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In general, Toyotas foreign plants have achieved productivity levels similar to those in Japan. What conclusion can you draw from this about the role of national culture in shaping Toyotas lean production system?

Culture is the basic framework of shared assumptions, values and beliefs considered as the correct way of thinking and acting on opportunities or problems that may face an organization. Assumptions are shared views that people rely on to guide their behaviors and perceptions. Values are long-lasting impression about what is important. Beliefs represents the individuals perception of reality. (McShane, 2001: 515)

Toyotas lean production system is a highly efficient manufacturing system. The assembly line employees are organized in teams with an objective to lower the cost of production while increasing quality and flexibility. Each team member is expected to be able to do all the tasks required of the team. This system involves team and individual discipline in the assembly line operation and a paradigm shift from doing quantity production to creating quality products the first time. Toyotas culture of quality work and continuous improvement through a team-based work place as implemented by Ohno Taichi has made Toyotas manufacturing facilities and assembly lines efficient and effective. Without the aggressive implementation of these corporate values of discipline, quality and continuous improvement, Toyotas lean production system would have been a failure and productivity would not have increased. The culture of Toyota has become the companys strength and competitive advantage in the automobile industry.

What evidence is there in the case that Toyota is becoming a global corporation? What are the implications of this for the long-term competitive

advantage of the company?

A global corporation is defined as an organization that coordinate and integrate its activities in a world wide basis. It offer its customers a standardized product or services. The company is a highly centralized structure. The role of local subsidiaries is to assemble and sell products developed centrally. (Bartlett and Ghoshal, 1989). Toyota as a manufacturer of automobile products has highly standardized its product, manufacturing processes and operations in all of its facilities world-wide. The production process of Japan and foreign plants of Toyota utilizes the Kanban system, a simplified assembly line called Global Body Line and supplier support system. The allocation of resources, responsibilities and controls are centralized on a global basis towards the home-country, Japan. These characteristics makes Toyota a global corporation by definition.

Another evidence that Toyota is becoming a global corporation is its increasing market share in the automobile industry. Toyota is targeting to achieve 15 percent of the global market share. This means that the company is becoming a world wide competitor in the industry and that the company is gaining a global competitive advantage. Toyota ranks as the second automobile manufacturer in the world.

References:

Bartlett CR, Ghoshal S, (1989), *Managing across Borders: The Transnational Solution*, Harvard Business School Press, Boston.

McShane, S (2001), *Organizational Behavior and Management*, McGraw-Hill, New York.