Ivanova Viktoriia

Comparative analysis of the international experience of the USA and Japan in the system of human resources management in the condition of globalization

Thesis
Autumn 2018
School of Business and Culture
Bachelor of Business Administration, DP in International Business
The target companies of the research are international automobile manufacturing enterprises.

The purpose of thesis is to develop recommendations of improving the HRM system of the Japanese company TOYOTA Ltd., which operates on the Russian automotive market, based on a comparative analysis of using Japanese and American HRM models. Based on an analysis of the features of Japanese and American HRM models and by using TOYOTA Ltd. and General Motors Ltd., as examples main advantages and disadvantages of systems were examined in the context of globalization.

The analysis of main indicators of TOYOTA Ltd. confirmed that the main problem in the HRM system is staff turnover.

a program of the personnel reserve formation was developed and the effectiveness the implementation of the recommendations was evaluated.

The effectiveness will lead to an increase in labour productivity and to a decrease in staff turnover.

Keywords: human resources management, globalization, international experience, comparative analysis, the USA and Japan, development of the human resources management system, personnel reserve, automotive industry, analysis of international enterprises
TABLE OF CONTENTS

Thesis abstract .................................................................................................................. 2
TABLE OF CONTENTS ................................................................................................. 3
Terms and Abbreviations............................................................................................... 5
INTRODUCTION ............................................................................................................... 6
1 THE CURRENT TRENDS OF THE SYSTEM OF HUMAN
RESOURCES MANAGEMENT IN INTERNATIONAL COMPANIES
IN CONDITION OF GLOBALIZATION ........................................................................... 9
1.1 A substance of human resources and management in the condition of
globalization .................................................................................................................. 9
1.2 Implementation of the human resources system in international companies
........................................................................................................................................ 13
1.3 Main features of Japanese and American systems of human resources
management .................................................................................................................. 17
2 STUDIES OF AMERICAN AND JAPANESE SYSTEMS OF HUMAN
RESOURCES MANAGEMENT IMPLEMENTATION IN THE
CURRENT CONDITIONS ................................................................................................. 22
2.1 General Motors and Toyota – an experience of using the American and
Japanese model of human resources management ....................................................... 22
2.2 The main advantages and disadvantages of using American and Japanese
models of human resources management in the condition of globalization
........................................................................................................................................ 27
2.3 The main trends of Russian automotive market and activities of Toyota in
the field of human resources management .................................................................... 32
3 PROPOSALS FOR EFFECTIVE UTILIZATION OF
INTERNATIONAL EXPERIENCE OF HUMAN RESOURCES
MANAGEMENT IN RUSSIA ......................................................................................... 38
3.1 Justification for improvement of Toyota’s system of human resources
management, which operates on the Russian market ............................................... 38
3.2 Recommendations for improvement of Toyota’s system of human resources management, which operates on the Russian market ..............41
3.3 Assess the effectiveness of recommended activities ........................................46
CONCLUSION ........................................................................................................51
BIBLIOGRAPHY .....................................................................................................55
APPENDICES ..........................................................................................................57
## Terms and Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR</td>
<td>Human Resources.</td>
</tr>
<tr>
<td>HRM</td>
<td>Human Resources Management.</td>
</tr>
<tr>
<td>IHRM</td>
<td>International Human Resources Management.</td>
</tr>
<tr>
<td>LLC</td>
<td>Limited Liability Company.</td>
</tr>
<tr>
<td>HCNs</td>
<td>Host-Country Nationals.</td>
</tr>
<tr>
<td>PCNs</td>
<td>Parent-Country Nationals.</td>
</tr>
<tr>
<td>TCNs</td>
<td>Third-Country Nationals.</td>
</tr>
<tr>
<td>MBA</td>
<td>Master of Business Administration.</td>
</tr>
<tr>
<td>GPC</td>
<td>Global Production Canter.</td>
</tr>
</tbody>
</table>
INTRODUCTION

Today the human resources play the major role in production, being a unique resource of any company. As well as management of human resources acts as an indicator of efficiency and advantage of the organization, defining its competitiveness both on local, and in the world international markets. High-quality management of human resources provides an opportunity to the companies to be among leading in a certain segment of the market. Forming of this system up to standard promotes notable transformations of the company and influences its economic efficiency.

With an increase of companies up to the international scales, functions of human resources management become complicated due to adaptation to policy of various countries where companies launch their subsidiaries. As cultural distinctions begin to play an important role and start to influence on the economic efficiency, the companies should start working on internationalization of manager’ worldview.

There can be considerable problems, at collision of culture, the system of values and commercial methods of one country with culture and methods of management of the host country. For example, practice of the Japanese and American managing radically differ from each other. In Japan, administrative activity is oriented to a person, focused on individual personality, when hiring for a long-term. While in the USA people are hired for a short-term and are the approach is focused on person’s abilities and skills, that can help companies to achieve their goals.

The relevance of a subject of final graduation work is defined by the fact that in the conditions of globalization the system of human resources management in the international company gains the new characteristics caused by the necessity to effectively work at the same time in many countries. In addition, the subsequent difficulties arising when conducting the international business and the necessity to develop the international personnel strategy, which will consider the various features and factors influencing the system of human resources. However, one of the advantages of globalization is a possibility of firms to consider the international experience of the foreign companies while developing the unique system of human resources management. Namely, Japanese company “Toyota” which operates in dozen countries
and has a lot of subsidiaries worldwide is more often than others, faces above-mentioned distinctions.

The objective of this final graduation work is a development of recommendations concerning improvement of system of human resources management (further – HRM) based on the Japanese company TOYOTA that operates on the Russian market of automotive industry according to comparative analysis of the Japanese and American HR models.

In order to fulfill the objective, it is necessary to overview the following issues:

- Definition of HRM system in the conditions of globalization.

- Features of the Japanese and American HRM models based on TOYOTA and General Motors companies.

- An analysis of the main perspectives of using an international experience of HRM in the conditions of globalization.

- An analysis of Toyota enterprise activities detection of the main problems in the HRM system.

- Development of recommendations about implementation of the personnel reserve formation in the company and an assessment of efficiency of these recommendations.

Object of study – the international enterprises of automotive industry

Subject of study – a process of human research management.

The research conducted in the final graduation work is based on fundamental provisions of human research management. A scientific basis of the degree project was formed according to researchers in the sphere of international HR, particularly the leading Russian and foreign scientists and experts, such as Platonov Yu.P., D. G Drivers, Kuritsyn A.N., Dmitrienko, Schon Beechler, Michelle Najjar, Kristen Stucker and others.
An information base for this research was an accounting statements of LLC Toyota for 2015-2017, data from scientific and analytical portals and also information from the Russian and foreign scientific publications and statistical data.

Structure of final work. Work consists of the introduction, three chapters, the conclusion and the list of the used sources.

The relevance of a subject of final graduate work is provided in Introduction, the objective and related issues are revealed and the subject and an object, information base and the characteristic of work are defined.

The first chapter of this work is devoted to current trends of HRM in the international companies in the conditions of globalization. In particular, to features of the HRM models of the USA and Japan.

In the second chapter are analyzed the American and Japanese HRM models in the current conditions.

In the third chapter are analyzed the current problems of the LLC Toyota enterprise and are offered the corresponding recommendations concerning the use of an international experience of HRM in Russia.

In the Conclusion are stated the main results of a research.
1 THE CURRENT TRENDS OF THE SYSTEM OF HUMAN RESOURCES MANAGEMENT IN INTERNATIONAL COMPANIES IN CONDITION OF GLOBALIZATION

1.1 A substance of human resources and management in the condition of globalization

Globalization of economic activity exerts direct impact on the business sphere where at the current moment there is a difficult process of an interlacing of business cultures and training of specialists to work in the international companies. There is a change of views to the personnel management, if earlier the human resource was regarded as costs, then now the staff, which is qualified and motivated, allows companies to pass from good, successfully working companies to the leaders in a certain segment of the market. Therefore, the modern HRM system is based on mutual understanding of personnel with the management and its involvements into strategic planning of the company.

However, complexity and dynamism of the external environment, difference in national and corporate cultures, heterogeneity and not similarity of the policies and the practices of management in the different countries have led to formation of the concept of the international human resources management. That, in turn, implies set of strategy, the policies and the practices of the international company in the field of human resources management in the headquarters and foreign divisions.

To all other because the international business has key value in trade for today, and at times renders an important role in policy, there is an increase of number of international companies, the firms that are carrying out and controlling business activities more than in one foreign country. Due to this tendency, a variety of cultures will inevitably increase and requirement to consider multiculturalism leads to the transformation of a HRM system. Thereby the importance of the IHRM system in the global companies is increasing, which in turn, seek for development of unique strategy of business amplifies in the conditions of aggravation of the international competition.
Due to business internationalization IHRM becomes an important and valuable tool that allows a manager to realize a concept of business globalization and to achieve concrete advantages. That, in turn helps businessmen to reveal the institutional and cultural distinctions existing in a firm and to use them for the benefit of the company, while increasing its capitalization. Therefore, in conditions of economy internationalization the role of managers in the sphere of HR comes to the forefront. In addition, the advent of the Internet and electronic commerce during the last decade increased a stream of goods and services that, in turn, subsequently influenced an internationalization of HRM. It has opened new opportunities for development of policy and procedures in the field of human resources management that corresponds to the ability to be mechanisms of coordination and control of the international operations. However, creation and continuous monitoring of this system is one of the main challenges of HRM of multinational companies.

There is an opinion that the main problem of the multinational companies is a need to solve problems of global efficiency and multinational flexibility that in narrow sense means ability of the company to cope with risks and to operate with opportunities which arise in connection with variety and changeability of the global environment.

Thus, a rapid growth of the global competition caused by increased number of transnational firms and perception of the factor that effective and expedient management of human resources leads successful activity of the organizations stirs interest of the companies and practices of business to the IHRM. Thereby, the firms wishing to conform to the international standards and to have an opportunity to compete in the international market are undoubtedly obliged to alter the organizational strategy through an integrated approach, namely strategic management of the international human resources.

This approach, mainly, is commensurate with processes of integration and adaptation. The defining characteristic of strategic HRM is its complexity; the strategy of HRM is integrated in general into the strategy of business down and are joint among themselves across. Therefore, its application is considered to be the a main strategy of a firm. It concerns the general direction to which the company follows with the help of the employees in accordance to achieve the objectives. As strategic HRM
addresses numerous questions to changes in structure and culture, overall performance of the organization and compliance of resources to future requirements, it has to consider all fundamental questions connected with personnel, which influence the strategy of the company.

The key feature of IHRM consists in taking note of external aspects: political, economic and welfare factors; and internal aspects, such as structure, size, age of the company and stage of internationalization on the HRM function. Therefore, the international companies are tending to resort to the general strategy of HRM, which is integrated into the business plan of the company on vertical coherence, and also develop private functional strategies which interact with each other on horizontal, namely providing with human resources, their training, development and remuneration.

However, the dilemma, which face all multinational corporations, consists in achievement of balance between the international coherence and local autonomy. To create, support and develop corporate identity, multinational corporations are obliged to strive for uniformity of strategy of HRM in scales of the whole world. On the other hand, to work effectively and fruitfully at places, it is necessary to consider concrete cultural requirements of various countries. Therefore, variety of cultural features demand from the companies a certain differentiation.

The international HRM includes a set of problems that appear only when activity of the company goes out of the local country. These obstacles are classified in a variety of the existing international organizational models, extent of variation of policy and practice of HRM in various countries, namely, convergence and divergence.

At the current moment, in the world, there is a tendency to convergence, or the so-called strategy of ignoring of cross-cultural distinctions that means uniform approach to the strategy of HRM in the international company both in the headquarters and in affiliated divisions. The strategy of convergence means transfer the principles of work from the local country to other different countries. Their branches are obliged to observe accurately the instructions and instructions that are coming from the head office. According to experts, the strategy of convergence can give to the company
competitive advantage due to standardization of operations in all divisions of the international company.

On the other hand, many international firms are strongly clamped by the national institutes that an appearance of any other general model will hardly cause huge success. Besides, in the sphere of compensation international approach of convergence isn't universal. And the problem with insufficient attention to cultural distinctions, in connection with application of the strategy which is focused on rapprochement becomes more and more relevant. As the HR systems reflect a context of national institutes and culture, they aren't capable to react to the changing requirements of technology or the market quickly. In each country, managers carry out the activity within a national institutional context and operate by means of a set of cultural prerequisites. Therefore, neither institutes, nor culture are capable to adapt and change so promptly as in other countries. Gerard Hendrik Hofstede, the Netherlands sociologist, emphasizes that this is a distinctive feature on which managers in one country behave absolutely different, than managers in another.

Therefore, there was created an absolutely oppositional strategy, divergence, or approach that uses all the cross-cultural distinctions that means formation of certain procedures depending on local requirements, considering the differentiated direction of the choice of the policies and the practices of HR in the international organization in the head company and affiliated foreign divisions. From this point of view, the strategy of divergence is more flexible for the international company and allows to resolve more quickly and effectively the current issues in the field of HRM. For example, use of identical test techniques at selection of personnel in separate divisions of the company, which operate in other countries, isn't absolutely rational. The fundamental reasons of such techniques are connected with specifics of the national labor legislation and also, with social and psychological features of candidates.

Due to imperfections of strategy noted earlier, there was offered a new international approach to human resources management, which requires recognition, by the parental organization the fact that its internal principles of management are connected only with the tasks and values, which are based on the culture of the native land. Also, it is necessary that parental organization' methods were not universal abroad and acceptance of the fact that it is more expedient to its affiliated branches to
choose management methods, that differs from the headquarters, because they can be more efficient. Thereby, proceeding from the right use and understanding of cultural distinctions by the headquarters, there increases the possibility of creation more unusual ways of human resource management.

1.2 Implementation of the human resources system in international companies

Most organizations still have the false or not right understanding of the IHRM. There is an incorrect opinion that use of the HRM local system at its transfer on the international market promotes fast expansion of business, without causing vital issues. However it is not so, experts distinguish a huge difference between local and international HRM which in turn is much more difficult and requires especially close attention to it, since the company is more influenced to external factors and will undoubtedly face a problem of interaction of various cultures. Therefore, if the organization wishes to operate in the international market and to become highly competing player, it needs to realize all risks and to adapt the policy, following the rules and norms of the host country.

One of the main features of the international HRM is the ability of adaptation and improvement of HRM model of the firm in connection with cultural differentiation of employees with various nationalities, leveling harmful factors of the external environment.

Institutional distinctions among the countries, in particular, standard practice of lobbying, type of the government, labor unions and the organizations of consumers also have huge influence on IHRM. According to experts, human resource management from the different countries differs from each other because of the labor law and the educational systems of various countries, therefore, that leads need of updating the program of training for foreign personnel.

The managers who are going to deal with the alien cultural environment need to adapt the style of the management, a manner of communication and a habit to new conditions. Since the system of values and beliefs of the employee consists in a
basis of his culture and ignorance by the manager of these features can entail the serious conflicts in the company. Therefore, both parties have to adapt to a situation of peaceful and fruitful co-existence of cultures to achieve the maximum productivity.

Traditional HR includes certain functions, such as set of personnel, training, compensation, assessment of results of activity and process of promotion. The multinational companies need to adapt and alter the HRM models on the emigrating employees. As to operate the company in the conditions of cultural diversity of labor in national and global scales is difficult and the main role of IHRM consists in achievement of uniformity of the organization.

Based on the research conducted by Geert Hofstede, it has been revealed that in most companies systematic differences between nationalities include six indexes:

1. power distance;
2. individualism or collectivism;
3. uncertainty avoidance;
4. masculine or feminine
5. short-term or long-term orientation;
6. indulgence or restraint.

These distinctions can form a basis of behavioral problems, which IHRM faces. It can influence on functions of employees, such as: motivation, courage to resist risks, interpersonal skills and qualities of decision-making. Therefore, the multinational companies are obliged to operate in accordance to globalization. It is one of the main conditions in the context of developing the business. Any organization, even the smallest one, can't resist to the course of globalization. It gives us an understanding that IHRM is a valuable tool for a number of the international companies.

Managers need to impart the knowledge abroad by means of effective and fruitful communication with workers from various countries. Non-compliance with these measures will cause the cultural barriers, which can complicate the growth of the
multinational company because of the intense relations between the manager and his subordinates. In addition, it is necessary for managers to be involved into private life of expatriates, especially at the appearing housing question and adaptation of his family at a new place.

Finally, in the different countries, working conditions and a living wage can significantly differ; therefore, managers should arrange the systems of payment under needs of labor market of the concrete host country. Besides, managers have to define how to pay work of the heads working abroad, potentially facing higher cost of living, deterioration in vital conditions and a depression or a stress in connection with a separation from friends and relatives. Therefore, most companies pursues policy, which guarantees that expatriates won't suffer, while working abroad. It is also necessary to consider problems, which can arise at repeated integration at home by expatriates. Mostly they lose the status, autonomy and complain of a lack of career development and recognition of their foreign experience.

To be able properly define communities and distinctions of local and international HRM and also to reveal activity which needs to be modernized, when it comes to IHRM, let's observe the P.V. Morgan's model, the Figure 1.1. This model represents three components of IHRM:

1. Extensiveness of HRM actions— to providing, placement and use. It is possible to carry out decomposition of the presented actions on planning of human resources, a staffing (involvement of personnel, selection, placement), activity assessment, training and development, compensations (remuneration) and privileges, the labor relations;

2. Categories of the nations or the countries involved in actions on IHRM:

   - the "maternal" country (parent/home country) in which there is a company headquarters;
   - the host country (host country) where branches of the company are located;
   - other countries (third countries) which are a source of labor and financial resources of the company;
3. three categories of personnel of international firm:

- citizens of the host country (HCNs);
- expatriates (PCNs);
- citizens of the third countries (TCNs).

Figure 1.1 - Model of the international human resources management (Harzing A.-W. 1996)

From this model, it should be said that all the components are in continuous interaction with each other, proving thereby complexity and defining wider range of activity, than, in practice of local HRM.

To cope with all difficulties arising at business globalization in the course of IHRM should be found a source of development and introduction the policies and the practices of HRM. This problem is defined by the principles of communication accepted between the headquarters of the international company and its divisions. At the moment there are four main strategies of interaction in the field of IHRM between the headquarters and its foreign branches: ethnocentric, polycentric, geocentric and regiocentric. Each company adheres to strategy depending on how host country differs from native.

So, the ethnocentric model relies on use of the HRM identical model both in the headquarters, and at the foreign enterprises. Is possible to hire for senior positions
only expatriates for a reason that in the host country there are no qualified specialists in the field or for decrease in risks of the companies at an initial stage of internationalization. However, this approach considerably increases costs of the company and limits a possibility of career development of personnel from the host country, thereby causing turnover of staff.

Polycentric strategy, on the contrary, relies on the idea that each country is unique in all the aspects therefore the headquarters suggests the branches to work proceeding from the local principles of realization of HRM and allows to employ residents of the host country. However, in turn, autonomy conducts to the fact that residents of the host country seldom move for implementation of projects and works to the country of the headquarters, and expatriates — to foreign divisions that reduces efficiency of the international company functioning.

At policy of a regiocentrism the division function on a regional basis and process of HRM is one for all region. The fourth approach, geocentric, allows the companies to choose and employ the best candidates, despite of their ethnic origin that gives to companies a formation of team of international managers who are capable to develop successfully the multinational organization in unpredictable conditions of globalization. However, in practice, the international companies adhere to the mixed strategy.

Thus, being a valuable tool of development to the multinational corporations, IHRM undertakes wider range of problems and functions, making undoubted impact on efficiency of functioning of the company, operating of personnel of all categories, both in the headquarters, and in foreign branches.

1.3 Main features of Japanese and American systems of human resources management

In various countries and cultures, approaches to HRM and sets of concrete management practices differ, so that any element of economic practice can show the complete antithesis of approaches. For instance, experts consider the American and Japanese approaches of HRM as completely diametrical methods.
The Japanese system includes mix of the best practices of management, national features and public psychology. The most important value according to Japanese population – are people. For this reason, Japanese companies are focused on the person, as on the personality who plays a significant role in achievement of the company's purposes. Each employee get a satisfaction from own efficiency at work, while understanding that their pressure will be noticed and surely estimated. In addition, on the other hand, American HRM system was created due to basic provisions of classical school where one of distinctive features considered to be an individual approach. A person in this system is perceived as the labor by means of which the company carries out its purposes, while operating due to material interest of personnel. This approach also encourages the competition between workers that differs this model from the Japanese one.

In use and development of HR the Japanese companies prefer that their workers had the broad experience and knowledge that are relevant to the purposes and interests of a concrete company while in the USA the companies look for experts whose knowledge and experience can be used in different companies on the same type of work. While hiring the personnel, a company of the USA is focused on exclusive skills and professionalism of employees and since the American experts mostly specialize in a narrow area, a career advancement is not so frequent that cause a high turnover of staff.

For this reason employees in the Japanese firms do not have a specialized education as it is considered that it will be possible to fully train employees only in the company, while basing on the individually developed programs, thence the education at universities is focused on the full development of the human resources. Due to the broadened horizons, the employee has possibilities to use all the theoretical and practical skills for fast perception of new information. Since it is extremely important for the companies that are introducing innovations, which are playing a vital role in the modern world. Another reason of this approach is the subsequent job rotation, which the Japanese companies practice, because of an opportunity to transfer workers to new types of work, namely quickly and flexibly to diversify production.
In addition, the Japanese HRM system is based on the system of a long-term hiring that, in turn, is based on installations of the Japanese thinking where personal dedication to the organization is considered as a basic installation. In turn, the companies are interested to develop the creative potential of workers according to the long-term plans. However, in connection with this approach, career advancement of employees happens only after several years, even if the potential of workers is unceasingly high, their activity will be estimated only after a certain period. In turn, the American employees have already got used to the accelerated promotion that is directly connected with professional development through the program of training. It also promotes a high mobility in the American companies as a work in various companies only confirms professional skills and the high status of the worker.

The control organization in western and east models is also diametrical. Managers in the USA carry out the activity within formalistic, tough approach, while in the Japanese system is found the soft and informalistic method, which cultivates a sense of responsibility and commitment of workers to the firm. For this reason, managers in the Japanese firms consider close contact with personnel as the most important aspect of management. However, though this approach also defines the loyal and understanding management that undoubtedly important for personnel, on the other hand, workers may not respect the managers and can start to organize some kind of meetings stopping production. In the USA, management is characterized by exclusively strict control as responsibility of each employee proceeds from individualistic approach where the managers stay on the top-level that means only formal relationship with personnel.

However, it should be noted a perfect development of incentives in Japan and practical absence in the USA. If in the American system, the economic factor always is on the first place, then Japanese combine economic incentives with psychological where the personnel are involved in the production movements. Ordinary employees need to feel themselves important in collaboration on the one level with the leading personnel. It lifts a corporate spirit and increases productivity without any special material inputs.

In addition, the Japanese companies are focused on the duration of their employees work, that in direct proportion of payment. It is considered that throughout the work,
the personnel begin to work more effectively; therefore, the developed system of encouragement is necessary. Namely, at vital peaks of employees’ life, such as marriage and birth of children, their salary increases. Besides, compensation depends on the actual, qualitative results of personnel. Unlike the Japanese system, the American employees receive hourly payment that is regulated by the law that means rather identical rates of payment in other firms in this geographical area. The absolute sizes of wage depend on qualification of personnel and cost of accommodation in this area. In most companies, the system of compensation is considered as a shortcomings of the American HRM system, since payment doesn't depend on personal skills and doesn’t stimulate efficiency of personnel.

Due to collective work, the Japanese employees work more effectively and are more productive; therefore, the attitude to the personnel and demand from them is identical. There is a unique system of decision-making, where all interested employees can be involved in permission of current problems, regardless of their status. It happens first of all because of accounting everyone’s opinion, since the unique decision can be born in a dispute and its acceptance has to be carried out in common because the company represents an integral organism.

At the current moment, it is impossible to tell which model of management is better. Today in the USA there is an aspiration of the companies to provide requirements of own production with a high level of personnel. Branches that are closely interconnected with scientific and technical progress make demands on quality and professionalism of human resources. Therefore, need of additional investments in development of personnel and creation of a certain environment for its more effective use, increases. In turn, appears a interest of the companies in leveling a factor of staff turnover, thence there is a tendency to expansion and modification of work with human resources.

Namely, Japanese style of management is the key of success of the Japanese companies; probably that is why the giant companies that are leaders on the World market are the Japanese corporations. However, the purpose of each company is defined in infinite improvement of the HRM system in a pursuit of a great success. One of such corporations is considered to be TOYOTA Company whose principles of
HRM have been borrowed by other Japanese companies, as well as firms of other countries.
2 STUDIES OF AMERICAN AND JAPANESE SYSTEMS OF HUMAN RESOURCES MANAGEMENT IMPLEMENTATION IN THE CURRENT CONDITIONS

2.1 General Motors and Toyota – an experience of using the American and Japanese model of human resources management

During the study of foreign practices of human resources management, and in particular, models of job motivation, experts distinguish American and Japanese models. It is indisputable that not only salary is a key to a positive spirit of workers, but a positive feedback from the top management also motivates employees. Respect for personnel, the system of non-material stimulation, privileges and professional awards are very effective mechanisms of motivation.

The well-known fact is that a common type of motivation in the USA is a monetary stimulation that divides on salary and on other benefits that American organizations provide (approximately 40% of salary), for instance paid holidays, sick pay, pensions and other types of insurance. Considering various inquiries and requirements of each employee, a number of firms operate proceeding from flexible compensation package or the so-called 'cafeteria' model, while providing to the personnel the package of privileges, which interests them mostly.

Namely, in practice of the American company "General Motors", can be clearly observed methods of the material stimulation. In the company are often applied analytical systems of the salary that are based on differential assessment that scored in terms of a complexity level of work taking into account qualification of employees, physical efforts, working conditions and others. At the same time, a variable part of the salary, which acts as an award for improvement of quality of production, increased productivity and reducing the use of raw materials, reaches 1/3 of salary. The company uses different forms of workers' involvement in profit distribution. General Motors also creates circles of quality, joint commissions of workers and administrations, which make decisions on the material encouragement of workers depending on a contribution including in increase in labor productivity.
General Motors is one of the largest American automobile companies, which during 77 years was the largest producer of cars in the world until 2008. Now the company is engaged in production of the products in 35 countries of the world and carries out car sale in 192 countries. The company has a several tendencies in use of labor at the same time. The first one is a tendency of corporation to provide the company's requirements with the qualified labor. Another one is focus on an additional investment not only in preparation and development of personnel, but also in the organization of necessary conditions for wide and high-quality staff use. These tendencies playing a huge role in the increase of enterprise’s competition and also reduce a staff turnover.

The American company is tending to employ the skilled, optimistic, self-motivated and business professionals who will share the ideas of the organization and will introduce innovative views in improvement of the enterprise’s strategy. The corporation does not offer personnel just a position; it gives career opportunities to all who have a desire to develop themselves and the company. In addition, it should be noted that the company is actively engaged in development of personnel, while training and improving its skills. Depending on the annual development plan, the company also establish the plan of training for each employee. There are more than 40 internal courses of development and retraining are successfully used in the company. In addition, employees have an opportunity to attend external seminars to develop their own abilities and obtain skills to steady response to factors of external international environment.

One of the basic policies of General Motors is an appointment to positions of heads among the candidates according to their merits while using a technique of "The estimated center". [8] It gives the opportunity to estimate skills and abilities that are necessary for work of the candidate on the position. It is also possible to create their rating and, thus, to make a process of selection and appointment to the specified positions more transparent. The system of selection and work with a personnel reserve have proved as effective practice on which the General Motors Company has spared no resources.

Within the scope of increase a motivation of personnel, the Company regularly rewards its workers for an excellent attendance, implementation of rational proposals
and effective work. The company created the "Program of work assessment" that allows to estimate a contribution of each employee to the goals of the company.

The systems of motivation that are applied by industrial firms by a career promotion can be reduced to the rotation while taking into account personal qualities and duration of work in the company. The first is more often applied at the enterprises of the USA, the second is more common to Japan.

All international companies face with huge problems during the organization of training process and personnel development. It is necessary to consider not only features of cross-cultural communication, but also the program of training in various countries that have to be corrected, while taking into account the education level provided with local educational system. For example, the Japanese company "Toyota" follows a tradition of a lifelong employment and tries to hire only necessary employees, that is why the company cooperates with the system of secondary education, growing future personnel directly from a school bench. However, this approach can not be applied in all countries where Toyota operates because local educational systems are not ready to have these partnerships with companies. In turn, in American schools of the main emphasis is focused on the general education, and possibilities of vocational training are very limited. Besides, there are a lot of countries where labor is absolutely uneducated and unskilled. Therefore, when the company organizes a manufacture in the new country, it carefully studies local conditions and possibilities of adapting to the corporate culture.

However, not only this distinctive feature promoted such stunning success of the company. Toyota Company caused a great interest to the western organizations due to its successful development of automotive industry in Japan and its rapid growth on other continents. Today, it is the largest Japanese automobile corporation, which is producing one of the best cars in the world. The company began the activity in 1933, specializing in weaving looms; however, currently the company has production capacities more, than in 50 countries of the world, and produces cars more, than in 170 countries of the world. Toyota is not just a car brand, a set of the modernized technologies and systems; Toyota is a certain philosophy, which is based on the worldview of ordinary people.
A work environment in the company imparts an understanding that making mistakes does not show an employee’s qualification, it just a certain stage which promotes growth in the organization. In turn, Toyota production system is based first of all on a corporate culture – precisely how people think and behave, and it is deeply implanted in philosophy and the principles of the company. In the spotlight – respect for people and continuous improvement.

According to the philosophy of the company, each employee is a part of the whole team, thereby the firm is directed to minimization of social differences between subordinates and heads. In addition to this philosophy, it is possible to mark out several key principles of the company. Namely to bring up the leaders who are down on to the business and are focused on Toyota’s philosophy. The company considers that it is better to bring up leaders, than to hire them outside the company that according to philosophy of firm is a necessary component in cultivation and training of the leader who will set a personal example of the relation to business and will be able to become the real teachers of the company’s philosophy.

Another principle is an education of people and formation of the team, which is also professing philosophy of the company. [9] It is shown the need for formation of interfunctional groups that will increase a quality and productivity and also will improve a stream, proceeding from the solution of complex technical problems. In addition, the main indicator of efficiency is continuous training of people to the command work for a mutual goal. In the company, it is common to say: "Before creating cars, we create people". Thanks to this principle, Toyota could achieve the highest indicators and to become a well-known brand. Therefore, an essence of Toyota’s strategy is a development of the human resources that leads to removal of barriers between divisions, increase the atmosphere of trust and cooperation. The company encourage the initiative and a possibility of each employee to participate in transformations, innovations and improvements and readiness to study.

In work with personnel of the Toyota company it is possible to allocate three main postulates:

- Lifelong hiring – in the company is developed an own philosophy that is essential to the management.
A role of leaders - leaders are playing a significant role in the Toyota company, because they carriers a corporate culture of the enterprise.

"The training organization" – a technology of management is based on the ideology of "training", because the leaders in Toyota don't give orders, they train personnel.

In Toyota, it is common to not looking for a guilty person, but a cause of a fault. In this company people say that if the employee hasn't learned, then it means that the teacher has not taught them properly. This principle contradicts a widespread administrative paradigm according to which the chief is always right.

As for programs of stimulation and motivation in the Toyota company, the firm gives more preference to psychological stimulation, however there are monetary methods as well. To the main monetary methods should be referred a salary increase and payments of bonuses, grants to the welfare maintenance that in turn depend on the following factors: dependence of compensation on the term of work, on vital peaks and on results of work of the enterprise. Payment of the bonuses depending on activity of the enterprise and payment of various lump sums on maintenance of welfare is considered as the most effective incentives. It is possible to distinguish a direct psychological impact on workers from psychological incentives and their involvement in various production movements.

Programs of training in Toyota are divided in two directions, namely: for managers and labor. Managers learn English language and also the main knowledge in the field of management and specific information on management of this company. After two years of work is made a temporary transfer of the employee to another department for a training. Afterwards, the employee writes a report on problems of this department with the solution offer. It is also practiced a further training of the personnel abroad in the world-class MBA program, law and a foreign language practices. Training of the labor consists of studying of rules of conduct in the company, production and obtaining the license for the right of work with various equipment. Official movement of personnel is carried out by means of the following methods: rotation of official functions where mastering adjacent professions is stimulated; per-
sonal assessment of results of work of each worker; interviews with the management of the enterprise; examination on office advance and occupation of a vacant post.

This research shows that both companies are different and approaches of implementation of HRM differ. However, the interesting fact is that some Japanese administrative innovations — "quality circles" and the system of deliveries "precisely in time" — have originally were born in the USA, but did not gain a popularity there. However, neither the American methods of HRM have not become popular in Japan. That shows a mutual integration of management methods in the companies in the conditions of globalization and continuous improvement of the principles and philosophies, due to the foreign companies’ experience.

2.2 The main advantages and disadvantages of using American and Japanese models of human resources management in the condition of globalization

The HRM system of the USA has managed to get the leading positions among Japan and the countries of the Western world, its value in the world is indisputable and plays a huge role in development of theories and the practices of management. It should be noted that the American system is facing with big changes and it is caused by the fact that the Japanese model of management changes and corrects established practices due to its high efficiency. Researchers say that the American system is standing on the certain level of development and this stagnation will be terminated with a sharp break out into the lead. This system is applied in various corporations of the USA, Australia, Great Britain, Canada and many other countries. One of the reasons of such progress of the American model is the national component of Americans, namely their desire to fight up to the end and approve their superiority every day. The leadership is in the blood of American people, thereby defining the aspiration to obtain a fast and huge success.

However, as any model of management, the American system has a number of advantages and shortcomings. The main shortcomings of this model are:
1. Reduction of flexibility during changes of production targets, decrease in feeling of satisfaction of workers, increase of exhaustion from monotony, growth of absences because of excessive specialization of work.

2. Loss of efficiency of the hierarchical organization in those industries where the range of goods is big and production includes a set of stages.

3. Desire of the American managers to receive fast, momentary benefit, without foreseeing further effects and perspectives from the held events.

4. Rapid growth of officialdom and transactional costs in view of a large number of levels of management (in the American automotive industry around 11-12, while in Japanese 5-6).

From advantages of this model, the following criteria are distinguished:

1. Rigid hierarchical structure where all workers have only one supervisor. Thereof, a high responsibility of managers for the performed work of the employees.

2. Considerable theoretical justification of management processes.

3. Competently distributed duties regulations that give a clear understanding of direct duties of each employee in the company.

4. The concept "to do from the first time", giving accurate quality control of the performed work.

5. Strictly hourly payment of salary and penalties for delay.

6. The prospect of career development, desire to create equal conditions for all workers and competition encouragement.

In all variety of theories and practices, the Japanese system of human resources management is one of the most powerful of "administrative civilizations". Advantages of this model and the possibility of its implementing are intensively discussed in the organizations of the USA, and in the countries of Europe. Interestingly, however to note the existing positive and negative features of the Japanese system.
The main shortcomings of the Japanese model:

1. Lack of staff turnover, which can result to stagnation in the company that has an adverse effect on productivity of personnel and the enterprise in general.

2. Bureaucracy.

3. Mechanical, heartless control, in view of accurately registered norms.

4. Lack of creativity and enthusiasm in work because the competition in the Japanese companies is not encouraged.

Refer to positive features:

1. Reasonableness in distribution of functions.

2. Discipline that leads to high efficiency and easier control of an enterprise and employees.

3. Efficiency and timeliness of the decisions, in view of accurate structure and an opportunity to fast adaptation to external and internal factors.

4. Increase in labour productivity.

Thence, it is possible to mark out key advantages of both these models of HRM. Therefore, it should be noted that now leading companies of Japan and the USA are tending use the best elements from both these models. That is why; the organization model of Theory Z designed by Dr. William Ouchi becomes more and more popular today.

This Theory is based on the comparative analysis of seven variables of organizational culture. For example, if we are considering a staff turnover, it should be noted that every organization tends to decrease this indices. However, the ways of decreasing these dimensions are different among the types; for example, Japanese companies hire employees for a whole life. The positive aspect of this system of hiring is an absence of fired practice during companies’ crisis. However, on the daily basis it is visible that duration of contracts is rather shorter, than a life sentence. It happens due to the lack of advance warranties of promotions even for employees
who were working in the organization during their whole life. The American companies employ workers on a short term (1-2 years), at the same time a lot of workers extend the contracts for a longer time. According to the Ouchi’s model companies should hire workers on a long period, thus to offer employees the contracts that are somewhere between the lifelong and short-term. While analysing every aspect, should be said that William Ouchi managed to combine the most successful indices from each model. He also proved that the company should not only pursue a profit, the main goals are to bring a benefit to society, to make workers feel as a part of big debugged system and to increase a welfare and success of the company, without thinking of personal advantages.

Table 2.1 – The organization model of Theory Z designed by Dr. William Ouchi (Kuritsin A.N. 1994)

<table>
<thead>
<tr>
<th>&quot;Cultural variables&quot;</th>
<th>Condition of culture in the Japanese companies</th>
<th>Condition of culture in the American companies</th>
<th>Condition of culture in the companies like &quot;Z&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiring of workers</td>
<td>Lifelong</td>
<td>Short-term</td>
<td>Long-term</td>
</tr>
<tr>
<td>Assessment and advance</td>
<td>Qualitative and slow</td>
<td>Quantitative and fast</td>
<td>Qualitative and fast</td>
</tr>
<tr>
<td>Career opportunity</td>
<td>Widely specialized</td>
<td>Narrow specialized</td>
<td>Moderately specialized</td>
</tr>
<tr>
<td>Control mechanism</td>
<td>Not clear and informal</td>
<td>Clear and formal</td>
<td>Not clear and informal</td>
</tr>
<tr>
<td>Decision making</td>
<td>Group and Consensus</td>
<td>Individual</td>
<td>Group and consensus</td>
</tr>
<tr>
<td>Responsibility</td>
<td>Group</td>
<td>Individual</td>
<td>Individual</td>
</tr>
<tr>
<td>Interest to the person</td>
<td>Wide</td>
<td>Narrow</td>
<td>Wide</td>
</tr>
</tbody>
</table>

Namely, Japanese company Toyota was the first one that started to use this model and continue to develop it until nowadays. Success of its activity is caused by the qualitative management style, which unites advantages of both above described models.

The vast experience of the USA and Japan in the HRM sphere is adopted with high speed among all countries of the world. Due to high rates of globalization, Russia has also caused this tendency. The Russian model of HRM is subject to a huge
impact from both the West, and the East sides. From the east side Russia has taken a form of group thinking, and from American - individualism. These two fundamental qualities are components of the Russian mentality, and are defined contradictory owing to polarity of their bases, highlighting polarity of the Russian mentality which doesn't adhere to any one certain party. It is impossible to reveal the unique method in management as any experience needs to be adopted to the national peculiarities. Nevertheless, at the same time, it is impossible to avoid extensive knowledge and practices of our eastern and western neighbours, who are able to help us to avoid a number of mistakes in HRM.

The Russian national specifics are in many characteristics similar to the Japanese. The system of the organizational relations constructed by Japanese and corporate culture has a huge efficiency for the Russian companies. That gives extensive opportunities and emphasizes sense of use of the Japanese system in the Russian realities. However, it is necessary to take into account that the mentality of the Russian society is no able to fully apply the Japanese model. Even if we take into consideration the fact that collectivism is inherent to the Russian employees, they will not be able to repeat the Japanese principles with their lifelong hiring, career enhancement and supervisors’ care to the employees. The process of relationship-oriented hire at the Russian often leads to a demotivating of employees. The main distinctions and similarities of the American, Japanese and Soviet approaches are presented in Appendix A.

To form a complex HRM system in the Russian realities, the companies need to follow the American experience which is more focused on development of an initiative and creative independence of workers and also to lean on the Japanese way which forms corporate spirit, which leads to a positive social psychologically climate in a collective. In addition, it should be noted an experience that was accumulated in the Soviet Union, in particular moral incentive where the role of moral encouragement prevails over material. Namely, this experience is obligatory for a wide circulation among the enterprises of other countries.
2.3 The main trends of Russian automotive market and activities of Toyota in the field of human resources management

Despite the similar practices of human resources management, the Japanese and Russian mentality considerably differ from each other. A lot of researches find an adaptation of the Japanese companies to the Russian market especially interesting. Despite unstable market conditions, a long-term strategy of Toyota Company remain invariable, and the Russian market is considered as a priority at the global level. At the current moment, there are 4 automobile plants in St. Petersburg despite the Toyota plant: preserved plant of General Motors which came to a conclusion to leave the Russian market in view of universal recession, Nissan and Hyundai. In total, these plants produce 13 models of cars.

Nowadays, the Toyota Company produces over 45% of the products at the enterprises located out of Japan. The share of foreign production in the company for the last 10 years doubled, while showing a rapid growth. Generally, the company attracts local labor, with use at the first stages ethnocentric model, which involves only the Japanese managers on key positions. [14]

At the Russian enterprise that is located in St. Petersburg the first car was produced in 2007. The plant includes different workshops: machine-assembling, colorings, stampings of body parts, welding and production of plastic parts where Toyota Camry of the 7th generation and Toyota Rav 4 are made.

In the organizational structure of the company are included, the figure 2.1:
Figure 2.1 - The organizational structure of the company (Official site of LLC Toyota)

- Top managers, where the only one shareholder and the founder is the chair of the board of directors Hirosi Okuda, and supervisory authority is the Ministry of Industry and Trade of the Russian Federation.

- The CEO who can make decisions in the choice of strategy, the prospect of development and organization of the enterprise. At the moment the top management consists of 12 Japanese managers, who are coordinating all activity on the plant.

- The production and dispatching department defines efficiency of production where the general annual plan of production and the monthly nomenclature plan are determined.

- The technical department supports production in constant technological improvement, by implementing the progressive technologies and the newest materials.

- The construction department provides economic service of the enterprise.
- The economical department keeps account of the arriving assets and carries out the economic analysis of financial activity.

- The department of marketing holding advertising activities.

- Department of logistics provides the enterprise with necessary raw materials.

- Department of human resource management, which carries out all necessary procedures, connected with hiring, training and adaptation of employees.

- The department of quality management is defining quality of production.

- Checking department, which carries out certain tests over production.

- The accounts department establishes results of financial and economic activity of the enterprise.

The sales of the LLC Toyota Motor Company in Russia were 55 324 Toyota cars and Lexus during the first half of the 2018. The share of the brand reached a record pick of 6,6%, during the whole history of presence of the brand in the Russian market. That helping the company to remain the Japanese brand No. 1 in the Russian market.

To characterize economic activities of the enterprise, it is necessary to consider such key indicators as turnover of release and product sales, gross revenue, profit and profitability.

During the analysis have been used the accounting reports for 2015-2017 allowing to define dynamics of sales volumes. In addition, the indicators of a labor and data that allows to analyze a labor productivity of personnel have been considered.

According to the data provided in the table B.1of the Appendix B, technical and economic indicators of activity of the enterprise for analyzed period decreased. In 2017 in comparison with 2016 sales volume has decreased by 22 424 44 thousand rubles. At the same time, there was an increase in gross revenue in reporting year against previous on 50 319 4 thousand rubles and profit on sales increased on 8 148 1 thousand rubles. The net profit of the enterprise for three years 2015-2017
has increased from 2242444 thousand rubles, up to 394319 thousand rubles. Profitability for the last year has increased for 7.89%.

The cost of fixed assets in 2017 in comparison with 2016 increased by 552320 thousand rubles, or for 3.17% with capital investments of the enterprise in the equipment.

The capital productivity indicator in 2017 in comparison with 2016 increased by 0.32 thousand rubles or 0.16%. This decrease first of all is connected with increase in cost of the fixed business assets.

However the capital adequacy in 2016 shows 520,13 thousand rubles on persons, in comparison in 2017 this indicator increased by 30,23 thousand rubles on the person. That shows during rather strong positions of the plant on the Russian market of automotive industry.

As it was considered earlier, the special place is taken to the personnel policy which helps to the company achieve the highest results during many years. For this reason, Toyota tries to employ only those workers who conform to its standards and priorities: to work in a team, corporate loyalty and universality on the production line.

For the analysis of efficiency of the Japanese HRM for Toyota subsidiary in Russia, it should be taken into account national peculiarities of the Russian mentality and the Japanese principles. The Japanese company tries to reconstruct activity and behavior of the Russian employees under itself, being guided by the principles of a group work, with accurate hierarchy, bureaucracy and with aspiration to a rigid power vertical, which exclude the creative beginnings in collective. What, reasonably, rises a disobedience and a protest peculiar to the Russian mentality. The business charter, which fully approaches under the Japanese mentality, will not have any popularity in Russia without necessary adaptation under Russian market and personnel.

The Toyota Company can face a problem of a high turnover of staff that is unusual to the automobile giant according to its system of lifelong hiring. In connection with the requirements of the countries where the company carries out the activity, Toyota corrected the principles of recruitment, training and work with personnel.
The personnel of the St. Petersburg plant were trained in the Japanese GPC (Global Production Center). The company spends $140 per a day for training of one specialist. In total for training of all Russians, the Company spent $4 million without accommodation, translation service and flight. It should be noted that candidates with an experience in local automotive industry weren't accepted, while in other countries the company did not put a such restriction.

Employees of Toyota in St. Petersburg are trained so that the self-improvement and full devotion are optional for them. In Toyota consider: in Russia it is possible to strive for absolute quality and to reduce costs with the same efficiency, as in Japan. For this purpose, it is necessary to follow the special instructions. Management is based on standardization of procedures and discipline, but not on continuous improvement.

For implementation on the Russian plant the "economical production", the company had to resort to the following innovations:

- as an exception to invite for a training to the Japanese center of training all staff of the plant;
- to hire only those who has never worked before at the Russian automobile factories;
- to remove a philosophical component from the system of management and places emphasis on the instruction.

Thanks to this development in a control system, it is possible to note that the quality of the produced cars in St. Petersburg doesn't concede to quality of products manufactured at the plants in Japan and the USA.

In addition, the company offers all the employees improve their working process according to "Quality control circles". It should be noted that the number of participants at the plant in St. Petersburg grows in this activity every year, and in 2014, almost each employee has offered the actions for improvement.
Also, the company fully approaches motivation of the employees. The main motivation is the fixed salary; also, employees receive a monthly extra charge. There are various privileges and compensations:

1. surcharge for work at night (+ 40% by each fulfilled hour from 22 to 6 a.m);
2. surcharge for work in harmful or dangerous working conditions (+ 4% to a salary);
3. monetary compensation for increase in duration of working hours till 40 hours per a week (+ 2% to a salary);
4. financial support;
5. granting interest-free loans;
6. compensation for an apartment rent;
7. insurance upon accidents;
8. insurance for going abroad;
9. voluntary health insurance;
10. catering services to the employee and free delivery from the enterprise to the place of residence.

A revision of the salary is carried out every year in connection with external changes of car market, an economic situation in the country and the rate of inflation and consumer prices.
3 PROPOSALS FOR EFFECTIVE UTILIZATION OF
INTERNATIONAL EXPERIENCE OF HUMAN RESOURCES
MANAGEMENT IN RUSSIA

3.1 Justification for improvement of Toyota’s system of human resources management, which operates on the Russian market

Toyota Company is famous throughout the world for quality of the products, a creative in production and in advertising. One of the reasons of company’s success is the focus on personnel, which, in turn, considered to be the most important resource of the company. “Toyota” successfully operates in the flexible environment of constantly changing needs and effectively adapts under needs of buyers.

However, at the moment the automobile giant sustains huge losses in connection with technical malfunctions of cars. Therefore, in 2010 nearly 9 million cars were withdrew from production worldwide, in particular only in 2016 in Russia were withdrew 220 thousand automobiles. Moreover, illiterate tactics of a solution led to decrease in sales to the lowest levels for the last decade and had a detrimental effect on the reputation of the brand.

Doctor John Sullivan, the famous expert in the field of human resource management specializing in HR strategy and development of HR systems says that difficulties, which the company experienced, were caused by imperfection of HR practices. According to his statements, it is necessary to think more widely, since the faulty equipment cannot be the only one reason. Therefore, namely the moment at which there can be found a failure in a product or service extremely seldom is the defining cause of failure.

To understand the reasons of these failures, it is necessary to consider a structure of the personnel, which are carrying out the activity on the Russian plant. The solution of tasks, which Russian plant is facing, requires presence of the highly skilled and motivated personnel that will be ready to produce competitive products.
By data from table 3.1 it is possible to track that generally as a part of personnel, there can be found labor that produce a main production. In 2017, the number of labor was 1485 people. At the same time, the age list of workers can be found in the table 3.2 where it is visible that the number of personnel aged to 30 and 30-40 considerably prevails over other indicators that shows that the collective is rather young and healthy with high ambitions and aspiration to self-realization.

Table 3.1 - Structure of Workers (on categories), persons (Official site of LLC Toyota)

<table>
<thead>
<tr>
<th>Category</th>
<th>Supervisors</th>
<th>Managers</th>
<th>Employees</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2015</td>
<td>20</td>
<td>400</td>
<td>580</td>
<td>720</td>
</tr>
<tr>
<td>2016</td>
<td>20</td>
<td>400</td>
<td>600</td>
<td>800</td>
</tr>
<tr>
<td>2017</td>
<td>20</td>
<td>520</td>
<td>695</td>
<td>1485</td>
</tr>
</tbody>
</table>

Table 3.2 – Age list of workers (Official site of LLC Toyota)

<table>
<thead>
<tr>
<th>Amount of workers</th>
<th>Under 30 y.o</th>
<th>30-40</th>
<th>40-50</th>
<th>Up to 50</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>%</td>
<td>Amount</td>
<td>%</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2015</td>
<td>760</td>
<td>44,7</td>
<td>540</td>
<td>31,7</td>
</tr>
<tr>
<td>2016</td>
<td>840</td>
<td>46,7</td>
<td>515</td>
<td>28,6</td>
</tr>
<tr>
<td>2017</td>
<td>1140</td>
<td>42,2</td>
<td>1005</td>
<td>37,2</td>
</tr>
</tbody>
</table>

Qualification and education level of personnel play the major role in production. It should be noted that the personnel at the plant is characterized as professional qualification as the workers that have the higher education are more than 31.5% of the total amount, this indicator is quietly high in comparison to other automobile plants in the country. See the Appendix B, the table B.2.

The most essential stage in the analysis of the plant’s labor is the studies of its turnover. Since if this indicator is low, it is a key prerequisite of increase in productivity of work and production efficiency in general. The rate of the labor turnover in the enterprise shows the following formula:

\[
\text{Annual Turnover Rate \%} = \frac{\text{Number of employees who left}}{(\text{Beginning} + \text{ending number of employees}) / 2} \times 100
\]
While analyzing the data from table 2.3 that is presented in the Appendix B it is possible to track that the staff turnover rate is much higher in 2017, than in 2016 that undoubtedly shows some problems at the enterprise.

The major factor of the production growth is the labor productivity. While analyzing the indicators from the table 2.4, see the Appendix B, it is worth to notice that the average annual output on a one employee has increased by 38,88 thousand rubles in 2016 in comparison with 2015, and in 2017 on 53,14 thousand rubles. These indicators show the positive impact from the human resources management practices, however still there are problems, which need to be solved. For definition of these problems, we will use the analysis that is made on the basis of questioning in which 270 workers have taken a part, see the Appendix B.

As have shown the data of questionnaire mostly all workers of the enterprise are worried of the following factors: generally respondents aren't satisfied with unfair material distribution (26%), working conditions (17%), punishments for insignificant offenses, discipline (16%) and also physical activities (16%), (the drawing B.1, see the Appendix B).

The measures that are capable to positively influence at the performed work, according to workers are the indicator of salary increase (35%) and the indicator of expansion of duties (17%). In turn, it shows that the principle of rotation in the Japanese company is expressed softly and needs to be adjusted, (the drawing B.2).

Also, 86% among respondents are seek for professional development, though 57,8% say that for today the management doesn't use their professional opportunities fully. On the one hand, 39% of respondents would like to study at the expense of the enterprise, and 14% are ready to do it at one’s own expense. On the other hand, nearly a third of respondents have found it difficult to answer this question, or said that they do not wish to study and improve their skills.

Thereby, for improvement of motivational climate 45% of respondents have pointed to the salary increase, 25% are willing to get a professional development, while using different kind of trainings; 20% suggested to implement the system of career development and 10% have suggested to implement the system of moral incentive.
Apparently, due to results of the research, the important aspects of the good motivational climate are considered the salary, professional development and a possibility of career development.

3.2 Recommendations for improvement of Toyota’s system of human resources management, which operates on the Russian market

We will consider the main recommended actions for improvement of career planning system and formation of a personnel reserve in LLC Toyota directed to increase the loyalty of employees and to decrease the problems that are existing at the moment in the company.

For the Russian enterprises or the companies, which are employing the Russian personnel, can be interesting the model of a personnel pool formation that has developed at the current moment in the USA. The system of human resource management in the USA has developed and improved for a long time, therefore, an experience of personnel work in the government of the USA can be interesting to Russia, which, in turn, is looking for ways of formation and development of personnel potential. Such strategy helps the companies to grow up the qualified, motivated and loyal personnel. The company doesn't spray the funds for training of all personnel, while knowing whom expediently to advance. The expenses on search of personnel through recruitment agencies are also cut down.

Proceeding from the carried-out analysis of the LLC Toyota enterprise, a quantity of problems, which the company faces in the Russian market has been marked out. One of them – turnover of staff. Generally the reasons of staff turnover are defined by several indicators:

- processing (a lot of work for the same salary);
- insufficient salary;
- not clear chances for career development;
- lack of the program of a personnel reserve;
disappointment in expectations.

At the current moment the company is searching for employees and a quantity of vacancies are opened. Thereby, for reduction of staff turnover it is necessary to address to the American experience of the personnel reserve formation and to the Japanese philosophy of leaders cultivation in the company.

LLC Toyota is aimed at preservation of the personnel in the company and at decrease of staff turnover. Therefore, there is a lack of the personnel reserve. The motivation of personnel, which are inspired with a possibility of professional development, and then a career development, also becomes a reason of its formation. In addition, there is a possibility of maintaining knowledge and experience in the company. The costs of search and adaptation of personnel from outside are also reduced. A work with a personnel reserve is optimal, because it is capable to carry out diagnostics while revealing employees with an inadequate self-assessment and showing the new talents.

In the basis of a concept of formation and management of a personnel reserve, it is expedient to underline the following principles:

- transparency – each employee is obliged to know criteria, compliance to which gives the chance of professional and career development in the company;

- availability – the worker has to have an opportunity for career development through achievement of the established criteria and also understand the methods of these criteria assessment.

Therefore, stages of personnel reserve formation are:

1. A formation of the list of the positions demanding priority training of reservists. Where at least two candidates are planned for each position in a reserve.

2. Justification of expediency of personnel reserve development. Therefore, a creation of the internal document as "The provision on a personnel reserve" in the company will allow to define accurately the rights and duties of participants.
3. Promotion of candidates for a reserve. At this stage, the model of competences is developed. The candidates have to possess these competences to be able to become members of a personnel pool. There also described ways of their promotion.

4. Training of reservists (implementation of the program of professional development and administrative qualities). The purpose of this stage – ensuring training of the reservist for requirements of a target position taking into account his specific features, strong and weaknesses. As a rule, the program of preparation is calculated from 6 to 12 months depending on a position to which it is planned to train the employee, and the level of his knowledge and skills.

5. Provide the mentor to each reservist from colleagues that are more skilled. Following the results of passing the development program, the mentor can be encouraged. Depending on a level of training of the new employee and complexity of a task, the mentor chooses style of interaction with him.

6. An assessment of results where the staff of HR department carries out a complex assessment of the quality of reservists training.

7. Summing up training of reservists. At this stage, is made a decision on successful reservists’ encouragement and on an exception of the employees who have shown decrease or lack of progress.

8. Disclosure of information on the project.

To realize this project successfully, it is necessary:

1. To accurately formulate and define a row of competences of candidates for substitution of a vacant post. These competences shall reflect professional, business, personal characteristics of "reservist".

2. To make the database about potential candidates for a personnel reserve, having marked all competences and skills, so there always will be a possibility to find the person that will be good for the appeared vacancy.
3. To develop and define criteria on which it is possible to monitor process of a personnel reserve. There can be: percent of the vacancies filled by external or internal candidates, percent of employees who leave the company because there was not paid enough attention to their development, etc.

4. To bring to subordinates an information about conditions and requirements of personnel pool formation. To work not only with those who were entered to a reserve, but also with potential candidates for promotion.

We will formulate the general requirements to the candidate for LLC Toyota:

1. High professionalism, assumes existence of the corresponding education. Besides, an experience on this specialty is necessary. The knowledge of the business and preaching of Toyota’s philosophy is necessary for candidates. Personal characteristics of the candidate have to correspond to his professional profile.

2. Presence of a social competence: the ability to understand the place in the system of already developed relationship in collective and to correctly build the relations with all employees, colleagues and the administration, ability to work in team, readiness for being a shoulder. It is necessary to define the candidate’s system of values. There has to prevail values of family and work.

3. Compliance of the candidate to requirements of collective corporate culture, i.e. existence of those specific qualities, which are necessary for an effective activity.

Besides, specialists of HR department have to be trained. Training of experts and heads due to methods of work with a personnel pool prevents the following problems:

- wrong organization of work with a reserve;
- risk of serious miscalculations at long-term planning;
- formalistic approach;
- unwillingness of managers to take "excess loading".
In work with a personnel reserve, the following tests for assessment of candidates “Assessment Center” and the 360 degrees method are mostly widespread and recommended.

Table 3.3 - Tests for assessment of candidates in work with a personnel reserve (Solodova A. A. 2013)

<table>
<thead>
<tr>
<th>Content</th>
<th>«Assessment Center»</th>
<th>360 degrees method</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Assessment Center program joins business and role-playing games, occupational and psychological tests, the self-presentations, discussions, exercises, and written works.</td>
<td>Estimated action, which consists in collection of information about the person (or group) from the persons that are interacting with him, with the subsequent feedback.</td>
</tr>
<tr>
<td>The cost of solution</td>
<td>Payment for the three-day training rate of 20000 rub.</td>
<td>Payment for the three-day training rate of 15000 rub.</td>
</tr>
<tr>
<td>The terms of realization</td>
<td>Preparatory stage, group interview of employees 1-2 days.</td>
<td>Preparatory stage, long time for calculation of results</td>
</tr>
<tr>
<td>The planning result</td>
<td>High-quality and fast selection because of comprehensive assessment. Identification of labor predisposition of the candidate.</td>
<td>Involvement of personnel, high objectivity of results, flexibility, increase in trust.</td>
</tr>
<tr>
<td>Performer</td>
<td>The trained HR manager</td>
<td>The whole collective</td>
</tr>
</tbody>
</table>

The all developed actions are generalized in the uniform program for personnel pool formation, see the Appendix D.

For simplification of work on integrated management of personnel in the field of a personnel pool and human resource management in general for LLC Toyota it would be expedient an installation of a complex software, namely the system BOSS-PERSONNEL OFFICER.

An automation on the basis of the BOSS-PERSONNEL OFFICER system allows: to do the deep analysis of an internal reserve of the enterprise; to keep account of the workers who are in a personnel reserve of the enterprise, while operating at the same time with all positions of the staff list and workers. It also allows to reveal strong and weaknesses of workers, if necessary to plan and hold events (different types of training) aimed to develop the certain characteristics; to plan long-term (vertical or horizontal) career of the worker and to appoint to certain workers personal
tasks, at the same time to control percent and terms of their execution. It is also available to select a key position of the most suitable worker and vice versa most suitable key position under the specified worker; to draw analytical conclusions on the basis of the system report "A personnel reserve of the enterprise" which includes a possibility of commission of temporary cuts.

Thus, on this stage of work, the recommendations for personnel reserve formation in LLC Toyota including the program for formation with all subsequent stages and responsible persons have been illustrated. In addition, were analyzed the general requirements to candidates and the most effective methods of their estimation. In turn, it becomes obvious that after development and deployment of a personnel reserve in LLC Toyota it is necessary to pay an attention to the process automation, which will allow to make an innovation even more effective and productive.

3.3 Assess the effectiveness of recommended activities

To be able to form the personnel reserve at LLC Toyota, it will be necessary to calculate the costs for realization. The main articles and calculation of annual costs for formation of a personnel reserve are presented in table 3.5.

Apparently, from the table, the current annual costs for realization of actions for formation of a personnel reserve considered as 644 thousand rubles.

An economic effect from a personnel reserve formation will be shown in decrease of staff turnover due to increase of personnel satisfaction with a control system of career and also in production increase due to more effective motivation of personnel.

As a result of holding actions at LLC Toyota the predicted decrease of staff turnover due to the forecasts of analysts will be from 4,5% to 7%, thence, at the average percent of 5,5% there will be a decrease of 19 people per year. The predicted increase in productivity of work will be from 1% to 3%.
Table 3.5 - Calculation of the current annual costs:

<table>
<thead>
<tr>
<th>№</th>
<th>Cost item</th>
<th>Expenses, rub.</th>
<th>Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Current expenses, rub.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Before implementation of an action</td>
<td>After implementation of an action</td>
</tr>
<tr>
<td>1</td>
<td>Compensation to the HR manager</td>
<td>35 000*12=420 000</td>
<td>45 000*12=540 000</td>
</tr>
<tr>
<td>2</td>
<td>Assignments from the salary fund of the HR manager</td>
<td>420 000*30% = 120 600</td>
<td>540 000*30% = 162 000</td>
</tr>
<tr>
<td>3</td>
<td>Compensation of the personnel training and development specialist</td>
<td>45 000*12=540 000</td>
<td>55 000*12=660 000</td>
</tr>
<tr>
<td>4</td>
<td>Assignments from the salary fund of the personnel training and development specialist</td>
<td>540 000*30% = 162 000</td>
<td>660 000*30% = 198 000</td>
</tr>
<tr>
<td>5</td>
<td>Training of department of personnel in work with a personnel reserve (test tasks)</td>
<td>0</td>
<td>35 000</td>
</tr>
<tr>
<td>6</td>
<td>Encouragement of mentors for training of reservists</td>
<td>0</td>
<td>150 000</td>
</tr>
<tr>
<td>7</td>
<td>Expenses on stationery</td>
<td>0</td>
<td>20 000</td>
</tr>
<tr>
<td>8</td>
<td>Introduction of the BOSS-PERSONNEL</td>
<td>0</td>
<td>59 000</td>
</tr>
</tbody>
</table>
According to the data of table 3.5, it is possible to track that the salary of the HR manager and a personnel training and development specialist established officially within the LLC Toyota company raises, in connection with increase in obligations for work with a personnel reserve. In addition, expenses on training of department of personnel in work with a personnel reserve, and in particular, to the board tasks specified in table 3.3 increase. In addition, due to the similar researches on introduction of a personnel reserve on production, there were identified a need on money for encouragement of mentors of reservists. Thereby, following this tendency, it was offered to allocate 150 000 rub. In conclusion, proceeding from the actions for improvement of a personnel pool that was already mentioned above, it was offered to install the BOSS-PERSONNEL OFFICER program, which expenses due to the official sites are 59 000 rub.

Considering that costs of reception and adaptation of one employee on informal indicators of the recruiting agency Kelly Services are 300 000 rub, we will calculate savings from decrease in turnover of staff by a formula [6, p.15]:

\[ S = C \times E. \]

where \( S \) – savings from decrease in turnover of staff; \( C \) – costs of reception and adaptation of one worker; \( E \) – the number of the left employees at own will. Thereby, savings from decrease in turnover of staff will be [6, p.21]:

\[ 19 \times 300000 = 5\,700\,000 \text{ rub}. \]

Increase in labor productivity due to growth of satisfaction with work as a result of introduction of a personnel pool will be expressed in growth of the output.

Productivity after introduction of recommendations has been calculated by a formula [6, p.24]:

\[ LP_2 = LP_0 + \Pi T_0 \times PP \]
where LP – labor productivity after introduction of recommendations; PT0 – labor productivity before introduction of recommendations; PP – the predicted percent of increase in productivity of work after introduction of recommendations. What makes:

$$1186,85 + 22,7 = 1210,6 \text{ thousand rubles.}$$

Sales volume after introduction of recommendations is calculated by a formula [6, p.28]:

$$SV=SV^*NS$$

where Vpr – sales volume after introduction of recommendations; SNS – average number of staff. Thereby, the difference before introduction of an action makes:

$$1210,6 \times 33897 = 804\ 614 \text{ thousand rubles.}$$

Also, it should be noted that data of analytical researches, the analysis of rival firms have shown that practice of improvement of human resource management, in particular formation of a personnel reserve, promote increase in revenue. The enterprises using this way of improvement of management have increased revenue on average by 3% - 5%.

Thus, it is possible to make the forecast that revenue for 2018 will make:

$$45\ 576 \text{ thousand rubles} + 4\% = 47\ 399 \text{ thousand rubles.}$$

Thereby, we will calculate an economic efficiency from all offered actions, data are presented in table 3.6.

Table 3.6 – The expected effect of the offered actions

<table>
<thead>
<tr>
<th>№</th>
<th>Name of indicators</th>
<th>Size of indicators</th>
<th>Change of indicators (thousand rubles)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2018 (thousand rubles) Without project</td>
<td>2018 (thousand rubles) With project</td>
</tr>
<tr>
<td>1</td>
<td>Revenue, thousand rubles.</td>
<td>45 576</td>
<td>47 399</td>
</tr>
<tr>
<td>2</td>
<td>Change of expenses</td>
<td>1 242</td>
<td>1 824</td>
</tr>
</tbody>
</table>
The calculations that are carried out in work have confirmed an economic feasibility of recommendations. Thus, the offered actions in 2018 provide a possibility to get a profit of 47 399 thousand rubles that is more than a profit of 2018 (without a project) on 1 241 thousand rubles. In addition, turnover of staff will decrease by 4.5% of 7%, and the predicted increase in productivity of work will be from 1% to 3% that considerably influences increase in production of the enterprise.
CONCLUSION

As it has been considered earlier, namely a rapid growth of the global competition caused by increase of number of transnational firms and perception of the factor that effective and expedient management of human resources leads successful activity of the organizations stirs interest of the companies to the business in IHRM. Thereby, the firms wishing to conform to the international standards and to have an opportunity to compete on the international market are undoubtedly obliged to alter the organizational strategy by means of integrated approach, namely strategic management of the international human resources. In addition, it is necessary to consider the international experience of the foreign companies in practice of management of human resources.

During studying the foreign practices of human resources management mostly distinguish American and the Japanese models. The vast experience of the USA and Japan in the field of management of human resources is adopted with high speed among all countries of the world. Russia has also not stood aside in view of high rates of globalization. Both the West, and the East modes exerts a huge impact on the Russian model. From east trend Russia has absorbed a form of group thinking, and from American - individualism. These two fundamental qualities are components of the Russian mentality. However, it is impossible to reveal the unique method in management as any experience needs to be adopted under national peculiarities.

There were analyzed the features of human resources management in one of the best-known automobile companies in the world, namely, American General Motors and the Japanese Toyota. It is possible to note that a basic policy of GM is considered to be an assignment of candidates among employees on a position of heads to the level of the manager according to their merits with use of a technique "The evaluation center". The system of selection and work with a personnel reserve proved as effective practice on which the General Motors company spend a lot of money each year. At the same time, according to philosophy of the Toyota company, each employee is a part of the general team. In addition, in the company
consider that it is better to bring up leaders, than to buy them outside of the company. That according to philosophy of firm is a necessary component in cultivation and training of the leader who will set a personal example of the relation to business and will be able to become the real teacher of philosophy of the company. These principles completely define the fact that the Toyota company tries to level a possibility of turnover of staff at the enterprises worldwide.

However, if to consider the Toyota enterprise on the Russian market, it is possible to reveal the following: the Japanese company tries to reconstruct activity and behavior of the Russian employees under itself, being guided by the principles of a group working, with accurate hierarchy, bureaucracy and aspiration to a rigid power vertical that exclude the creative beginnings in collective. What, reasonably, increases the disobedience and a protest inherent to the Russian mentality. These premises involve a huge problem for the Russian division as a staff turnover.

According to the data analysis of accounting reports it has been revealed that the coefficient of fluidity is much higher in 2017, than in 2016 that undoubtedly shows problems at the enterprise. For definition of these problems, there were made an analysis that is based on questioning of 270 workers. By the results of a research it was succeeded to define that for improvement of motivational climate 45% of respondents have pointed to increase in the salary, 25% have pointed – professional development in the form of the direction to study, trainings. 20% suggested to introduce the system of career development and 10% have suggested to introduce the system of moral incentive.

Thereby, proceeding from needs of workers for formation of the system of career development it should be analyzed the model of a personnel reserve formation and methods of work with it which has developed at the moment in the USA. The system of human resource management in the USA has developed and improved for a long time, therefore, an experience of personnel work in the USA government is of interest to Russia that is looking for ways of formation and development of personnel potential. This strategy helps the companies to grow up the qualified, motivated and loyal personnel. The company doesn’t spray the funds for training of all personnel if knows whom expediently to advance and also expenses on search of personnel through recruitment agencies are cut down.
LLC Toyota is aimed at preservation of the personnel in the company and decrease in turnover of staff therefore; there is a shortage in a personnel reserve. The motivation of personnel, which are inspired with a possibility of professional development, and a career development, will allow to increase return from employees. In addition, there is a possibility of maintaining knowledge and experience in the company. In addition, the costs of search and adaptation of personnel from outside are reduced.

Now the company is searching for employees and a quantity of vacancies are opened. Thereby, for reduction of staff turnover, it was offered to address the American experience of a personnel reserve formation and the Japanese philosophy of the leaders cultivation in the company.

A control of formation and development of a personnel reserve is carried out by a service of human resource management of LLC Toyota. It has been revealed that studying and generalization of materials from divisions on candidates for a reserve, development of the plan of measures on development of a reserve, development of offers on change of structure of a reserve, generalization and the analysis of results of formation and development of a personnel reserve has to belong to duties of the head of the HR department. When carrying out the analysis the qualitative structure of a reserve, content of preparation of a reserve, results of implementation of individual development plans, the number of the reservists nominated for a certain period on higher positions, assessment of their activity in a new position is reflected. An existence of a personnel pool allows the organization to train systematically candidates for the newly created and subject to replacement vacancies, to effectively organize training and development of reservists. At the same time planned replacement of positions, possibility of generations alternation, continuity of management are provided. Preparation of a personnel reserve should be considered as the target comprehensive program of the organization connected with a personnel policy.

To estimate an economic effect there were calculated annual costs of the project realization that considered as 644 thousand rubles. An economic effect of a personnel pool formation will be shown in decrease of staff turnover due to increase in satisfaction of personnel with a control system of career and also in increase of production due to more effective motivation of personnel.
The predicted decrease in staff turnover as a result of holding actions at LLC Toyota due to forecasts of analysts will be from 4.5% to 7%, that is at average percent of 5.5% where decrease is defined by 19 workers a year. The predicted increase in productivity of work will be from 1% to 3%. Thereby, savings from decrease in turnover of staff are 5 700 000 rub.

The calculations which are carried out in work have confirmed an economic feasibility of recommendations. Thus, the offered actions in 2018 will provide a chance to get a profit of 47 399 thousand rubles that is more than a profit of 2018 (without a project) on 1 241 thousand rubles.

Thereby, the considered analysis of theoretical provisions, a research of the international experience of the systems of human resources in the USA and Japan in the conditions of globalization and also development of practical recommendations about use of the international experience at the Russian enterprise LLC Toyota have allowed to execute the purpose of final qualification work stated in introduction.
BIBLIOGRAPHY

An international experience of a personnel reserve formation 2014. [Online publication]. [Ref. 01 August 2018]. Available at: http://isfic.info/gossab/civserv109.htm/


Mikhaylova E.V. Assessment method "360 degrees" [Online publication]. [Ref. 22 August 2018] Available at: http://www.elitarium.ru/2013/12/13/metod_ocenki_personala_360_grudusov.html


The system of management of LLC Toyota. 2013. [Online publication]. [Ref. 01 August 2018]. Available at: http://www.efko.ru/kadry/international_corporate_culture/10578/

APPENDICES

APPENDIX A. Distinctions and similarities of the American, Japanese and Soviet approaches to administrative values

APPENDIX B. Accounting reports of 2015-2017

APPENDIX C. Results of the poll at TOYOTA Ltd.

APPENDIX D. Program for formation of a personnel reserve
APPENDIX A. Distinctions and similarities of the American, Japanese and Soviet approaches to administrative values (Udalov F. E. 1999)

<table>
<thead>
<tr>
<th>N</th>
<th>American approach</th>
<th>Japanese approach</th>
<th>Soviet approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>People – continuation of cars</td>
<td>People – addition to cars</td>
<td>Closer to Japanese</td>
</tr>
<tr>
<td>2.</td>
<td>The narrow specialization assuming the maximum operations</td>
<td>Group of works, multidimensional specialties</td>
<td>Practically as an American</td>
</tr>
<tr>
<td>3.</td>
<td>External strict quantitative control</td>
<td>Thin, informal internal control (self-regulating subsystems)</td>
<td>Practically as an American</td>
</tr>
<tr>
<td>4.</td>
<td>Strict hierarchy of organizational system with emphasis on imperialism</td>
<td>Flat organizational scheme.</td>
<td>As an American</td>
</tr>
<tr>
<td>5.</td>
<td>Competition, game of politics</td>
<td>Cooperation, collective nature</td>
<td>Incomparably closer to Japanese</td>
</tr>
<tr>
<td>6.</td>
<td>Only interests of the organization</td>
<td>The interests of the organization are combined with the interests of society</td>
<td>Incomparably closer to Japanese</td>
</tr>
<tr>
<td>7.</td>
<td>Estrangement of interests of workers from the interests of the organization</td>
<td>Interests of workers to the organizational interests</td>
<td>As an Japanese</td>
</tr>
<tr>
<td>8.</td>
<td>Short-term hiring</td>
<td>Lifelong hiring</td>
<td>Practically as an Japanese</td>
</tr>
<tr>
<td>9.</td>
<td>Fast assessment and advance</td>
<td>Gradual advance</td>
<td>Practically as an American</td>
</tr>
<tr>
<td>10.</td>
<td>Specialized activity</td>
<td>Unspecialized activity</td>
<td>Closer to American</td>
</tr>
<tr>
<td>11.</td>
<td>Individual decision-making</td>
<td>Collective multistage system of decision-making</td>
<td>Closer to American</td>
</tr>
<tr>
<td>12.</td>
<td>Individual responsibility</td>
<td>Collective responsibility</td>
<td>Closer to American</td>
</tr>
</tbody>
</table>
APPENDIX B. Accounting reports of 2015-2017

Table B.1 - The technical and economic indicators characterizing activity of the enterprise for 2015 - 2017, thousand rub (Official site of LLC Toyota)

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Years</th>
<th>Deviation, (+,-)</th>
<th>Rate of growth, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sales volume, thousand rubles.</td>
<td>36 272 386</td>
<td>37 988 301</td>
<td>40 230 745</td>
</tr>
<tr>
<td>2. Gross revenue, thousand rubles.</td>
<td>9 296 243</td>
<td>10 654 700</td>
<td>11 157 894</td>
</tr>
<tr>
<td>3. In % to commodity turnover</td>
<td>25,63 28,05</td>
<td>27,73 2,1</td>
<td>0,78</td>
</tr>
<tr>
<td>4. Distribution costs, thousand rubles.</td>
<td>6 808 796</td>
<td>7 145 890</td>
<td>8 324 571</td>
</tr>
<tr>
<td>5. In % to commodity turnover</td>
<td>18,77 18,81</td>
<td>20,70 1,93</td>
<td>1,89</td>
</tr>
<tr>
<td>6. Profit on realization, thousand rubles.</td>
<td>2 487 447</td>
<td>3 508 810</td>
<td>3 427 323</td>
</tr>
<tr>
<td>7. In % to commodity turnover</td>
<td>6,86 9,23</td>
<td>8,52 -1,66</td>
<td>-0,71</td>
</tr>
<tr>
<td>8. Net profit, thousand rubles.</td>
<td>7 160 204</td>
<td>8 876 234</td>
<td>18 546</td>
</tr>
<tr>
<td>9. Profitability, %</td>
<td>19,74 23,36</td>
<td>27,63 7,89</td>
<td>4,27</td>
</tr>
<tr>
<td>Cost of the fixed business assets, thousand rubles.</td>
<td>16 583 237</td>
<td>17 431 254</td>
<td>17 983 574</td>
</tr>
<tr>
<td>Number, persons.</td>
<td>33 850</td>
<td>34 210</td>
<td>34 575</td>
</tr>
<tr>
<td>Sales volume for 1 worker, thousand rub</td>
<td>1071, 56</td>
<td>1140,44</td>
<td>1150,58</td>
</tr>
<tr>
<td>Average salary</td>
<td>13 320</td>
<td>13 376, 35</td>
<td>14 162,9 5</td>
</tr>
<tr>
<td>Capital productivity</td>
<td>2,19</td>
<td>2,51</td>
<td>2,67</td>
</tr>
<tr>
<td>Capital-labor ratio thousand rub/persons</td>
<td>489,9 0</td>
<td>509,54</td>
<td>520,13</td>
</tr>
</tbody>
</table>

Table B.2 - Professional standard of employees of LLC Toyota (Official site of LLC Toyota)

<table>
<thead>
<tr>
<th>Period</th>
<th>Number of personnel</th>
<th>Educational level</th>
<th>Students in the correspondence form</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With the higher education, persons</td>
<td>With secondary specialized education, persons</td>
<td>With secondary education, persons</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2015</td>
<td>1700</td>
<td>500</td>
<td>700</td>
</tr>
<tr>
<td>%</td>
<td>37,1</td>
<td>56,8</td>
<td>10,9</td>
</tr>
<tr>
<td>2016</td>
<td>1800</td>
<td>495</td>
<td>745</td>
</tr>
<tr>
<td>%</td>
<td>27,5</td>
<td>41,4</td>
<td>20</td>
</tr>
<tr>
<td>2017</td>
<td>2700</td>
<td>850</td>
<td>1000</td>
</tr>
<tr>
<td>%</td>
<td>31,5</td>
<td>37,04</td>
<td>23,8</td>
</tr>
</tbody>
</table>
Table B.3 - Dynamics of staff number change, persons (Official site of LLC Toyota)

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hired at the enterprise</td>
<td>827</td>
<td>972</td>
<td>1816</td>
</tr>
<tr>
<td>Has left from the enterprise</td>
<td>1097</td>
<td>872</td>
<td>916</td>
</tr>
<tr>
<td>In accordance with</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>education</td>
<td>77</td>
<td>80</td>
<td>75</td>
</tr>
<tr>
<td>in armed forces</td>
<td>68</td>
<td>56</td>
<td>44</td>
</tr>
<tr>
<td>For pension and for other reasons provided by the law</td>
<td>218</td>
<td>145</td>
<td>120</td>
</tr>
<tr>
<td>at own wish</td>
<td>267</td>
<td>304</td>
<td>382</td>
</tr>
<tr>
<td>for violation of labor discipline</td>
<td>141</td>
<td>153</td>
<td>204</td>
</tr>
<tr>
<td>on care of children, patients</td>
<td>76</td>
<td>84</td>
<td>89</td>
</tr>
<tr>
<td>during staff redundancies</td>
<td>229</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>others</td>
<td>21</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Number of workers</td>
<td>33850</td>
<td>34210</td>
<td>34575</td>
</tr>
<tr>
<td>Turn coefficients:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>on reception</td>
<td>0,024</td>
<td>0,028</td>
<td>0,053</td>
</tr>
<tr>
<td>on leaving</td>
<td>0,032</td>
<td>0,025</td>
<td>0,026</td>
</tr>
<tr>
<td>turnover index</td>
<td>0,012</td>
<td>0,013</td>
<td>0,0169</td>
</tr>
<tr>
<td>Index of constancy of personnel at the enterprise</td>
<td>0,988</td>
<td>0,987</td>
<td>0,831</td>
</tr>
</tbody>
</table>
Table B.4 – Labor productivity on LLC Toyota for 2015-2017 (Official site of LLC Toyota)

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Years</th>
<th>Deviation, (+,-)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales volume, thousand rubles.</td>
<td>36272386</td>
<td>37988301</td>
</tr>
<tr>
<td>Number: industrial and production personnel (IPP)</td>
<td>1700</td>
<td>1800</td>
</tr>
<tr>
<td>Specific weight of workers in the total number of industrial and production personnel (Уд), %</td>
<td>71,71</td>
<td>71,27</td>
</tr>
<tr>
<td>Fulfilled days by one worker in a year</td>
<td>182</td>
<td>182</td>
</tr>
<tr>
<td>Average duration of the working day (tsm), h</td>
<td>11,93</td>
<td>11,93</td>
</tr>
<tr>
<td>Average annual development, thousand rubles: one working</td>
<td>1071,56</td>
<td>1110,44</td>
</tr>
<tr>
<td>Daily average development of worker, thousand rubles.</td>
<td>5,88</td>
<td>6,10</td>
</tr>
<tr>
<td>Hourly average development of worker, rub.</td>
<td>0,49</td>
<td>0,51</td>
</tr>
</tbody>
</table>
APPENDIX C. Results of the poll at TOYOTA Ltd

Drawing C.1 – The factors influencing work of personnel
Drawing C.2 - The measures capable to positively influence at the performed work

- Payment increase
- Improvement of workplace equipment
- Management help
- Extension of authority
- Improvement of working conditions
- Conducting training
- Help from colleagues
APPENDIX D. Program for formation of a personnel reserve

<table>
<thead>
<tr>
<th>Formation of a reserve</th>
<th>Stages of reserve formation</th>
<th>Requirements to the each stage of the organization</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision on formation of a reserve</td>
<td>Creation of the order on formation of a personnel reserve at the enterprise</td>
<td>Analysis of need for creation new or replacement of vacant senior positions</td>
<td>Divisions of LLC Toyota, CEO</td>
</tr>
<tr>
<td>Definition of key positions. Calculation of number of a personnel reserve. Creation of a position profile.</td>
<td>Formalization of requirements to participants of a competition in education level, qualification, specialty, age, experience, health and experience of the leading activity</td>
<td>Divisions of LLC Toyota, department of human resource management</td>
<td></td>
</tr>
<tr>
<td>Development of the instruction about a promotion order in a reserve</td>
<td>Definition of an order of submission to the commission of documents: characteristics, appraisal sheet, statement of the applicant</td>
<td>Department of human resource management</td>
<td></td>
</tr>
<tr>
<td>Promotion in a reserve</td>
<td>Announcement of terms, place and operating time of the contest committee and date of competitive selection</td>
<td>Reception of applications and other documents according to the developed requirements</td>
<td>Department of human resource management</td>
</tr>
<tr>
<td>Selection of candidates for inclusion in the Personnel reserve</td>
<td>Holding estimated actions for collecting objective information on the candidates proposed in the Personnel reserve. The analysis of compliance of the positions given about candidates to Profiles (at their absence to requirements to a position), selection of suitable candidacies</td>
<td>Department of human resource management</td>
<td></td>
</tr>
<tr>
<td>Statement of a reserve</td>
<td>The statement of the candidates who have undergone selection in a reserve on senior positions</td>
<td>Execution of the list of a reserve. Its statement.</td>
<td>Divisions of LLC Toyota, CEO, department of human resource management</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>-------------------------------------------------------------------</td>
</tr>
<tr>
<td>Feedback</td>
<td>Providing information on results of competitive selection to the workers participating in him</td>
<td>Bringing to participants the results of the competitive selection about plans of further interaction. Granting feedback to the workers who haven't undergone competitive selection, providing information on missing competences and a possibility of their self-development</td>
<td>Department of human resource management</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td>Personnel training and development specialist</td>
<td>Division of human resource management</td>
</tr>
<tr>
<td>Appointment to the position on condition of its release and readiness of the candidate</td>
<td></td>
<td>Divisions of LLC Toyota, CEO, department of human resource management</td>
<td></td>
</tr>
</tbody>
</table>