

Corporate communication in toyota



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This work will analyse the case study of Corporate Communication in Toyota Motor Corporation. How company is working today's global environment where world is coming together and becoming like a village due to technology and trade. Economies are now linked and dependent on each other. The national cultural boundaries are becoming extinct. This case study deals with problems like communication management, identity, image, corporate social responsibility, managing structure, crisis management & stakeholder management.

Toyota is a Japanese company that was established in 1937. This company is the world's biggest and most profitable car manufacture. Company had faced crisis in India i. e. strike and allegation of being racist in USA for its advertisement in 1998 and 2001. In 2002, Toyota has introduced a new strategic direction in order to be environmentally friendly and respect their work atmosphere. This paper will be divided in 5 questions and answers sections and in a short conclusion about these new strategies.

Consider the vision articulated by Toyota and its alignment with the company's image with external stakeholders and the internal culture. Is there sufficient alignment between vision, culture and image? Is there potential for any gaps to emerge between them?

Toyota is used very wisely concept of image, identity, culture, and vision in corporate communication to achieve their global vision. Toyota wants to be seen as "caring citizen" or socially responsible company contributing to develop better society through its product and services. Company also wants to be seen as using IT to provide safer and environment friendly motoring.

Vision can be described as 'the desired future state of organization', according to Cornelissen (2008, p. 10). Corporate Image is defined by Van Riel and Fombrun (2007) as characteristics of an organization that stakeholders perceive and interpret. Sandra Oliver (2007) believes that image is not created from only one reality, but it is linked to series of pictures of objects or elements, that together are interpreted. Identity can be understood as perceptions of the experiences of employees at work, according to Davies et al (2003). Vella and Melewar (2008) reinforce that identity is a strategic resource, which provides motivation, recruitment and loyalty of employee.

Cornelissen (2008) suggests using the toolkit developed by Hatch and Schultz to analyse the alignment or gap between vision, culture and image, by questioning the interface between those three elements. Toyota vision aims to be an innovative company, which strive to contribute for a better world. Its identity seeks to be a leader in innovation for a safer motoring and Toyota expects to be remembered as green and respectful company, which produces quality and safe cars.

There is an alignment between vision and culture, because Toyota differentiate from competitors for being an environment-friendly company that practise the value it promoted - the company launched Prius, the first hybrid car in mass production. Also, it incentivises its employee to participate in volunteer activities and keep them informed about its environment beliefs. Vision and image seem to be alignment as the company has a clear idea who is its main stakeholders and it understands the importance to communicate with them on ongoing basis. Toyota also is involved in education, cultural, <https://assignbuster.com/corporate-communication-in-toyota/>

technological and green project and those help to communicate and reinforce its vision to its stakeholders. Furthermore, culture and image appear not to have any gap between them. Stakeholders remember Toyota for its quality products and green culture. As the company appreciates the involvement of employees with community, this suggests that they care about the community they are interacting with.

Is there potential for any gaps to emerge between them?

No. It seems that management and employees are engaged in the company strategic direction and there is no confusion about what it promotes and how stakeholders are seeing the company. As well, Toyota is aware of the shareholders' expectation by being a profitable company and by being involved with social activities.

Consider the stakeholders identified by Toyota for its stakeholder's engagement and communication programmes. On what basis were those stakeholders identified do you think?

Stakeholders

According to Tench and Yeomans (2008), stakeholders can be defined as those who can affect or be affected by an organization. Cornelissen (2008) suggests every group of stakeholders should receive information of their interests

On what basis were these stakeholders identified do you think?

To understand how Toyota identified its stakeholders, it will be used salience model. Cornelissen define salience model ' as how visible or prominent a stakeholders it to an organization based upon the stakeholder possessing one ore more than three attributes: power, legitimacy, and urgency' (2008, p. 50). Toyota has identified two expectant stakeholders groups, which has two attributes. One is the dominant stakeholders who are powerful and legitimate, having an influence on the company. Examples of this group are employees, business partners and costumers. Another group is the dependent stakeholders. This group has urgent and legitimate claims, but no power. This stakeholder group is represented by society. The third type of stakeholders is the definitive. They have all three elements. This group is formed by shareholders.

Is Toyota sufficiently responsive to the needs and expectations of these stakeholders through its programmes and communications?

Toyota is very responsive to the needs and expectations of these stakeholders through its programmes and communications. They have implemented CSR (caring citizen) activities in the local communities where they work. They had established minority committee in the organizations to have fair policies towards all ethnic group's employees. They have published their Environmental Report since 1999. Means Toyota is having normative motives for stakeholder's management.

Toyota has a clear idea who is its stakeholders and prioritizes the right ones for its new strategies. It seems that the company is responsive to the needs and expectations of its stakeholders. There are bulletins, seminars and

screening movies (a new internal communication tool) to communicate Toyota main concerns and ideas to its employees. In addition, the company participates in several social and environmental projects, and also joined NGO's to promote some events in order to keep in contact with society. The Formula 1 is a good communication strategy as it works to involve internal and external publics. It helps to motivate employees and it can be used as an opportunity to invite business partners to watch and talk about business.

Themed messages and message styles

Themed messages are define as ' messages that relate to specific capabilities, strengths or values of an organization (Cornelissen, 2008, p. 103). There are five messages styles: rational, symbolic, emotional, generic and preemptive.

Identify the themed messages and message styles in Toyota's communications. Do you think that these message styles were wise choices?

" Cornelissen (2008) rational message style superiority claim based upon actual accomplishment or deliver benefits by the organization. This is most useful when point of difference cannot readily matched by competitors. E. g.: world's first mass produced gasoline oblique electric hybrid vehicle Prius in 1997 by Toyota. Toyota used symbolic association message style while communicating their CSR activities.

There are two themed messages that Toyota used to communicate with stakeholders about its new strategic direction. One is a preemptive message, which emphasis an environmental friendly company. Another is a symbolic

message, with a leaf car logo, that demonstrates the efforts to reduce the impact of its products in the environment. It was a wise choice of messages as the first style suggests superiority and avoids other competitors copying it. So, it demonstrates leadership as a green vehicle manufacture. The second message style is 'to develop an image for the organization and to differentiate the organization psychologically from its competitor through a symbolic association' (Cornelissen, 2008, p. 105).

" Cornelissen (2008) symbolic association message claims based on psychological differentiation through symbolic association best for homogeneous organizations where differences are difficult to develop or easily duplicated or for message around areas such as CSR. By doing this company is projecting a particular image through association with culturally share and recognized values or symbols. E. g.: company supported communities by giving grants to education institutes, charities that is Toyota volunteered employees to plant 500 ha of land with trees in China, supported primary school project in South Africa.

Vertical and Horizontal structures

Cornelissen (2008) explains that vertical structure is about how communication disciplines are organized into departments and how they report to each other. Mize (2002) says that vertical organization usually has lost of important information as it travels up and down several levels and across departments. Horizontal structure refers to the 'cross-functional mechanisms that are horizontally laid over departments and connect communication practitioners with one another and with professionals from

across the organization' (Cornelissen, 2008, p. 103). This structure has focus in teams that form units and are self-supervised, according to Mize (2002).

What vertical and horizontal structures exist to coordinate communication?

Toyota integrates advertising and public relations in one department. Also, there is a decentralization of communication departments in its subsidiaries. Each subsidiary has its own communication departments, where marketing and product brand disciplines are included. It has a head-quarter (HQ) that coordinates and controls the communication sending themed messages to the business subsidiaries. Those are the vertical structures. Toyota's horizontal structures are house-style manual, which inform about the use logotypes, and council meetings, which allow representative of subsidiaries to discuss with Toyota HQ about communication issues.

To eliminate communication gaps and have clarity in messages and consistency with vision they used council meetings as a tool to improve performance and reduce noise in the environment internally and externally.

Crisis management

Cornelissen defined issue as ' a concern about the organization's decision and operations; that may or may not also involve a point of conflict in opinions [...]' (2008, p. 215). And crisis can be described as an issue that needs an immediate action from the company and can damage its reputation. According to Regester and Larkin (2008), how an organization deal with its issues will make a difference between a crisis out of control and a proactive solution

Evaluate the handling of Jess Jackson/cultural diversity incident and the strike at plant in India from the perspective of issues and crisis management. Would you define these incidents as issues or crisis for Toyota?

The Jess Jackson - cultural diversity incident can be described as an issue. Issues frequently emerge from a matter of society's concerns, such as racial discrimination. Toyota recognized and apologized quickly and had meetings with Reverend Jess Jackson, what could be seen by society as good intention to rectify its mistake. Also, Toyota decided to work with advertisement agencies specialized in African and Spanish culture.

In India, the strike could be classified as a crisis, because it was a critical and intense issue that required an immediate action and could have destroyed Toyota values among stakeholders. Toyota failed to sort out the strike problems in the beginning as there was two strikes until some health and safety guidelines were set. After 5 years, the situation was not settled and the company had to resume their activity in that unity for a period of time. That putted Toyota's reputation at risk.

How would you characterize the response strategy of Toyota towards both incidents? Should the company have handled these incidents in a different way?

Toyota used a bridging strategy to handle the cultural diversity incident. The company recognized the issue, adapted its advertising, reviewing its diversity programme and promptly communicated and engaged with stakeholders. They also announced an African American as Toyota group vice president, responsible of corporate communication. Toyota handled very

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well Jess Jackson issue, because it acted quickly, apologized and found solutions that are in agreement to its value.

However, in India, Toyota could have responded with more efficiently in the beginning. It seems the company denied any problems until two strikes happened. Cornelissen advises that it is important ' to stress at this point that the perception of whether an organization is responsible or culpable matters as much as whether the organization is factually responsible or culpable' (2008, p. 227). Toyota could have apologized to Indian society for any inconvenience this may have caused. Also, the company could have used association strategies, which first should shown all positive aspects of the company such as social projects or environmentally friendly organization. After, Toyota supposes to demonstrate how this helps to improve its relationship with employees and their health and safety working condition.

Conclusion

To set the new strategic direction, which aims to be environmentally friendly and respect their work environments, Toyota has to rethink its structure. The company established its visions, image and culture in order not to have any gaps between them. The carmaker also prioritized the most important stakeholder and used a themed message to communicate all around the world. To do that, the vehicle manufacture has an integrated communication department in its subsidiaries, which are controlled by a central Toyota communication HQ.