

Case study 3 - Toyota Motor Corporation

*Read an overview of Toyota Motor Corporation. You are an executive search consultant from a direct search recruitment agency – Hudson. The owners of the company want to recruit an ideal person who will lead the company to the success in Europe. They want to recruit a local person letting the former CEO go for retirement. As a Japanese native, he will leave Poland shortly for his hometown in Nagoya. Three, out of five, direct reports to CEO are Japanese. Considering the company profile, aggressive development goals and a highly competitive and demanding market, **define leadership roles, skills and styles of the CEO** that would work the best for the success of the company.*

Company overview

Toyota Motor Corp., Largest Japanese automobile manufacturer and one of the largest automotive companies in the world. It was established in 1933 as a division of the Toyoda Automatic Loom Works, Ltd., and in 1937 it was incorporated as the Toyota Motor Co., Ltd. Toyota later established many related companies, including Toyoda Machine Works, Ltd. (1941), and Toyota Auto Body, Ltd. (1945). In the 1960s and '70s the company expanded rapidly, exporting large numbers of cars to foreign markets. Following consolidations among many of its business units, the company took the name Toyota Motor Corp. in 1982. It has assembly plants and distributors in many foreign countries, and it owns subsidiaries that produce cars and car parts, trucks, steel, synthetic resins, and industrial equipment. Its brands include Toyota and Lexus.

Toyota Motor Manufacturing Poland has two plants in Wałbrzych and Jelcz-Laskowicie near Wrocław. The company celebrated its 20th anniversary. Currently, Toyota's operations in Poland center around Toyota conventional and hybrid drives and at the same time are considered as an integral part of Toyota's hybrid revolution in Europe. The company goes through a period of dynamic development related to the launch of the production of components for hybrid drives and the implementation of Toyota's new global design platform - TNGA (Toyota New Global Architecture). To date, Toyota has invested over 6 billion PLN in Wałbrzych and Jelcz-Laskowice, creating over 3,000 permanent jobs.

It is however commonly known that the company faced a series of strategic challenges resulting in the loss of business profitability and sales. The most prominent challenges faced by the company included: brand recall, marketing challenges, pricing strategy and strangled sales in the home market.

Additional questions

- 1. Are there any more and less important leadership roles that a new CEO shall play? What are the critical roles?*
- 2. What skills work the best for this specific market sector, employee? Note, there are still a considerable % of employees who are native Japanese.*
- 3. What leadership styles will ensure motivated and highly engaged staff on this intense growth journey? Are there any cultural limitations?*