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Managing People In Organisations

**Comparison of Human Resource Management
between Huawei and Samsung**

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Executive summary

Huawei and Samsung represent China and Korea, respectively. Each company has its own approach to human resource management. This article will examine how Huawei grew and developed its human resources quickly, and will also consider why Samsung's performance has not been as good as it was before. Finally, it will analyse the problems with Samsung's management style. The two companies will be analysed using corporate culture as an entry point.

Huawei's "wolf culture" emphasizes resilience, adaptability, and innovation, contributing to its rapid growth and success in the technology sector. Conversely, Samsung's talent-first philosophy prioritizes talent development but is hindered by hierarchical structures and cultural constraints.

To enhance Huawei's HR function, a balanced approach that incorporates elements of both Huawei's "wolf culture" and Samsung's talent-first philosophy is recommended. This hybrid model would foster a corporate culture that values both resilience and talent development. Additionally, initiatives to promote flexibility, leadership development, diversity, and inclusion should be implemented to address potential challenges within Huawei's organisational structure.

By adopting a balanced approach to human resource management, Huawei can optimize its human capital and maintain its competitive edge in the global technology market, while addressing the evolving needs of its workforce and industry dynamics.

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Introduction

Huawei and Samsung, two global titans in the information and communications technology (ICT) sector, command significant influence and market presence. Huawei, headquartered in Shenzhen, China, boasts a workforce spanning over 160 countries, while Samsung, based in Seoul, South Korea, operates across diverse technological domains.

In this comparative analysis, we delve into the corporate cultures and human resource management strategies of Huawei and Samsung, examining their respective approaches and implications for organisational success. Through an exploration of key facets such as culture, recruitment, training, and innovation, we aim to elucidate the strengths and weaknesses inherent in each company's operational framework. Furthermore, we seek to discern potential areas for improvement and offer insights into how these tech giants can navigate the ever-evolving landscape of the ICT industry.

Organisational overview

A) Founded in 1987, Huawei is the world's leading provider of ICT infrastructure and intelligent devices, with its headquarters located in Shenzhen, China. The company has a workforce of around 180,000 people across more than 160 countries and regions worldwide (Chung and Mascitelli, 2015).

Huawei has a Human Resources Management Department (HRMD) that is responsible for recruitment, training, and performance management. Additionally, there is a Human Resources Committee under the Board of Directors structure. (Chung and Mascitelli, 2015) The HRMD works closely with business units to support and guide the company's strategic objectives. The team is dedicated to ensuring the well-being and career development of employees.

B) Samsung is a multinational technology company based in Seoul, South Korea. It has a global presence in electronics, communications technology, and semiconductors. The company operates production sites, R&D centres, and sales networks worldwide, employing around 200,000 people. The human resources department of Samsung has responsibility for recruitment, training, and the general welfare of its employees. Samsung's HR team, with its global vision and keen business insights, works closely with business units to develop employee training in order to cultivate a more loyal and capable workforce (Kim, 2006).

1.Comparative Analysis of Corporate Culture and Human Resource Management

1.1Huawei's Corporate Culture and Human Resource Management

Huawei's success factors are multi-faceted, with the company's culture being identified as a key factor. As is well known, Ren Zhengfei, the chairman of Huawei, is a retired soldier. Ren Zhengfei founded the company and has become a prominent figure in the Chinese business world. Huawei's corporate culture is characterised by a number of key elements, including the concept of the "wolf culture". This refers to the idea that Huawei requires its employees to possess certain characteristics associated with the animal, including resilience, adaptability, and a willingness to compete and succeed in a challenging environment. The company's culture is characterised by a competitive environment, where employees are expected to demonstrate resilience and adaptability. This is reflected in the company's approach to performance management, which involves a rigorous assessment of employee performance. This system places significant pressure on employees, which is seen as a key factor in the company's success. Consequently, Huawei has implemented a system of elimination based on the principle of the "survival of the fittest," which entails a rigorous assessment of employee performance. This system places considerable pressure on employees, who are expected to strive for excellence.

Secondly, Huawei places a significant emphasis on the recruitment and retention of highly skilled employees (Fan, 2011). In accordance with its employment standards, Huawei offers salaries that are considerably higher than the average remuneration of employees in other industries in the same region. Huawei recognises the pivotal role of talent in the enterprise and therefore dedicates considerable resources to the recruitment and retention of talent, competing with other organisations to attract and retain the best talent. Additionally, Huawei places significant value on the cultivation

of talent, having established a dedicated employee training programme to facilitate exposure to the most cutting-edge scientific research technology globally.

Thirdly, Huawei places a greater emphasis on innovation and change. The corporate culture of Huawei is centred on innovation, supported by management and technological innovation. Huawei has invested significant resources in introducing advanced management systems, digesting and absorbing them, and then combining them with its own characteristics to develop a new management system with Huawei's operating characteristics. Furthermore, Huawei has strengthened the optimisation of the management system and innovations (Cooke, 2012). In terms of technological innovation, Huawei's rules and regulations require that 10% of its annual revenue be invested in research and development. This demonstrates that Huawei places a greater emphasis on and values innovation than other enterprises.

In the process of Huawei's human resource management, the corporate culture is constantly infiltrated, with the following points representing the main areas of focus: (1) The combination of corporate culture and the employment system. In the process of recruiting talent, enterprises must combine corporate culture and human resource management. This entails establishing a hiring system that aligns with the company's cultural atmosphere, evaluating talent based on the values espoused by the corporate culture, and selecting individuals with unique insights into the company's values and mindset (Jung, 2014). This approach aims to reduce the friction between employees and the company's culture, creating more conducive conditions for the management of the enterprise's human resources. As is well known, Huawei attaches great importance to the introduction and cultivation of talents. Huawei's wolf culture emphasises the importance of introducing and recruiting personnel who have great ambitions and goals. Huawei's corporate culture places a strong emphasis on the personal value of the staff and the innovation ability of sublimation. Huawei's corporate culture places a strong emphasis on the personal values and creative abilities of its employees. This enables new recruits to integrate more readily into the company's culture, thereby

reducing the pressure and burden that human resources management may encounter.

(2) Utilise common goals to facilitate the advancement of employee relations. In order to achieve the integration of employees' personal goals with the development strategy of the enterprise, it is essential to implement not only a robust salary system, but also a conducive interpersonal communication environment. This will ensure that all employees can align themselves with the company's development goals, enabling them to formulate appropriate career plans in accordance with the enterprise's strategy and their own aspirations. It can be argued that only when employees and the company's goals are in agreement can the employees' sense of belonging and responsibility be thoroughly strengthened (Yu and Rowley, 2009). As is well known, Huawei's vision is to become a global supplier of communications equipment. Consequently, in the recruitment process, it places greater emphasis on employees who have a long-term vision and development strategy, which reduces the difficulties and obstacles encountered in the process of human resources management.

(3) Promote the establishment of a cultural evaluation system. In order to establish a systematic and scientific talent management evaluation system, it is necessary to base it on performance appraisal, but it is also important to incorporate corporate culture into the evaluation system (Radić, 2021). The contents emphasised by the company culture should also become an important factor in the appraisal. The implementation of a performance appraisal system that incorporates company culture has the potential to identify and select individuals who align with the values espoused by the company. This process can facilitate the internalisation of these values, thereby reinforcing their significance within the organisational culture (Chung and Mascitelli, 2015). Furthermore, it can enhance employees' comprehension and appreciation of the company's systems and policies. Huawei places significant emphasis on the concept of the "wolf culture," which espouses the competitive tenet of "survival of the fittest." Consequently, those who fail to demonstrate adequate performance in the company's development and construction are swiftly dismissed. In this context, Huawei's appraisal system is

notably rigorous, with performance appraisal representing only one aspect of the broader management appraisal process. Furthermore, the company attaches significant importance to innovation, which is reflected in the appraisal mechanism through the incorporation of innovation as a key cultural component.

(4) Maintaining an innovative corporate culture. As a supplier of telecommunications equipment, Huawei's business process is relatively complex, and industrial technology is updated very rapidly (Chang, 2012). Therefore, in order to remain invincible in the market competition, Huawei must carry out technological and conceptual innovations. Huawei's corporate culture attaches great importance to innovation and breakthroughs, and innovation and change are the foundation of Huawei's sustainable development. Huawei has consistently prioritised the integration of innovation with rewards and punishments, and all Huawei employees are aware of the company's espoused commitment to innovation. The company's encouragement of innovation and change effectively stimulates employees to explore the idea of change, and allows them to view the survival and development of the company as a matter of personal responsibility (Li and Zheng, 2021). This illustrates that corporate culture can motivate employees to develop and innovate. Furthermore, the combination of corporate culture and human resource management has a significant impact. Only by establishing a profound enterprise culture can we effectively enhance the enterprise's innovation and change capabilities, thereby reducing the energy and cost required for human resource management.

1.2 Samsung's Corporate Culture and Human Resource Management

Lee Byung-chul, the founder of Samsung, has consistently emphasised the "Samsung First" doctrine, which is based on the "Talent First" concept. In the Samsung Group Training Centre, there is a plaque with the words "Talent First" written by Lee Byung-chul. Talent first has been Samsung's corporate culture since the early days of the company, and it has become the company's tradition to invest heavily in training

programmes for human resources (Schaefer, 2020). In the 1970s, Samsung announced its management philosophy, "Serving the Nation, Putting People First, and Pursuing Reasonably." This is the pivotal factor in Samsung's ascendance. In the 1980s, Samsung announced its second project: "People-oriented". Samsung has consistently prioritised human resources. Lee Kun-hee, the second-generation leader of Samsung, also emphasised the importance of talent. Samsung invests significant resources in educating and cultivating human resources in various areas to ensure the generation of complex human resources. Samsung's objective is to cultivate the top 5% of A-level human resources, who possess a diverse range of specialised skills and are able to assume a multitude of roles to meet the company's multifaceted employment needs (Chung and Mascitelli, 2015). Consequently, Samsung has been lauded as the epitome of educational excellence and the paragon of human resources.

Samsung's policy is to promote the concept of "talent first". As a result, Samsung provides employees with a variety of learning methods and encourages them to pursue lifelong learning (Jacobs, 2023). Samsung offers a diverse range of learning resources to its employees, who can request further training from the company and benefit from complimentary learning opportunities. In addition to training employees through its corporate university, the company also sends outstanding professionals. Furthermore, managers are encouraged to undertake studies abroad, with the company actively cooperating with foreign companies in the same industry with a view to training professional staff. The company provides training for employees through collaboration with educational institutions to develop their skills. It also works with scientific research institutes to develop new technologies and products (Pucik and Lim, 2012). In an interview with Samsung Electronics in Shanghai, the manager of the technical department informed us that the company fosters a culture of learning through the regular organisation of seminars, during which PowerPoint presentations are employed to facilitate discussion on a specific topic. These seminars address issues such as the training of new employees and the challenges faced by various departments.

Furthermore, the native Korean culture has long been influenced by Confucianism in China. Consequently, Samsung's corporate culture has also been significantly influenced by Confucianism, particularly in terms of respect for elders and children, and etiquette. These cultures have been deeply embedded in Samsung's culture for a considerable period of time, which is evidenced by the absolute obedience of subordinates to their superiors and collectivism. Of note is the presence of a culture of "seniority" within Samsung during its early days. The deeply entrenched seniority hierarchy in Korean traditional enterprises represents a significant obstacle to the development of a culture of talent within the enterprise (Radić, 2021).

In the context of Samsung's human resource management, the company's corporate culture is reflected in a number of other areas. One of the most notable aspects is the open recruitment system. In 1957, Samsung became the first company in Korea to implement an open recruitment process for new staff, a move that caused a significant impact in the Korean corporate world at the time, where traditional criteria such as blood, geography, and schooling were commonly used to determine an individual's background. The core strength of Samsung's organisation was the openly recruited staff, who accumulated a great deal of experience as they rose step by step to become section chiefs, sub-chiefs, ministers, and up to CEOs (Micheli and Carrillo, 2016). This process is described in the book "Samsung of Management". In the era of Lee Byung-chul, the talents that Samsung valued were those who exhibited the characteristics of a "model student" and possessed a high level of overall quality. These talents were absorbed into Samsung through open recruitment, starting from the lowest levels of the organisation and progressing step by step. They were generally loyal to the organisation and eventually grew to become general-purpose CEOs. Lee Byung-chul's "Talent First" management philosophy is the foundation of the open recruitment system, which selects talents with creativity and personality and high overall quality, rather than relying solely on academic qualifications as the sole criterion for evaluation. The open recruitment system assesses talents based on their

abilities, is designed to recruit and develop an efficient workforce, and has a policy of improving employee benefits. This marks the inaugural instance of Lee Byung-cheol initiating open recruitment for Korean companies (Park, 2013).

Both companies are highly successful, but based on the above analysis, it is not implausible that Huawei could catch up with Samsung in just a dozen years. While Huawei may not have achieved a perfect outcome, it has eliminated the family-style business management that has been a hallmark of Samsung, and is attempting to avoid the traditional culture of hierarchical concepts of inferiority and superiority. Instead, it is recruiting talented people, providing equal development opportunities, and eschewing seniority. It could be argued that the company's 'wolf culture' is somewhat harsh, yet it has undoubtedly contributed to the company's efficient operation and rapid development and success in the industry.

In contrast, Samsung's corporate culture, while also valuing talent and lifelong learning, has been criticized for its hierarchical structure and lack of flexibility. The influence of Confucian values may hinder creativity and innovation, leading to slower adaptation to market changes and technological advancements.

Conclusions

In conclusion, the comparative analysis highlights Huawei's superior approach to human capital development, underpinned by its "wolf culture" and unwavering commitment to innovation. Renowned for its resilience and adaptability, Huawei has surpassed Samsung in key areas of corporate culture and human resource management (Chung and Mascitelli, 2015). While Samsung demonstrates dedication to talent development, its hierarchical structure and adherence to traditional values may impede long-term creativity and adaptability (Pucik and Lim, 2012). As such, Huawei emerges as a frontrunner in the ICT industry, setting a precedent for effective human resource strategies and organisational culture.

Recommendations

1. Embrace a Hybrid Approach: While maintaining Huawei's "wolf culture" ethos, consider integrating aspects of Samsung's talent-first philosophy. This hybrid model could foster a more balanced corporate culture that values both resilience and talent development. However, careful implementation is necessary to avoid diluting Huawei's unique competitive edge (Chung and Mascitelli, 2015).
2. Enhancing Flexibility: Samsung should work towards fostering a more flexible organisational structure that encourages creativity and agility, allowing for quicker adaptation to market changes and technological advancements (Jacobs, 2023).
3. Promoting Diversity and Inclusion: Both Huawei and Samsung should prioritize diversity and inclusion initiatives to ensure a more inclusive workplace that values the unique perspectives and contributions of all employees (Jung, 2014).

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