

CASE STUDY

“TOYOTA WAY” *Continuous Improvement and Respect for People*

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“Toyota Way 2001”

In early 2001, *Toyota Way* was established in order to stimulate business culture and quality in Toyota Malaysia. It was considered vital by Toyota Japan, that industrial growth and development be conducted in a well planned and organized basis. Influential directors of all major units agreed that the organization should have been created to promote industrial growth which thereafter would increased employment opportunities.

In his opening speech at the launching ceremony of “*Toyota Way 2001*”, Fujio Cho, President of Toyota Motor Corporation said “The *Toyota way 2001*”, is the standard and guiding beacon for the people in the global Toyota organization. It expresses the belief and values shared by all of Toyota family. The *Toyota Way 2001* defines how the people of Toyota perform and behave in order to deliver the values of the companies. It functions as an automatic nervous system for Toyota organizations”.

“Two main pillars support the *Toyota way 2001*. They are ‘Continuous Improvement’ and ‘Respect for people’ Fujio Cho continued. “We are never satisfied with where we are and always improve our business by putting forth our best ideas and efforts. We respect people, and believe the success of our business is results of individual efforts and good teamwork. All Toyota team members, at every level, are expected to use these two values in their daily work and interactions”.

Fujio explained that “We need to meet challenges with courage and creativity to realize our dreams. *Kaizen* philosophy, need to continuously driven by improving our business operations and *Kaizen* mind and innovative thinking must be adopted by Toyota people”. “*Genchi Genbutsu*, this practice needs to be achieved whereby we need to go to the source to find facts to make correct decisions build consensus and achieve goals at the best speed”. Toyota people have to respect others. They also must make every effort to understand each other, be responsible and do the best to build mutual trust, stimulate personal and professional growth, share the opportunities of development and maximize individual and team performance.

“It is essential that our global leadership team embraces the concept of the *Toyota Way* in achieving our business goals in host countries which have a wide variety of customs, traditions and business practices’. Fujio Cho, President of Toyota Motor Corporation exclaimed. “I urge every Toyota team member all over the world to take professional and personal responsibility in understanding and accepting the *Toyota Way* “.

Haji Aminar Rashid, Executive Director of Toyota Motor Malaysia, sensed from the speech that top management had clearly been dissatisfied with the quality and the whole organization's culture. He felt the need to do something. He himself used to hear certain outspoken middle managers, stating that all one need to get promoted in the Toyota was through politics; Competence and hard work came second. Certain managers even ventured to question how the Toyota could be any different in the future, if the same attitude of managers remained in the organization. It is also became clear that certain departments and units in the Toyota had become accustomed to 'doing their own thing'. In fact, certain departmental managers had not bothered to inform their bosses of particular projects. Many of the problems had already been recognized but still nothing had been done to solve it.

Introducing Change

Pauzi Hanipi, in his early forties, stood at the window of his second-floor office, situated at Highway Centre, Petaling Jaya, surveying the hustle and bustle below. Since he joined UMW Toyota in 2001, he had seen a lot of changes in Toyota especially in their working culture. The "*Toyota Way*" Philosophy had been well adopted by majority of the people in Toyota. "Continuous Improvement" and "Respect for people" now are already understood and practices by Toyota people.

Pauzi was well aware of the market potential and was determined to see that UMW shares grwoing. He could still recall when he was invited to join the company. The assignment was to inculcate the *Toyota Way* and make sure *Toyota Way* philosophy was well understood by all the people in Toyota. *Toyota Way* were well adopted at Assembly Line but in Sales and Services Division, it was not well emphasized. Unlike in Japan and other countries in the world, UMW group of Toyota Malaysia, put more emphasis on Sales and Services, yet not forgetting the assembly line. Therefore, the inculcation of *Toyota Way* in Malaysia needed to include the Sales and Services group.

Partly, Pauzi was also told to attempt stimulating the managers to become more pro-active as agents of change. Line managers in the organization need to develop greater sensitivity and awareness of market conditions and also become more assertive in their dealings with their business clients. Most importantly, his task was to change the Personnel managers from operating as just administrators to acting as internal change agents or catalysts so that they in turn could help Line managers improve their performance.

UMW Toyota Motor (Malaysia) Sdn Bhd

The company had an employment of 2,200 in 36 branches. The company was divided into five departments: Assembly line, Manufacturing, Sales, Services and Administrations. Each head of departmental had a lot of experience and ability in his own field and his average length of service with the company was fifteen years. Pauzi felt completely confident that he was able to delegate work to his subordinate and they enjoyed a relative degree of autonomy.

Over the years, good rapport was developed between staff and managers, both on mutual personal and technical aspect. Similarly, a good working atmosphere existed within each department and each manager had respect from his staff. Pauzi believed in plain speaking, he would deal with any disagreement between the managers by sitting down with them and thrashing the problem out, on the spot.

However, his assignment was not as easy as he thought. For 25 years, the company had shown their excellence. Profit, branding, and sales were good. For over 10 years, they were the number one car importer in Malaysia, with the highest sales. In year 2002, their total sales was 27,355 units, that were 6.29% of the total market share. This was an increase by 17% from 22,771 units in 2001. Due to this excellent performance, people in Toyota thought that quality was not important to the organization since profit can be developed and entrenched. Therefore, they were resisted to change.

Haji Aminar Rashid, The Executive Director of UMW Toyota Motor Sdn. Bhd. is worried. He believes that everyone cannot be complacent. Due to globalization, liberalization and high competitions, a new strategy is needed. Over the last 5 years, the automobile industry has seen monumental changes as Global Automotive Companies (GAC) have merged, restructured and repositioned themselves into a boundary-less market whereby products, capital and human resources moved rapidly and seamlessly. GAC have realized the urgency to reinvent themselves in order to survive. Along with this, the vital performance parameters of cost, quality, productivity and delivery are under more severe pressure as GAC set up to do battle on all corner of global fronts.

Within our own market place, according to Haji Aminar, “we are not spared of the effects of all these changes. With the coming of AFTA and WTO, GAC are positioning themselves to take advantage of the potential of one large common market. New production factories are being built to produce cars for this region. For Malaysia, despite the deferment of the implementation of AFTA for another 2 years for the automotive industry, the doors will begin to open. Come 2005, we are also going to see new entrance into our market especially the Korean who have, already setting up their bases as a beachhead into Malaysia”.

“In the light of all this, it is essential and imperative that we consider carefully how we should respond to the changes that are so quickly transforming the landscape of our business. As a joint venture company with Toyota Motor Corporation (TMC), our principal partner, we already have one of the world’s best automotive companies to work with. TMC, with their global experience and know-how, will be a strong GAC that can provide us with good and excellent products”. “All the good products will be useless, unless we manage our business with excellence. It is the ability to strategize well, and perfect implementation that will help us move ahead of our competitors and survive in the future. For us, therefore, the acid test is to see how good the quality of our management is when it is stacked against the management know-how of GAC. Quality Management has many parts and components that when adopted and practices together, will provide us with the necessary knowledge, values and process to manage our business with excellence and in time to come, this ability should become our DNA”.

“All these have to change!” explode the Director. “Even though for fifteen years, managers and customers generally have agreed that Toyota Malaysia has done a good job, needs have changed. Many of our way are considered out-of-date and inadequate to meet present needs”. “We can’t stay as we were 10 years ago, with attitude problem, disciplinary problem and having a high turnover rate”, urged Hj. Aminar who is a dynamic, and charismatic man of forties. Hj Aminar had a reputation for sound technical knowledge combined with the ability to motivate his workforce. With an experience of 13 years in Toyota, he has observed the growth of Toyota for those 13 years. Emphasis on quality has started since 10 years ago but only in 1999, Toyota aggressively started to emphasized on TQM after the economic crisis and ‘bubble bust’ in 1996 – 1998 but it failed.

He really hopes that Pauzi Hanipi, his new General Manager in TQM and Learning Division can rebuild TQM within Toyota. “We will adopt TQM or Total Quality Management as a crucial initiative to move the company into the post-AFTA era”, Haji Aminar said. He added “Our singular purpose is to build a strong foundation to survive global competitive forces and most of all, to be able to perform and produce world class level cars”. Pauzi who has 13 years experience in the area of productivity and quality in National Productivity (NPC) and 4 years experience in the same area with TexCham Group of Company is the right person for this job.

Total Quality Management (TQM)

Hj. Aminar Rashid recognized that introducing change had to be done in a planned and organized manner to prevent the present anomalies from ever rising in the future. In an attempt to introduce change, Hj. Aminar held his first discussions with his new TQM and Learning Division manager, En. Pauzi who also recognized that change was necessary and urged that Human Resource Department together with his department should become the agent of change. Moreover, they found that most managers in most departments were still not pro-active or innovative.

Pauzi began his assignment by talking to a selected number of managers in the all department about their work, ambitions, and the role of the department in the future. He realized that most of this selected sample wanted no change. They were content that “they were already the best”. They seemed to be more concerned about their job, role, and degree of authority and status gaps between themselves, than about the future of the organization. Pauzi concluded that most middle managers in the Sales and Service Department did not wish to change. How then to go about introducing change? To be sure of the success of TQM, all divisions needed to be collaborate, but they needed to change first and then think of being under the same roof – Toyota..

It was clear to Pauzi that before any meaningful discussion on the future role of the department could take place, it was necessary to attempt to change the managers’ attitudes. Their complacency had to be broken! The status quo had to be substituted to become effective at stimulating change in the organization. To initiate changes, the concept and values of *Toyota Way* and TQM philosophies need to be introduced in stages. Resistances were tackled smoothly using the concept of “buying off” –a psychological (human) approach to win the staff’s heart.

Stage 1: *Make an attempt to systematically entrench the spirit of “Total Quality Management” within the staffs/employees through corporate guiding values of “Toyota Way”*

A corporate guiding value known as “*Toyota Way*” together with the Total Quality Management philosophies is introduced to the employees in 2001. 2001 was considered as the implementation year. This is where awareness in being created and the foundation of TQM is being set. First year is also called the development year. This was the first time where Quality Control circles (QCC) and visual management was introduced.

Stage 2: *Gaining Top Management Support and Employee Involvement*

Second year was the year of Benchmark. It was also a year of “Road show” to meet all managers from 36 branches as part of “buying off” concept. A concept of “Junshi” or management by walking around was also introduced. It is where the top management will go and meet the employees at their workplace and during the “visit” staff/employee (members of the quality circles) can directly present their ideas for improvements or even grievances directly to the top management without fear.

‘*Obeya*’ room or communication center and *Kaizen* department were developed to encourage participation among staff and to pool ideas created by Line managers from all units and branches. This is to develop innovative thinking among Toyota people.

Stage 3: *Quality Circles and Team Building*

Quality circle concept was introduced and encouraged among the employees, that was ‘*Hoshinkanri*’ where everybody must have same mission and same direction. The concept of “*Learning by showing*” was also implemented where TQM as an agent of change need to portray the good behavior and implement positive work culture. Concept of empowerment is also introduce by giving the power to the lower staff to make decisions.

The Change Programme

The sudden sound of voices in the corridor made Pauzi jumped. He looked at his watch. It was after 8 p.m. and he cursed himself for having to work late again. But, despite the long hours and the pressure, he enjoyed the job, and it was important. He was working on quality management for more than 3 years now, and need to be reported at the Directors’ meeting tomorrow. He was satisfied. He managed to prove to people in Toyota that TQM could boost productivity despite the increase in cost. The QCC (Quality Control Circle) activity and 5S activities (Visual Management Activity) were well supported by both Line staff and managers. The attitude of “*Why should we waste*

time doing this, it is better if we chase after the customer” was changed when they realized that *“Customers don’t want to be chased, the quality will attract them most”*.

He remembers when he had sidetracked by petty disagreements and people’s ‘politics’ with him. He was having trouble motivating middle managers especially in Sales and Services Department. He used to hear Ah Meng Sales Administration staff was ribbing Aini his secretary about the ‘development’ programme he had gone to once. The course had not gone as well as expected, and Ah Meng always used this to excuse himself from going for other course. ‘We are the survivors,’ he could hear Ah Meng saying, ‘what can they teach us in a course that we have not undergone.’

Pauzi did not want to get into any more wrangles over development. Ah Meng was a good worker, but he had the same set ways and attitudes, and he always seemed to be poisoning others’ mind. Pauzi had given up trying to change him but he believes that it is not easy to “buy off” with the people or the management, and it is not easy to convince people to accept the new concept.

Recalling all of that makes him want to turn back. But now he’s happy, and hopefully his Executive Director will also be happy. Toyota in 2004 has 150 circles in QCC activities throughout Malaysia, which involve 1,200 Toyota people as compared to only 80 circles in 2001. That is a great achievement. Discipline, commitment and absenteeism problems have been improved so as the turnover rate. Absenteeism was reduced to 6% for the second quarter of 2004 as compared to 7% in the first quarter and Pauzi is quite sure that it can be eventually reduced to 0%. Turnover however, is 5% in second quarter of 2004 and the customer satisfaction rate and resolution lead-time is 96% and 4 days respectively. Productions were expected to increase to 79,935 units in 2004, with average unit production of 219 per day.

Conclusion

TQM is really a mission to manage with excellence. It is a way to draw upon all the experience, knowledge, know-how and skills of the people in an organization to work with a purposeful fervor to achieve world-class results. “If we can match Excellent Product with Excellent Management, then we would have delivered meaningful satisfaction to all our shareholders, employees and customers”. That is the belief that needs to be hold by people in Toyota. The *“Toyota Way”* of life.

ANALYSIS

Questions

1. **Assess/identify what are the human resource issues describe in the case?**
 2. **Do you think that UMW Toyota Motor Sdn Bhd. has a good organizational development (OD) program? Describe.**
 3. **Do you think that human resource approach is important and play a major role in helping UMW Toyota Motor Sdn. Bhd. to entrench the Total Quality Management values among the organization staffs? Discuss.**
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Answers

1. Basically two main human resource issues can be identified from the case. The two issues are: (1) “resistance to change among the middle level managers and sales and service staffs” and (2) “the role of human resource division and total quality management and learning centre division” in helping the UMW Toyota Motor to establish its TQM culture and values.

It seems that the managers and staffs of Toyota sales and service centers are resisted to accept and adapt to changes when the management want to introduce and implement new organizational culture. According to Encik Pauzi Hanipi, the General Manager of TQM and Learning Centre Division, “...one of the biggest obstacles in implementing TQM is the people - that is their resistance to change”. This is because the staffs feel that there is nothing wrong with the current work practice – therefore there is no reason for them to change. Furthermore the excellent performance of Toyota in the Malaysian marketplace for the past ten years make them to believe that changes in relation to quality improvement is not important and not even necessary (needed).

The existence of such “negative behavior” within the organization creates one big challenge on the part of the Toyota Human Resource Division and the Total Quality Management and Learning Center Division. Both divisions have to identify the best way to solve and handle the “resistance” problem. The management at Toyota Motor believes that “people” is an important asset to an organization, if they are not handled properly the existing problem will not be solved and it could lead to/cause another problem.

2. In order to survive and prosper in today's highly competitive global environment, organizations have to be transformed into market-driven, innovative and adaptive systems. According to Mondy and Noe (2005) many firms respond to this urgent need by practicing organization development – or in specific - a human resource development approach.

What is organizational development? Organizational development is "... the planned process of improving an organization by developing its structures, systems, and processes to improve effectiveness and achieve desired goals" (Mondy & Noe, 2005) and it is considered as the major means for firms to achieve change in the corporate culture.

Did UMW Toyota Motor have a good organizational development program to support its activities? The answer would be "Yes". The bases for such claim are:

UMW Toyota Motor introduces the corporate guiding values known as Toyota Way and make an attempt to systematically entrench the spirit of "Total Quality Management" within the staffs/employees

UMW Toyota Motor Sdn Bhd realized that they cannot be complacent with their current status. According to Encik Aminar Rashid, with the globalization and liberalization of market and the implementation of AFTA in 2005, Toyota Motor has to do something in order to secure its current position as the top or leading non-Malaysian car brand (in terms of sales) in Malaysia. To do so Toyota Motor believes that "Toyota people... should have good quality". Having good and quality staffs will enable Toyota Motor to differentiate itself from the competitors and contribute to the society through the practice of manufacturing high-quality products and services. Due to that the corporate guiding values known as "Toyota Way" together with the Total Quality Management philosophies were introduced to the employees in 2001.

The first attempt to implement TQM program in Toyota Motor in 1999 failed. The failure is subject to employees' resistance to accept changes. However when a new General Manager for TQM Division was brought in to overcome the problem, he started to search for the cause of the problem by working closely with the staffs. From the study and also observations he found that the failure to implement quality management is related to the attitude and the mentality of the staffs. The staffs believed "they are already the best" and are more concerned about their job, role, degree of authority and status differences between themselves, than about the future of the organization.

To initiate changes, the concept and values of Toyota Way and TQM philosophies were introduced in stages. Resistances were tackled smoothly using the concept of "buying off" –a psychological (human) approach to win the staffs "heart".

Top Management Support and Employee Involvement

The top management of Toyota Motor Sdn Bhd. seems to give their full support to the HR and TQM/LC divisions to facilitate the introduction of the “new culture”. A concept of “Junshi” or management by walking around was introduced. It is where the top management will go and meet the employees at their workplace and during the “visit” staffs/employees (members of the quality circles) can directly present their ideas for improvements or even grievances directly to the top management without fear. This practice indicates that everybody in the organization is given the opportunity to give inputs or opinions. Good ideas will be celebrated and rewarded instantly. Previously staffs tend to have a feeling of “inferiority complex” which hinders them from communicating good ideas to the organization management.

Quality Circles and Team Building

Quality circle concept was introduced and encouraged among the employees. During the first year of its introduction (in 2001), there was only 80 circles and the number has increased to 150 in year 2004. Almost 65% of the total UMW Toyota staffs/employees are now involved in the QCC.

The implementation of the concept “Learning by showing”

It is where the Total Quality Management and Learning Centre Division has been projected as the agents of change. The top management believed that in order to change the staffs’ attitude and mentality, the change agents must firstly portray the good behavior and implement positive work culture.

Empowerment

Staffs are given the power to make decisions on things that are relate to their job.

3. Yes.

Through the implementation of the “buying off” approach – where the General Manager and his staffs went to every Toyota Motor branches, sales and service centers all over Malaysia to meet personally with the staffs – they managed to change the attitude and the mentality of the staffs towards the entrenchment of Toyota Way values and the implementation of Total Quality Management programs.

The acceptance level towards TQM is increasing and improving from time to time. With the implementation of the new culture the number of quality circles in UMW Toyota Motor has increase from 80 in 2001 to 150 circles in 2004. Discipline, commitment and absenteeism have also improved as well as the turnover rate. Absenteeism was found reducing to 6% for the second quarter of 2004 as compared to 7% in the first quarter. However UMW Toyota Motor believes that it can be reduced to 0% after the quality culture is fully adopted through out the organization and across branches.

Appendix A

Toyota - House of Total Quality Management (TQM)

1. Vision

The vision for UMW Toyota is to become the leader in the automotive industry through providing quality of product (vehicle), Services (sales and Aftersales) for customer satisfaction

2. Roofs

The roof of the TQM house consist of Management and Leadership, Core Values, Standards and SOP's, and Training and Education

Management and Leadership

The ability of management to strategize and implement a long term vision for the organization and develop a long range business plan that driven by changing environment, market and customer needs. Leadership requires us to keep an eye on the future and initiate changes and integrate such changes throughout the organizations.

Core Values

These are the values that shape the way the people in the organization behave and work among themselves. Such values will guide us to develop a strong and positive organizational behavior that will bring about consistency in our approach towards our work.

Standards and standard operating procedures

We must appreciate the standards that we need to attain and the level of excellence that we have to acquire. The spirit of challenge and the confidence to pursue the ultimate benchmark will be a source of inspiration for the organization. Similarly, there is a need for a strong technical system in which we run our business. Such a system will include standards and SOPs that will clearly define what are the desired results and how to proceed in an orderly and efficient manner to achieve those results.

The standards and SOPs require us to think carefully and deeply about internal and external factors that have impact on our business. Most importantly, it require us to think thoroughly what we must do in order to achieve a certain set of consistent output and good results. It will require us to draw upon our experience and logic to ensure we minimize unknown factors and avoid mistakes that can negatively affect our required output.

Training and education

Focus on creating and developing a learning organization that believes in constantly acquiring knowledge, skills and know-how and applying such knowledge in their work. Such education and training is to develop a thinking organization that can understand the purpose of its existence and challenge itself to be the best through the acquisition of knowledge, skills and know-how.

3. Pillars

There are three pillars of the TQM House define the fundamental way we understood, analyze and control our business.

Fact and visual management

In order to plan to do anything, we must be able to grasp the real situation. This means that we must seek and hear for ourselves the actual working condition whether this is a market place, a service center or anywhere where that activity is being done. Only then can we understand the facts and the dimension of the activity or the problems. Observing the actual operations will also help us to visualize other possible problems. On site observations and recording of real data will provide us with facts to manage and control our business well. Simply put Genchi – Genbutsu: “see for yourself, hear the problems and speak with fact”

Total involvement and communication

For an organization to pull in a single direction, total involvement of the people in the organization is necessary. Communicating to the people in the organization the reasons for their existence and purpose of their effort is vital in the smooth implementation of our company’s business plan and initiatives. Each person in the organization must understand his or her role, their responsibilities and their part of work necessary to deliver to the bigger overall results. Involvement creates commitment and communication provide the clarity of the purpose of doing things.

Continuous improvement or “KAIZEN”

To continuously improve or challenge the status quo, the attitude of always wanting to improve on the current situation is a prerequisite to develop a thinking organization. Continuous improvement is a culture where the organization continuously challenges itself to always do better, to always raise the standard to another higher level. Through Kaizen, the organization is always thinking, always improving and most of all, continuously acquire and accumulate experience, knowledge and know-how.

4. Foundation

The foundation of our TQM is the PDCA (Plan – Do – Check – Action) cycle.

PDCA is a process to always check our result against our plan to spot our variances, find out the root cause of these variance and take countermeasures to eliminate the problems. more important PDCA is an activity that will constantly ensure that the company is moving forward in the right direction, to make sure that the result we want can be achieved at the right time. PDCA is also a process where the organizations applies its experiences, knowledge and skills in the plan stage and refines these experience, knowledge and skills through the check stage. Through continuous PDCA's of each activity at different levels of the organization, we can ensure a better chance of success in achieving our plan for the entire organization.

Appendix B

The Toyota Way 2001

- CHALLENGE
 - KAIZEN
 - GENCHI GENBUTSU
 - RESPECT
 - TEAMWORK
- ***Challenge - We form a long-term vision, meeting challenge with courage and creativity to realize our dreams.***
- Creating value through manufacturing and delivery of products and services
 - We believe that our fundamental mission is to contribute to the economy and society through creating value, mainly by manufacturing high-quality products and providing related services.
 - We make possible improvements in global living standards by utilizing human, financial and material resources in ways that make productivity greater and add value, benefiting both our company and our host communities.
 - The production of goods and services with high added value enhances personal growth, and the benefits to science, technology and advanced knowledge promote greater social advancement.
 - Competition further improves our organization and its ability to add more value.
 - Spirit of Challenge
 - Sprit of challenge; a drive for progress
We accept challenges with a creative spirit and the courage to realize our won dreams without losing drive or energy. We approach our work vigorously, with optimism and a sincere belief in the value of our contribution
 - A sense of self-respect and self-reliance, and the acceptance of responsibility
We strive to decide our own fate. We act with self-reliance, trusting our own abilities. We accept responsibility for our conduct and for maintaining and improving the skills and enable us to produce added value.
 - A sense of self-respect and self-reliance, and the acceptance of responsibility

We strive to decide our own fate. We act with self-reliance, trusting in our own abilities. We accept responsibility for our conduct and for maintaining and improving the skills that enables us to produce added value.

- The acceptance of competition
 - We welcome competition, knowing that we will learn from the challenge and become stronger because of it. We demonstrate respect for our competitors and fairness in the competitive contest, even as we maintain our fighting spirit and our will to win.
- Long-ranged perspective
 - Foresight and long-range projection
 - Current trends are assessed in light of a longer-range vision of as much as ten years
 - Long-Term planning based on facts and a realistic view
 - Long range plans are built from facts and actual events, and provide for flexibility to accommodate changing situations.
- Through consideration in decision-making
 - Focus on concrete proof/exhaustive due diligent
 - Actions are undertaken only after thorough study and testing to determine what must be done
 - Risk Taking
 - Decisions are made within an awareness of risks, contingencies and available hedging methods
 - Prioritization
 - Priorities are established and resources concentrated for the greatest possible outcome
 - Total optimization
 - Decision-making is oriented toward improvement and optimization as a whole company, with barriers between functions and organization removed. When issues arises among divisions, decision-making is facilitated by cross-divisional project teams or upper level management.
- ***Kaizen – we improve our business operation continuously, always driving for innovation and evolution***
 - Kaizen mind and innovative thinking
 - Relentless efforts for continuous improvement
 - We are relentless in our pursuit of improvement, never easily satisfied, constantly making improvement efforts and steadily encouraging innovation

- Achievement in single thrust
 - Once a decision is made, concerted are made for intensive action to meet deadlines
 - Pursuit of complete achievement / constant problem-solving
 - To achieve a goal, we follow up progress with the PDCA method and work persistently to eliminate obstacle.
- ***Respect – we respect others, make every effort to understand each other, take responsibility and do our best to build mutual trust***
 - Respect for stakeholders
 - Our company owes its existence to the support and satisfaction of customers, stockholders, employees, business partners and host societies who derive benefits from the added value Toyota provides. Our continued success depends on providing ever greater satisfaction of customers by placing their interest ahead of all others.
 - Mutual trust and mutual responsibility
 - We must trust our team members, provide opportunities for personal growth, foster the realization of their abilities, and compensate fairly all individuals contributions.
 - Team members must exercise their abilities and take responsibility for improving the company and contributing to its results and growth.
 - Toyota produces steady improvements in working conditions and opportunities for growth, personal development and job satisfaction.
 - Individuals share responsibility for helping to produce results, determining their job and career paths, and improving their abilities.
 - Individual efforts are evaluated fairly, with compensation based on the Company’s business performance and the contribution of the associate.
 - Sincere communication
 - Openness and acceptance of differences
 - We honor the laws, traditions, ceremonies, symbols and observances of all the world’s cultures. As global citizens, we demonstrate respect for other cultures and welcome the contributions of people of all races, faiths, and beliefs. Diversity, one of Toyota’s main strengths, draws on the varied talents of people with diverse customs, education, training and work habits.
 - Fairness and willingness to listen
 - We treat all others fairly. We listen attentively to all rational opinions, including those that differ with our own.

We bring all team members together to share values in a team whose results exceed the total achievement of the individuals.

Through coordination and collaboration, the contribution of the team is greater than the sum of its member.