

Toyota motor corporation is a hybrid structure management essay



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The organizational structure of Toyota Motor Corporation is a Hybrid Structure or Matrix Structure. In this structure the functional and product structure responsibilities are blended, wherein chief engineers are responsible for product structure responsibilities and managers are responsible for functional responsibilities. In this dual command system the emphasis is on both functions (inputs) and products (outputs) which facilitate the development of a transnational management attitude.

This structure is complex but also efficient as it reflects Toyota's Kaizen philosophy. Wherein both functional and product structures continuously try to come up with better methodology or improvement to improve the process and both are open to suggestions thereby improving the management and workers relationship and having the appropriate sense of pride in the difference they make to the organization. This structure supports Toyota's drive for efficiency.

(Rugman) Toyota's organization structure according to key structural variables:

Current and International operations and Plans

(Toyota Hones Focus, Top Ranks, 2013) The current plans of Toyota are to maintain their market share and continue at modest profit levels. The future plan is much more aggressive in which Toyota has announced its focus on hybrid vehicles and emerging markets focus. The plan, named ' Toyota Global Vision' is the clearest expression of Toyota to chart a new course for future. They have made significant changes to upper management by reducing the board members from 27 to 11 and senior executives from 60 to

27. The Future plan clearly focuses on its Hybrid technology which includes pure electric cars, plug-in hybrids and fuel cell vehicles and investing more on the research and development of Hybrid Car technology. The vision also states that it will focus more on emerging markets like China and India where they see huge potential growth.

Past history and experience in International arena:

Toyota is a transnational organization with operations all around the world. It has been engaged in International trade for many years and has experienced managers to work for it in all its branches. The matrix organizational structure suits it very well.

Company's business and Product Strategy

(Funaru, 2010) The strategy that Toyota employs is KAIZEN which means continuous improvement. It is an integrative strategy which means a cross-functional strategy that appoints the gradual improvement of every aspect of business activities within the parameters of quality, productivity and competitiveness, with direct involvement of all staff. This strategy falls well in place with its matrix organizational structure.

Management's philosophy of Operating:

(Vision & Philosophy, 2013) Global expansion and presence throughout the world is the Philosophy of Toyota's management. Its vision clearly states to decrease costs while maintaining quality through raising production, increase operational efficiency and to extend its global presence in manufacturing as well as sales of cars. The matrix structure of the organization presents some roadblocks but due to positive approach from

both manufacturing and management functions, the vision is carried out smoothly in this complex organizational structure.

Enterprise's ability to adjust to organizational changes:

There have been quite a lot of changes in the organizational structure of Toyota from Vertical functional organization structure to hybrid / matrix organizational structure as the size and operations of the company grew larger.

Training and development Programs for Toyota

Toyota always tries to create a working environment that encourages self-realization while respecting the diversity among its employees. Toyota has different training and development programs for executives on international assignments.

Tailor-made training programs

(Relations with employees, 2012) Toyota employs a tailor made training program through development of Human Resources with strong local view and local sense. The Overseas Trainee-culture program which aims at appointing young employees to foreign sites to develop human resources was started in 2002. By January 2012, eighty four trainees from thirty seven affiliates in twenty countries were educated in working processes, corporate practices, accurate English and host nation language communication skills.

Global Human Resource Development of Young Employees New

Establishment of Study-abroad Program Prior to Entering TMC for Job-offer

Recipients:

In Financial Year 2011 Toyota established a “ study-abroad program” to develop new potential candidates to join their Transnational Organization after rigorous training and development

Cultural training programs

Toyota has developed various training programs for its executives on foreign assignments. Any executive working in U. K. has to learn Japanese language, the Toyota way culture, and be prepared to work long hours if sent to Japan for production training. Focus on language training is made, expatriates from Japan are taught English, and the region specific cultural training is imparted to them to be able to manage the local team there.

ICT Program for Self-reliance of Affiliates and Contribution to Local Communities to imbibe the Toyota culture in the minds of executives in U. K.

(Relations with employees, 2012) The Intra Company Transferee program encourages self-sufficiency by provisionally transferring employees to foreign affiliates for employee development through on the job training. During the training periods transferees learn skills and know-how that may last up to three years.

As of the end of April 2012, a total of 450 transferees from 48 affiliates in 27 countries were working in Japan under the program.

(Relations with employees, 2012) Toyota is constantly adapting its culture to native situations. Adaptations in United Kingdom by the Toyota Technical Center (TTC) is discussed below

Flexible work hours. Toyota engineers worked as long as fifteen hours a day, weekends in Japan. Toyota United Kingdom was more flexible in having flex-time systems.

Performance-based rewards. Toyota Japan pays a large portion of bonuses based on team performances while Toyota United Kingdom also developed an individual performance based

Reward system in addition to the existing team based reward system. .

Labor relations in U. K. have seen many changes in the past years due to many reasons like recession, and new government rules. It includes the use of legal individual employment rights to protect workers. The trade unions and employer organizations have little statutory involvement in public policy.

Whereas the labor relations in Japan involve harmonious labor-management relations along “ vertical” lines where the company is a paternal entity and it takes care of its loyal employees. The labor unions in Japan do not play a substantial role in making policies. They are compensated according to the performance of the company.

(MatthiasHolweg, 2012) Toyota U. K. concentrates on establishing a mutual trust relationship between labor and management. They both strive for stable employment, improvement of working conditions and company’s prosperity. The co-operation with the company’s policies is considered as a base tool to establish a respectful relationship. (Industrial relations in the automotive sector) The most prominent strengths of UK automotive industry

are its flexible labor hours and quality of R&D resources. UK also has a relative low level of unionization.

Conclusion

Toyota is a global transnational organisation. Its global strategy is to expand its presence in sales as well as market share. HR policies are the best and its retention rate is highest in the industry.

This implies that its organisational structure is working at its best. Kaizen strategy is giving both management and workers a sense of satisfaction they contribute on a regularly basis to increase efficiency of Toyota and reduce loss and accidents at workplace and business.

It already has best HR practices, but they should try to devise strategies wherein they should have more non-Japanese managers at top positions within the company, and at the board level in Japan. This will enable them to have a diverse viewpoint on the current business scenario considering that the majority of the revenue in Toyota comes from outside of Japan.