

## Human Resources Development

“Because people make our automobiles, nothing gets started until we train and educate our people.” As seen in these words, which were expressed by Honorary Advisor Eiji Toyoda, Toyota seeks to develop human resources through the activity of making things. Toyota believes that the development of human resources requires the handing down of values and perspectives. In conjunction with the geographic expansion of business and the growth of business areas, undertaking global actions for the development of human resources has become a priority issue. Toyota is building both tangible (a new learning facility) and intangible (course content) structures relating to team member development that ensures a secure and steady flow of qualified human resources to conduct Toyota’s global business in the 21st century.

### Fully Committed and Thorough Human Resources Development

Toyota conducts systematic company-wide and divisional training and assignments for training purposes with an emphasis on on-the-job training (OJT) to ensure that associates can fully utilize their abilities.

Toyota has defined the required qualifications of “professional staff” for office and engineering positions, and “T shaped human resources”<sup>2</sup> who are able to perform day-to-day activities and expand their skills in technical positions. Company-wide training is conducted based on employee qualifications, as well as specialized training for individual divisions, language training, and special knowledge and skill training.

In October 2002, Toyota created the booklet “Toyota — Developing People” and distributed it to all associates to create a common understanding that “the source of Toyota’s competitiveness is human resources development” and to promote the creation of workplaces where personnel development takes place at all sites and at all levels.

#### 1. Professional Staff:

Associates who can create added value on their own and contribute to society, as well as utilize their strengths and exercise teamwork

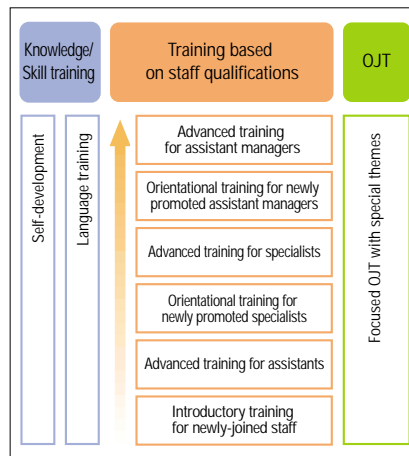
#### 2. T Shaped Human Resources:

Team members with a broad range of skills, such as English language skills and operational knowledge (the crossbar of the “T”) as well as highly specialized knowledge and experience in a particular field (the vertical bar of the “T”)



“Toyota — Developing People” booklet

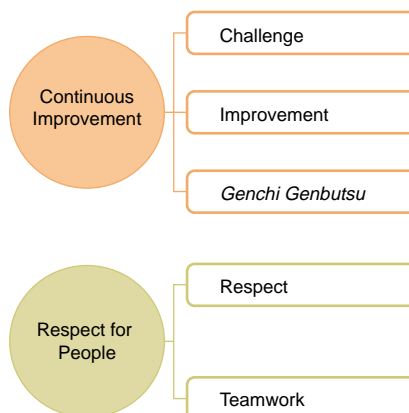
### Company-Wide Training to Support Professional Staff



### A Shared Toyota Way

In order to carry out the Guiding Principles at Toyota Motor Corporation, in April 2001 Toyota adopted the Toyota Way 2001, an expression of the values and conduct guidelines that all employees should embrace. In order to promote the development of Global Toyota and the transfer of authority to local entities, Toyota’s management philosophies, values and business methods, that previously had been implicit in Toyota’s tradition, were codified. Based on the dual pillars of “Respect for People” and “Continuous Improvement,” the following five key principles sum up the Toyota employee conduct guidelines: Challenge, *Kaizen* (improvement), *Genchi Genbutsu* (go and see), Respect, and Teamwork. In 2002, these policies were advanced further with the adoption of the Toyota Way for individual functions, including overseas sales, domestic sales, human resources, accounting, procurement, etc.

### Key Principles of The Toyota Way 2001



### Toyota Institute

In January 2002, the Toyota Institute was established as an internal human-resource development organization that aims to reinforce the organic integration of global Toyota companies by way of sharing the Toyota Way as well as to promote self-sufficiency. The purpose behind the Toyota Institute’s establishment is to promote the human resources development of global Toyota in order to promote true globalization and to realize the advancement of Toyota’s core values. TMC President Fujio Cho is the Toyota Institute’s first president, with 16 full-time associates managing the business.

Within the Toyota Institute, the Global Leadership and the Management Development Schools constitute the specific content of the training programs.

In 2002, the Toyota Institute conducted training programs targeting global leadership candidates from TMC and overseas companies and for middle management personnel to enhance understanding of the Toyota Way, enable best practice sharing and drafting of action plans, as well as contribute to the creation of a global human network.

### Outline of Training Programs

Global Leadership School	
Objective	Development of executive human resources capable of showing leadership from a global perspective
Content	<ul style="list-style-type: none"> <li>Enhanced leadership ability based on the Toyota Way</li> <li>Reinforced business management knowledge and skills</li> <li>Global human networking</li> </ul>
Attendants	Future global leaders from around the world

Management Development School	
Objective	Training of management to systematically understand and implement the Toyota Way as it relates to each core business area (production, sales, etc.)
Content	<ul style="list-style-type: none"> <li>Production: Understanding of the Toyota Way at various functions at Toyota’s manufacturing companies</li> <li>Sales: Understanding of the latest marketing methods, etc., based on the Toyota Way in sales and marketing</li> </ul>
Attendants	Middle management from around the world