



One Way or Another: A Report of Toyota's Company Social Performance

**Zwelibanzi Mpehle^{1*}, Analtha Farhansyah², Muhammad Ilham Wardhana
Haeruddin³, M. Ikhwan Maulana Haeruddin⁴**

¹ Tsahwane University of Technology, Pretoria, South Africa

² Curtin University, Perth, Australia

^{3,4} Universitas Negeri Makassar, Makassar, Indonesia

Email: mpehlezt@tut.ac.za^{1*}, analthaf@curtin.edu.au², ilham.wardhana@unm.ac.id³,
ikhwan.maulana@unm.ac.id⁴

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ABSTRACT

As one of the prominent brands in the global automotive market, Toyota needs to provide satisfaction to stakeholders to maintain its reputation. The purpose of this article is to explain how Toyota ensures these satisfactions by implementing Corporate Social Performance (CSP). Toyota aims to grow into a company that will be good corporate citizenship that is trusted by all their stakeholders and support the society affluent over all the business activities. This is important as the result of the CSP is shaping consumer's perception toward brand in terms of brand personality and playing a central role in sustaining Toyota's long-term objectives. This paper employs research methods by systematically reviewing the relevant literature. Inclusion criteria will be that (a) sources contain the key terms of "Toyota" and/or "Corporate Social Performance", (b) sources are published in English, (c) sources are more recent than 2009. This paper will review the social performance of the Toyota Motor Corporation as corporate citizenship and the impacts of all stakeholders both on negative and positive aspects. This paper will also discuss the current, past and future actions of Toyota social performance. It is discovered that Toyota is dedicated to showing the world that a sustainable society is a greater good for all stakeholders. This will help to create a greater reputation for Toyota and fulfil the needs of stakeholders. By these social performances, investors and top talents will be attracted to work with Toyota.

Keywords: Corporate Social Performance; good corporate citizenship; Toyota's Company

INTRODUCTION

Toyota Motor Corporation or known as Toyota, is a Japanese global automotive manufacturing company established on August 28, 1937, based in Japan founded by Koichiro

Toyota. Currently, the company is run by Akio Toyoda as a President and Representative Director (Toyota Motor Company n.d.). Toyota is one of the largest automotive car companies in the world. According to Nagata and Reynolds (2018), the Toyota company is the sixth largest company by revenue. The Toyota company have 369,124 employees and selling in almost 190 countries with selling various types of cars. However, Toyota is now focusing on making robots and artificial intelligence and not just the cars industry (Musk 2017).

According to (Toyota Motor Company n.d.) the Founder, the objective of the Social Performance is "Contribution towards Sustainable Development, which interprets and explains the "Guiding Principles at Toyota" by taking into consideration the relationship we have with our stakeholders". Moreover, since its establishment, Toyota has constantly pushed itself to add the reasonable advancement of society through the make and arrangement of innovative and quality products and administrations that lead the occasions. Engine vehicles have tremendously grown the opportunity of portability yet affect society and the earth in different ways.

Corporate Social Responsibility (CSR) is the company obligation to protect and giving back to the all-stakeholder and the environment (Kurovs and Wascinski 2016). For some companies, it is not enough to make a profit and fulfilled the customer needs. Giving back to the community, employees, and environment is something worth the hard miles for (Kim, et al. 2010). In other words, CSR can describe as a sort of value or company mindset that has long-term sustainability as its primary goal and advance the company to be involved in civil activities in its closer environment (Büchner 2012). This paper will review the social performance of the Toyota Motor Corporation as corporate citizenship and the impacts of all stakeholders both on negative and positive aspects. This paper will also discuss the current, past and future actions of Toyota social performance.

METHOD

A systematic review of the literature and collecting relevant empirical facts were conducted. Inclusion criteria will be that (a) sources contain the key terms of "Toyota" and/or "Corporate Social Performance", (b) that sources are published in English, (c) that sources are more recent than 2010. Exclusion criteria are that nonacademic sources will be omitted, as will sources published in languages other than English and earlier than 2010. Electronic databases from Curtin University, Australia, were used. In general, the application of the results of the paper can be a reference for the company of Toyota in their future decision-making process in order to sustain the achievements of their long-term objectives.

RESULT AND DISCUSSION

A case Against Toyota: Safety issues of the consumer

Stakeholders are the key point to achieve Corporate Social Responsibility (CSR). The stakeholder can be defined as the people who are affected by the action of the businesses (Chakraborty 2015). Toyota acknowledges five stakeholders; customers, employees, global/local societies, shareholders, and business partners, and they aim to meet challenges by engaging with people (Toyota 2017) which means that they are willing to listen to the problem from stakeholders and face them head-on. However, were they willing to listen? They claimed to provide "safe" and "reliable" vehicles to the consumer. As one of the top global automotive

company, Toyota's principles is safety and quality performance while offering product in affordable price (Toyota 2017).

Beyond making a profit, companies are also responsible to the affected stakeholder and environment especially, the customer. Toyota's downfall begins in 2007 when the company pull back 55,000 automobiles for having an issue with the floor mats that trap the gas pedal (Heller and Darling 2011). It became a public crisis in August 2009 when a highway patrol was killed with his family driving a Lexus subsidiary of Toyota Global in San Diego when the car suddenly accelerated out of control with no brakes. This has caused a devastating impact on the company and the shareholder (Heller and Darling 2011). But Toyota still blamed it on the floormates and not themselves, directly telling the consumer to simply remove them while there have been around 432 complaints from the consumer about the consumer. Toyota appeared to take a stance on "it is not our problem" (Vlasic 2011). When they have claimed that they will listen to all stakeholders and provide a safe and reliable car, in reality, they have not provided and took responsibility for their action. In October 2009, the National Highway Traffic safety administration conducted nine separate investigations on Toyota's cars. So Toyota finally recalled approximately 4.2 million floor mates and changed the gas pedal to be shorter (Heller and Darling 2011).

Nevertheless, Toyota stated their second recalling of 2.3 million of automobiles because the gas pedal but claimed it does not have a problem with floor mats. This cost their annual sales over 50 percent (Brennan 2010). In totals, by January 2010 Toyota has officially recalled 6.5 million automobiles caused by the gas pedal entrapment/floor mats and accelerator pedal problems (Heller and Darling 2011) and 34 deaths of car accidents caused by the floor mats problem. These events were caused by the lack of leadership and CSR by Toyota's leader and employees, affects the consumer the most with the lack of safety and prevention they could have done and the shareholder lost billions due to the sales flop. As a result of these four years' investigation, the US department has found that Toyota has misled society by intentionally concealed information about the recalled that was, in fact, due to a sticky gas pedal and improperly installed floor mats. Toyota cared more about saving than the safety of the consumer (Brennan 2010). This violation contradicted Toyota's codes of conduct concerning the safety of consumers (Toyota 2017). The company has since improved their operations and responsiveness towards accidents that affect its consumer and, more importantly, improve the quality of its cars that includes safety measures (Toyota 2017).

A Case for Toyota: Creating an Affluence Society

Corporate social responsibility (CSR) primarily refers to their social contribution is the company's ability to achieve business goals while taking into account their responsibility towards humanity (Büchner 2012). Toyota aims to grow into a company that will be good corporate citizenship that is trusted by all their stakeholders and to support the society affluent over all the business activities (Toyota 2017). Therefore, Toyota needs to contribute towards society while fulfilling its needs and in its best interest. In terms of CSR, Toyota has made several positive impacts on society by creating an affluent society. In order to help the community aware of the benefit of a future and affluent lifestyle, Toyota is working on many innovations beyond just automotive.

One of the aspects for creating an affluence society from Toyota is trying to create an intelligent mobility society in the future where the technology is utilizing to connect people,

cars, and community feel free, safe, cosy and excited in their lives with the use of the Internet of Things (IoT). By doing this, Toyota contributes significantly by supporting the community that never experienced the advancement of technology to the point of its life-changing (Toyota 2017). According to (Brondoni 2015) a data with three million Toyota cars on the road, with experiments of places where drivers often brakes suddenly are marked as a dangerous location the data is collected from the rear-view footage. This way, Toyota has committed to contribute to rectifying society safety through equipping their cars with the latest IT that has a sensor in the road and build a relationship between people and their car, as Toyota believe that car will be more than just a machine (Haeruddin 2017; 2018).

Toyota also became an "Official Worldwide Paralympic Partner" of the International Paralympic Committee (IPC). Toyota's aim for "mobility for all" is to help not only people with disabilities but also those who create a special bond with the community (Toyota 2017). Toyota has been developing sports equipment for athletes with disabilities both in summer and winter sports and offering support and training in technical sport development (Gillooly, Crowther and Medway 2017). Undercoffler (2015) shows that approximately \$1 billion of sponsorship for four Olympic games in 2024 will be the most extensive marketing yet that Toyota has ever done. Toyota wants to be better on a global scale, so the company aims towards a sports game to reach a wider community.

By creating an affluent society with these two actions, Toyota is helping the community realize the importance of technology and mobility in the future (Haeruddin 2018). Toyota believes that helping others will create a better future where all people have the freedom to move (Toyota 2017). Along with the government, other corporations and local communities help, Toyota is dedicated to showing the world that a sustainable society is for the greater good for all stakeholders (Toyota 2017). This will help to create a more excellent reputation for Toyota and fulfil the needs of stakeholders. By these social performances, investors and top talents will be attracted to work with Toyota. Thus, an increase of profit towards the other shareholders and the organizational growth (Drews 2010).

CONCLUSION

Toyota has successfully become a corporate with a good citizenship reputation by contributing and supporting society through their commitment towards an affluent society that will help people with impairments and those who do not, simply providing "one world, one dream, one people". Toyota involvement in the Paralympic has become a significant movement throughout the organization that decreased the discrimination in the society. Moreover, through the innovation, Toyota contributes to improving the lives of the communities, are stated in Toyota Global Vision through three actions: connect with people, cars, and communities (Toyota 2017). Despite the positive social performance, Toyota experienced a failure to protect the community by its negligence to provide safety measures and reliable vehicles in the first place. It has poorly impacted their annual sales, and their reputation caused the shareholders loss of profit (Haeruddin et al. 2020).

In our understanding, Toyota's primary company objective is to protect consumer safety above anything else besides making profits. Having such a critical safety issue in the car industry is a crucial problem as cars are part of the community's life. From the first crisis that

happened in 2007 Toyota's negligence of improper installed floor mats should be their cue to take a big action for responsibility. For some unfortunate events, consumers' life could be at risk because of the sticky gas pedal (O'Rourke 2010). It is evident that Toyota lack of responsibilities and poor communication with the public has caused many fatalities. To sustain the business, Toyota needs to acknowledge these situations more seriously to secure the company's brand image while improving its CSR policies and Company Ethics (Haeruddin and Haeruddin 2020).

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