

# The Toyota Way

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**The Toyota Way** is a set of principles and behaviors that underlie the [Toyota](#) Motor Corporation's managerial approach and production system. Toyota first summed up its philosophy, values and manufacturing ideals in 2001, calling it "The Toyota Way 2001." It consists of principles in two key areas: continuous improvement, and respect for people.<sup>[1][2][3]</sup>

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## Overview of the principles

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The two focal points of the principles are continuous improvement and respect for people. The principles for a continuous improvement include establishing a long-term vision, working on challenges, continual innovation, and going to the source of the issue or problem. The principles relating to respect for people include ways of building respect and teamwork.

## Research findings

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In 2004, Dr. Jeffrey Liker, a [University of Michigan](#) professor of [industrial engineering](#), published "The Toyota Way." In his book Liker calls the Toyota Way, "a system designed to provide the tools for people to continually improve their work."<sup>[4]</sup> The system can be summarized in 14 principles.<sup>[5]</sup>

According to Liker, the 14 principles of The Toyota Way are organized in four sections: (1) long-term philosophy, (2) the right process will produce the right results, (3) add value to the organization by developing your people, and (4) continuously solving root problems drives organizational learning.

### Long-term philosophy

The first principle involves managing with a long-view rather than for short-term gain. It reflects a belief that people need purpose to find motivation and establish goals.

## Right process will produce right results

The next seven principles are focused on process with an eye towards quality outcome. Following these principles, work processes are redesigned to eliminate waste ([muda](#)) through the process of continuous improvement — [kaizen](#). The seven types of muda are (1) overproduction; (2) waiting, time on hand; (3) unnecessary transport or conveyance; (4) overprocessing or incorrect processing; (5) excess inventory; (6) motion; and (7) defects.

The principles in this section empower employees in spite of the bureaucratic processes of Toyota, as any employee in the [Toyota Production System](#) has the authority to stop production to signal a quality issue, emphasizing that quality takes precedence ([Jidoka](#)). The way the Toyota bureaucratic system is implemented to allow for continuous improvement (kaizen) from the people affected by that system so that any employee may aid in the growth and improvement of the company.

Recognition of the value of employees is also part of the principle of measured production rate ([heijunka](#)), as a level workload helps avoid overburdening people and equipment ([muri](#)), but this is also intended to minimize waste (muda) and avoid uneven production levels ([mura](#)).

These principles are also designed to ensure that only essential materials are employed (to avoid overproduction), that the work environment is maintained efficiently (the [5S](#) Program) to help people share work stations and to reduce time looking for needed tools, and that the technology used is reliable and thoroughly tested.

## Value to organization by developing people

Human development is the focus of principles 9 through 11. Principle 9 emphasizes the need to ensure that leaders embrace and promote the corporate philosophy. This reflects, according to Liker, a belief that the principles have to be ingrained in employees to survive. The 10th principle emphasizes the need of individuals and work teams to embrace the company's philosophy, with teams of 4-5 people who are judged in success by their team achievements, rather than their individual efforts. Principle 11 looks to business partners, who are treated by Toyota much like they treat their employees. Toyota challenges them to do better and helps them to achieve it, providing cross functional teams to help suppliers discover and fix problems so that they can become a stronger, better supplier.

## Solving root problems drives organizational learning

The final principles embrace a philosophy of problem solving that emphasizes through understanding, [consensus](#)-based solutions swiftly implemented and continual reflection ([hansei](#)) and improvement ([kaizen](#)). The 12th principle ([Genchi Genbutsu](#)) sets out the expectation that managers will personally evaluate operations so that they have a firsthand understanding of situations and problems. Principle 13 encourages thorough consideration of possible solutions through a consensus process, with rapid implementation of decisions once reached ([nemawashi](#)). The final principle requires that Toyota be a "learning organization", continually reflecting on its practices and striving for improvement. According to Liker, the process of becoming a learning organization involves criticizing every aspect of what one does.

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## Translating the principles

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There is a question of [uptake](#) of the principles now that Toyota has production operations in many different countries around the world. As a *New York Times* article notes, while the corporate culture may have been easily disseminated by word of mouth when Toyota manufacturing was only in Japan, with worldwide production, many different [cultures](#) must be taken into account. Concepts such as “mutual ownership of problems,” or “[genchi genbutsu](#),” (solving problems at the source instead of behind desks), and the “[kaizen mind](#),” (an unending sense of crisis behind the company’s constant drive to improve), may be unfamiliar to North Americans and people of other cultures. A recent increase in vehicle recalls may be due, in part, to “a failure by Toyota to spread its obsession for craftsmanship among its growing ranks of overseas factory workers and managers.” Toyota is attempting to address these needs by establishing training institutes in the United States and in Thailand.<sup>[6]</sup>