

Toyota promotes foreign managers

Jonathan Soble in Tokyo

Toyota Motor acted on Thursday on a promise to shift more responsibility to its non-Japanese managers, promoting a group of North Americans and Europeans to run factories outside Japan.

The changes were part of the carmaker's response to its recent quality problems, which have damaged its reputation and forced it to recall more than 8.5m vehicles worldwide.

One cause of the crisis, Toyota officials and outside critics have concluded, was poor communication between local managers and their bosses in Japan. In the US, especially, warnings from local managers about the outcry were passed on too slowly, and sometimes not at all.

Thursday's promotions in effect removed a layer of Japanese management that had stood between local bosses and top executives in Toyoda City, Toyota's headquarters in Japan.

The highest promotion went to Didier Leroy, a Frenchman who will become the first non-Japanese to head Toyota's sales and manufacturing operations in Europe. Mr Leroy is to take over as president of Toyota Motor Europe from July 1, replacing Tadashi Arashima.

Carl Klemm is to replace Kenji Manabe as head of Toyota Motor Manufacturing Poland, one of Toyota's eight production centres in Europe.

In the US, Chris Nielsen and Norm Bafunno are to take charge of Toyota assembly plants in Texas and Indiana, replacing Japanese bosses. Another non-Japanese, Wil James, was named to lead the company's Kentucky plant in place of Steve St Angelo, an American who had earlier been named Toyota's North American quality chief.

After the changes, 12 of Toyota's 14 North American manufacturing plants will be run by non-Japanese staff.

However, Toyota will remain a thoroughly Japanese company at the very top of its management. All the 38 executives on its board are Japanese, in spite of the fact that the company – the world's biggest carmaker since 2008 – sells most of its cars outside Japan.

Toyota's most prominent US-born manager is Jim Lentz, the head of North American sales, who has been a ubiquitous spokesman for Toyota in the country since the recall crisis.

Akio Toyoda, president, has spoken consistently about the need to localise Toyota's far-flung operations since he took over as chief executive a year ago. Thursday's promotions followed the creation in February of a global quality committee whose members include several non-Japanese representatives from Toyota's international manufacturing operations.

The promotions were announced at Toyota's annual shareholder meeting, at which Mr Toyoda apologised for the unprecedented string of recalls. Investors offered mostly supportive words for management, including one who urged him to "fight on" in the face of hostile foreign regulators and media.

Fonte: Financial Times, London, June 24th 2010, Companies, online.