United States have been closely monitored by their Japanese partners to ensure that the administration of the United States is based on a structured protocol. This event is called a centralized decision making. While centralized decisions support business goals and strategies set by the Board, which means that the entire organization is responding slowly to external threats or internal vulnerabilities. (Sosnovskikh, 2016)

Japanese culture can be classified as a family culture. There is a warm link between different employees in Japan which means the generosity to young people and respecting the elderly. Thus, Japanese workers tend to do more than they should. Promoting the company entire depends on age. Therefore, the oldest person will be more responsible. Finally, the commitment to this organization is prolonged because members are loyal to the organization. Family type including high-level centralization and low-level regulation An organization that is highly individualized, members work by using power from the central, absolute leaders who often lead and control the company. <https://assignbuster.com/toyotas-production-system-and-organizational-structure/>

However, employees try to approach the center because they are energy sources. Although the weather in the company is quite cunning But, there are few bureaucratic or regulatory systems Everything may depend on personal relationships and trust. (Sosnovskikh, 2016)

Presenting a disagreeing issue, openly refusing to follow the boss's orders secretly. Toyota allowed all the this to employees. Watanabe talks about how he fought with his boss until he reached his current position, emphasizing that he should choose a fight among himself. Employees can criticize companies and senior management. They feel right to offer constructive criticism for management. These conflicts are the key to Toyota's success. The three forces are driving the expansion of the six forces that creates conflict, leading to Toyota seeking to change and improve. It is not surprising that this event makes the organization diverse and complex in decision making, making it difficult to use control and letter systems.

Therefore, so as to prevent changes that affect the organization, Toyota uses three powers to strengthen its integration. These three forces acted to secure the company, help employees understand the environment in which they work and make Toyota's values and culture longer. It is an impossible goal, translation, and experimentation. Once created, the standard will increase work efficiency. However, over time, this method will act as a barrier to accepting new ideas. Toyota encourages employees to constantly think about reaching new customers, new markets and new areas, and how to overcome challenges from competitors, new concepts and New ways to do this, we try to avoid the strength of being locked inside.

Teamwork is the basic element of Toyota's organization and Toyota insists that the number of employees is perfect. Five people. Toyota has three important things that are followed by managing the distribution matrix method of decision-making policy based on the correct criteria and clarifying the work of the small team leader. Every team has a team leader responsible for control Supervise the inspection of work processes and to ensure safety and problem solving while the team leader will teach new employees in all aspects of Toyota's culture Since group members need to improve themselves, the team leader is also responsible for the results of self-development as well. The prosperity of the company depends on the mutual trust between the employer and the employees that exist in the company. Employees are concerned about salary, personal growth, outstanding benefits, stable employment and meaningful work. Results for success, quality and quality in the long term when the company's goal is financial gain. Toyota achieves mutual confidence because its employees strive to achieve the company's goals (Sosnovskikh, 2016).

Toyota's experimental mind helps overcome obstacles faced by the process to achieve almost impossible goals. We hypothesize and learn from success and failure. Toyota encourages employees to experiment before moving outside the safety zone that the company can live in. Toyota's useful way of achieving impossible goals is to think deeply through small steps and never give up. Toyota first divides itself into small challenges that can achieve big goals. Then, experiment to find new ways or processes to fix more difficult components in each task.

This innovative approach gives the company many opportunities to learn. In 1993, Toyota decided to develop environmentally friendly and convenient cars. The development team named G21 built the first car to improve fuel efficiency by 50 percent. Toyota's high level does not approve the prototype and ordered to improve fuel efficiency by 100%. This is not possible even With gasoline and diesel engines, and even the most advanced fuel cell technology. The only thing the G21 development team can do is rely on hybrid technology that has been developed in the company's laboratory. Naturally, the first developed engine cannot work. The prototype ran only a few hundred yards on the test track and then stopped completely. Later developed models have problems that the battery will not move if the battery is too hot or cold.

Despite the failure in the end, Toyota can show off a hybrid concept car at the Motor Show in 1995 without stopping the project. Toyota executives said that although the Prius is short-lived due to the emergence of alternative technologies But there is no reason to stop the project The fact that we can learn a lot from the development process is worth the investment in this project. (Lightweight HONEYCOMB for HYBRID PRIUS PHV, 2017)

Section III

Toyota Motor Corporation competes in the automotive industry. Five years ago, there was a stir for car manufacturers. The rising fuel prices and increasing environmental concerns make consumers distract from fuel-powered pickups as smaller and more fuel-efficient cars. Some car manufacturers accept changes by expanding their small car portfolios and

turning to hybrid electric vehicle production. Other car manufacturers are reluctant to shift their focus from large cars to small cars, with fuel prices expected to eventually shrink. When oil prices declined in the second half of 2008, as a result of the US financial crisis that affected the global economy.

The growth of the global automotive industry: The global automotive industry has been severely affected by the economic downturn, with revenue declining in 2008 and 2009. 2012, according to MarketLine report, the industry grew 8.9% in 2012 to gain \$ 1,563.9 billion. The recovery of the global automotive industry causes Toyota to gain more customers and increase revenue.

Toyota is poised to benefit from an increased partnership with BMW: Toyota is ready to benefit from the increased partnership with BMW. In June 2012, BMW and Toyota were down. Memorandum of Understanding to focus on long-term strategic cooperation in the field of technology. As part of the agreement, the two companies will work together to develop a fuel cell system together to develop architecture and components for sports cars in the future. Working together in the use of electric power with electric trains Increased cooperation between the two companies is expected to help increase the company's technology knowledge and may result in the development of new products which will increase revenue in the long run. In addition, in the short term, combined cooperation will result in significant synergies and cost savings.

Toyota's successful strategy in Indonesia : Toyota started selling cars in Indonesia for the first time in the year. In 1971 and started production in

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1977, Toyota entered the market through a joint venture with Astra Motor 21 from 2008 to 2012. Sales increased more than doubled from 199, 000 units to 409, 000 units 22 in the Indonesian market share. Toyota's best-performing market with approximately 40% market share 23 One of the ten best-selling cars in Indonesia, including Toyotas. Toyota Avanza is a clear leader. The success of Toyota in Indonesia comes from the strategy of "Universal Automotive Innovation" which was launched in 2003. In particular, Toyota has designed and manufactured cars in Indonesia to meet the needs of the local market, with prices at \$ 16, 000 Toyota unveiled the second automobile plant in Indonesia in March 2013 with an investment of \$ 340 million. And earlier this year, Toyota announced that Motivation for Toyota FDI initiatives in Indonesia include:

- To capture the growing middle class of Indonesia Which is expected to double in 2020
- To maintain market leadership
- In response to government incentives for new car buyers, including a 0% minimum tax deduction for low cost Eco-friendly cars while maintaining interest rates in low numbers

Strategic development of Toyota Motor Co., Ltd.

Hoseus and Liker (2008) state that Toyota's culture is a reflection of Japanese culture. But it is unique because Toyota has a unique method of managing the company. For example, after World War II, most Japanese companies mimic American production systems. Toyota tries to create a

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unique production system that is suitable. With complete Japanese In addition, Japan is also a country without natural resources. (Winfield and Kerr, 1994) Trompenaars and Hampden-Turner (1997) represent Japanese culture in the form of family culture, which has a warm relationship between the manager and the staff, the manager is the team leader and teacher Hofstede (Itim International 2009). Stating that Japanese culture is a society in conjunction with male dominance, strict rules and regulations for work and long-term orientation All of these elements are an important part of Toyota's management style that makes Toyota unique and successful in the international market (Winfield and Kerrin 1994).

When Toyota established a new subsidiary in the country, the company conducted extensive research on national needs, environmental requirements and searched for the best way to use Toyota's culture (Hoseus and Liker 2008). Policy " Cars suitable for the right market" (Direction, 2008) For example, the company invented a hybrid car for customers who care about the environment and Large pickup trucks, such as " Tundra" or " Highlander", specially designed for the American car market in which large cars have high demand (direction, 2007). Toyota's strategy focuses on penetrating foreign markets and Reduce costs without reducing product quality. Therefore, the company is developing advanced technology and different creative processes to produce high quality cars at a lower price (direction, 2008). From this, Toyota's cultural principles mentioned earlier (see section 3. 2) also benefit the company's strategic development (2008 direction): continuous improvement, long-term orientation, work Is a team of mutual trust, etc.

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