

Toyota Motor Corporation

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Corporate Toyota

The seed of Toyota Motor Corporation (TMC) as first planted by Sakichi Toyoda in 1924 when he invented the Toyoda Model G Automatic Loom before selling the patent to a British company. In 1930, Sakichi's son Kiichiro picked up where his father left off at the time of his death; and started researching small gasoline-powered engines. Seven years later in 1937, Kiichiro established Toyota Motor Co., Ltd.; and the rest is history.

TMC is comprised of fifty manufacturing companies and one-hundred seventy-three distribution centers worldwide. In the seventy-five years of business, TMC has grown substantially and has quite a diverse corporation structure with its many company holdings. The products manufactured or the services offered by TMC range from “producing specialty steel, automobile parts, and electrical components to household appliances, marine vessel engines, biotechnology, real estate, and financial services. (TMC Non-Automotive Businesses, 2012)”

As of March 31, 2011, Toyota Motor Corporation employed 317,716, of which 72 are corporate executives (TMC Executives, 2012) throughout their conglomerate of subsidiaries around the world. They have employees in twenty-six countries and regions around the world, which include the “U.S., Canada, Czech Republic, Poland, and South Africa (TMC Worldwide Operations, 2012)”, just to name a few.

HR Challenges

According to Human Resource Executive Online, in 1997, Toyota's largest U.S. plant at the time experienced their first company altering human resource dilemma with the paint department and sexual harassment accusations. (Liker & Hoseus , 2008) This issue caused a drastic upset across the company. In order to restore faith in the HR department as a whole,

Toyota sought outside consultants to help realign the company's core values within the organization and to restructure a more productive human resource department.

Another human resource challenge Toyota Motor Corporation as a whole would experience are the differences in language and culture, which would be a natural part of business when operating in twenty-six countries.

Lastly, for a global company to convey one company message to many lands, speaking many languages and hold many different culture values could be a challenge in proper translation from one country to another.

Current Legal Concerns

According to the Jere Beasley Report, Toyota has 100⁺ lawsuits against them in California alone because of faulty vehicles that accelerated on their own. (Beasley, 2011) Bloomberg's website reports there are in excess of 400 national lawsuits against them due to the same issue. (Callahan & Cronin Fisk, 2011)

The "Toyota Unintended Acceleration MultiDistrict Litigation (Toyota Litigation Update, 2011)" first came to light "in the summer of 2009 when a California Highway Patrol Officer and several members of his family were killed in a fiery crash. (Eisenstein, 2012)"

Because of the sheer magnitude of the vehicle sticky accelerator issue, both the National Academy of Sciences (NAS) and the National Highway Traffic Safety Administration (NHTSA) conducted investigations of their own. The findings of the NAS and NHTSA were surmised in a press release on Toyota's website in January 2012; which stated "In the report, the NAS noted that the NHTSA decided to close its investigation of Toyota's Electronic Throttle Control System without finding evidence implicating the Electronic Throttle Control System as a cause

of UA. The NAS found that NHTSA's decision to close the investigation was justified on the basis of NHTSA's own investigative work. (TMC - Press Room, 2012)"

In their investigative findings, the NHTSA determined Toyota intentionally delayed action on the sticky accelerator problem and fined Toyota "\$33 million" for the delay. (Eisenstein, 2012)

Toyota continues to face countless courtroom litigations for the suits against them for damaged vehicle repairs, injuries and deaths, and most recently by insurance companies who seek to recover monies paid for insurance claims by policy holders. A judge is set to hear the first case against Toyota in April 2012.

Could HR be to Blame?

Could the recent recall of millions of Toyota vehicles and countless injuries and deaths be caused by Toyota's very own human resource department? That seems to be the case which Dr. John Sullivan's talks about in his article on the HC Online website. Sullivan blames the mechanical failures described above, on Toyota's HR department and states "Toyota's current predicament is a result of poorly designed practices and weak execution on the part of the human resource department. (Sullivan, 2010)"

In his lengthy report, Sullivan lists eight processes he believes are what contributed to the downfall and vehicle failures at Toyota. Those eight itmes have to do with personnel as well as corporate structure at Toyota that leaves room for human error. Sullivan points out that the HR department had insufficient training in place for key personnel; which if proper training was performed, it would have enabled key personnel to effectively "identify and handle situations". Dr. Sullivan goes on to cite poorly designed recruiting practices, a corporate culture that was not

properly monitored by HR, and several other company and department functions that were the root cause of the crash of Toyota. (Sullivan, 2010)

Author's Recommendations for Legal Issue Corrections

If the recent vehicle mechanical issues were indeed caused internally by Toyota's human resource department; and because of poor or non-performance department assessments, failure to hire and/or train skilled personnel, and a lax corporate culture; it would be in this author's opinion that perhaps Toyota should terminate all in-house HR personnel and contract with an outside source (who has no predispositions for or against Toyota), and have them operate on-site on a daily basis to maintain every step of a functional human resource department.

Current HR Issues/International Expansion

One of the human resource challenges TMC would experience is the vast language and cultural differences which are a natural part of operating a business in multiple countries. As stated on their Relations with Employees web page, Toyota list their #1 goal is "Promote bilingualization^(sp) in Toyota" = Activities to improve the English skills of administrative and engineering employees. (TMC Relations with Employees, 2012)"

A second HR challenge they are faced with would be conveying the Toyota Vision of "One Company" to all 317,716, multi-company employees in a manner that each, regardless of their language or culture, can understand and strive to apply.

Additionally, on the Basic Concepts of Human Resources page on their website, Toyota states, "The basis for human resource development is putting the Toyota Way into practice. Toyota is working to develop human resources by seizing times of adversity as opportunities to learn, planning greater enhancement and reinforcement of educational programs based on the

five Toyota Way keywords, and on-the-job training (OJT) essential to the progress and succession of building excellent products”. (TMC Relations with Employees, 2012)

HR Leverage Recommendations

It is in this author’s opinion that the only effective and practical way Toyota will be able to leverage its human resources department, is by an outside and unbiased, HR consulting company. From their sexual harassment claims in 1997 to the sudden vehicle acceleration issues and lawsuits in 2008/2009; it seems the Toyota HR department could have/should have done more to assure proper policies were in place. Such policies would range from hiring skilled personnel and training key personnel, to performing department evaluations and instructing all employees worldwide what is proper and acceptable behavior in the workplace.

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