Cultural Diversity Strategy of Toyota Motor Corporation

Posted on June 5, 2023

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Introduction

Multinational corporations, massive organizations and medium to large size companies confront multiple issues that hinder their progress and growth worldwide. Sometimes, these issues may have the potential to boost the company's progress in the vicinity of the global market. One such top-ranking aspect that most global companies face is cultural diversity. Employees from different cultural backgrounds need the immense attention of policymakers to formulate such a comprehensive strategy to boost their potential instead of becoming a problem for the company. In this context, cultural diversity and inclusion may become a blessing in disguise, and companies transform such issues into assets for better progression (Koohang et al., 2023, p. 735-765). For compiling a comprehensive report on cultural diversity strategy, Toyota Motor Corporation is selected as a prestigious and concerned company. This company has a marvellous history of decades of flourishing its business around the globe in several capacities and a huge list of products. However, this report will explore the overview of Toyota Motor Corporation, its organizational introduction, comprehensive analysis of diversity management level, and evolution of cultural diversity in alliance with the designing of organizational strategies.

Company Overview: Toyota Motor Corporation

Toyota Motor Corporation, established decades ago in 1937 with headquarters in Tokyo, Japan, is an automotive manufacturing multinational company. Based on its wide range of services and products, it has become a globally renowned and a leading icon in the automotive sector. With extensive experience, the company is committed to innovation and sustainable development by focusing on hybrid and electric vehicles in alliance with traditional vehicles. In this way, the company is a pioneer in hybrid technology with a primary focus on eco-friendly transportation. Technological advancement, a sustainable environment, greener transportation facilities, and reduced carbon emissions are Toyota's core objectives. Toyota mainly prefers research and development of automotive innovations to achieve these goals. Hence, the company invests huge resources in emerging technologies to incorporate the latest technologies in the automotive industry (Toma and Naruo, 2017, p.566-580).

Organizational Introduction

Toyota Motor Corporation is a massive company with an enlarged and diversified organizational set-up. Having branches in all regions and big countries around the world, Toyota has evolved a complex and comprehensive organogram with numerous departments and divisions. Each unit is responsible for specific functions and ultimately adds to the growth and progress of the company. Hence, it operates in numerous sectors within the range of the automotive industry, including passengers, baggage, commercial and luxury vehicles. The product portfolio is diverse, including cars, SUVs, trucks, and modern electric and hybrid vehicles. Popular car models include the Toyota Camry, Corolla, and Prius, while truck models may range from Toyota Tacoma to Toyota Tundra. Meanwhile, other than multiple sectors, Toyota also handles a broad-based customer range, including corporate industrial units and fleet buyers, in alliance with individual customers (Toma & Naruo, 2017, p. 566-580). The company tries its best to meet the needs and preferences of tribal and city populations in alliance with rural cultures.

Additionally, other than vehicle manufacturing, Toyota also has numerous range services, which are also trademarks. These services may include after-sale practices, repair-maintenance options, spare parts auctions, customer satisfaction and service centres, etc. Similarly, it provides professional support and guidance in the form of dealerships around the globe in alliance with financial services, including lease options on particular terms and conditions. Further, Toyota's customer range may include business and organizational requirements as well as individual needs. The company can also efficiently entertain multiple purposes like logistics, corporate, and transportation. In addition, Toyota's core characteristics are durability, enhanced quality, incorporation of modern technology, and sustainability.

Level of Diversity Management Development Analysis

For Toyota Motor Corporation, the level of diversity management development needs a comprehensive analysis revolving around policies, practices and overall initiatives that the company takes from time to time (Jones & Sopiars, 2018). Based on available information about Toyota, it can be estimated that the company is inclined to be committed to cultural diversity. It actively promotes cultural diversity and inclusion in the workforce to counter global competition (Toyota Motor Corporation, 2022). In this context, the company focuses on the significance of diverse perspectives to drive an innovative environment by utilising all the available resources. Toyota has initiated various programs within the organization to substitute diversity among the workforce on a priority basis. In addition, a dispute settlement cell is established to settle all the issues among employees. The significance of this centre lies in the fact that it provokes training and awareness among the workforce of different backgrounds instead of punishment philosophy. Hence, it indicates that a high level of diversity management development exists in the organization to meet the challenges.

Stage of Diversity Management Development for Toyota:

Toyota Motor Corporation can be classified as a company which is currently in the “Cultivating Diversity and Inclusion” stage. This stage is characterised as the integration of inclusion and diversity amalgamation in policies, activities and culture of the company. At this stage, the company has taken multiple steps to promote these features among its employees. From recruitment strategies to training schedules, Toyota has enacted grouping and networking policies to implement diversity and inclusion. Additionally, the production drives, manufacturing procedures, and business strategies are aligned with the diversity of this organization. The decision-making authorities are well aware of the needs of their global customers with diversified cultural backgrounds. So, they consider a wide range of inclusion among several quarters of the organization. Meanwhile, the evaluation and monitoring of diversity initiatives ensure top management’s devotion to embracing diversity.

Organisation’s Characteristics and Motivation to Incorporate Diversity Practices:

Toyota has shown a strong commitment to entertain diverse cultural practices concerning a diverse workforce. The primary motivation behind such emphasis revolves around the target fulfilling the desires of the company, which is attributed to different key factors. These factors may encompass inventions, new horizons in the automotive field, capturing vast market share by satisfying customer slots and promoting impactful corporate cultures (Toyota Motor Corporation, 2022). Meanwhile, several characteristics that are in agreement with the motivational dimensions are decisive in incorporating diversity practices and inclusions. These characteristics revolve around the strategies devised to accomplish recruitment procedures, intensive training programs, and employee networking systems. All these characteristics contribute towards a highly positive environment in the company, even if there are huge cultural differences in its foundations. In addition, these characteristics leave lasting impacts necessary for behavioural changes and are also required for the company’s efficient functioning.

Evaluation of Cultural Diversity

Current Organizational Approaches to Cultural Diversity and Inclusion:

Toyota Motor Corporation is deliberately inclined to multiple approaches concerning cultural diversity and inclusion. The said organization strives for a diverse workforce as it knows the value of an

inclusive environment for the development and growth of the company. The employees ‘ multiple cultures and various cultural backgrounds ensure a variety of experiences in the company, which ultimately leads to unique growth perspectives. One such approach is a training program in which Toyota implements massive diversity. Through these programs, the company ensures that its workforce is educated to adopt inclusive behaviours by spreading awareness and illuminating cultural differences. In this way, the company promotes an inclusive environment among employees with the help of various tools and specified knowledge about diversification (Toyota Motor Corporation, 2022).

Similarly, another approach adopted by the company is to formulate affinity networks or ERGs (employee resource groups). These aim to get employees to come together from different backgrounds and support each other even if they have different cultures. In this way, a diversified culture may contribute to initiating a supportive environment in the company. In addition to training and group formation, Toyota also accepts diversity during recruitment campaigns and talent hunt programs. From the employees’ recruitment drives, the company establishes a strong foundation of cultural diversity and allows the massive majority to join the organization with different backgrounds.

Business Challenges:

However, cultural diversity can significantly impact businesses in various ways. Two key business challenges where cultural diversity plays a crucial role are global expansion and effective communication. Any company, when expanding into a new region, area or market, is usually confronted with such cultural values, customs, norms, traditions and practices. These confrontations leave lasting impressions on customer preferences, demands, behaviours and business practices. So, failure to understand these differences and their timely adoption hinder the success rate of the company in new market trends. For example, product localization, market trends and customer relationships revolve around the particular business etiquette of specific regions. Hofstede’s Cultural Dimensions Theory identifies power distance, collective wisdom application, and uncertainty avoidance as factors that shape individual behaviours. The application of this theory may assess cultural differences and help devise strategies to counter the negative impacts of cultural diversity during global expansion. So, companies become direly bound to embrace and formulate policies to effectively counter and succeed in global expansion (Hofstede, 2001).

Furthermore, cultural diversity poses massive challenges in the context of communication within an organization. In this way, language proficiency, non-verbal gestures, lingual styles and specific communication signs influence the smooth running of a company’s work when employees of different cultures come together. In such situations, misinterpretation and misunderstanding may lead to chaotic circumstances by ceasing teamwork and collaboration. So, companies need to ensure cross-cultural training for employees and clear communication channels to promote cultural sensitivity among employees (Gudykunst & Kim, 2003). Correspondingly, the Intercultural Communication Competence (ICC) model emphasises developing some skill-based strategy to counter intercultural communication barriers. For this purpose, the model provides guidelines for organizations to enhance

cross-cultural communication abilities by designing various training programs.

Organisational Strategies

Strategies for Diversity and Inclusion at Toyota Motor Corporation:

Several strategies can be planned to ensure and enhance value through diversity and inclusion in the Toyota Company. The foremost significant strategy is improving cultural competency among employees through the training modules. These would be concrete sources for a comprehensive understanding of various traditions, customs, cultures and styles of communication. In this context, not only the employees of the company but also the customers with diversified backgrounds can be entertained in an effective manner (Kalev et al., 2006, p. 589-617). Similarly, another strategy may revolve around the mentoring and sponsorship program for the employees to gain in-service opportunities. Mentoring may allow the company authorities to pair those employees with cultural differences, which ultimately helps to mitigate differences. In addition, it will enhance inclusivity within the vicinity of Toyota Company.

Additionally, another strategy that may prove fruitful is increasing diversification among the top leadership and decision-making authorities. In this way, the representation of different cultural backgrounds at higher levels in the organization may pave the way towards several benefits. These may include a broad range of insights, impactful decision-making, and novel, innovative ideas (Catalyst, 2021).

Transforming Challenges into Opportunities:

In diverse cultural settings, global expansion and effective communication may be labelled as the primary challenges with lasting impacts. However, Toyota can transform these challenges into fruitful opportunities which ultimately add value to the organization. Firstly, the company can pull cultural diversity to obtain favours from the global market. The incorporation of diversity can attract customers from multiple cultures who resonate with the products. In addition, it may increase the customer satisfaction level, which expands the market share for the company at the global level (Moran et al., 2014, p. 1278-1294). Correspondingly, diversity may accelerate creativity and ponder innovations within the company. Sharing unique ideas, experiences, and opinions of a culturally diverse workforce would result in new products. As a consequence, the growth and development of the company will touch the sky (Hülsheger et al., 2009, p. 1128-1145). Similarly, overcoming communication barriers at Toyota may lead to informed and updated decision-making. The company, in this way, utilise collective wisdom to ensure successful outcomes in the presence of a diversified culture. In other words, by addressing the challenges effectively and turning them into opportunities, Toyota can strengthen its internal operations concerning cultural inclusion.

Consideration of Multiple Perspectives:

The proposal of strategies for inclusion and diversity at Toyota needs to consider various perspectives, including top leadership, the culture of the organization, teams and staff members, etc. Concerning the leadership perspective, it is pertinent to mention that leaders are key stakeholders in shaping cultural diversity. Leaders are responsible for setting the tone from top to bottom for diversity, promoting an inclusive mentality, and ensuring accountability (Hunt et al., 2018). Similarly, the organizational culture perspective cultivates new values in the organization. These may revolve around the promotion of opportunities, enhancing collaboration, and mutual respect among workforce members. Comprehensive training, updated policies, and a rewarding environment are helpful in achieving these benefits (Schein, 2010).

Moreover, cultural diversity among team members leads to creativity, enhances problem-solving ability and develops numerous ethical norms. For team members, it provides a broad platform where knowledge sharing through dialogue increases the efficiency and performance of the team. It is also pertinent to mention that the experiences of staff members play a key role in developing diversity and inclusion strategies. Vast opportunities, employee feedback, and group-focused surveys may be results which ultimately ease the decision-making processes.

Addressing Cultural Differences:

For consideration of devised strategies, several proposals may be helpful to mitigate the negative impacts of cultural differences. Various training programs at leadership and employee levels can be effective in understanding multiple cultures. These training programs may equip the participants with the required skills and communication options to intermingle with different cultures (Gudykunst & Kim, 2003). Similarly, ERGs (Employee Resource Groups) elaborate diversity by providing experience-sharing platforms. Such grouping lessens the cultural gaps and creates a balanced team of employees within the organization. Above all of these, the most impactful accommodation is the development of inclusive policies. The policies and practices thereupon should be flexible according to different cultures, including cultural holidays, and respect the values, beliefs, customs, and traditions of others for a better working environment (Moran et al., 2014). However, the incorporation of these suggestions may enable Toyota to devise an environment that is more efficient and working-oriented. These suggestions enable employees to work in collaboration, have mutual respect for organizational development, and also satisfy their respective authentic selves.

Motivating Toyota to Adopt More Cultural Diversity:

Certain strategic options can be suggested and implemented to motivate Toyota Motor Corporation to accept cultural diversity. The first one is emphasizing the positive glimpses of cultural diversity at the bottom line of the company, which enhances organizational performance. Research demonstrates

that an inclusive environment amplifies the business potential of large companies by enhancing innovation and matching the needs of the stakeholders, i.e., customers. So, Toyota must take steps to promote cultural diversity initiatives. Another motivation is the alignment of diversity with Toyota's vision and values. Achieving a company's strategic objectives requires cultural diversity, as its customers range from multiple ethnic, cultural, and religious backgrounds. So, continuous improvement needs the top leadership to devise an inclusive environment, which will ultimately lead to customer-centric policies (Schein, 2010).

Another motivation is the demonstration and showcasing of success stories. Sharing examples of multiple organizations may provoke Toyota's interest in embracing cultural diversity. The automotive industry, IT industry, and media industry are well-known examples of inclusive environments that have played a vital role in development. Several companies have earned high-level achievements, such as customer loyalty, massive market share, and employee satisfaction. Such stories serve as a motivational and inspirational source for Toyota to adopt evidence-based policies revolving around cultural diversity (Bresman et al., 2016, p. 343-366).

Justification through various Theories, Models, & Concepts:

In the context of motivation, several theories and models can be demonstrated for the adoption of cultural diversity. For example, Social identity theory implies that individuals from different backgrounds drive and absorb their self-belonging and importance from social groups. In addition, the Inclusive Leadership Theory proposes that leadership in organizations earn employees' contribution and empowerment if they embrace diversity (Nishii & Mayer, 2009, p. 1412-1426). Similarly, the Resource-Based View Theory implies the strategic importance of organizational resources. A wide range of experiences, skill sets, and a knowledge-oriented and diversified environment enable the leadership to manage resources successfully. So, Toyota has the brilliant option to adopt cultural diversity, which may result in an overall increased global market share.

Conclusion

From the above discussion, it can be concluded that Toyota Motor Corporation is an iconic organization in the corporate sector around the globe. Considering its massiveness, the report examines diversity management development at Toyota in alliance with its current stage from different perspectives. For better performance, Toyota is committed to fostering diversity and inclusion as an asset by adopting various approaches. In this context, global expansion and communication barriers are significant challenges that direly need decision-makers to design multipurpose strategies. Several proposed strategies in this report highlight the business benefits of diversity and motivate Toyota to embrace diversity and convert challenges into opportunities. However, various theories and models like social identity theory and inclusive leadership theory help top leadership to take essence from experts and align things in a better way. The need of the hour is

to take deep consideration of the proposed strategies in this report for positivity and progression.

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