

# Human Resources Development

**Fundamental Approach** Toyota is committed to developing human resources with the philosophy that “*Monozukuri* is about Developing People.” For sustainable growth, we need to make improvements each day. In order to realize “Ever-better Cars” and “Customer First,” all employees need to share the same values regardless of different cultures and customs. To ensure this, Toyota develops global OJT based on the Toyota Way for sustainable growth.

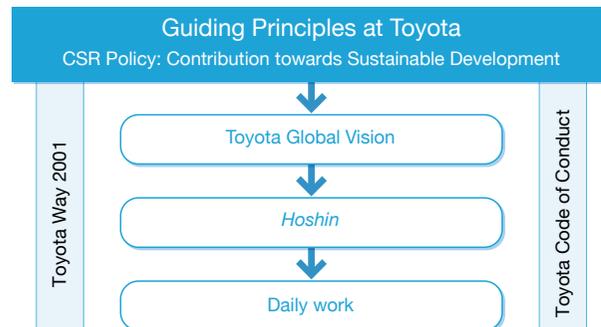
## Five Key Values for The Toyota Way



### Evaluation of and Feedback to Each Employee in Relation to Principles and Hoshin

Daily work (topics and roles) of Toyota employees are derived from annual direction (*hoshin*). Evaluation and feedback are based on close communications between subordinates and superiors. Specifically, topics and roles are determined at the beginning of each fiscal year and employees consult with their supervisors periodically. By these consultations, supervisors assess the employees’ self-evaluations and provide feedback. Repeating this cycle leads to human resource development. Results for each half year are reflected in bonuses and performance abilities are reflected in raises for the following year.

### Relationship with Philosophy, Hoshin and Daily work



### Practice of the Toyota Way

We have organized and arranged methods and techniques into “Global Content” to share the values and ways of thinking of The Toyota Way so that it can be understood and practiced by Toyota employees around the world.

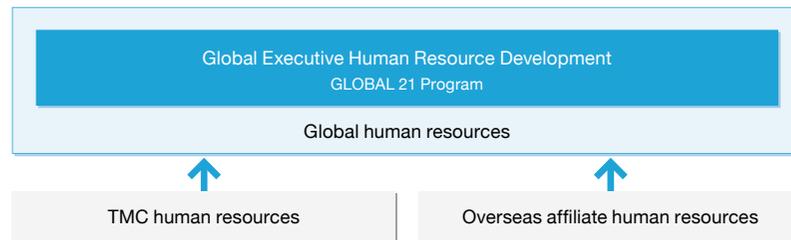
This Global Content is practiced by Toyota employees through training and OJT both in Japan and overseas.

### List of Global Content

	Administrative and engineering employees	Shop floor employees
Managers	<b>Hoshin management</b> <ul style="list-style-type: none"> <li>Activity for <i>kaizen</i> (continuous improvement) on a company-wide scale</li> <li>Measures for maximizing organizational output</li> </ul>	<b>Skills and roles of management and supervision</b> <ul style="list-style-type: none"> <li>Managing skill of standard operations for managers/supervisors</li> <li>Section and team operational knowledge gained from managing irregularities</li> </ul>
	<b>On-the-job development (OJD)</b> <ul style="list-style-type: none"> <li>A four-step method for promoting human resource development through the practice of regular business activities and guidance</li> </ul>	
	<b>Management at Toyota</b> <ul style="list-style-type: none"> <li>Overall image of management at Toyota</li> <li>Effective worksite management</li> </ul>	
General employees	<b>Problem solving</b> <ul style="list-style-type: none"> <li>Methods of working using an eight-step method for identifying and solving problems (The Toyota Way)</li> </ul>	<b>Problem solving</b> <ul style="list-style-type: none"> <li>Techniques for improving current conditions to realize ideal working conditions</li> </ul>
	<b>Ji kotei-kanketsu (built-in quality with ownership)</b> <ul style="list-style-type: none"> <li>A three-step method for building in quality in each process</li> </ul>	<b>Production skills</b> <ul style="list-style-type: none"> <li>Knowledge regarding recognizing irregularities and crucial points</li> <li>Trouble-shooting capability</li> </ul>
	<b>Toyota Way</b> <ul style="list-style-type: none"> <li>Toyota’s values</li> <li>The fundamentals of all work</li> </ul>	<b>Basic skills</b> <ul style="list-style-type: none"> <li>Minimum skills necessary for production line work process</li> </ul>

## Global Human Resource Development Structures

With the aim of sharing the values of the Toyota Way globally, Toyota is providing trainings through global executive human resource development, TMC human resource development undertaken by TMC, and overseas affiliate human resource development undertaken by affiliates in each region.



### Global Executive Human Resource Development

The Global 21 Program is to provide skilled global employees with knowledge suitable for global Toyota executives and to exercise their strengths to their best in respective areas of responsibility.

The program comprises the following three pillars.

1. Indication of management philosophy and expectations of executives
 

The Toyota Way and Global Vision are disseminated and incorporated into global human resource evaluations and training.
2. Human resource management
 

Evaluation standards and processes are standardized globally to ensure fairness and consistency. There are five major areas of evaluation: issue creativity, issue execution capabilities, organizational management capabilities, human resource utilization capabilities and leadership.
3. Training deployment and training programs
 

Global assignments and executive training are carried out. Development of human resources at overseas affiliates is based on local training together with OJT at TMC to learn Toyota ways of performing work. TMC's human resource development includes programs corresponding to Global 21 within TMC training program.

## TMC's Human Resource Development (Japan)

### Management Human Resource Development

All personnel who are promoted to general manager, department manager, or section manager positions undergo one year training.

The training is based on group training and seminars that include discussions in small groups. Officers and general manager class serve as instructors to foster teaching and a learning culture.

Training for selected managers is also conducted to develop executive human resources candidates. Such personnel perform secretarial work for top officers, attend overseas business schools for short periods, work on management issues, and attend leadership programs for executives in Japan. In this way, opportunities are created for top management to directly observe personnel in these positions and to foster executive minds for the candidates.

### Administrative and Engineering Human Resource Development

Practice of the Toyota Way is positioned as the foundation of human resource development. OJT focuses on *genchi genbutsu* (onsite hands-on experience), while off-the-job training (OFF-JT) opportunities for growth are also created with the guidance of supervisors or superiors. For example, employees first participate in group training to learn steps for problem solving and then apply them to actual issues in their work duties.

In 2015, OJT and OFF-JT were reviewed and improved for newly graduated, young and mid-career employees.

For one year after hiring, new employees undergo comprehensive training on fundamental knowledge in various areas. In the third and sixth to eighth years of employment, young and mid-career employees undergo group training consisting of the five pillars of OJT in accordance with the Global Vision.

#### Five Pillars of OJT for Young and Mid-career Employees

	Specific Measures
Working method	Problem solving, the Toyota Production System, etc.
Making ever-better cars	Comparison of new vehicles and competing vehicles
Enriching the lives of communities	Participation in volunteer activities
Customer First	Learning customer feedback at call centers
Company history	Learning from the founding spirit and the history of failure

### Dispatch Program for Young Employees

The dispatch program for young employees overseas was expanded from 2014 to accelerate the early development of young employees.

Employees working for more than four years are dispatched to overseas affiliates, overseas graduate programs (including MBA programs), or domestic affiliates for one to two years. Their mission is to acquire practical skills, deepen understanding of different cultures, and improve their language skills.

During FY2019, 328 employees have been dispatched.

### Shop Floor Employee Human Resource Development

OJT is conducted by supervisors and superiors at worksites. Focus is placed on the cycle of; clarification of goals and development plans, development and assignment, and evaluation/ feedback. Programs include OFF-JT, including rank-specific training and training for managers/supervisors, as well as OJT and OFF-JT combined to acquire knowledge and techniques.

The workplace environment is changing with a declining birth rate and aging population, a shrinking workforce, and diversification of worksite members. It is necessary for worksite members to maximize results to maintain production.

Specifically, we take measures for employees who work until 65 after retirement at age 60 and female shop floor employees. In order to respond flexibly to new technologies and changes in production systems, we specify evaluation down to the elemental technology unit. Start-up seminars are also held to support transferred employees to support efficient acquirement of work skills.

### Human Resource Development of Overseas Employees at TMC Head Office

With the goal of promoting self-sufficiency in overseas affiliates, we temporarily transfer employees from overseas affiliates to TMC for OJT. Transferees focus on learning skills, knowhow and the Toyota Way throughout their training period, which is from six months to three years. Executives are posted as general managers or department managers at TMC to learn about decision-making processes and to be connected with other employees.

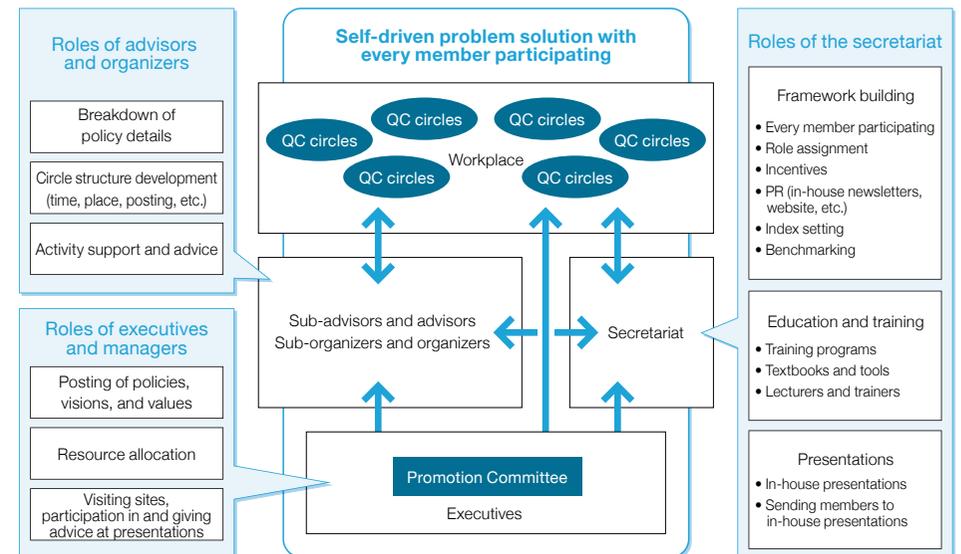
As of June 2018, a total of 461 transferees from 49 affiliates in 28 countries are working in TMC.

### TQM (Total Quality Management)

TQM is a management initiative that puts into practice the principles of “Customer First,” “*kaizen* (continuous improvement),” and “every member participating.” Its goal is to create a culture of employees challenging themselves to institute reforms and achieve human resource development that draws out creativity. As measures to implement it, Toyota is actively carrying out QC circle activities\* and the Creative Suggestion System. QC circle activities in particular have also been deployed to affiliates overseas, with more than 110,000 participants involved in approximately 14,000 circles every year.

\* QC circle activities: The circles are formed mainly by employees in shop floor jobs, who actively engage in activities to identify and solve on-the-job problems. When carrying out activities, all circle members make a concerted effort to make continuous improvements, with a determination to promote individual growth and improve the workplace together. As a result, teamwork and trust are developed, and a positive and fulfilling workplace is created.

#### QC Circle Activity Promotion Structure



### QC Conference and Manager Training Held in Toyota Motor North America (TMNA) (U.S.)

Based on QC circle activities aligned with the actual situations in individual countries and regions, overseas affiliates are taking steps to enhance individual abilities and create positive workplaces.

TMNA held a QC circle conference presentation in May 2018. Approximately 100 people from North American affiliates participated in this event, and 13 companies made presentations on their QC activities. In the following week, manager training attended by 11 affiliates was also held.



Manager training

### FY2018 Creativity Innovation Award (Minister of Education, Culture, Sports, Science and Technology) Resulting in Becoming the Company with the Most Award Recipients in Japan

The Creativity Innovation Award (Minister of Education, Culture, Sports, Science and Technology) officially recognizes people who make a great contribution to technical improvements and advancements through excellent creativity and innovation.

In FY2018, of the 930 award recipients, 78 were from Toyota, making Toyota the company with the largest number of award recipients in Japan. For 59 consecutive years, since the establishment of the award in 1960, Toyota employees have received awards with the total number reaching 1,380.

Even today, the number of proposals continues to increase which contributes greatly to Toyota's advancement.



Recipients of the Creativity Innovation Award (Minister of Education, Culture, Sports, Science and Technology)