



Assessment 1 – Structure and Culture

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Introduction

The end of the 20th century and the beginning of the 21st century completely revolutionized the concept of modernity and the idea of new technologies. As the consumer becomes more and more demanding, global companies such as Samsung, for example, strive to create better and more modern products that will make our time more pleasant and improve the quality of life. These companies, as innovative, knowledge-based entities, must be able to create and commercialize their ideas based on the potential resulting from their resources and structures.

The key activities related to the company's operations include the appropriate allocation of financial and human resources. An important factor in achieving financial results is the interdependence of the designed organizational structure of the company, its internal culture, the role of leadership and management in the organization.

These are the main elements that complement each other and have a direct impact on each other.

Strategy and mission of Samsung

The main strategic goal of Samsung is to maintain the position of a world leader in the production of electronic devices. It achieves this goal by its operating philosophy by engaging its skills and technology in creating top-class products and services that contribute to the development of society. The company strives to manage its values in an ethical manner, which builds trust among customers, shareholders and employees. To achieve success as a global brand, it combines strategic goals, creativity and management to fulfill its mission as a member of society. (Samsung, 2020a)

In economic terms, the company is constantly building its strong position. It has a 20% share of the global smartphone market with increased demand for their new range of foldable devices in late 2020 (McGee, 2020). Combining this with a favorable social market where lifestyle has changed dramatically, Samsung is doubling the power of technology to create efficient and technologically advanced devices to counteract increased competition from cheap Chinese brands (Samsung, 2020b).

Samsung is a profit organization and is funded by organization partners, shareholders, and private individuals, where the main goal is to make a profit and build a market position while supporting society through its technology (Mullins, 2004: 71)

The company employs over 287,000 people working in 74 countries. Its annual sales are over 230.4 trillion KRW, of which operating profit is 27.8 trillion KRW. (Samsung, 2020b)

Organizational structure

Since an organization is guided by a specific vision and strategy, goals must be clearly defined and systematized within its structure.

The organizational structure thus describes the activities of the enterprise divided into units and their dependencies based on the purpose of the tasks performed (Cummings T. & Worley C., 2009: 317) by applying the management process and creating specific rules of order and command. The structure creates activities and responsibilities, roles and relationships in the workplace, and communication channels. (Mullins, 2004: 395)

As Samsung has a diversified product offer, it must skillfully adapt development strategies, engaging the appropriate resources for product localization, set priorities and focus only on those areas where profit on sales is expected. It is a response to the reactions of time constraints for both employees and the projects themselves. (White C., 2004)

The company has a centralized structure that allows the company to implement a common policy faster within the organization, ensuring common growth strategies. (Mullins, 2016: 403)

Due to bad decision-making, the company avoids numerous and controversial interactions between lower levels of the hierarchy, often by redirecting its resources to higher-value products, abandoning projects that do not bring value to the organization. Decision makers at the higher levels of the organization have a greater perspective as they gather information about the entire product portfolio and react differently to performance problems. Mid- and lower-level management, because it is focused on its department, will have no regard for the entire portfolio. (John J. & Klingebiel R., 2016)

The product-oriented divisional structure enables employees to learn new skills and expand their experience by more easily moving between specializations that make up a product or service. It also promotes delegating responsibility to employees and orientates them to customers and overall results. (Cummings & Worley, 2009: 319)

Until 1985, the corporation had a traditional organizational structure. However, the company decided to transform into a team organization divided into individual divisions related to a specific production department. This was to increase their autonomy and the power to make their own decisions. Internal and external rewards and training were introduced as a system supporting employee teams. (Cho N, 1996)

Thanks to the hierarchy of positions and the division of competences and responsibilities between individual employees of the company, employees recognize specific levels in the organization and the level of responsibility is adjusted to the position held by a given person. This structure also allows you to narrow down the scope of interests of a given employee, who may become an expert in their field in the future. (Mullins, 2016: 404-405)

It should be remembered that the culture of the East is very hermetic. Most of the large companies in South Korea are run by families that have direct executive power. This leads to a system of decision-making hierarchy that is passed down to the lower management level. Also, the Confucian principles regarding respect for the elderly, seniority and the family ensured the approval of this system. (Lee C., 2012) Therefore, not so long ago, because in 2016, the idea of creating startups was introduced, proclaiming that employees they have to rely less on the hierarchical structure of the company, stop having unnecessary meetings and stopping too much at work. As Samsung then proclaimed, "We want to reform our inner culture, act as fast as a start-up company, and strive for open communication and continuous innovation." (Se Young Lee, 2016)

Summarizing the above, the designed structure allows the company to save time, facilitates decision making, delegating tasks that contribute to work efficiency and increases the sense of security in the organization.

Organizational culture

The structure and type of organization has an inextricable relationship with the culture inside the organization, and this is reflected in the decisions made and the processes taking place in it.

Organizational culture is the most important contribution to effective knowledge management and organizational learning as it identifies values, beliefs and systems of work that can encourage or hinder both learning (knowledge creation). (Liao & Chang, 2012) It is also crucial in building the business strength of the company as well as the binder of the organization, as it influences the daily behavior and choices of employees. (Onkvisit & Shaw, 2004)

A more comprehensive picture of organizational culture is its identification by Geert Hofstede as a collective mindset in the form of cultural dimensions: power distance, avoiding uncertainty, individualism and masculinity, time orientation, as well as concern for traditions and influence on the future. (Mullins, 2004: 24)

Aside from the above theories, Samsung's culture has a strong and inseparable relationship to society. He is the initiator of the principles of life in Korean society and has an undeniable influence on them.

The company, in line with its vision and adopted organizational culture, focuses on achieving a high level of technological innovation, including human resources development strategies, and places direct emphasis on the knowledge, skills and abilities of employees. (Samsung, 2020a) It protects talented individuals at an early stage, regardless of nationality, and strongly focuses its activities on acquiring new talents. It is also worth noting that the company was the first to initiate in the Korean tradition the transfer of employees abroad for further education at the company's expense. (Kim Yon-Se, 2012)

Also, the changes initiated in 2016 through the reform of human resources management improved the global competitiveness of the brand and organizational culture, promoting a task-oriented system, which was related to the motivation of employees to better communication within the organization and increased emphasis on seeking innovation. (Song Jin-sik, 2016)

The company's organizational culture is focused on the main 5 values:

People - Development of employee opportunities

The company, with the support of the organizational structure, focuses its activities on the career development opportunities of its employees, as well as encourages them to support each other in achieving professional purposes. It offers its employees professional certification programs, thanks to which they can improve their skills, contributing to sustainable development in the organization. Also, the leadership programs offered by the company are aimed at selecting strong leaders from among its structures. (Samsung, 2020b)

Excellence - endless passion and striving for perfection

Employee motivation is a very important element in achieving better and better job results. The corporation directs employees' attention to organizational development and maintaining the brand image, while clearly defining goals. Through openness to cooperation, she strives to create a bond with creative employees, which increases her productivity. It promotes a proactive approach to improving work methods and practices through, for example, Think Hard programs. (Samsung, 2020b)

Change - Initiative to implement changes and innovations

The essence of corporate culture are changes that bring benefits to the company, recognized as a necessary factor of innovation in the market. Employees, thanks to this, embody the convictions about the rationality of the company's philosophy that changes are necessary to gain a market advantage over the competition. (Samsung, 2020b). This is the same as Herzberg's model of feeling satisfied with the results of work. (Mullins, 2004: 232)

Integrity - ethics and integrity

Business ethics help to minimize problems and optimize the brand image and competitiveness of a technology company. Based on ethical standards, the organizational culture promotes honesty, respect and transparency. The company also supports intercultural adaptations between employees (Samsung, 2020b)

Prosperity - the prosperity of society

Support for human resource development helps both communities and stakeholders. It works by motivating people to engage in various types of civic programs, such as the Tech Institute or the Nanum Village, which enable other members of the community to develop their careers through technology. (Samsung, 2020b)

Management and leadership

Managing a team of people must be properly integrated into the organizational culture, strategies and visions of the company and must be directly related to it.

This is because it contains the relevant determinants that will have an impact on proper personnel supervision.

The changes initiated in 1997 with the change of CEO Yun Jong Yong opened the company to the foreign market, and at the same time changed the style of corporate leadership. The breakthrough was necessary and required a profound change of mindset, with an emphasis on management effectiveness and employee creativity. There has been a loosening of the system of authoritarian customs inside the company enough to attract outside investors. (White C., 2004)

Samsung bases its leadership on the value system, following a hybrid management style that is a compilation of Japanese and American styles. On the one hand, it emphasizes production competitiveness, operational efficiency, discipline and employee loyalty, and on the other hand, it focuses on profit, a specific industry, restructuring of its products, through technology, design, talent recruitment as well as performance-based remuneration. It is the combination of these styles that allows the company to create a unique form of management. (Selko, 2014)

By clearly defining what they expect from their employees, managers create a social order. They guarantee continuity, which ends from the very fact that subsequent generations of participants within the organization share the identical basic values and apply the identical principles of operation. It's the management staff that's the element that makes and shapes the organizational culture to the best extent by selecting and communicating values important for the organization.

The task of a manager in a company is to organize the resources necessary to achieve goals through procedures that create well-functioning mechanisms. He is also a motivator to act (Mullins, 2004: 354)

Leadership sets directions for action and strategic goals, looking for new opportunities, focusing on building relationships. Can awaken people's motivation by appealing to their desires and values (Mullins, 2004: 318)

The organization places emphasis on transformational leadership, encouraging employees to think creatively, to go beyond the standard scheme, while increasing the importance of the management function. (Mullins, 2004: 326)

It also conducts various development programs for its employees, such as Solve for Tomorrow or SHRDC, whose key role is the development of managerial competencies. (Selko A., 2014)

Conclusion

Vision, mission, and strategy are three very important elements of the company's development, which are closely related to each other. Only a consistent definition of the vision and mission with the appropriate adopted strategy can give us the expected results and allow us to become a market leader.

Culture gives employees guidance on the way to behave, what to try and do, and prioritize when affecting their duties. It is the binder between procedures and what happens within the organization. Plays a fundamental role and strength in implementing the strategy. The strategic formula isn't only rules, but also a company culture embedded in everyday procedures, formal and informal structures. Established procedures and habits deeply rooted in culture may answer the question of why the affairs of a given organization are the way they are.

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