

**SAMSUNG**

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## Introduction

HR has become a foundational department of any origination. There are many different models and approaches are available with there specific results and goals. Each model highlight the some functional dimensions of the HR management and different organization adopt according to needs and requirements (Brawster, 2011).

Commonly these strategies are aliened with the government legislations and organization target, goals and objectives. The rang and scope of application of these models and theories vary from business to business. In international business the HR strategies are mostly employee oriented. International business is intensely dependent on the performance, motivation and skill development of the organization (Anne Bruce, 1999).

According to Softscape's 2010 Point out of Global People Management around the world survey of (HR) leaders institutions with completely built-in HR and expertise techniques , systems and information outshine those establishments which have not incorporated by 41% across 12 key HR and company working metrics (Bergen, 2002) .

The crucial advantages of incorporation incorporate:

- ✚ More advantageous inner expertise flexibility
- ✚ Reduced voluntary earnings
- ✚ More advantageous staff position to total enterprise strategy
- ✚ Enhanced employees efficiency
- ✚ Quicker on-boarding ( time-to-productivity )

There exists small uncertainty that enhancing HR incorporation and removing silos offers important advantages (Brawster, 2011). Depending on Soft cape's global Survey information HR method integrations should focus on the following for best results:

- ✚ Talent and skill hunt
- ✚ Employee development
- ✚ Employee learning
- ✚ Employee retention

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In this report we will critically evaluate different HRM function and process at Samsung. Derive finding and provide recommendations.

## Samsung

Samsung has a successful history for 70 years in the technology industry. It has dedicated its operation to come up with the innovative products that can make people live easy (Rao, 2010). The history can be briefly summarized as

- ✚ In 1938 Samsung started its operation as a small repair and service shop
- ✚ In 1948 Samsung trading corporation was established
- ✚ In 1969 Samsung electronic was established
- ✚ 1980 Samsung entered the hardware industry
- ✚ 1990 is marked as the best year and after 1990 the company's has experienced a continuous growth and development
- ✚ 2000 is marked as the golden year in Samsung history
- ✚ 2005 Samsung was considered to be more successful than Sony
- ✚ Today Samsung is one of the strongest brads and is one of the market leaders in the consumer electronics industry globally.

## Samsung International human resource management

Samsung is a global organization. It operates in almost all parts of the world therefore it needs to be flexible and accommodating to all diverse background the company operates in. On the broader scale the culture of Samsung can be divided into two main parts

1. High context culture (China, Korea, Japan and cultures with multicultural diversities e.g UAE (Rao, 2010).
2. Low context cultures (UK, USA and western cultures)

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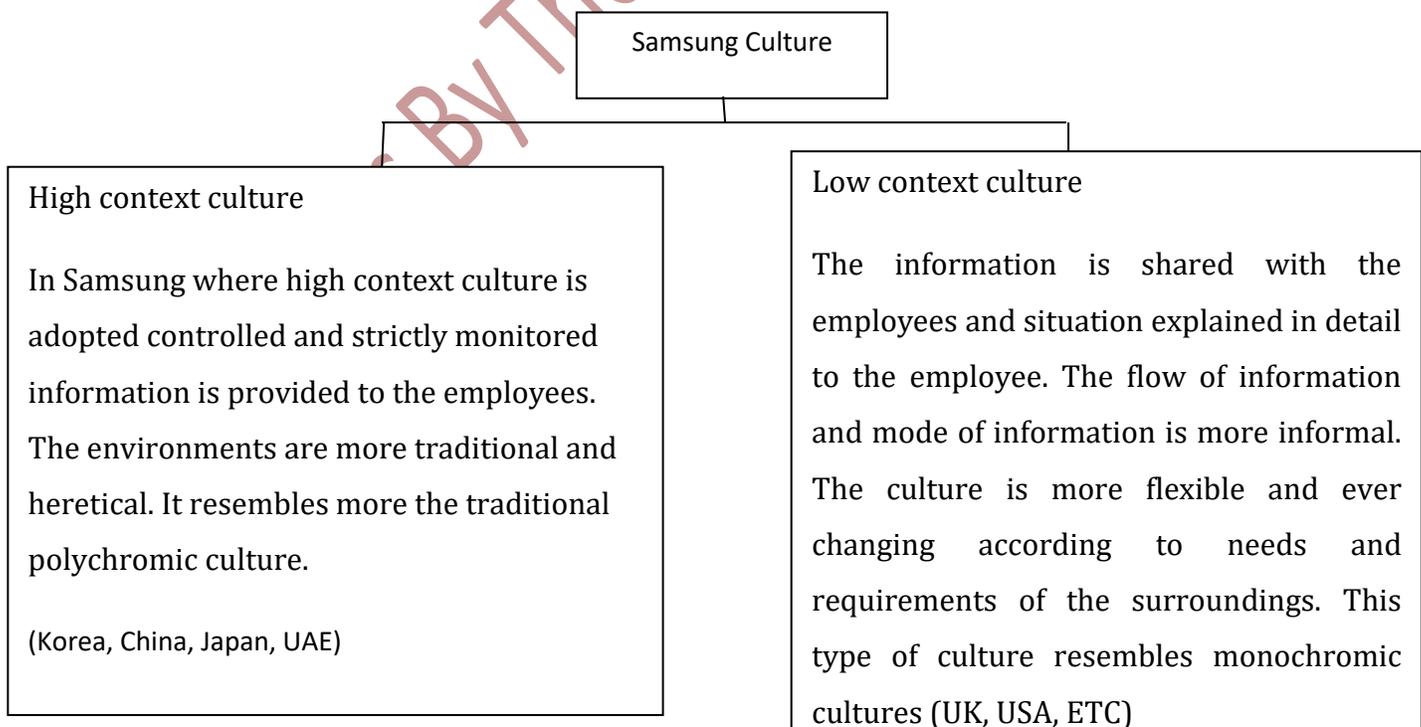
## High context culture

In Samsung where high context culture is adopted controlled and strictly monitored information is provided to the employees. The environments are more traditional and heretical. It resembles more the traditional polychromic culture (Rao, 2010).

## Low context culture

The information is shared with the employees and situation explained in detail to the employee. The flow of information and mode of information is more informal. The culture is more flexible and ever changing according to needs and requirements of the surroundings. This type of culture resembles monochromic cultures (Rao, 2010).

Samsung has vertically integrated the two cultures with some foundational similarities for example the leadership is considered as partners with the employee. Samsung is focused on retention the employees and is very rigid in lying off skilled and talented employees. The employees feel safe and secure leading to phenomenal employee dedication and devotions. The employees are confident about the performance being recognized and rewarded accordingly. The promotions are based on performance and seniority. This not only motivates the employee but also provide the employee to perform to the best of his ability to be recognized and rewarded (Rao, 2010).



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Figure 1 SGE culture (Rao, 2010).

Samsung has successfully included the modern methodologies, tools and techniques to maintain and enhance the employee's creativity, learning capacity, dedication and loyalty to the organization and growth.

## Recruitment

Samsung operates in the global market and therefore it needs to offer open hiring strategy for the best employees globally. The needs and demands of each market are different and require the employee base from the same market to full fill them. Open recruitment of the best candidates was applied in the Samsung Recruitment process during 1970's. Later on a more dynamic and innovative idea of "buy strategy" was incorporated to meet the demands of the market. The buy strategy refers to out source the device that are needed by the company to reduce the cost of the service (Brawster, 2011).

## Recruitment 740

SGE always wanted to outrun its competition, and this is where HR recruitment plans starts by analyzing the competitors and identifying their work place. Accordingly, SGE would determine its own wage packages which can be translated into employment opportunity that competitors usually doesn't have it. Fyock states that HR has to for effective recruitment it is essential for the organization to inform the potential employees what you have to offer to him in total. That includes all the benefits that he can get f\from joining the company (Forsyth, 2009). SGE found the unique selling proposition as an employer to describe the most attractive message for employees, such as: long organizational history, high stability, multi-national culture, collaborative environment, prime location, excellent compensation and benefits.

Samsung employees the web interaction to interact with the employee directly like: monster.com and bayt.com. On the other hand and as Fyock (2008) argues that while most people today do have at least some access to the internet , they may not be using it to find jobs. So, SGE outlines other ways to reach candidates, like, newspaper Ads which depends

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on the vacancy level and how many positions are open. Usually local business newspapers are targeted for SGE recruitment Ad, like, Khaleej Times. The advertisement is made attractive. SGE enjoys the skilled labor interest and attention and the employees are mostly on a watch for any opening and job opportunity with SGE (Brawster, 2011).

After short listing for the matched applications for the desired job. The company is rigid out laying out skilled and talented employees and an employee once on board is considered to be in long term commitment with the organization. SGE starts running systematic and objective interviews which should end up on hiring the best that fit in the job.

During the interviewing process, SGE has its own system for interviewing that the interview has to follow:

## Make candidate feel comfortable.

It is the first responsibility for HR to make candidate feels comfortable as many candidates regardless of their skills and talents can get confused and provide a deceiving impression of themselves (Forsyth, 2009).

## Objective and subjective measures are well prepared.

Objective measures are already announced through the Ad; knowledge, skills, credentials and experience, and accordingly applications have been shortlisted already. SGE aims to shortlist the employees accurately according to the job advertisement and job discretion. The needs and requirements are closely evaluated with the capacity of the employee skill se, education and capacity to perform. At this point the employee motivation aspects are also identified on a larger scale. This might not be accurate but helps a lot in making the employee comfortable in the new set if selected.

## The 80:20 rules should be applied.

Through an outlined questions and answer session the candidate is offered a free time to speak and express his opinion. The interview needs to apply effective listening and evaluation. The ratio of interviewee to interviewer through out the

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interview process is 80% to 20%. This means that the interviewee does most of the talking, expression and communication (Forsyth, 2009).

## Use evaluative techniques.

The feed back of the interview is written in short point that is understandable. This point should reflect the skill set, working and efficiency potential with motivation desire and future planning. Here it is essential to know that for an effective recruitment it is vital to know the future plans of candidate. This will enables SEG to judge the company potential to satisfy and retain the employee in the long run.

SGE evaluative techniques are:

- ✚ A rating questions and benchmark responses with a box for each question that could have: good, ideal, bad, etc.
- ✚ Paraphrasing what candidates just said into words of important topics.
- ✚ Mirroring Mannerisms and copying their posture. It will remind better of the personality
- ✚ Saying the truth through (RJP)
- ✚ A realistic job preview (give the candidates an opportunity to get a real and complete picture of not only the job , but also all that comes with it), SGE would finally describe the truth of its environment as pressured & stressed for a target MUST be achieved.

## Retention

A combination of internal and external factors instigate and employee to turn over or switch job. Its impacts are lasting for both the employee and the company incase the company lose a skilled and talented employee. These factors can be

- ✚ Lack of company loyalty

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- ✦ Desire of the employee to perform more effective and important duty
- ✦ Wants to venture a more challenging job
- ✦ Need independence and flexibility
- ✦ Seek autonomy and flexibility
- ✦ Needs to be rewarded according to performance
- ✦ Desire application for quality performance
- ✦ Need career growth and development
- ✦ Salaries are not according to the competition
- ✦ Desire for competitive compensation
- ✦ Need a more supportive and employee oriented environment.

These are some of the factors that play an important role in employee turnover. It is stated by the experts that keeping a skilled employee is economical than acquiring a new equally skilled employee. Samsung understands and gives due importance to the retention function of HRM (Jack J Phillips, 2003).

Anne & Pepitone claim that investing in employees helps in building the most valuable asset for the organization. It's become vital for the organization to retain them. This can be effectively done by motivating them. (Anne Bruce, 1999). A high employee turnover costs business owners time and productivity. SGE wants to decrease employee turnover, to decrease training costs, recruitment costs and loss of talent and organizational knowledge.

The employees need a combination of monetary and non-monetary elements to keep them motivated and devoted to the organization. The monetary elements are the salaries and rewards whereas the non-monetary elements include the environment, surrounding, recognition and application, etc (Anne Bruce, 1999).

Smart managers recognize the competitive value of having good employees who are retained in the company to excel at a quality job. Managers in SGE show a similar pattern of conducting retention philosophy same as being conducted by senior managers in HQ- since a long time (Jack J Phillips, 2003).

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Main activities for employee retention which is being taught to managers are:

## 1. **Stretching.**

To allow employee to move out from the comfort zone and take calculated risks. The more the employee get involved into business, the more the employee will have a stronger bond and emotionally attached to the company. SGE Managers always welcome new ideas -especially the ones that are well presented (Clark, 2012).

## 2. **Foster employee development.**

This is important because it makes employees more confident and excited to the job they are doing, and in SGE it is being applied through:

- ✚ Internal Training
- ✚ Abroad training; in Korea or other subsidiaries
- ✚ Educational scholarships
- ✚ Korean language course

## 3. **Recognition.**

A true leader holds the capacity to recognize and reveal hidden potential of his team members (His Holiness The Dalai Lama, 2009). Best achievements are being recognized by different angles depends on the impact result. Tools of recognitions in SGE are:

- ✚ Formal Email to the team, department, within SGE or within Samsung HQ.
- ✚ Management formal meeting with the achiever.
- ✚ Special announcement & appreciation during employees gathering.

## **4.Communicating**

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SGE believes of the importance of making employees mutually tied up to the company's mission, and that appears clear through the employees periodic meetings with top executives who speaks out company's performance , results and target plan.

It's a various methods SGE applies for retention. Stretching & developing is most valuable for employees for becoming more creative. However, there is still NO open-door policy that encourages employees to speak frankly with their managers without fear of repercussion. It's all about being formal in the inputs as well as the outputs; going directly to the president office has to go through many stages till it MIGHT come true (Jack J Phillips, 2003).

## **Training & Learning**

One of the main HR responsibilities is to direct communication to all job levels in order to influence employees for a better performance translated into a better results. This process of communication requires a direct dialogue in which SGE does invest largely into it, aiming to create a positive development culture that ensures all employees feels the necessity and the importance of the learning development. The training session are designed keeping in mind three main purposes (Anne Bruce, 1999)

- ✚ Impart knowledge
- ✚ Develop skills
- ✚ Change attitude

It was reported by HBR in 2010 that SGE spends almost \$ 100000 on the training and development of employees every year. SGE mostly aiming to attain all the training targets together. The want to implement and integrated and result oriented training system. Infect in Samsung there is a culture of learning, training and development. It is implemented mostly as a continues process address all the management level and employee base.

For HRD and in a way of making employee training and learning possible:

## **Managers are involved in planning**

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Managers are responsible for identifying and recommending training for the reporting staff. (Forsyth, 2009). Managers are facilitated with the help if existing forms available on the SGE shared file. They can print the form, fill and place a request for the desired and recommended training. This file is sent to the HRD and reverent trainer and training is scheduled for the set team or collection of teams.

Annual forms sent to managers after the appraisal reviews, skill assessments, during annual HR meeting. These forms include the goals and targets of the coming years and an ad-hoc form sent from HRD to managers, for an unplanned opportunity of learning raised recently.

## A systematic approach

Because time is always of the essence, planning for any type of training has to go through a systematic approach that will increase level of success for this activity.

An informative message, timetable, agenda briefing and attendees are being delivered before the activity for trainees and trainers.

Types of training offered

There are two types of trainings are offered to the employees

1. Internal training : There are two angles are being utilized in SGE for training and learning;
2. External training: Seminar or course; a specialized agent/s could hold the major part of conducting the training.

## Initial Training

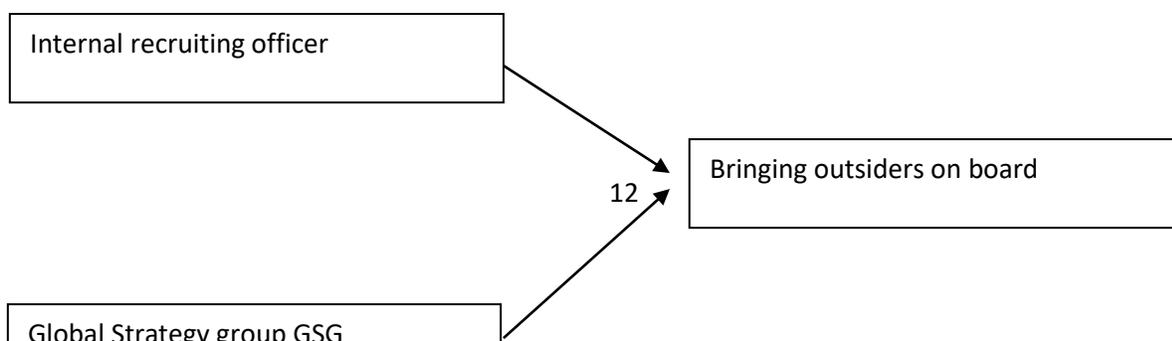


Figure 2: internal training system of SGE.

The new employees are taken on board and after verification of selection from GSG they are provided with detailed training. The training includes company process, procedures, potential and environment. It helps the employee in understanding the companies culture and expectation form the employee.

On job training

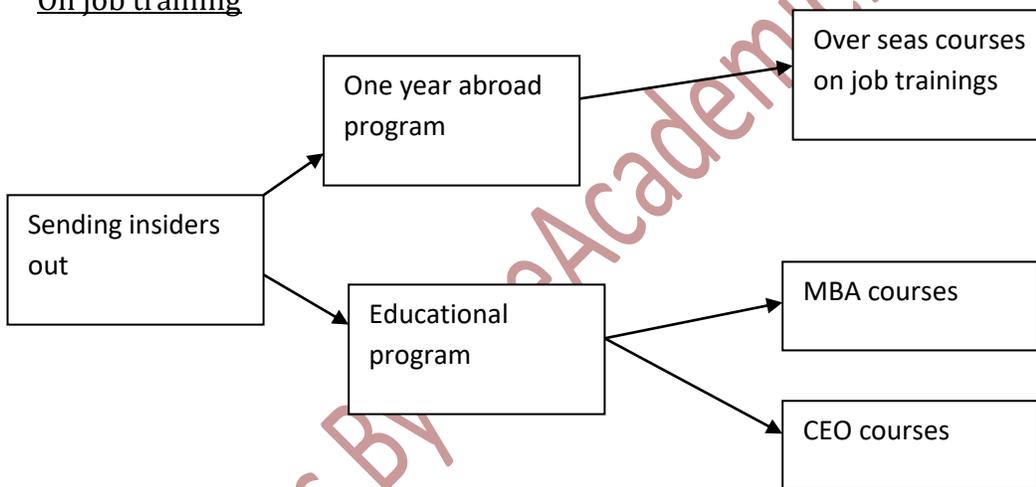


Figure 3: External training system

The employees on the basis of their skills and performance are offered and opportunity to enhance their skill and education. This is done by external training system. It may include training on different over seas location and education courses. 50% of the training applied by the SGE is cross cultural training done on various SGE locations.

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Strategies implemented for positive employee relations

HRD should understand the four primary anchors for people to connect together in the work place; political, intellectual, environmental and inspirational; each would have a different anchor to interact with others, that basically came from the genuine charisma and personality that leads to keep a person comfortable while being exposed to human interaction and sociality (Forsyth, 2009).

## Team building.

To increase the interaction between the employees, the employee's are supposed to take and active part in organization the annual function or monthly gathering. Every employee is requested to perform this responsibility at least once in his career. Celebrate together. Maximize team return of connection (ROC); employees are informally familiar with others personal hobbies, so it's common to see some SGE employees meeting and sitting together to play football before going to work.

## Rewards system and performance measures

In the today's world of business, the rewards system importance cannot be ignored at all. It is essential for getting the right employee for the right job, for retention, promotion, achieving excellence and growth. It is not only vital for the individual but for the company future and prosperity as well. Apart from the monetary benefits there are other factors that become important with time. To motivate the employee factors other than money should be considered as there are many things in life that are priceless. Siemens has developed a culture of motivation where employees are motivated in a number of ways like with help of PRP, training, promotion and achievement awards etc. The practice is successful as the employees are really jubilant, motivated, dedicated and loyal. AT SGE the reward system has following main parts

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## Assessment:

Surveys: test pilot surveys and pay satisfaction questionnaire (PSQ).

Benchmarking rewards practices by successful relative organizations for example Sony, Panasonic and Apple.

Writing the assessment report. This statement should address questions as:

- ✚ Who should be eligible for rewards?
- ✚ What kind of employee behaviors and values should be rewarded?
- ✚ What types of rewards would work best?
- ✚ How will the total rewards system be funded?

Assessment process and transparent and just. The employee has confidence in the system and is sure that their performance and achievement will be noticed and rewarded accordingly.

## Design

The HR team will identify which employee and organizational attributes to rewards and which type of rewards will be offered in SGE. The total rewards outputs encompass; compensation, benefits, personal & professional growth and motivating work environment.

## Compensation:

It comprises three major components:

- a. Promotions
- b. Pay raise
- c. Rewards monetary and non monetary
- d. Recognition

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## Benefits:

The benefits package such as health care and insurance constitute an increasingly large proportion of total SGE rewards cost. Realizing this fact, SGE does provide employees with monthly individual benefit statements so they can always see the cash value of their benefits.

## Conclusion and Recommendations

SGE is one of the global giants and is a brand that is considered to be employee oriented. The company is employee dedicated and all the HR strategies are designed and developed keeping in mind the needs, demands and preferences of the employee. There are certain finding and recommendations concluded after this research

1. The company is managing two different cultures in the same organization. This is expensive for the company and it puts the company mission on risk.
2. The employees should be transferred between different SGE location to bring uniformity to the culture and with time the company will be able to achieve a uniform culture globally.
3. Reward system should be made more transparent and understandable.
4. Retention policy should not unnecessary power the employee providing him an opportunity to exploit the company.

Over all it was a learning and informative journey through this project will prove to be an asset through out my career.

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