

CULTURAL CHALLENGES IN GLOBALIZATION

**...TOYO ENGINEERING
EXPERIENCE**



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Historic Perspective...

- ❖ **Founded in 1961 by a prominent Japanese Chemical Producer, Toyo Koatsu Inc. (Mitsui Chemicals, Inc. now)**
- ❖ **Project Management and Engineering adopted from CE Lummus (Lummus Technology Inc. now)**
- ❖ **Major business always from OVERSEAS**



Engineering Centre: Chiba, Japan



Tokyo Head Office: Tokyo, Japan

Present Scenario...

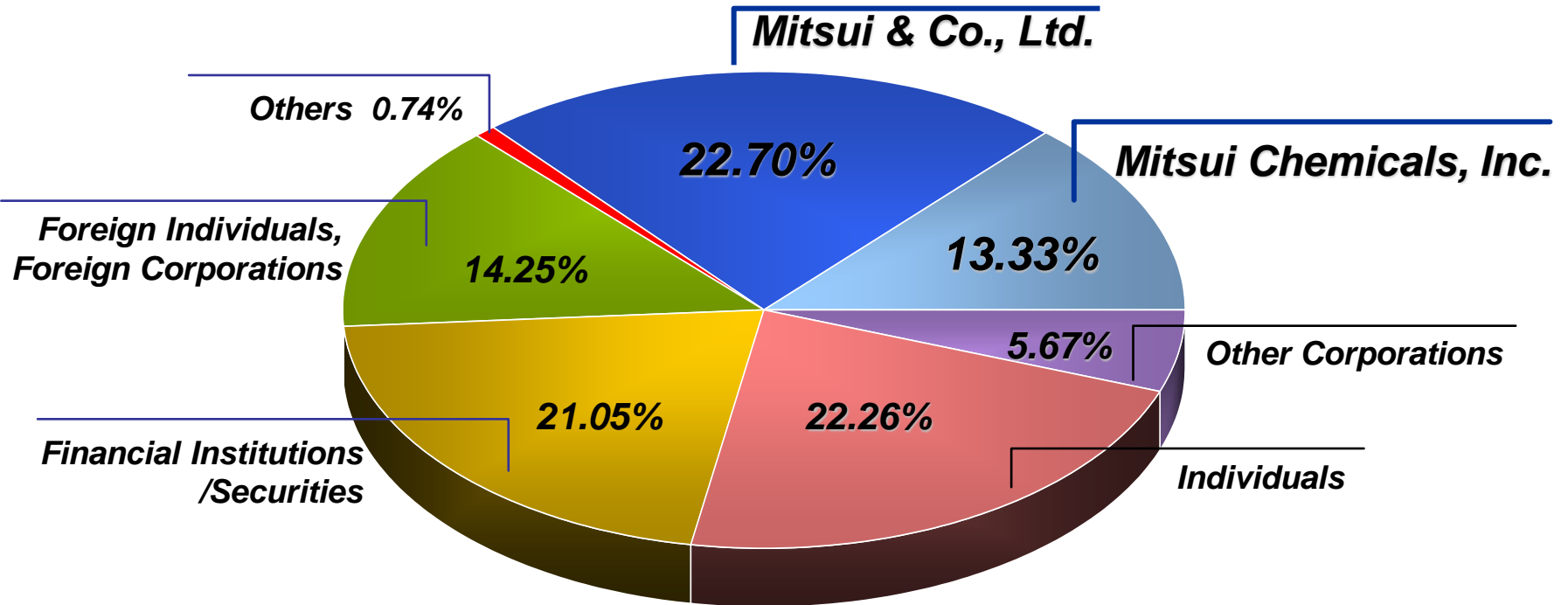
- ❖ Globalized Engineering & Construction contractor
- ❖ Thirteen companies under Global Toyo Engineering
- ❖ High regard for Quality and HSSE
- ❖ Strong legacy of timely & cost effective project delivery
- ❖ Integrated experience/expertise with competitive engineering resources and Modern Technology Tools

Customer oriented
TOTAL SOLUTION PROVIDER

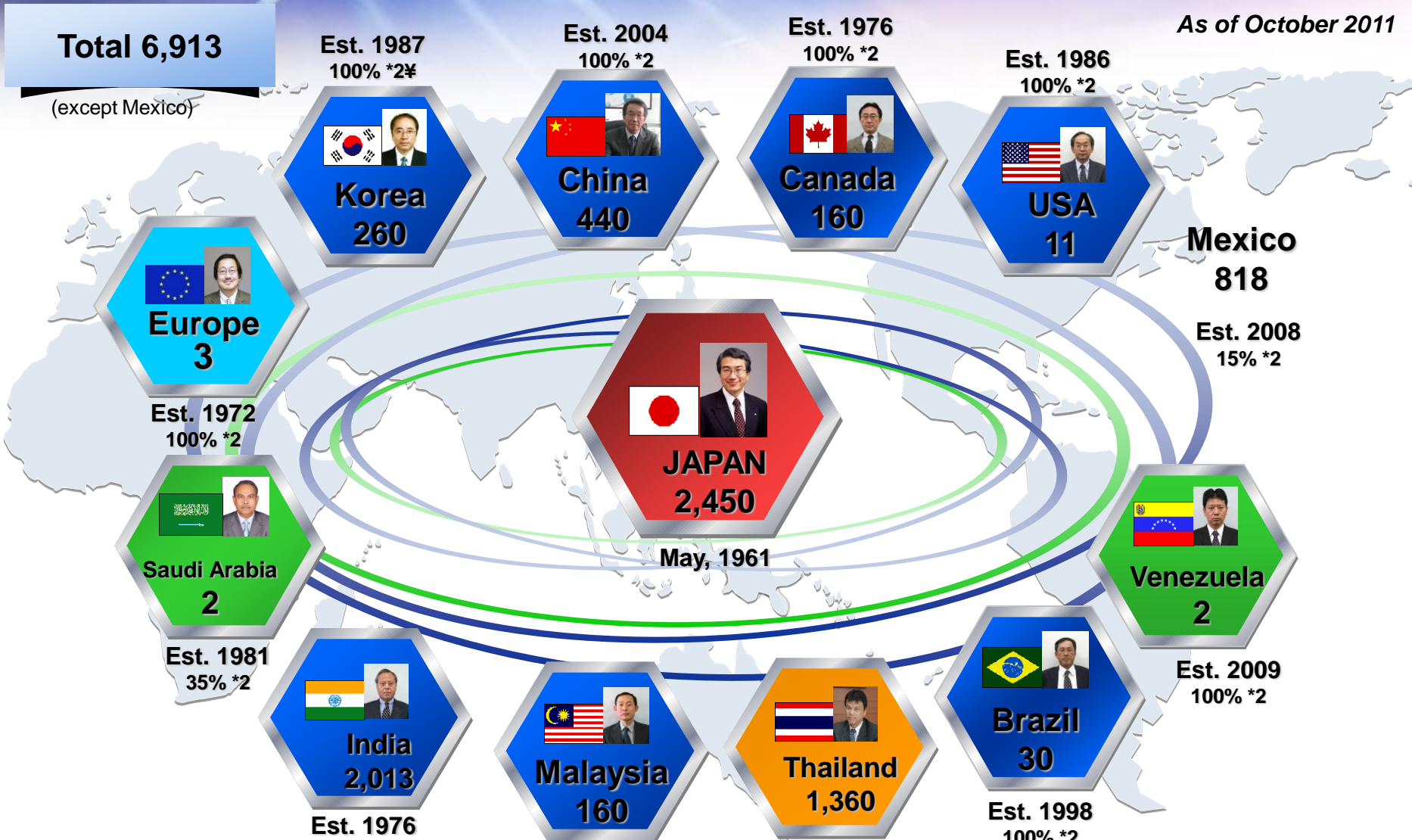


Toyo Shareholders

As of March, 2011



Global Toyo – Group Companies Overseas



<Remarks>
 *1 Toyo-Japan is the center of global operation and major shareholder of its group companies.
 *2 Share(%) owned by Toyo-Japan

Worldwide Experience

With “Global” as our keyword, we have built diverse types of plants in almost every part of the world.

- Middle East & Africa
- Asia & Oceania
- North America & Latin America
- Europe & Russia
- Japan

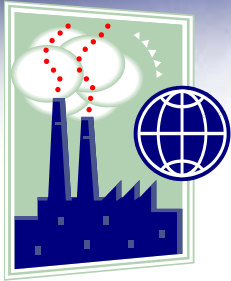


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Thus,
Toyo Engineering
is substantially diverse
right from inception
with
geographic diversification
as the core theme / strategy
for
Growth.



Approach Towards Globalization



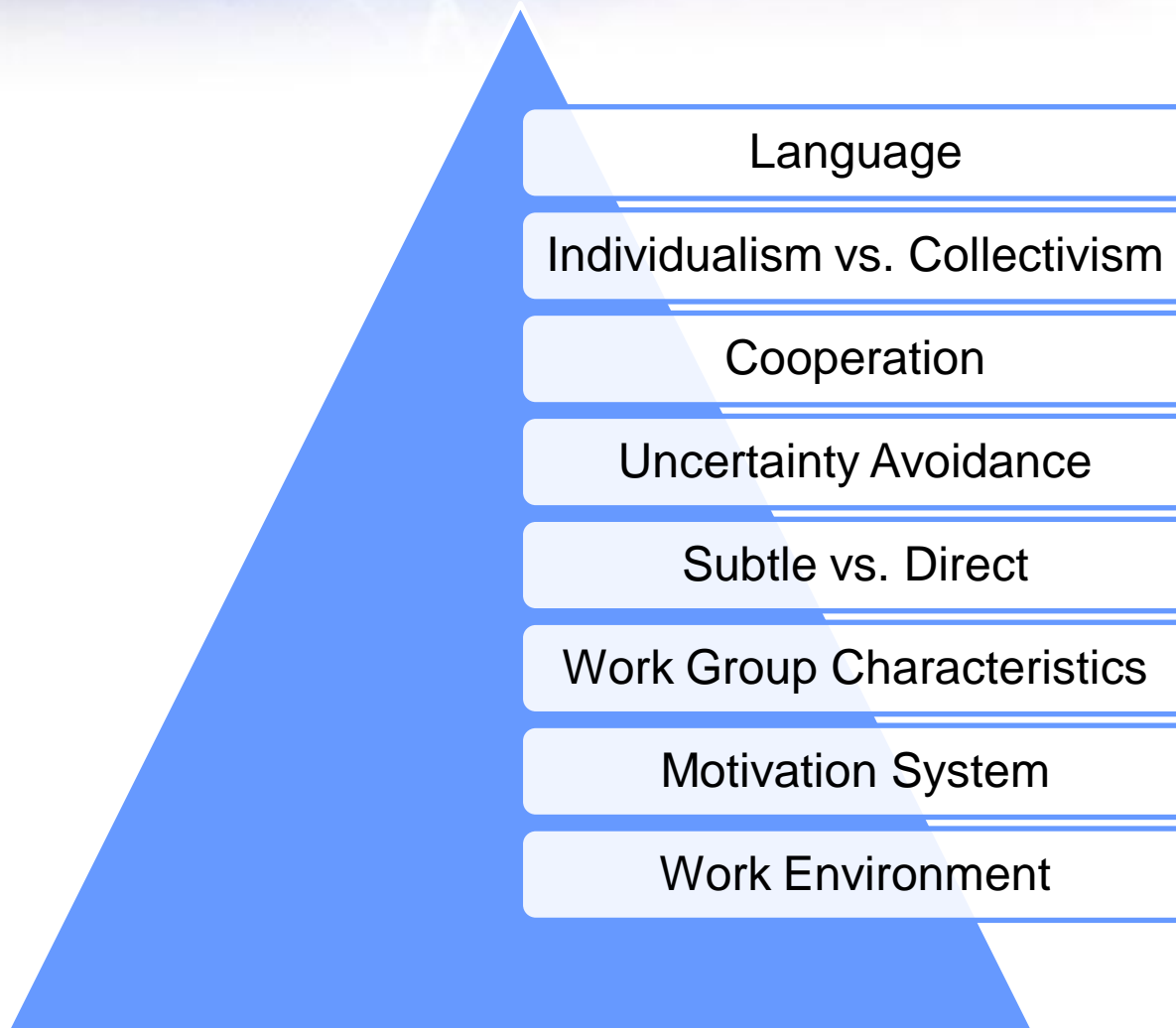
Manufacturing Company...Car?

- Factory setup
- Distance initiated need for Globalization
- Duplicated Manufacturing facilities
- Business Principal
“I win – You Satisfied”

Engineering Company...Toyo

- Engineering setup
- Sustainable growth initiated need for Globalization
- Expanding Opportunities & possibilities
- Business Principal
“We prosper together... Cohesively”

Cultural Challenges in Globalization



Cultural Challenges in Globalization

Language

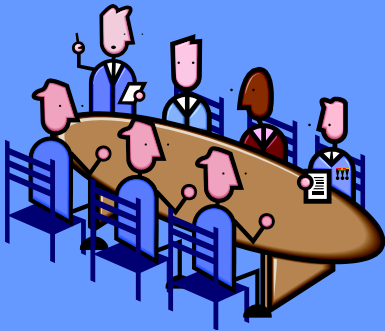


- **Linguistic Biased**
- **Free Open Culture**

Cultural Challenges in Globalization



Individualism vs. Collectivism



- **Strong Individualism.**
 - High emphasis on individuality, independence and control.
- **Strong collectivism.**
 - Depend more on groups or institutions to determine what they should do and emphasize loyalty to the group.

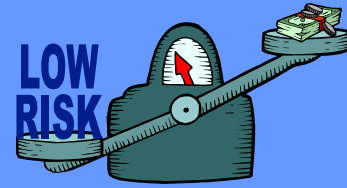
Cultural Challenges in Globalization

Cooperation

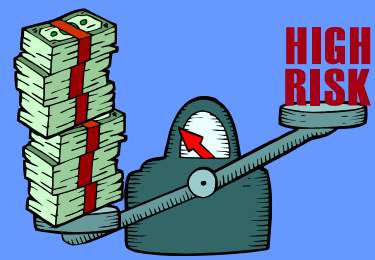


- **‘INFORMAL’ contracts**
 - Contracts can be reasonably modified according to changes.
 - Tend to pay more attention to relationships than contract
- **Far greater importance on contractual safeguards.**

Cultural Challenges in Globalization



Uncertainty Avoidance



- **Lower Appetite for Risk Taking**
 - Short-term Orientation
- **Higher Appetite for Risk Taking**
 - Long-term orientation

Cultural Challenges in Globalization

Subtle Vs. Direct



- **Subtle**
 - To deal with controversial situation, indirect forms of approach is preferred to avoid relationship damage
- **Direct**
 - Prefer to resolve conflicts through direct approach.

Cultural Challenges in Globalization

Work Group Characteristics



- **Great importance on personal relationship.**
 - View people differently as "in-group" and "out-group".
 - Higher confidence in "in-group" members.
- **Focus on task rather than on social and interpersonal relations,**
 - Achievement oriented, i.e. "work first".
 - Establishing personal relationship is not necessary for 'the work'.

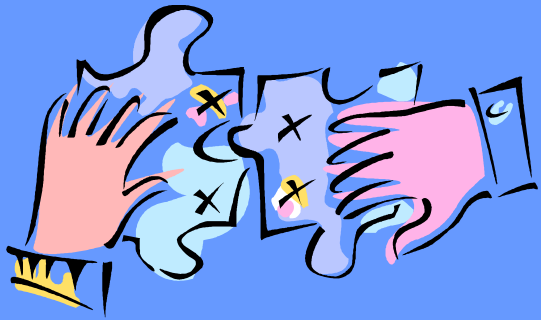
Cultural Challenges in Globalization

Motivation System



- **Prefer plans that support group harmony.**
 - Believe in the sense of belonging and devotion to the group.
 - The equality principle is reflected.
- **Great emphasis is placed on individual achievement.**
 - Value competition, achievement and personal goals.

Cultural Challenges in Globalization



Work Environment



- **Defined Scope Functioning culture**
- **Lateral, Multifunctional and Creative culture**

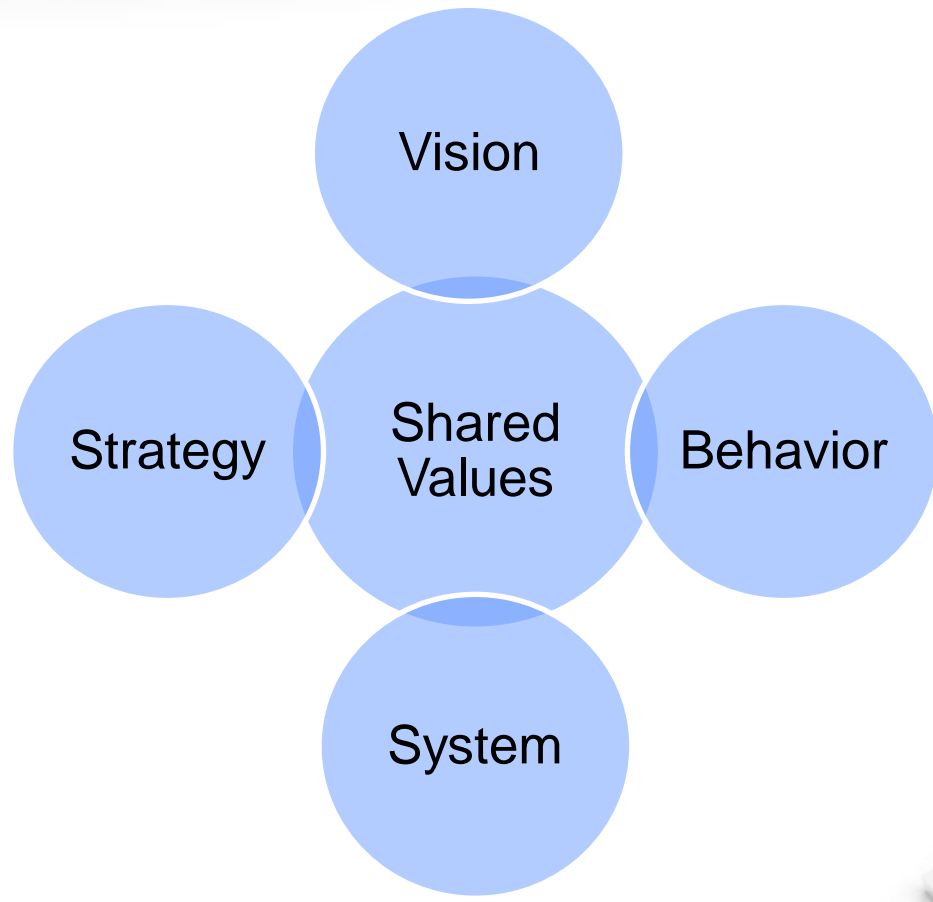
Overcoming the challenges

- ❖ **Clearly defined and shared goals**
- ❖ **Accepting differences & clarifying similarities**
- ❖ **Constructive Feedback**
- ❖ **Communication Strategy**
- ❖ **Top Management Commitment**



...Overcoming the Challenges

❖ Organizational Alignment



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IN GLOBALIZED WORLD
IS
“WIN – WIN”
A CORRECT APPROACH?

There are never two winners in reality

...

All stake holders must have common

MVV

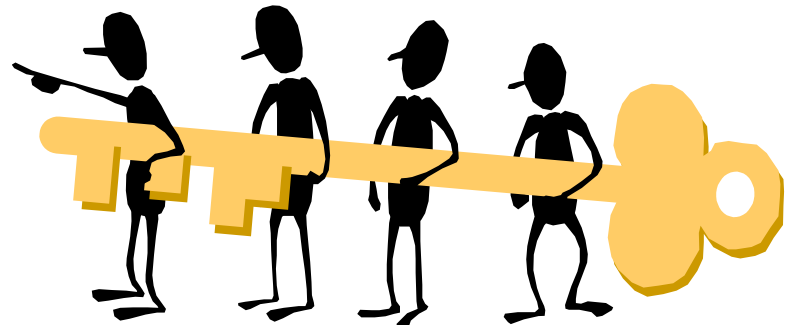
in spite of
cultural differences
for the sustained prosperity of

World



Benefits for Global Toyo Customers

- ❖ **Shared Group Mission, Vision & Values (Toyo's MVV)**
- ❖ **Synergistic output**
- ❖ **Optimum use of global business network**
- ❖ **Total solution provider under one roof**
- ❖ **Maintaining close relationships with local markets and clients**



A background image showing two hands shaking in a firm grip, symbolizing agreement or partnership. The image is overlaid with a semi-transparent white layer. In the top left corner, there is a faint, glowing blue graphic of a dollar sign (\$) with lines radiating from it.

THANK YOU