



Name: Andrei Lazar

Student ID: 2208276

Module: Organisational culture

Module code: LCLM 5005

Lecturer name: Dingning Liu

Assignment title: Individual report

Introduction

Employee behaviour, leadership style, and decision-making inside businesses are all significantly influenced by organisational culture. The common values, presumptions, and ideas that shape how workers interact and carry out their responsibilities are represented by culture. Organisational culture has a major impact on management practices and organisational effectiveness, according to Laurie Mullins and Gill Christy in Management and Organisational Behaviour.

Toyota's distinctive management style, cutting-edge manufacturing techniques, and dedication to quality and ongoing development are all major factors in its success on a global scale. Its production process, commonly referred to as the Toyota Production System (TPS), has impacted manufacturing techniques in a variety of global businesses. Furthermore, Toyota has led the way in hybrid car technology, especially with the release of the Prius, one of the first hybrid cars to be mass-produced.

Toyota's history, business plan, production methods, international operations, sustainability programs, difficulties, and prospects are all examined in this paper. The paper seeks to explain how Toyota has sustained its competitive advantage in the extremely dynamic automobile market by analysing these factors.

The organisational culture of Toyota, one of the biggest automakers in the world, is assessed severely in this research. Toyota's strong organisational culture is well known, especially because to the Toyota Production System and its continuous improvement mindset. The study examines how organisational culture affects the organization's decision-making procedures, organisational structure, and capacity to adjust to external environmental issues.

Toyota has led the way in environmentally friendly car technologies in addition to producing high-quality automobiles. An important turning point in the development of hybrid cars was reached in 1997 with the introduction of the Toyota Prius, which had a big impact on the worldwide automotive industry's shift to environmentally friendly transportation.

To assist this analysis, numerous theoretical frameworks are used, including Edgar Schein's model of organisational culture, Geert Hofstede's cultural dimensions theory, and Charles Handy's cultural typology. Furthermore, the research assesses whether Toyota's culture serves as an enabler or a hindrance to organisational performance and makes recommendations for future improvement.

This report's objective is to present a thorough examination of Toyota Motor Corporation. The company's history, organisational structure, production systems, international activities, technological advancements, sustainability plans, and competitive landscape are all examined in this report. It also looks at the main obstacles Toyota faces in the contemporary automotive sector and assesses the company's chances going forward.

Company overview

Toyota was started in Japan in 1937 and has since evolved to be one of the world's leading vehicle manufacturers. The corporation operates in over 170 countries and produces millions of vehicles per year. Toyota is well-known for its innovative production processes, especially the Toyota Production System (TPS), which focuses on efficiency, waste reduction, and continual development.

Toyota's success is largely due to its strong organisational culture, known as "The Toyota Way." This ideology is based on two pillars: constant progress and respect for individuals. Continuous improvement encourages employees at all levels to identify and suggest changes to processes, products, and services. Respect for individuals focuses on teamwork, collaboration, and employee empowerment.

Toyota's organisational structure is intended to reinforce these cultural ideals. Decision-making procedures frequently entail collaboration between managers and employees, fostering engagement at all levels of the business. Toyota's culture of involvement has allowed them to sustain high levels of product quality, operational efficiency, and global competitiveness.

Company Background

The Toyoda family business gave rise to Toyota Motor Corporation. Building on the economic achievements of his father, Sakichi Toyoda, who created automated textile looms, Kiichiro Toyoda founded Toyota. The company's first concentration was on

producing cars for the native Japanese market. But as the need for dependable cars grew, Toyota swiftly expanded abroad.

Toyota encountered many difficulties in its early years, such as scarce resources and fierce rivalry from well-established foreign producers. Toyota's operations were further disrupted by the start of World War II, when it began producing military cars for the Japanese government.

Toyota had severe financial problems following the war and almost went bankrupt. However, with reorganisation, technical advancement, and better manufacturing techniques, the business eventually recovered. Toyota started entering foreign markets in the 1950s and 60s, especially in the US and Europe.

The Toyota AA, the company's first passenger car, was manufactured in 1936. Toyota faced financial challenges following World War II, but it overcame them via innovation and reorganisation. Toyota started exporting automobiles throughout the world in the 1950s and 1960s, notably to the US and Europe.

The Toyota Production System, introduced in the 1950s, marked a watershed moment in Toyota's history. This method prioritised efficiency, waste reduction, and constant improvement, allowing Toyota to create high-quality vehicles at a lesser cost. Toyota has grown its product line and created manufacturing units around the world over the decades.

Toyota currently operates in more than 170 nations and areas. Its brand portfolio includes vehicles marketed under Toyota, Lexus, and Daihatsu. Lexus, a luxury division, was founded in 1989 to compete in the premium automotive market.

Corporate Philosophy and Management Principles

The company's operations and decision-making procedures are guided by a robust set of values and management concepts that form the foundation of Toyota's corporate culture. These ideas are frequently referred to as the "Toyota Way."

There are two primary pillars that support the Toyota Way:

1.Constant improvement

2.Respect for individuals

Continuous improvement is the process of continuously looking for more effective ways to do tasks. Workers are encouraged to point out issues, suggest fixes, and support organisational innovation.

Kaizen, which translates to "continuous improvement," is one of the key ideas in this

philosophy. Kaizen encourages workers at all organisational levels to consistently improve quality, productivity, and processes in tiny ways.

Respecting individuals entails appreciating coworkers, clients, and business associates. Building solid relationships with stakeholders and encouraging a collaborative work environment are key components of Toyota's long-term success.

"Genchi Genbutsu," which translates to "go and see," is another fundamental idea. Instead of depending only on reports or data, this mindset pushes managers to see issues firsthand in the workplace.

Toyota has established a culture that values education, collaboration, and creativity by implementing these management concepts.

Toyota's Production System

The Toyota Production System (TPS) is one of Toyota's most significant contributions to modern manufacturing technology. This production style emphasises efficiency, waste minimisation, and quality control.

The two main ideas of TPS are:

1. Just-In-Time Production

Just-in-Time (JIT) manufacturing ensures that components and materials are created and delivered only as needed. This lowers inventory costs and avoids overproduction. Instead of keeping vast numbers of components, Toyota has a lean supply chain that adapts swiftly to demand.

2. Jidoka (Automated with a Human Touch)

Jidoka refers to machines' ability to automatically halt when a problem arises. This enables workers to detect faults early and prevents faulty items from progressing through the manufacturing process.

3. Kaizen (continuous improvement)

Another key notion in Toyota's philosophy is Kaizen, which means continuous improvement. Toyota encourages employees at all levels to propose improvements to processes, efficiency, and quality. Toyota's innovative culture has contributed to its high productivity and great operational performance.

The Toyota Production System has been implemented by numerous companies

throughout the world and serves as the foundation for modern lean manufacturing practices.

Product Portfolio

Toyota manufactures a wide range of automobiles to fulfil the needs of various markets. These include tiny automobiles, sedans, SUVs, trucks, and eco-friendly vehicles.

Some of Toyota's most popular models are:

Toyota Corolla—one of the best-selling automobiles in history.

Toyota Camry is a globally popular midsize vehicle.

Toyota RAV4 is a leading compact SUV.

Toyota Hilux is a robust pickup truck known worldwide.

Toyota also manufactures luxury vehicles under the Lexus brand, which includes models like the Lexus RX and LS.

Toyota not only manufactures passenger automobiles but also commercial vehicles, buses, and mobility solutions. This diverse product line enables the corporation to reach a variety of consumer categories across multiple locations.

Global Operations

Toyota has production and research facilities on many continents, including Asia, North America, Europe, and Africa. The company's global strategy focuses on producing vehicles near to local markets in order to cut costs and meet regional tastes.

The key manufacturing regions include:

Japan - Toyota's headquarters and major research facilities

North America includes big manufacturing operations in the United States, Canada, and Mexico.

Europe: manufacturing plants serving European markets.

Asia: significant activities in China, Thailand, and India.

Toyota's international strategy prioritises localisation. This entails adjusting cars to meet the needs, rules, and consumer preferences of many regions. Smaller vehicles are more popular in densely populated cities, but larger SUVs and trucks are common in North America.

Toyota works with thousands of suppliers across the world via its global supply chain. Toyota's operating strategy relies heavily on strong supplier connections.

Innovation and Technology

Toyota has always relied heavily on innovation to achieve its success. The corporation makes significant investments in research and development to increase vehicle performance, safety, and sustainability.

Hybrid Technology.

Toyota pioneered hybrid automobiles with the introduction of the Toyota Prius in 1997. The Prius coupled a petrol engine with an electric motor, resulting in much lower fuel consumption and pollutants.

Toyota has now spread hybrid technology across several of its vehicles, establishing the corporation as a leader in environmentally **friendly transportation**.

Electric and Hydrogen Vehicles

Toyota has recently shifted its focus to electric and hydrogen-powered automobiles. One example is the Toyota Mirai, a hydrogen fuel cell vehicle that emits no emissions other than water.

Toyota is also developing battery-electric vehicles to compete in the rapidly rising electric vehicle sector, which is dominated by businesses like Tesla.

Autonomous driving

Toyota is investing in advanced driver support systems and self-driving technology. The Toyota Research Institute, for example, is investigating artificial intelligence and mobility advances that could alter transportation in the future.

Sustainability and Environmental Responsibility

Toyota prioritises sustainability. The corporation wants to lessen its environmental effect and encourage cleaner mobility.

Toyota's long-term environmental policy is called the Toyota Environmental Challenge 2050. This effort has numerous goals, such as:

Reducing carbon emissions from cars.

Minimising water consumption in industry

Promoting recycling and sustainable materials.

Developing automobiles with zero emissions

Toyota also strives to be carbon neutral in its manufacturing and supply chain. By investing in renewable energy and energy-efficient industrial techniques, the company hopes to contribute to global climate goals.

Competitive Environment

The automotive sector is extremely competitive, with numerous multinational manufacturers vying for market share. Toyota's primary competitors include companies like:

- Volkswagen Group
- General Motors
- Ford Motor Company
- Tesla

These companies compete on factors such as innovation, pricing, quality, and brand reputation. Toyota's competitive edge comes from its dependability, robust supply chain management, and efficient manufacturing system.

However, the quick switch to electric vehicles has increased competition. Many manufacturers are making significant investments in battery technology and digital mobility services.

Challenges Facing Toyota

Despite its dominant global position, Toyota faces numerous obstacles.

Electric Vehicle Transition

Despite its success in hybrid technology, Toyota has lagged behind other competitors

in the development of fully electric vehicles. Companies like as Tesla have increased their market share in the EV segment.

Supply Chain Disruptions.

Global events such as the COVID-19 epidemic and semiconductor shortages have impacted car production around the world. Toyota has had to change its supply chain tactics to deal with these disruptions.

Environmental regulations

Governments around the world are enacting more stringent pollution limits. To satisfy these standards, automakers must make significant investments in clean technologies.

Changing Consumer Preferences

Electric cars, internet connection, and mobility services like ridesharing are becoming more popular. To be competitive, Toyota needs to adjust to these developments.

Future

In the future, Toyota wants to become a mobility firm instead of just a regular automaker. The business is making investments in smart cities, autonomous driving, hydrogen fuel technologies, and electric cars.

The creation of the Woven City, a prototype smart city in Japan intended to test cutting-edge technology including driverless cars, robotics, and artificial intelligence, is an illustration of Toyota's future vision.

As it continues to develop hybrid and hydrogen technologies, Toyota also intends to increase the number of battery-electric vehicles in its range. Toyota hopes to keep its top spot in the automobile sector by broadening its approach to clean mobility.

Organizational Culture Analysis

Artefacts

Artefacts are observable manifestations of company culture, such as workplace behaviour, organisational architecture, and operational processes. Toyota's artefacts include the use of visual management tools, standardised work practices, and the capacity for staff to shut down production lines when difficulties arise. These techniques show Toyota's dedication to quality control and problem solving.

Espoused Values

Espoused values are the organisation's proclaimed principles and strategies. Toyota's basic principles include Kaizen (continuous improvement), teamwork, and respect for employees. These ideals influence employee behaviour and promote innovation at all levels of the company.

Basic underlying assumptions

The deepest level of culture consists of shared beliefs that employees frequently take for granted. At Toyota, a fundamental idea is that every employee can help to improve organisational procedures. This belief promotes participative management and encourages people to accept responsibility for problem solutions.

Hofstede's Cultural Dimensions

Collectivism

Toyota promotes teamwork and group collaboration, reflecting a collectivist culture. Employees are encouraged to collaborate to address problems and streamline operations.

Low Power Distance

Toyota encourages free communication among management and staff. Workers are encouraged to offer suggestions and criticism, resulting in a relatively minimal power distance when compared to traditional hierarchical organisations.

Uncertainty Avoidance

Toyota achieves high uncertainty avoidance through a heavy emphasis on quality control, standardisation, and process improvement.

Handy's Cultural Types

According to Charles Handy, organisations often exhibit one of four cultural types: power culture, role culture, task culture, or person culture.

Toyota exemplifies a task culture, in which teams are formed to solve problems and achieve organisational goals. Employees work together to uncover inefficiencies and propose improvements, particularly using the Kaizen system.

This task-oriented culture fosters creativity and adaptability, enabling Toyota to efficiently address operational issues.

Culture and Decision-Making

Toyota's decision-making process is heavily influenced by its organisational culture. The organization promotes participative decision-making, in which employees submit ideas and proposals for improving production procedures.

One example is the Andon system, which allows employees to halt the production line if a problem arises. This exhibits trust in staff and promotes fast issue solving.

However, Toyota's consensus-based method can occasionally hinder decision-making, especially in **large organisations where agreement must be achieved at numerous levels.**

Culture as an Enabler or Barrier

Toyota's culture generally promotes organisational success.

-Enablers

-Strong teamwork.

-Continuous improvement.

-Employee empowerment

-High product quality.

-Potential barriers

-Consensus decision-making could slow strategic developments.

-Cultural variations in overseas marketplaces may present obstacles.

Recommendations

To improve organisational performance, Toyota should examine the following recommendations:

- Enhance cross-cultural management in global operations.
- Accelerate strategic decision-making processes.
- Increase funding for digital innovation and electric vehicle technology.
- Continue to strengthen employee empowerment programs.

Conclusion

From its modest beginnings as a textile company's automobile branch, Toyota has developed into one of the world's most significant manufacturers.

The company's distinctive management style, especially the Toyota Production System and the idea of Kaizen, is partly responsible for its success. Toyota has been able to attain high standards of productivity, quality, and ongoing development because to these ideas.

Toyota has been able to keep its competitive advantage in a continuously evolving industry thanks to its robust product line, global market presence, and dedication to sustainability. The business must, however, keep adjusting to new technological advancements, environmental laws, and changing customer preferences.

Finally, organisational culture has a significant impact on Toyota's structure, decision-making processes, and overall performance. The company's philosophy of constant improvement and respect for people has been critical to its global success. Using theoretical frameworks developed by Edgar Schein, Geert Hofstede, and Charles Handy, the research shows how Toyota's culture influences organisational practices and promotes operational efficiencies.

Although Toyota's culture has numerous benefits, other characteristics, such as consensus-based decision-making, may provide issues in fast changing global marketplaces. Toyota can sustain its competitive position in the global automobile sector by overcoming these restrictions and continuously adapting its organisational culture.

References:

1. [Mullins, L. & Christy, G. \(2016\). Management and Organisational Behaviour. Pearson.](#)
2. [Hofstede, G. \(2001\). Culture's Consequences.](#)
3. [Schein, E. \(2010\). Organizational Culture and Leadership.](#)

4. Handy, C. (1993). Understanding Organizations.