

# Example of case study on human resources case analysis

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



## **INTRODUCTION**

This study would tend to evaluate the Human Resource Management of the selected organization i. e. Toyota. In order to evaluate the company selected, the current situation along with the current human resource practices would be assessed as it would help in identifying the practices taken under consideration by the company. Moreover, the HR issues being faced by the company and within the industry would also be considered for this study. In addition, this study would seek ways to provide the organization with relevant solutions to the HR issues. The solutions would be provided on the basis of extensive research regarding the best practices in HR. By taking the issues into consideration, the organization would be proposed to bring changes in the HR policies and practices to enhance the performance of the organization to significant level.

## **TOYOTA**

Since its foundation, the company has been working to provide the customers with reliable vehicles to meet their demands in the market (Toyota, 2013a). The employment of innovative and high quality products offered to the customers has allowed the organization to gain customer's trust. With the passage of time, Toyota has expanded in the international automobile market. The company has 51 bases in 26 different countries around the globe that provide the organization with critical information regarding the needs and wants of the customers (Toyota, 2013b). The globalization of the company has provided it with an opportunity to understand the needs and wants of the customers in the automobile sector

(Toyota, 2013a).

Toyota aims to lead the way in terms of mobility in the forthcoming years. In order to do so, the company highly relies upon quality, constant innovation and effective human resource management. The five major principles that are consistently followed by the organization include faithfulness to the company and the work, to be creative to provide the organization with new ideas regularly, to be practical while avoiding frivolousness, providing the employees with homelike atmosphere and respecting the company's way of conducting business (Toyota, 2013c).

## **CURRENT SITUATION OF TOYOTA**

Toyota is a Japan based automobile company that operates in three business segments. The most prominent segment of the company is the automobile segment that is engaged in the design, manufacture and sales of the car products offered by the company (The New York Times, 2013).

Toyota is currently focusing on making high quality and affordable cars to meet the expectations of the customers in the region and countries. In order to do so, the organization is working with its human capital so that the future of the organization could be significantly enhanced. Although, the organization has witnessed challenges and issues in previous year due to weak HR policies and practices but the organization was able to move forward with its plan to provide the customers with the cars that could satisfy the customers beyond expectations (Toyota, 2013e).

## **HUMAN RESOURCE PRACTICES AT TOYOTA**

Human resource management is the most prominent concept at Toyota. As the vehicles are manufactured by the people daily, it is essential for the organization to train and develop the human resource. The top management at Toyota highly believes that the success of the organization relies highly on the performance of the workers and employees.

The source of Toyota's success is the workforce (human resource) development. To further enhance the company's competitiveness in the automobile industry around the globe, the company focuses highly on diversity management and equal employment opportunity (Toyota, 2013d). The company respects diversity to great extent. With an aim to reform the management at Toyota, women were provided with an opportunity to participate in the production of automobiles. Toyota acknowledges the importance of female worker's participation and to create a healthy environment for the workforce; especially females, three steps were taken that are as follows;

- Helped the female workers to work and raise their children at the same time,
- Assistance in career building and development, and
- Initiated a culture based on respect for women in the organization.

## **HR ISSUES AT TOYOTA**

The poor designed practices and weak execution of human resource policies resulted in the failure of Toyota. The company had to recall 9 million cars worldwide due to poor performance of the human resource at Toyota. As a

result, the organization lost its credibility along with brand reputation in the automobile industry (HC Online, 2010).

The root cause of the problem at Toyota is the inability of the human resource to make good decisions. The recalling of the vehicles worldwide led to loss of \$155 million per week along with \$30 billion loss in stock valuation. The HR processes that contributed to the downfall of the company are indicated below;

## **Rewards and Recognition**

Rewards are to motivate the employees to work harder and effectively to accomplish the organizational goals which will eventually result in the accomplishment of personal goals. The weak reward and recognition practice at Toyota led to the dissatisfaction of the workers due to which the workers interest and morale to work for the organization reduced significantly. As a result, the employees just performed the activity they were asked to. This eventually leads to errors and faults.

## **Training**

Although, Toyota focuses highly on the training and development of employees through four-step-cycle i. e. plan/do/check/act yet the workforce along with the managers failed to take right decisions at the right time. This eventually indicates that the organization's training and development programs are inadequate to provide the right set of skills to the employees (Sullivan, 2010).

## **Hiring**

The poor hiring and recruitment design of the organization leads to ineffective hiring of the individuals with improper set of skills and capabilities. Recruitment process involves all the activities through which an organization selects and trains the right individual for the job but due to inadequate experience of the recruiters, the organization now has employees that are constantly lacking behind (Sullivan, 2010).

## **Performance management process**

The lack of feedback from the management to the employees results in dissatisfaction of the workforce. Moreover, the organization has no proper performance management process to motivate the workforce for the accomplishment of organizational goals and objectives which eventually results in poor performance.

## **The corporate culture**

The corporate culture at Toyota also gives rise to dissatisfaction level of the employees. The workers are forced to follow the “ Toyota Way” which significantly reduces the morale of the workforce.

## **Leadership development and succession**

The inability of the organization to develop leaders has reduced the organization’s performance to great extent. The training programs were aimed to create leaders by transforming the skills of the workforce but the ineffectiveness of the programs resulted in lack of leadership development and succession management.

## **BEST PRACTICES IN HR**

The best identified practices in HR are as follows;

### **Constant Feedback**

For an organization to motivate the workforce to work towards the accomplishment of organizational goals and objectives must provide the workforce with feedback from time to time. The workforce craves for feedback as through it the employees are provided with information regarding their mistakes. The identification of mistakes could provide the employee with an ability to reduce occurrence of same mistake again and again (Bruce, 2013).

### **Talent Acquisition**

Recruiting the right individual at the right time is the priority for organizations as acquiring the most desirable individual would provide the organization with variety of opportunities. By acquiring the right talent, the organization can enhance its performance along with future prospects (Harris, 2011).

### **Performance Appraisal**

Performance appraisal is the process through which the performance of an individual is evaluated (Harris, 2011). By keeping track of the employee's performance could provide the organization with insight regarding which individual should be provided with training in terms of succession or leadership management (Bruce, 2013).

## **Recognition, Reward and Incentives**

Rewarding the employees for their performance is one of the most prominent and effective HR practices. Rewarding and recognition not only help the employees to be satisfied with the job but also encourages the employees to work harder (Harris, 2011).

## **RECOMMENDATIONS**

The recommendations for Toyota to improve its HR practices are as follows;

- The organization should reconsider the HR policies that are currently employed by the company. By doing so, Toyota would be able to enhance its sales and would be provided with opportunities to establish strong brand reputation in the market.
- The organization should effectively communicate with the employees/workforce. This will help the organization in understanding the needs and wants of its workforce.
- Feedback once in a week would help the organization to deliver the information regarding employee's performance and mistakes. This would help the workforce to reduce the occurrence of same mistakes again and again. Moreover, feedback would enhance the morale of the workforce to significant level.

## **CONCLUSION**

Toyota is although one of the largest and rapidly growing organization in the automobile industry but the organization is one the edge to crash and fall due to the rising HR issues within the organization. The weak and poorly designed HR policies at Toyota are constantly creating hurdles for the



organization to enhance its performance and market shares in the industry. The HR problems and issues at Toyota are not the result of a single employee making mistake over and over again but due to the series of mistakes that are interrelated. Due to such rising HR issues, the organization has witnessed weak sales along with recalling of vehicles that resulted in damage to the brand name.

The key lesson that one could learn from the Japan-based company is that an organization is constantly in need of strong and reliable HR policies that could help to establish benchmark within the industry. Toyota needs to change and reconsider the HR policies and practices to revamp its sales in the domestic and international automobile sector.

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