Toyota motor corporation management of knowledge

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ABSTRACT

Knowledge is the most crucial production component after labor, land, and money. It is essential for the growth of an organization; therefore, how it is obtained, disseminated, and controlled matters. Knowledge management has grown in importance for the long-term sustainability of businesses in the marketplace. Every company's main activity is acquiring, applying, and storing knowledge. Toyota Motor Corporation is a powerhouse in the motor industry. Toyota Motor Corporation came to light in 1937 and had its headquarters in Toyota City, Japan (Loyd et al., 2020). This study aims to analyze the knowledge management of Toyota Motor Corporation. This has been achieved by looking at Toyota Motor Corporation's approaches to managing knowledge and later using it for strategic organizational learning. Also, this study focuses on the company's utilization of tools and frameworks. Other elements, such as the sustainable competitive advantage, the benefits of knowledge, and managing firm changes, have been critically evaluated.

Key words: Toyota motor,

INTRODUCTION

Approach to strategic management of knowledge and organizational learning

Strategic management of knowledge

Strategic knowledge management uses organizational skills to harness external and internal sources to produce value and long-lasting competitive advantage (Ioannis and Belias, 2020). Toyota has a comprehensive strategic approach to managing knowledge and how it conducts its organizational learning. The knowledge base must be strategically acquired to manage and utilize the ability to benefit a company such as Toyota. To begin with, it is essential to note that Toyota has Tahara, Tsutsumi, Motomachi, and Takaoka as their domestic base vehicle production plants (Suh, 2017).

Toyota is consistently improving and managing knowledge, either through the Toyota Production System, which streamlines explicit information for simple storage, sharing, and reuse, or through the improvement of infrastructure, making it easier for employees to communicate while dispersed across a large geographic area, which is especially important given that they deal with tacit knowledge (Suh, 2017). A well-planned, organized knowledge strategy supplements Toyota's business strategy. It strengthens its competitive position by ensuring that technical information and industry standards are accessible and trackable by company employees and may be used to produce value.

Within an organization, strategies frequently come into existence relatively fast, with the primary factors being how alterations will be exploited to the company's advantage (Ioannis and Belias, 2020). The group of leaders will develop several strategies and evaluate them based on their merits. Although this can aid in laying the groundwork for a plan, much more elements must be
taken into account to create a comprehensive strategy for the training and development of employees (Ioannis and Belias, 2020). The ecosystem in which the firm performs, its rivals, and the values and principles of the business and its employees, should all be considered when developing strategies. Although institutional strengths and growth prospects are sometimes ambiguous, they must be taken full advantage of.

**People**

Toyota adopts the bottom-up approach of organizational style where the workers are organized into groups called QC circles responsible for producing the Kaizen ideas for the company, either individually or through their respective groups (Suh, 2017). At the top of the ladder are the group leader and the chief leader. Toyota also has chief engineers at the OMCD who are responsible for diffusing certain vital philosophies of the TPS and other essential plant activities.

**Process**

One of the company’s significant sources of knowledge diversity involves the production floor workers generating ideas (Ngcapu et al., 2020). The group leader and the chief leader design the strategies. Within the company, there is also the OMCD, a department under the production management division (Suh, 2017). The company has multidivisional motor plants. The global production center and the operational management consulting division are the main connection points for the entire process.

**Platform**

Platform refers to an institution’s utilization of technologies and other auxiliary functions to systematize and operationalize knowledge management operations (Ngcapu et al., 2020). Through the GPC, the unit responsible for passing fundamental skills to skilled and under-skilled workers, Toyota uses digital platforms to disseminate knowledge (Suh, 2017). There are computer-based videos, animations, videos, and other forms of visuals. They can illustrate the instinctive parts through animated films and other instructional films. Workforces initially comprehend these indispensable abilities through audiovisual guides, after which they use training amenities to strengthen these aptitudes. In other words, the GPC visual handbook has standardized the core skills formerly taught informally through on-the-job coaching on the factory floor.

**Partnership**

A partnership is another critical aspect of Toyota’s strategic management of knowledge. The direct involvement of hierarchies at each plant facilitates the transfer of knowledge. General managers of manufacturing departments meet once helpful information is shared among the four operational floors (Suh, 2017). Additionally, there are subcommittees, public managers meetings, section managers meetings, and operational floor meetings, which ensure close interactions. The four operational floors have their means and ways of carrying out the manufacturing techniques and processes, and it may resolve not to integrate advantageous elements of other functional floor information (Suh, 2017). There are limitations on the dissemination that occurs through these direct links since operational plants always compete to be the most productive and innovative. Toyota allows for interdepartmental competition, making each division more active and innovative.

**Problem-solving**

Since issues frequently arise due to environmental changes and are a regular part of the job, problem-solving is a crucial ability that Toyota utilizes to connect performance, knowledge, and organizational learning continuously (Ngcapu et al., 2020). There are laid down procedures for solving problems that arise on production floors. The process of problem-solving involves both the leaders and the workers. Leaders identify the problem, and the workers must devise individual or group solutions to such situations. The bottom-up approach makes this works seamlessly well (Suh, 2017). There is constant support by the chief engineers on the issue of information and technique dissemination through the means of group learning and other operational benchmarks.

**Organizational learning**

Organizational learning is the technique a corporation constructs and matures over time by locating material and applying that understanding to experience. The company, after that, finds ways in which the useful knowledge goes through the employees and other staff members (Xie,
Corporations should prioritize organizational learning since eliciting knowledge production, diffusion, and preservation improve the industry and makes the marketplace viable and competitive. The only task is ensuring that the business’s information acquired through this process is transportable and preserved inside the organization. The importance of this is to ensure that the flow of knowledge is continuous even with the leaving of older and skilled employees due to reasons such as retirement.

Toyota has adopted the Kaizen spirit, which requires that there must be continuous change for the betterment of the production system or continuous improvement of such situations (Xie, 2019). Therefore, any kaizen activity that shows better results and improves the activities of the respective production floor must be adopted for productivity and incorporated into the continuous new standards or work ethics. Each operational floor work principles underpin these responsibilities, and each operational floor production structure has evolved through time (Argote et al., 2021; Tortorella et al., 2020). Each individual is encouraged to participate in providing a solution to a problem when such situations arise. The initial step is that the company identifies the pain that may exist. A production floor manager verifies the matter as it appears, systematically examines the situation, and isolates the root cause. The leader then prompts the worker to devise explanations for the issue. After compiling these suggestions, a solution is offered.

There are specific criteria that the leader must use in determining which type of solution is viable and which is not. Each plant’s production floor leaders establish and update work ethics and standards (Tortorella et al., 2020). The bottom-up approach encourages organizational learning, and workers at the root level are eager to contribute to developing ideas and new standards. The company's various meetings also help ensure that organizational learning is consistent and trackable. The chief engineer organizes learning in the divisions to target those willing to advance and improve their skills. Representatives of the operational floors and contractors constitute this investigative team, which holds meetings with the main agender to discuss approaches to various production-related complications.

**Evaluation of Toyota’s use of strategic frameworks and tools**

Frameworks for developing strategies are means for establishing professional thought and guiding administrations as they advance and carry out business activities. They may also be used to generate strategies and evaluate business problems. Toyota's tools and strategic frameworks include the Yamazumi table and the visual manuals (Suh, 2017). The Yamazumi is essential in managing time for the workers in the assembly line and allocating elemental work accordingly. These charts give managers a visual representation of the performance and effectiveness of the workplace. Additionally, it provides a precise evaluation of which activities use too much time and where variances or waste originate. The OMCB constructed the Yamazumi table as a standard from a fair-minded, unprejudiced stand outside the facility (Suh, 2017).

Any company unit’s distinctive strategy framework determines 50% of its success elements. Toyota also uses a visual manual to convey knowledge that has been gathered. The GPC compiles best-considered industry standards from each plant to generate best practices in visual guides. Direct contacts lack standardization, while the GPC only has a standardized channel for knowledge distribution. The OMCB of the company manages both non-standardization and standardization (Suh, 2017). The visual manuals are critical for outlining the similarities and discrepancies between the operational floors. Liaison meetings allow plants to exchange information directly; however, these links are weak, as previously discussed in the Yamazumi table.

**Importance of knowledge in strategic development**

As the groundwork of technologically advanced economies substituted from natural resources to knowledgeable assets, the worth of knowledge management has gained widespread recognition from organizations such as Toyota. Knowledge management is crucial for the success of any firm in its strategic development (Martins et al., 2019). A business may avoid reinventing the wheel with the help of effective knowledge management, which also enhances service delivery and protects knowledge against destruction. Knowledge management aids in decision-making for the advantage of the business.

Knowledge is an important key player in Toyota's strategic advancement and development. When issues happen, chief engineers work to pinpoint where the problem lies, present it to the employees to find the solutions, validate the outcomes, and avoid imminent manifestations (Suh, 2017). At times when these chief engineers are not in a position to solve these problems on their end operational unit, they are allowed to share it with the division to get appropriate solutions (Martins et al., 2019). All of the employees at Toyota are considered...
Implementing knowledge management as a critical component of an establishment's headship tactic leads to more consolidated personnel with rapid on boarding and well-informed workforces that deliver a better service.

When developing strategies, a business may process information from a given domain more quickly and effectively if it has in-depth knowledge of that area (Suh, 2017). As processing efficiency and ability grow over time. Toyota maintains its prior achievements by gathering and conserving the expertise of its workers (Martins et al., 2019). This ensures that the culture of the operational floors and the knowledge that works for them is passed on and kept within the company for newcomers. Toyota encourages a culture of development and growth to accomplish the aim of knowledge management. This environment encourages staff members to exchange expertise to strengthen the workforce.

**Sustainable competitive advantage**

Sustainable competitive advantages are a collection of carefully selected resources by an organization that provides an upper hand to the company against its rival or peers in the competitive marketplace. Sustainable categories of competitive advantages are cost-effective and still enable the company to be competitive in the long term (Arsawan et al., 2022). A company may separate itself from its competitors for longer if it has a sturdy competitive advantage and a sense of direction. Toyota is relatively homogenous regarding its fundamental beliefs and philosophy, but various internal divergences have been noted in other layers and disciplines, especially while the system is evolving (Suh, 2017). A convergence process brings together Toyota’s diversity.

Toyota’s history of making the right decision and employing technologies that last long enable them to maintain such strong command in the competitive world against its peers (Arsawan et al., 2022). Toyota’s strategically positioned international network of productional operations is another one of its non-core strengths. These institutions were set up due to the company’s foreign growth. The fact that other manufacturers have used a similar strategic strategy to establish their production networks makes this manufacturing network a resource that is useful but not uncommon (Suh, 2017). The foundation of competitive advantage is that an organization may develop and maintain a competitive advantage by deploying its unique resources and talents to its best advantage over rivals. These resources must, however, satisfy specific requirements, such as being diverse, unique, and at least somewhat transportable or firm-specific.

Strategies can occasionally evolve from prior structural conduct, unsuspected situations, or discovering which activities work by mistake (Hossain et al., 2022). These emergent tactics result from uncovering a consistent and profitable manner of doing business rather than an intentional choice. They may frequently grow slowly by building on small actions and solutions. The leader’s goal is not to achieve a strategic edge by wise judgments, but they often find themselves with one. This perspective is generated from the existing culture, that is, the methods of reasoning, in collaboration with its principles and mission statement. Toyota considers its culture and how it could impact decision-making and attitude when planning.

The direction in which Toyota manufacturing floors generate information and factory knowledge is in one direction as TPS, despite causing the fact that they generate multi-diverse knowledge information through the settings considered to be different in each operational floor. The Toyota information network is a major key player in competitiveness by ensuring that there is the existence of a balance information variety with standardization of knowledge.

**Managing strategic corporate change**

Managing change is the structured method and utilization of tacit knowledge, facilities, and materials to cope with the alterations made. It necessitates developing and employing corporation guidelines, structures, developments, and technology to discourse shifts in the firm’s atmosphere. Managing and developing the workforce side of significant transformation within a company dictates more than strategic preparation and methodological duties to implement administrative alterations. The main objective of transformation management is to introduce new procedures, objects, and effective company approaches while restraining antagonistic effects.

One of the most innovative aspects of Toyota’s leadership style is the bottom-up strategy, which cannot be separated from the problem of including development players since they are crucial to a high-quality integrated area-based technique. The bottom-up method brings issues like concertation, social cohesiveness, and decision-making openness to the forefront or brought back. In all circumstances, it promotes reflection on the creation and modification of the dynamic techniques at the core of the strategy.

The employees are the active agent of change for Toyota
Instead of feeling left out, they accepted the changes from the above leadership since they were actively involved in defining the problems and finding solutions to them (Suh, 2017). The four operational plants analyze the best instruments and approaches for encouraging local involvement at each stage of a transformation plan. Participation occurs at several levels, involving various individuals or groups and resources that must be implemented appropriately, whether at the engineering phase, decision-making, or execution. A bottom-up strategy transfers decision-making authority from higher levels of government to the local level. Multidisciplinary local decision-making enables new initiatives and ideas to be handled and included.

Toyota also provides training to its employees. When a change calls for modifications to technology or procedures, Toyota gives its staff the necessary training to assist them in learning new methods of operation. Similarly, they emphasize that training will be offered when the adjustment is disclosed to prevent workers from fearing that they will not be included in the coming advancement to reasons such as lack of sufficient expertise. Each operational floor in the company is also assigned a TPS teacher, ensuring they learn and have the necessary skills (Suh, 2017). For TPS administration, the instructor, the teacher, and the chief engineer of OMCD interact well. In the operational floors and divisions, the chief engineer organizes voluntary classes designed for everyone (Suh, 2017). Representatives of the operational floors and contractors comprise the investigative group, which meets to discuss approaches to various production-related situations. There is constant support by the chief engineers on the issue of information and technique dissemination through the means of group learning and other operational benchmarks.

Conclusion

The paper has looked into elements such as the sustainable competitive advantage, the benefits of knowledge, and managing firm changes that Toyota Motor Corporation has critically evaluated. Additionally, the knowledge management of Toyota Motor Corporation has been achieved by looking at the approaches that Toyota Motor Corporation applies to manage knowledge and later use it for strategic organizational learning. The concept of knowledge and knowledge management approach for accomplishing Toyota Motor Corporation's aims have been covered in the research. By being created, shared, retained, and applied, knowledge may promote coordination and collaboration to enhance organizational performance.

REFERENCES