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Introduction



In this presentation we'll discuss how Samsung created a unique HRM system. We will discuss also steps and processes like strategy creation, recruitment, development, compensating, and performance management.

SAMSUNG IN HISTORY.



Samsung from a no-name company to a world-class corporation

- Samsung was founded as a grocery trading store on March 1, 1938
- Samsung first entered the electronics industry in 1969 with several electronics,
- During the 1970s the company began to export home electronics products overseas,
- The late 1970s and early '80s witnessed the rapid expansion of Samsung's technology businesses,
- In 1978 an aerospace division was created,
- Samsung Data Systems (now Samsung SDS) was established in 1985,
- In the 1990s Samsung continued its expansion into the global electronics markets,
- The 2000s witnessed the birth of Samsung's Galaxy Smartphone series,

Samsung today

- Today Samsung leads the market across various categories, the following points shows Samsung.
- 123,000 Ideas that have gone to be patented or become the basis of new business or research.
- Samsung has been recognized globally as an industry leader in technology and now ranked as a top 10 global brand.
- Samsung global brand value has exceeded USD 60 Billion also it remained the sixth most - valuable global brand 2019
- By FY 2018 Samsung recorded a revenue of around 243.8 Billion USD
- Samsung has a total of 310,000 employees work a cross Samsung's global network
- Samsung has 15 offices, 37 production sites, 37 R&D centers ,7 design centers and 52 sales offices world wide



MISSION

To inspire the world with innovative technologies, products and designs that enrich People's lives and contribute to a socially responsible, sustainable future

GOAL

01

Quantitative Goals

USD 400 billion in sales, predominantly No.1 in the global IT industry & Global top 5

02

Qualitative Goals

Innovative company; Respected company; Top 10 world's best workplaces; Creative leader building new markets; Global enterprise that attracts the world's best talents

STRATEGIC DIRECTION



MISSION & VISION STATEMENTS

Vision Statement

Samsung's vision statement is “to inspire the world with our innovative technologies, products, and design that enrich people's lives and contribute to social prosperity by creating a new future.”

The statement calls attention to its leadership position and how it directs the market and upgrades life itself with its products and services.



MISSION & VISION STATEMENTS

Samsung's Mission Statement

Samsung's mission statement is "We will devote our human resources and technology to create superior products and services, thereby, contributing to a better global society."

The statement puts all its emphasis on the superiority associated with the products it brings to its customers. In fact, it exhibits confidence in their potential to change the overall society.

SWOT Analysis

STRENGTHS

- Global market leader across various product categories
- Highly innovative and holds large patent portfolio
- Strong brand recognition and brand value over \$60 billion
- Diverse product portfolio spanning electronics, smartphones, appliances, etc.
- Robust global manufacturing and R&D footprint

WEAKNESSES

- Organizational Complexity
- Talent Retention and Succession Planning
- Cost Management:
- Product Differentiation

OPPORTUNITIES

- Further expand global market share and penetration
- Leverage technological expertise to drive innovation and new product development
- Diversify into emerging technology areas like AI, autonomous vehicles
- Enhance workforce capabilities through robust learning and development programs

THREATS

- Intense competition from other global tech giants
- Rapid changes in consumer preferences and technology
- Geopolitical tensions and trade uncertainties

SAMSUNG STRATEGIES



Corporate level Strategy

Diversification:

- Samsung has diversified into various industries beyond its core electronics business, such as aerospace, IT services, and others. This suggests a corporate-level diversification strategy to reduce reliance on a single industry and explore new growth opportunities.
- Samsung has established a strong global presence, with manufacturing and R&D facilities across the world. This indicates a corporate-level globalization strategy to expand its reach and capitalize on international markets.

Innovation-driven growth:

- Samsung's focus on innovation, R&D investments, and patent portfolio. This points to a corporate-level strategy centered on innovation and technological leadership as a driver of growth.

Business Level Strategy

Product differentiation:

Samsung's success in the smartphone market, particularly with the Galaxy series, suggests a business-level strategy of product differentiation, where the company aims to offer unique and innovative products to customers.

Cost leadership:

Samsung's global manufacturing footprint and scale economies may allow the company to pursue a cost leadership strategy in certain product categories.

Vertical integration:

The creation of an in-house aerospace division and the establishment of Samsung SDS (IT services) suggest a degree of vertical integration, where Samsung aims to control more of its value chain.

Strategic Objectives



1- Maintain technology and innovation leadership:

- Continue investing in R&D to drive breakthrough product innovations
- Strengthen patent portfolio and IP protection
- Accelerate digital transformation and embrace emerging technologies

2- Enhance global market dominance:

- Expand geographic presence and market share in high-growth regions
- Optimize product portfolio and pricing strategies for different markets
- Leverage brand equity to cross-sell and up-sell products

Strategic Objectives



3- Build a future-ready, high-performance workforce:

- Refine team-based compensation structure to ensure fairness and employee satisfaction
- Implement robust talent management practices for recruitment, development, and retention
- Foster a culture of continuous learning and skill development

4- Ensure sustainable and responsible business practices:

- Strengthen corporate governance and ethical standards
- Enhance environmental sustainability initiatives across operations
- Deepen social impact and community engagement programs



STRATEGIC HUMAN RESOURCE MANAGEMENT

Samsung's strategic human resource management practices are closely aligned with the company's overarching goals and its values of "People, Excellence, Change, Integrity, Co-Prosperity, and Social Responsibility."

This management philosophy, which underscores the belief that "a company is its people," has been instrumental in driving Samsung's rise to global leadership.

Key Internal Challenges



TEAM BASED BONUS Structure

Samsung's team-based bonus structure was perceived as unfair by some employees, as individual contributions were not adequately recognized.

This could lead to morale issues, talent retention problems, and challenges in aligning employee incentives with individual and organizational goals.

Key Internal Challenges



Addressing the team-based bonus structure:

Samsung implemented a revised compensation and incentive structure that placed greater emphasis on individual performance and contributions.

This included refining the team-based bonus system to ensure fairness and better align employee rewards with their individual achievements.

Key Internal Challenges

Organizational complexity and bureaucracy

As a large, diversified conglomerate, Samsung likely faces challenges related to organizational complexity, siloed decision-making, and bureaucratic processes.

These issues can hinder agility, responsiveness, and efficient coordination across the organization.



Key Internal Challenges

Organizational complexity and bureaucracy

Samsung implemented initiatives to streamline organizational structures, reduce bureaucratic layers, and improve decision-making agility. These efforts involved reorganizing business units, adopting agile methodologies, and enhancing digital capabilities to enhance operational efficiency.

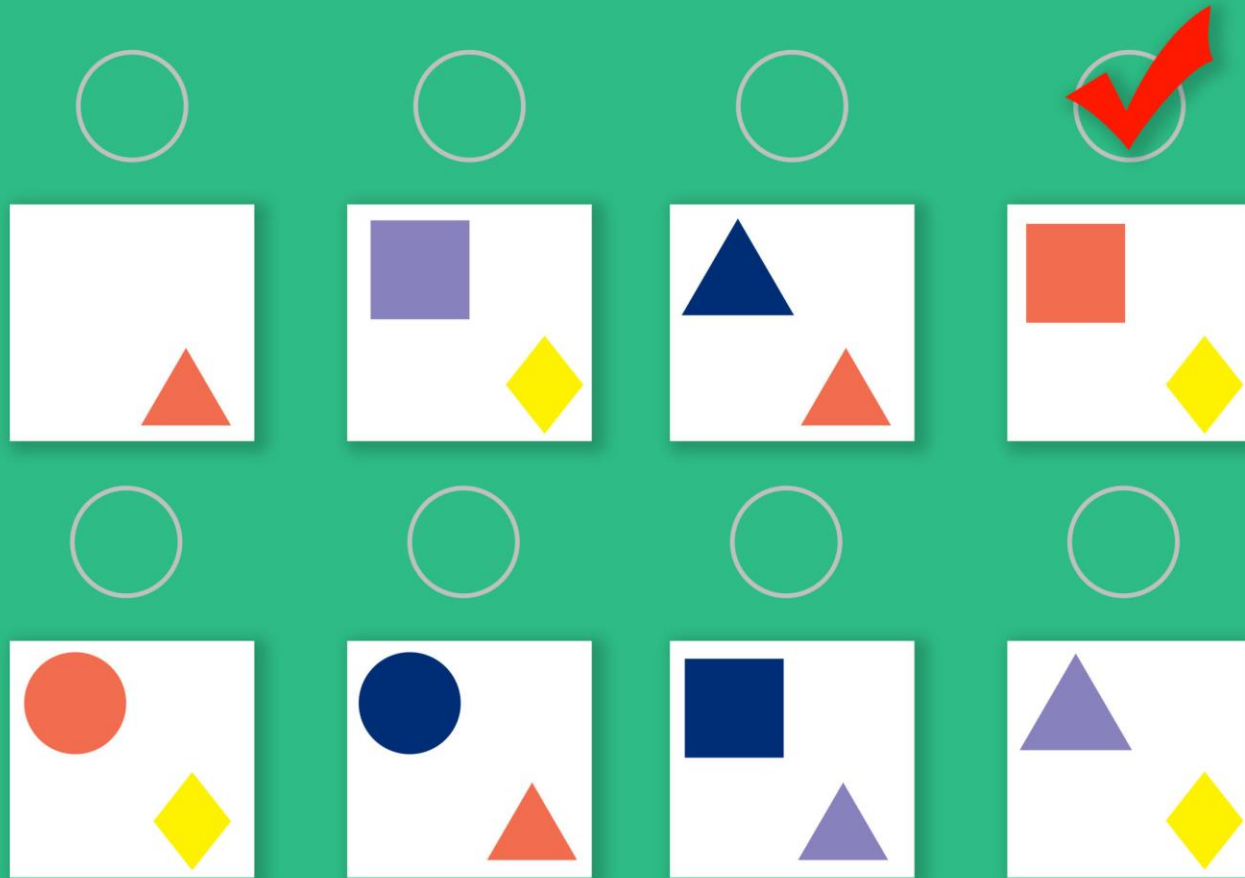


NOW HIRING!

SAMSUNG RECRUITMENT AND SELECTION PROCESS

Samsung Recruitment Process is conducted every year to select new candidates. The Samsung selection process consists of 4 rounds. A candidate needs to qualify all the four rounds to get the final placement offer from the company. Following are the four rounds that a candidate will face during the Samsung Selection Process.

APTITUDE TESTS



GLOBAL SAMSUNG APTITUDE TEST

Samsung career can be started by passing the special exam conducted by Samsung known as GSAT (Global Samsung Aptitude Test). It is the first step of the Samsung Recruitment Process. GSAT consist of 50 aptitude questions which have to be completed in 1 hour or 60 minutes. Along with the aptitude questions, there will be some Reasoning questions, to test your logical power.

Section 1: It checks the Quantitative ability comprising of Data Interpretation (pie chart, bar chart, and line graph), percentage, profit and loss, time and work etc. During this test, Samsung checks the data interpretation skill of a candidate.

Section 2: It checks the reasoning ability which includes puzzles. This defines the general aptitude test during Samsung selection procedure.



INTERVIEWS

Written Technical Test - Coding Test

This test will test a candidate's overall programming skills. The test goes on for about 3 hours and is a crucial part of the Samsung Recruitment Process:

Technical Interview

Questions based on projects, static variable, static function, semaphore, and conceptual questions will be asked. The candidate must be sound in his respective stream subject as well.

HR Interview

Samsung tests the communication skill, personality traits and general knowledge of the candidate



LEARNING AND DEVELOPMENT

Samsung support all its employees around the world so that they can grow within the same systematic training system.

Every year, the company conducts an EDP (Expertise Development Process). assessment for all employees and focuses on self-directed learning by allowing them to set their own annual training plan according to the results of the assessment on individual expertise and skills

LEARNING AND DEVELOPMENT.



Assessment and Selection of Candidates

- Samsung conducts its STAR (Samsung Talent Review) Sessions in association with its EDP (Expertise Development Process).
- The STAR Sessions are a comprehensive talent nurturing process that supports employees in designing an individual career path and establishing a clear vision with their supervisor.
- Through this process employees can apply for various human resources development programs, such as an MBA, academic training, regional expert class, or job expert course.

Training Programs

- Samsung provides training programs tailored to different job levels and positions for all employees around the world based on three pillars— Core Program, Leadership Program, and Expertise Program—so that they share the same vision for our values and future growth. On an annual basis, four million people participate an average of 8 hours with training programs around the world.

LEARNING AND DEVELOPMENT

Samsung Core Program

Understanding Samsung's value, vision, and culture

Samsung Leadership Program

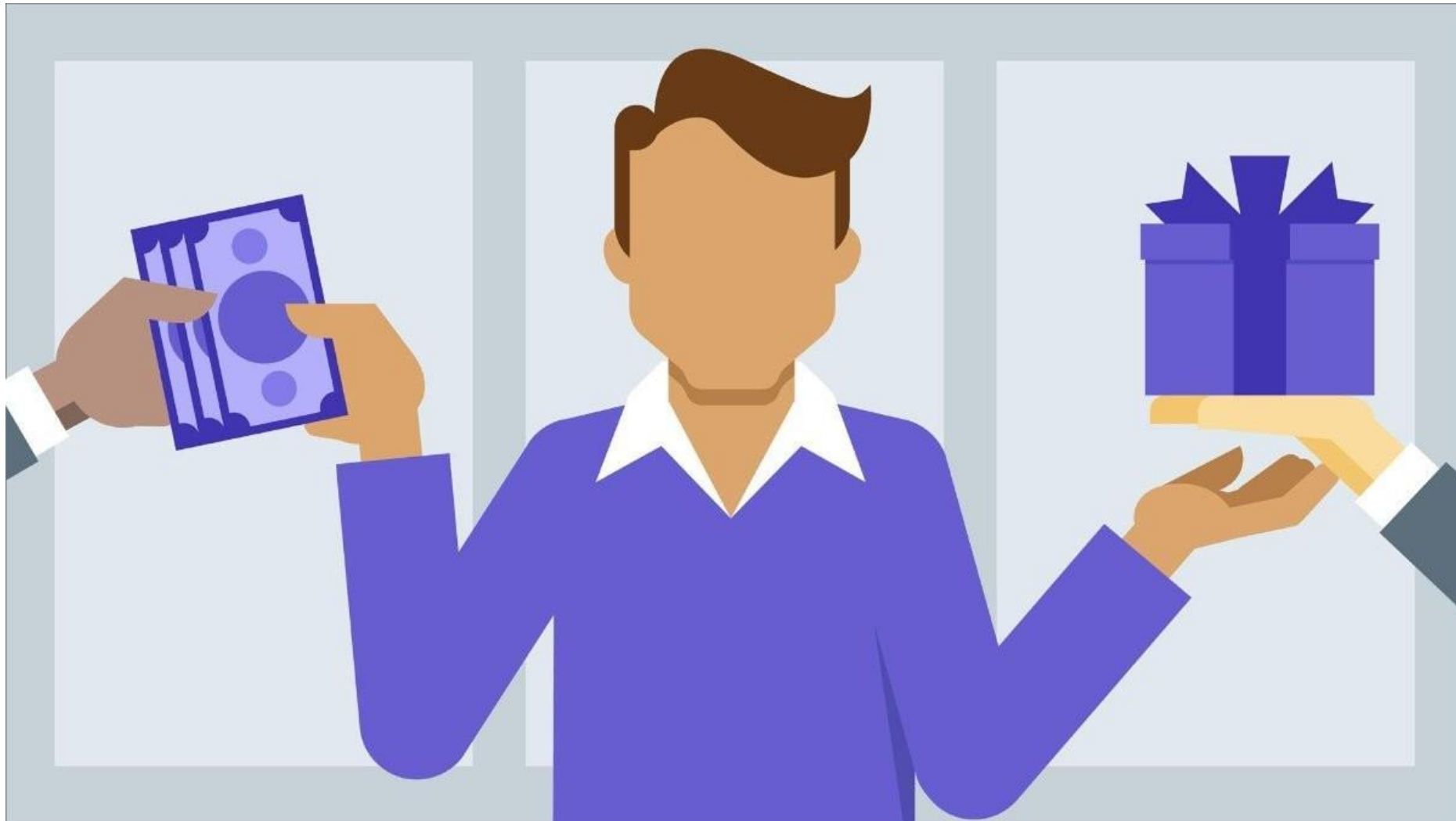
Building leadership skills for different levels of employees based on the Samsung Leadership Framework

Samsung Expertise Program

Improving expertise based on 8 core business processes



COMPENSATION AND BENIFITS



Compensation Structure

- The **cash compensation** of Samsung is delivered in the forms of basic wage/salary and performance-based incentives.
- **Incentives** are paid according to the performance of an individual employee, team of employees, a total business unit, or combination of them and is divided into individual performance incentives and group performance incentives.



Salary System

Annual salary	Monthly Salary	Basic Salary	Basic payment (including work value-based payment)
			Over-time payment
		Performance-based salary	
	Fringe benefits	Travel allowance for New Year's holidays	
	New Year's Day and Thanksgiving Day Salary		
Bonus	Incentives (Productivity Incentive, Profit Sharing, etc.)		

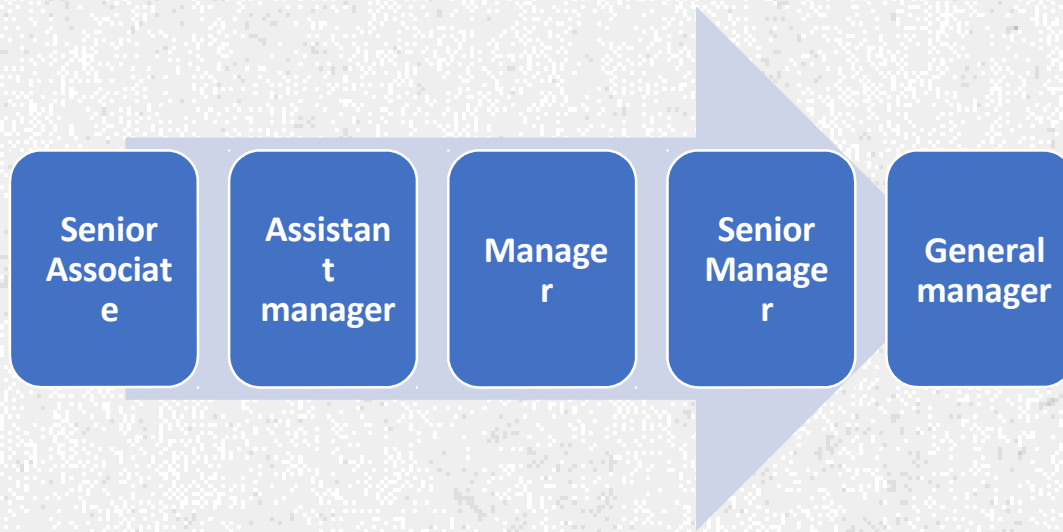
Performance-based Compensation

- **Productivity incentive** is additional performance-based salary structures where a part of surplus value generated as a result of Operation of Management, Human Resource, Equipment and Technology is paid to employee as a compensation for improve in business efficiency.
- **Profit sharing** is a compensation system that distributes a part of profits to employee when a corporate and a group level business results are higher than target.
- **Incentive system** are some specific incentives as sales incentive which is paid based on sales target achieved and a project incentive which is paid when project costs are reduced.

Benefits:

- Healthcare Plans.
- Children Education Plans.
- Housing Plans.
- Post Retirement Plans.
- Industrial Accedent Insurance.

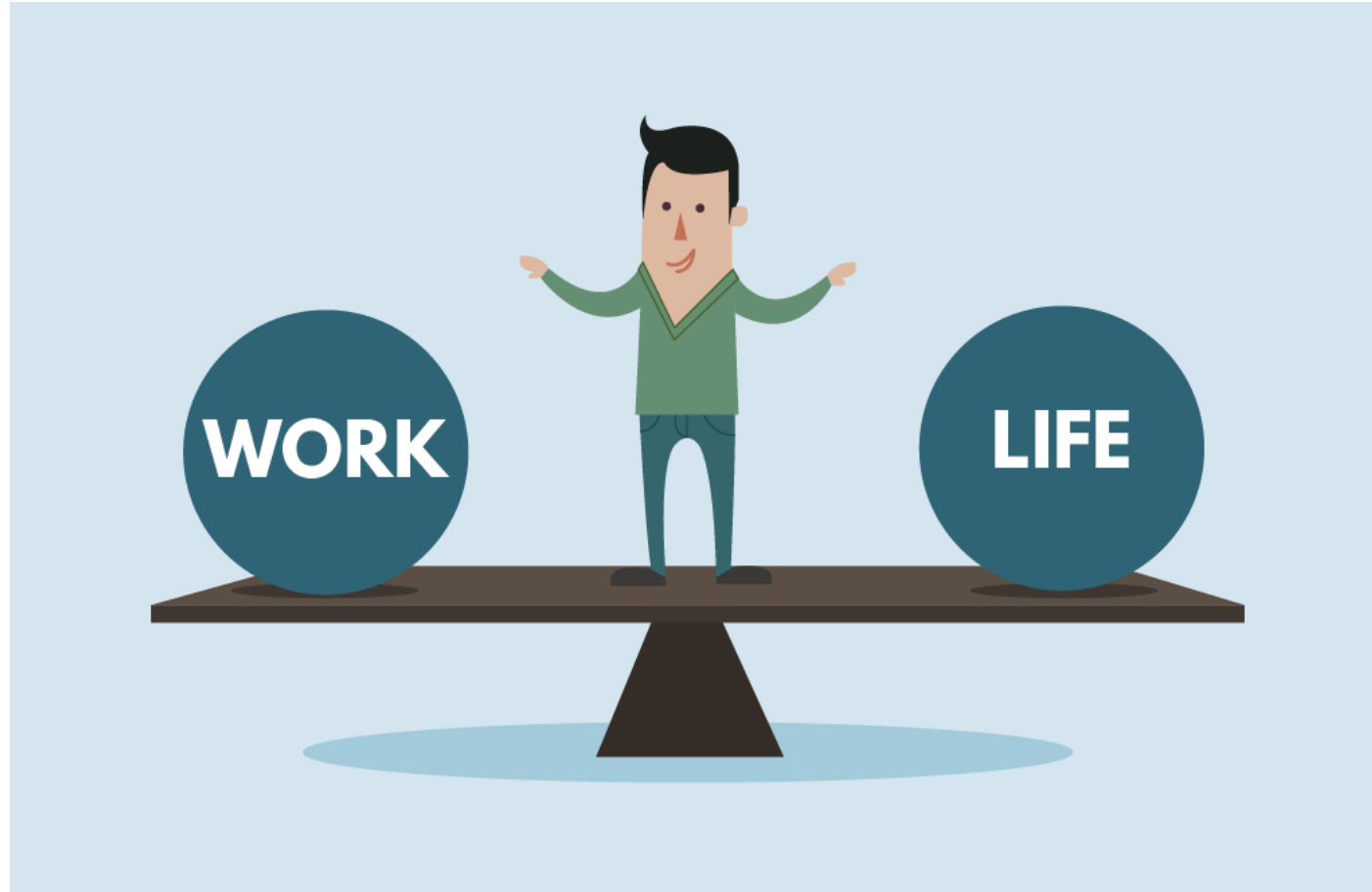




POSITION GRADE SYSTEM

All employees are assigned to a grade with differentiated remuneration based on education level, work experience, expertise, performance and other factors.

Work-Life Balance



Samsung's work-life balance program

- **Personal time off** encourage employees to use their holiday or leave balance.
- **Flexible working hours** allow employees to adjust their working hour to help them balance their work and life. Workers are able to start their work at any time from 6a.m to 1.00p.m as long as they work eight hour per day.

Samsung's work-life balance program

- **The global mobility program** provides an opportunity for foreign workers to be assigned to job functions and regions of choice based on a competitive selection process.
- **Work smart campaign** is the company creates the awareness of work-life balance to their employee through the company intranet and bulletin board.

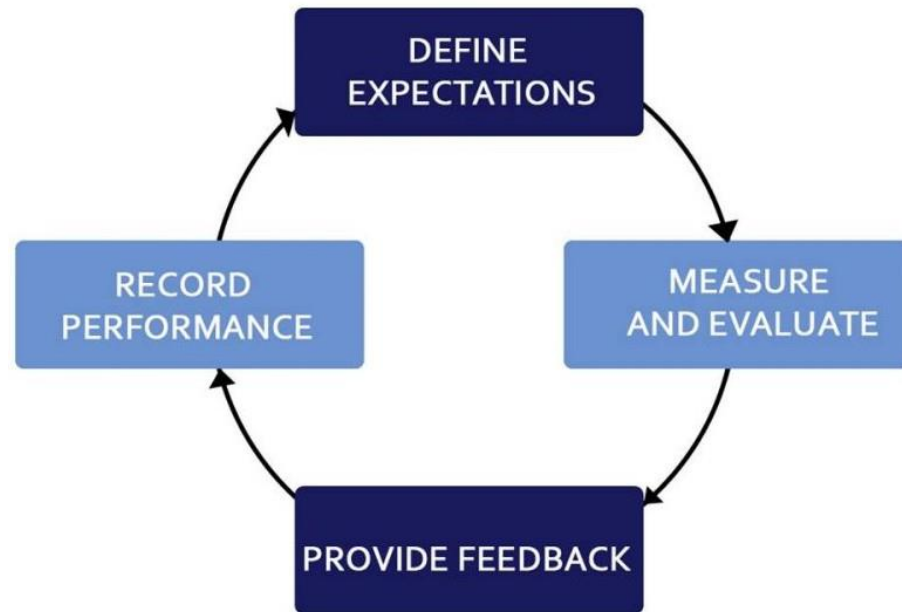
Other Benefits

- **Samsung Live** allows employees to communicate with each other regardless of rank of the job.
- **Career Consulting Center (CCC)** to provide retirees with opportunities for a new start and to support current employees preparing for their future.
- **In-House Clubs** allows employees to learn various aspects of culture and maintain vitality through hobbies and engage in the fields of sports, leisure, arts & culture, and talent sharing.

Other Benefits

- **Life Coaching Center** For the purpose of reinforcing employees' mental health and relieving their stress.
- **Grievance Channels** to address the grievances of employees in a fairer, more immediate way, they are classified into 10 types that include working conditions, work environment, personal relations, work matters, and personal problems.
- **Work Council** for the purpose of promoting mutually cooperative and successful labour-management relations.

COMPONENTS OF PERFORMANCE APPRAISAL



Performance Appraisal System

A quantitative evaluation of achievements in regard to set of objectives (annual)



COMPETENCY APPRAISAL

A qualitative evaluation of individual capabilities. After sufficient interviews and feedback, Appraisal results are used as criteria for deciding training program enrollment, remuneration, promotion, and department transfers.

Strategic Goal 1:

Maintain technology and innovation leadership

These HR initiatives directly support Samsung's goal of maintaining its technological edge and innovation leadership in the market.

HR Initiatives

- Robust talent acquisition practices to attract and recruit top technical talent from around the world
- Learning and development programs focused on upskilling employees in emerging technologies like AI, and autonomous systems

Strategic Goal 1:

HR Initiatives

Maintain technology and innovation leadership

These HR initiatives directly support Samsung's goal of maintaining its technological edge and innovation leadership in the market.

Samsung focused on cultivating a corporate culture that encouraged innovation, cross-functional collaboration, and knowledge-sharing.

- This included initiatives such as extensive investment in R&D centers, 37 R&D centers globally to drive innovation, training programs on emerging technologies, and employee engagement activities.

Strategic Goal 2:

HR Initiatives

Enhance global market dominance

By aligning their HR practices with the strategic objective of global market expansion, Samsung can ensure that the organization has the right talent and capabilities to execute their growth plans effectively.

- Targeted recruitment of sales, marketing, and business development professionals to expand geographic reach and increase market share
- Training programs to equip the global workforce with market-specific knowledge and customer-centric skills
- Compensation and incentive structures aligned with sales performance and market expansion goals

Strategic Objectives 3:

HR Initiatives

Build a future-ready, high-performance workforce

These HR initiatives address the weakness identified in the case study regarding the team-based bonus structure, and help Samsung build a engaged, high-performing workforce that can support the organization's long-term goals.

- Refining the team-based bonus structure to ensure fairness and employee satisfaction
- Implementing robust talent management processes for succession planning, career development, and retention of top talent
- Fostering a culture of continuous learning and skill development through various training and upskilling programs

HR Initiatives

Strategic Objectives 4:

Ensure sustainable and responsible business practices

By aligning HR practices with the objective of sustainable and responsible business operations, Samsung can cultivate a corporate culture that balances commercial success with social and environmental stewardship.

- Strengthening corporate governance and ethics training for all employees
- Designing employee welfare and work-life balance programs to promote employee wellbeing
- Encouraging employee participation in community engagement and social impact initiatives

CONCLUSION

Samsung's strategic human resource management practices have been a crucial enabler of the company's global success. By aligning its compensation and benefits system with the organization's core values and strategic objectives, Samsung has been able to cultivate a highly engaged, motivated, and high-performing workforce.

The company's focused talent management initiatives, including revising its team-based bonus structure to better recognize individual contributions, have helped retain top talent and attract promising new hires. This, in turn, has fostered a culture of innovation, collaboration, and continuous improvement - all critical to Samsung's ability to maintain its technological leadership and adaptability in a rapidly evolving market.

CONCLUSION

Moreover, Samsung's commitment to responsible business practices, as embodied in its values of Integrity and Social Responsibility, is reflected in the company's comprehensive employee welfare programs and focus on developing a future-ready workforce. This holistic approach to human capital management has empowered Samsung's people to drive the organization towards its ambitious vision and mission.

Ultimately, Samsung's strategic approach to compensation, benefits, and broader HR management has been instrumental in translating the company's core philosophies of "People" and "Excellence" into tangible business outcomes. By prioritizing its most valuable asset - its employees - Samsung has positioned itself as a global leader, poised to navigate the challenges and opportunities of the future.

MCQ

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