

Organizational culture of toyota



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Toyota is a globally recognized automobile manufacturer. It is one of the top auto mobile manufacturers in North America. Passion, integrity, and innovation are element of great importance at Toyota. It is an innovation leader in the industry, and well known for its philosophy of management its mass market hybrids. Toyota is delivering diverse line up of vehicles around the globe. The integrity, innovation and passion are extended beyond the vehicle manufacturing; this statement by Toyota is backed by procedures and policies that are practiced at Toyota. Toyota has been distinguished among its competitors for its ability of forward thinking. In the current environment of rapid growth and development, Toyota plans in advance to deal with the prospected growth rate and demands of diverse market. For Toyota to predict the growth in future, start must be from looking behind to their past. Behind the Toyota's remarkable success, there is excellent corporate culture of Toyota that hires the people as individuals not employees. At Toyota, everyone involved in the process strives for excellence and committed to his duties. Lean manufacturing practices of Toyota helps it move fast toward incorporation of TQM in its organizational process. Toyota has strong relationship with its all stakeholders and remarkably with its suppliers and customers. There is high degree of understanding between Toyota and its suppliers that enables Toyota to use Just in time technique of inventory. Toyota understands well about the fact that people possess different abilities and skills and these skills are their strengths, thus its exploits as many possible talents of its employees in one area and able to create great opportunity for growth within the corporation. Diversified employment approaches are used y Toyota that helps to generate a set of new ideas for future growth and become the leader of

automobile industry by incorporating these ideas (Christensen, & Overdorf, 2000), not only on local basis but also globally. From top ten official business strategies of Toyota is to recruit brightest and best among candidates, this strategy also help Toyota to create new opportunities for partnership. This approach of Toyota, help it to build an image of Toyota that it is committed to excellence.

Ethics and social responsibility are of basic concern of Toyota. Ethics begins with core value of Toyota and whole process goes with these ethical set of values, creating a distinction as “ the Toyota’s way”. Despite having a very diverse workforce, there are no prejudices or stereotypical assumptions are apparent at Toyota, as there is a fair policy (Liker, 2004), that is concerned to hire the best and talented employees for company that can be source of leadership and innovation at Toyota. Due to its concern for society Toyota has a positive corporate image, a company that believe in helping people to improve their quality of life. In this regard Toyota is working with many organizations, universities, schools, and other businesses in support of programs that are beneficial for our world.

Rules/norms at Toyota:

Some important rules and norms at Toyota include the following:

Respect for human rights:

At Toyota, people are respected for their human rights. There are no discriminating practices on the basis of gender, race or ethnicity, age, religious, physical disability or material or social status. Intimidation or work place harassment is not tolerated at all (Yu, 2008). Toyota provides social

protection to its employees and remuneration in accordance with local regulations.

Safe and healthy working environment:

Providing safe, healthy and comfortable working environment is the ultimate priority at Toyota. Systems at Toyota are designed to prevent disasters and accidents (Gowen lii, & Tallon, 2003). If any disaster or accident occurs, Toyota will cease the all related areas of operation and try to save and rescue the people.

Team work:

A culture of team work and cooperation is supported and practiced at Toyota, to achieve objectives and tasks effectively and efficiently and strive to enhance the capabilities of individuals and organization. All individuals at superior positions such as managers, supervisors etc. will encourage the team work (Gowen lii, & Tallon, 2003) and guide their subordinates to perform their duties efficiently.

Customer opinion is an invaluable asset:

Toyota has greater concern for the safety of its customers and thus provides adequate information to them on new safety related equipment that helps them to operate the vehicles in safe and sound manner.

Honoring and observing the terms of contract:

Toyota takes due note on terms and conditions of its contracts with it research and development partners and show full honor and respect for them (Liker, 2004). For such agreements, all relevant laws and regulations are considered. Contents for restrictions on joint research are always

considered and practiced according to regulatory requirements of different countries.

Organizational hierarchy of Toyota:

Toyota is a multinational corporation; major decisions come from Toyota motors Japan. There is three tier executive systems at Toyota, executive vice president, senior managing director and managing officer who deals and manages the group affairs. Decision making lies on the side of executives in Japan.

In Toyota's structure following important attributes include:

Decision making is based on centralized style as major decisions are made at top level of management in Japan. Authority to make important decisions is retained at top of the hierarchy.

To group the job tasks, Toyota uses departmentalization of different types, functional departmentalization, product departmentalization, geographic departmentalization and cross functional departmentalization namely.

Toyota has tall hierarchal structure of organization as it has several layers of management between top level and frontline employees. There is narrow span of control, 49 managing directors at every department (Marksberry, 2012). Due to its rigid hierarchal structure, formalized communication system, tall structure and centralized decision making, Toyota can be said to have highly mechanistic structure (Sako, 2004). In Toyota every employee has not only to answer superior authority or manager, but also to engineer who representing the interests of customer. So it crosses a traditional

structure with product structure. Finally it is a boundary less organization with no definite design. Toyota is managed to create strategic alliance.

Internal communication practices at Toyota:

At Toyota motors, written communication takes place at all levels of business. Corporate communications and newsletter writings are the vital elements that have kept staff informed and publically perceived notion of reliability and credibility that is highly important to its bottom line and given corporate and company image. To disseminate information from corporation, notice board is used. This way of communication is not so effective as people commonly ignore and do not read news from it. Bulletins are also used at Toyota which is an effective tool of internal communication. Bulletins are placed in front of counters or offices which are open to every member of organization. In order to pass urgent messages, Toyota motor uses cell phones as tool of internal communication. Telephones and cell phones are part and parcel of communication at Toyota Motor Corporation. Instant messaging allows staff at Toyota to communicate effectively and efficiently, as this system is featured with instant acknowledgement or reply. E-mail as a mean of communication is also popular practice at Toyota. Face to face interaction and communication also takes place. All these means of communication used at Toyota, plays critical role in passing important and necessary messages that help build the company.

Planning and decision making at Toyota:

As the hierarchal structure of Toyota reveals that important commands and decisions come from the top management in Toyota. Top management makes decision and then these decisions are communicated for

implementation at lower levels. There is “tell” type of culture for decision making at Toyota. Top management issues commands and orders and seeks for implementation.

Leadership at Toyota:

Toyota perceives lean as continuous improvement and respect for people, embodying in two simple but powerful concepts (Cusumano, & Kentaro, 1998). Respect of people for Toyota lean leadership is viewed as having long term partners in business that mines the value by challenging people to stretch themselves and grow (Liker, 2004). By lean leadership approach in place, people who are not so challenging and are stagnant, are handled in nice way, they find opportunity to grow and enhance their capabilities by participating under process of continuous improvement.

Conclusion:

This paper provides a detailed view of organizational culture and characteristics of Toyota. Toyota has culture that is attributed with, commitment to excellence, respect for all inside the organization, concern for all stake holder including community, strong ethical values and code of conduct, hiring talented and bright people without any discrimination of race, ethnicity. Toyota has structure of mechanistic organization in decision making style. There is centralized decision making takes place at Toyota (Takeuchi, 2008). As far as communication system of Toyota is concerned, different effective tools for internal communication are used by Toyota such as bulletins, newsletters, email and text messaged and telephone system and face to face communication method.

All these tools are used in mix to have effective and quick communication at workplace. Toyota is committed to excellence and in this journey, it not only uses lean manufacturing techniques but approach of lean leadership is also being practiced at Toyota (Cusumano, & Kentaro, 1998), that helps Toyota to move forward towards process of continuous improvement.