

CEO's Leadership, Mediated By The Operating System And Line Managers' Involvement Effect In The "GDM In HRM"-Business Case In US, Korean And Japanese Firms

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ABSTRACT

This paper compares and verifies the causes of the "low Gender Diversity Management (we call, GDM) in Human Resources Management (HRM)" phenomenon in Japanese companies, by selecting the Japanese Company A, the U.S. company GE, and the South Korean company Samsung Electronics (controlling for industry type, scale, and time since founding), and by conducting intensive interviews with HR directors. Intensive interviews made clear what sort of problems are occurring within the organization at the Japanese Company A, and also revealed that the problems of asymmetrical of information and misaligned interests among the CEO, senior management, and managers are also having a considerable effect. Next, the ways by which the same problems are being resolved within the organization at GE and Samsung were made clear.

Opportunistic behavior by the mid-level managers toward senior management can be considered to exist in all sorts of organizations. Due to the fact that CEO, senior management and line managers within a firm have different perceptions of GDM. However, we asked in the intensive interviews whether strategic operating system to suppress this opportunistic behavior in multiple perspectives have been introduced into organizational management and whether these are functioning.

Accordingly, it becomes clear that the problem of misaligned interests and asymmetrical of information is occurring among managers who are aiming for overall optimization and sustained growth. Moreover, as the company's performance appraisal system places weight on the achievement of short-term benefits for managers' own divisions, signs of retaining talented human resources within managers' own divisions are apparent. Behind this lies site-driven individual optimization organizational management and it can be inferred that monitoring functions for overall optimization and incentive system functions are not well handled by organizational management.

Through intensive interviews with GE and Samsung Electronics, this paper verifies that these companies are skillfully enabling strategic operating system that accompanies the execution of inclusiveness and strong transformational leadership by senior management. Japanese companies should learn from this strategic, tactical and operational level HR operating system to execute CEO's commitment and at all levels, line managers should play a more important role in GDM in HRM.

Keywords:-Inclusiveness, Women managers, HRM, Opportunistic, Line managers

1. Introduction

The research in the state of GDM in HRM beyond equal employment opportunity (EEO) and affirmative action (AA) have been conducted in Western contexts, such as US, EU nations and Australia. Research in non-western contexts would develop a better understanding of the effects of different socio-cultural environments on GDM (Shen, et.al, 2009).

This study was conducted in Japan, where there is a scarcity of studies on how the role of line managers in delivering practices has positive relations with HRM practices.

Diversity is the process to measure people value added (PVA) and one of the domain on HR activities (Ulrich, 1997). Therefore, we recognize Diversity is the process of HR activities. It is widely recognized by researchers that effective DM can be achieved through using appropriate HRM strategies (Litvin, 1997).

In recent decades a substantial body of research has investigated the how the role of line managers by delivering HRM practices. At all levels of HRM practices, line managers should play a more important role in DM. Devolution of responsibility for people management is central theme of HRM (Storey, 1992) and DM as well.

Several researches say that the role of line managers in bringing policies to life (Purcell et al, 2003, Purcell and Hutchinson 2007; Hutchinson 2008).

However, there has been little attention to the implementation of focusing on GDM, HRM and the role of line managers especially in Japan.

In the GDM implementation process, senior management, line managers and employees play an important role. While having a well-designed GDM in HRM on paper might not be sufficient to positively affect employees, in reality, the communication by senior managers and line managers and the strategic operating system may lead to variations in the perception of the importance of GDM in HRM by individual employees and organizations.

Based on the above considerations, this study aims to contribute to the existing research by examining how GDM in HRM, is implemented by senior management and line managers in the workforce of US, Korean and Japanese companies, analyzed by new models of GDM delivery.

2. Theoretical Framework

The role of CEO, senior management and line managers in GDM in HRM

For the survival of globalized environments, it is very important to go through a transformation and initiatives seeking to replace outdated managerial habits by new best practices of GDM in HRM.

The objective of the study is to check whether there is a transformational leadership, inclusiveness commitment mediated by strategic operating system on HRM and the role of line managers are positively associated with the GDM in HRM in US, Korea and Japanese firms in the workplace.

When designing GDM in HRM policies under CEO's commitment, HR directors must take account of the fact that delivery is left to the line manager. Poorly designed or inadequate policies can be influenced positively by good management behavior in the same way as "good" GDM practices in HRM can be negated by poor line manager's behavior or weak leadership. There are positive relationships between transformational leadership and outcomes at the individual level and organizational level (Zhu, Chen and Spangler, 2005).

The role of CEO, senior management and line managers delivering GDM in HRM practices means that they need to be included in causal chain seeking to open the "black box" and to explain the relationship between GDM in HRM and performance. (Purcell and Hutchinson 2007). Although Boselie et al (2005) stressed that the role of line managers has been largely ignored in huge volume of research, still this fact do not deny that employees' perception of HRM practices as they experience.

Benschop (2001) finds that an organization's strategy for GDM influences both the process formation of GDM and the perception of performance using the two in-depth cases.

The mediation role of strategic HR system

There is evidence to suggest that strategic HR systems that are complementary to the company's strategic goals create competitive advantage, and ultimately lead to superior performance (Pfeffer, 1994). Strategic orientation (differentiation) was found to partially mediate the relationship between HRM systems and firm performance.

Shen et al. (2009) find that effective DM through good HR practices and procedures leads to positive outcomes. Ineffective DM in HR is most likely to result in conflict, demotivation, higher employee turnover and low organization performance.

Chow et al. (2013) examine 190 firms in Singapore and conclude that Singapore is not a low cost center; instead, its status as a global business hub means that firms in the country tend to adopt differentiation orientation for ongoing performance. Strategic orientation as a mechanism for HR deployment serves as the link in the HRM systems-performance relationship. Senior executives should further develop strategic orientation as a guide to improve their performance.

The research problem includes question: The hypothesis is that at the strategic level, CEO is required to have a transformational leadership. At the tactical and operational level, organization should adopt a strategic operating system on HRM. At all levels, line manager should be actively involved in GDM in HRM to survive global competitive

market.

The research aim: The paper aims to examine theoretically and empirically the hypothesis that is top management transformational leadership, inclusiveness commitment mediated by strategic operating system on HRM and the role of line managers are positively associated with the GDM in HRM in US, Korea and Japanese firms in the workplace.

Methods and cases: The theoretical part of this paper is built on the new model of GDM delivery using qualitative approach to these complex issues in the organization using three in -depth case studies by interviews with each HR director of US, Korea and Japanese firms.

3.Cases

It is important that qualitative research to identify and more deeply understand such underlying mechanism and recommend further and more in -depth qualitative studies to test individuals’ reactions and GDM programs.

In order to investigate this hypothesis in the micro organization context, a qualitative investigation was undertaken. A series of semi-structured interviews were conducted with the heads of the Human Resources Department of three large corporations: Japanese company A (called JA), and as comparison companies, controlling for industry, number of employees, sales volume, firm age, and globalization stage, a US company, General Electric (called GE), and a Korean company, Samsung electric (called Samsung). The filed-work took place in interviews were conducted between Feb 2011 and Dec 2012, and their 2013 annual reports were also referenced. Semi-structured interviews were held with the Japanese company A, GE and Samsung Electric as below details by categories.

Companies’ data

Figure 1.Qualitative comparison data –Japanese company A, GE and Samsung Electric

Categories	Japanese company A (2012)	GE (2013)	Samsun Electric(2012)
Biz	Electric	Electric(Congromarit)	Electric(Congromarit)
Employees #	200K (45%overseas).	300K(55%overseas)	340K□54%overseas□
History	140 yrs	135 yrs	Samsung Group75yrs Samsung Electirc45 yrs
Overseas sales ratio	58%	60%	87%
Sales profit ratio	3%	16.2%	10%
Female BOD #/BOD #	1.3 %□external BOD only. No female Executive officer□	30% (internal promotion)	6.1 % (22 women by internal promotion) Female Executive officer 13.8% □internalpromotion) .Commitment to be 10%female talent promoted to BOD in 10 yrs.
Female mgr #/BOD	3.8% in Japan□289ees□□General Mgr ration:2.1□,62ees□	31%.cf)18% in Japan (2014).	11.8□ in Korea

Strategic level HR practice

Japanese company A (JA): New grad hire, long term employment, male dominate workforce, Engineering first. Hire Master of Science talents. Main training is On the Job Training (OJT) and Stratified training. Middle –up down management. In principle, the first career truck. In general, the career ladder is in the same business which the new grad employee s’ being assignment until the retirement age. It is requirement to make amicable arrangement in the same workplace considering working as peers for several decades. Employees do not like so much to be deny the predecessor nor action of pursuit the responsibilities. There is some atmosphere to fight against the boss to make amicable organization on the surface.

GE: Meritocracy, world top class of the productivity/head count. Invest 10million \$/year for leadership training. Top-down by CEO, but every organization has a leader to have accountability for Profit/Loss. Across region, tribes,nationality, the commitment to act and execute once the company made directions and always being required to check results. nurturing talent and leadership through the delegation of responsibility and deployment of powerful incentives. In 90's Welch.J. (ex-CEO) relentlessly drove his subordinates to the limits of their abilities, encouraging employees at all levels to embrace ambitious targets and continuously improve their performance. Welch was renowned for his use of constructive conflict as a means of eliciting commitments from line managers and making difficult decisions.

Samsung: Meritocracy, Human asset first, Long-term investment for Creative, Ambitions and Global Professional HR. Focus on sharpening the expertise of future-oriented employees.

Promote significant delegation to make decisions quickly. Lee KH (CEO)makes a decision only when really important. Their culture is strict reward and punishment HR. Labor and management will work together to enhance the organizational culture under the mottos of Work Smart, Think Hard, and Build Trust and build an ideal workplace where all individuals can unleash their creativity.

Transformational leadership style

JA: Being good at to improve the current inefficiency and review the minor revision of complementary system. Within the limited resources, there are more losing by changing. The transformation with pain can be carefully promoted with enough transitional measures. Rapid reforms are not welcomed by organization.

GE: "Creative destruction" is the competency of leaders. The change management leadership is required. To appraise such a leadership competency make accelerate the transformation of organization.

Samsung: "Change all other than your wife and Children" (Lee KH, 1993). After the Asia Currency crash, Korean and Samsung labor Market dramatically changed to be mobile. Lee(2012) pointed the HR department changed to be strategic partner and lead to improve the capabilities of organization organizations.

The role of HR department and system

JA: HR department has traditionaloperational role to manage labor and employment. Under the circumstances of no horizontal transfer across business, the head of business and Sr. managers have the authority of HR. There is easy to tuck good talent in their own business to achieve the short term goals. There is Free Agentpolicy, but in fact, the approval of current report line is needed to make smoothly.

GE: There is Session C which is the tactical level of HR operating system to identify high potential talent regardless gender nor races. Organizationdevelopment HR team deep dive as a strategic partner and lead the transparent information of talent across organizations. GE encourages the employee who has been more than twoyears' experiences in the same position, can be applying the other position and not so easy to tuck good talent.

Samsung:HR department is coordinating between diversified stakeholders and support to improve the capabilities of organization. There is "T (task force)-up team" system which aim to tackle the tactical objectives across the company and expected to solve them g in the short time period. High potential talent is specified being involved as the tactical operating system as It is not easy for sr.managers to hide the top talent or prejudice in the organization.

Recruitment and selection

JA: No gender discrimination for hiring, but meritocracy. Half of new hire employees are female, but science female students are less than 20%. Under the pressure by UN Global Compact, hired one female external board. With CEO's strong commitment, they thrive to spread the awareness on the importance of diversity for both employees and those outside the company.

GE: Since 90's, Jack Welch, ex-CEO, had implemented strategically to utilize female talent to transform GE's culture. Early training for female is to assign challenging task. The potential of leadership is important than experiences and skills to be promoted. Non-continuous career is not handicapped. There are many role models and no gender biased in the assignment, development and promotion. Now,GE see diversity and inclusiveness as an essential part of our productivity, creativity, innovation and competitive advantage.

Samsung: Since 90's, Lee KH had announced the key policy to Utilize female talent, but in reality, since 2000's Lee KH reinforced to hire female 30% in all hired.'11, succeeded to promote female VP as internal promotion. There are several female talent pipeline to promote executives. As internal promotion. There are 22 executive officers. After 2013, there is a plan to promote doubling plan of Female executives and planned to appear female president. Corporate direction is to upgrade policies and systems, remove factors what may cause inequality, and provide active support for people with diverse traits to work creativity.

Average age of promotion to be Executive Officers

JA: Above 53 y/o after 30 years' experiences. Not preferable to be promoted very early due to disturbing the balance in the organization. Almost all university graduate employees can promote to be managers. After 20yr's experiences, it means no difference up to Manager level. On the other hand, the promotion to be General managers. Above has severe competition, therefore, managers are exposed to severe competition, tend to be longer working hours and try to achieve short term target of own dept.

GE: Around 45 y/o. Jeff Imelt(current CEO) promoted to be officer at 33 y/o. The youngest officer was female 32 y/o. She has been experienced highest position in the several organizations across GE. (40's working mother who has 3 children.)

Samsung: Korean men has mandatory military services, so business career starts 25-6y/o, after 20yrs' experiences, promote to be Executives(ave.46 y/o).Female talent can enjoy starting business career 5 years earlier than male. Lee KH has utilized Strategic meritocracy, early promotion and good incentive to make employees motivate and earlypromotion.

3. Results from theintensive interviews

Japanese Company A

(a) Established the Diversity Promotion Office reporting directly to CEO

An employees' awareness survey conducted by Company A in 2003 threw women employees' dissatisfaction toward jobs and treatment into relief. Senior managers, which had until then engaged in policy as usual, were shocked by the results. Understanding that policy as usual was no longer workable, in 2004 senior management launched the Full-Time Office for promotion of activity by women, an organization reporting directly to the CEO. In 2007, this office underwent reorganization, expanded its mission from gender equality to the promotion of diversity, and changed its name to the Diversity Promotion Office. "Since the collapse of Lehman Brothers, the necessity for local production has been rising. There are limits to Japanese-style management, and to boost global synergies together with our 81,000 overseas employees, the promotion of diversity is an important management strategy," says the company's CEO, who communicates this thought in management policy briefings, seminars for the press, instructions for employees, internal forums with invited experts, and other venues inside and outside the company, while accelerating the promotion of diversity. Company A also conducts training for the purpose of developing next-generation leader candidates among women, with the aim of improving management skills and fostering professionalism. Company A's CEO has also committed to and signed the United Nations Global Compact, which calls for higher levels as a global standard, and is continuing efforts to realize these goals under a diversity charter. At the same time, there has clearly been a tempering of voices calling for the promotion of activity by women. (Hearing with the Director of the General Affairs and Personnel Division)

(b) Asymmetrical of information and misaligned interests between senior management and business unit managers / managers, regarding the utilization of female employees in Company A

We were told that asymmetrical of information and misaligned interests between senior management and business unit managers exist in Company A. When interests are misaligned between senior management and managers and information is asymmetrical, then, to name one example, even when senior management seeks actively utilize talented women to heighten the company's productivity, managers may secretly engage in different, selfishly efficient actions. Accordingly, the promotion of activity by women does not occur, despite the company setting this promotion as a goal. The CEO of Company A at that time, acting on the belief by senior management that raising the quality of utilization of female employees would require setting and then increasing the value of clear numerical targets, began making efforts in 2004 to steadily increase the percentage of women among new hires in order to increase the number of female employees. In order to mitigate the asymmetrical of information between senior management and mid-level managers, the Diversity Promotion Office communicated its action policies and the thinking of senior management

topersons in charge of business units and to the general manager of the HR at the monthly meetings of these parties. However, the Office found instances in which the information did not reach employees. In response, it deployed persons in charge of diversity promotion at the workplace level, and, working horizontally, promoted activities to improve the openness of corporate culture and used the company intranet to continue efforts to communicate information to all employees. While the company's internal labor union approves the actions, upper-level management and the level of business unit managers in their 50s present a major obstacle. These persons come from generations that worked under the thinking that someone will have to clean up the work of those who leave the office a fixed time, and that the company cannot cut off emergency customer response at a fixed time. Changing their mindset toward work is extremely difficult. When trying to achieve their own divisions' performance targets with minimal personnel, they tend to think that they can do so by making maximal use of male subordinates who adapt to restrictive work styles. Even in the committee on job promotion, and despite company-wide goals to reduce gender differences in rates of appointment under the same conditions, business unit managers actually express an adamant preference for recommending male candidates with longer experience for the good of internal balance, active appointment of women to managers notwithstanding. In this way, interests are not aligned between senior management and managers. As described above, asymmetrical of information and misaligned interests existed between senior management and managers. asymmetrical of information exists between business unit managers and mid-level managers as well. Accordingly, under these conditions, when information on candidates' capabilities and behavioral characteristics is insufficient, business unit managers ignore senior management' goals for active appointment of women to managers, and rationally select persons for promotion whose social characteristics resemble their own. Top managers find it difficult to say no to this, as they do not possess accurate information on the candidates. Some upper-level managers think that women all quit work at some point, or think that while it is fine that women continue working, they will only put WLB first. Female subordinates develop when they work underneath managers who appoint capable women with a "let's give it a shot" mindset and give them motivating work to perform. However, when they work under managers with a risk avoidance mindset of "there's no precedent," or under managers who are negatively inclined from the start toward the active utilization of female employees (for reasons such as "I understand WLB, but leaving the office early causes problems when there is so much work in front of us," "How will we allot work while the person is on childcare leave?", "It's better to not give work that's difficult or requires long-term commitment to someone with responsibilities at home," or "Someone has to stay at the company to respond to customers, and business travel and transfers are necessary too"), female employees are prone to hold back or to quit (for reasons including "I'm not given motivating work," "There's a proper WLB system but it's hard to take advantage of," or "There are no role models, and it's hard to see a future"). This results in workplace management under which the motivation of female employees is lost from the start, and in cases in which senior management's intended effective use of human resources do not occur. (Hearing with the Director of the General Affairs and HR Division)

(c) Opportunistic behavior suppression mechanisms in Company A

In order to prevent the above problems of asymmetrical of information and misaligned interests between senior management and managers involving the utilization and appointment of capable female employees, mechanisms to suppress the opportunistic behavior of mid-level managers must be designed and implemented. Company A's Diversity Promotion Office conveys this message to all employees: "WLB is not a system for women performing childcare. Rather, time spent on study, nursing care, and health maintenance, regardless of gender, is a part of WLB. WLB is aimed at both men and women, to ensure the motivation that enhances the drive to work." The Office regularly distributes an in-house publication in both Japanese and English, and has also set KPI (key performance indicators) for ratio of females, ratio of female management positions and the gender difference therein, number of foreign nationality employees, and percentage of disabled person employees as internal management indicators, with the aim of creating an organization where diverse human resources are active. (Hearing with the Director of the General Affairs and Personnel HR Division) However, these efforts appear to have yielded little effect. This is because the measures miss the essence of the problem. The KPIs advanced by the Diversity Promotion Office are not indicators incorporated into the targets of individual managers. Rather, they are company-wide targets put forth by the Diversity Promotion Office that reports directly to the CEO; for on-site managers who tend to seek individual rationality, there are no incentives for achievement, and results are not monitored. The measures are likely to end up as little more than calls for action by the Diversity Promotion Office. Accordingly, they are extremely poor at providing motivation for individual managers, and we were told that risk-averse decision-makers continue to develop and appoint male human resources who hold the same social homogeneity as the decision-makers and who are likely to maintain the prescribed course they have set. Due to risk avoidance, the reproduction of homogeneity is taking place. A free-rider mentality also develops, by which managers imagine that other divisions will perform utilization of female employees. To resolve the asymmetrical of information and misaligned interests between these senior managements and managers (which can occur between any hierarchical levels in the organization), some sort of systems for symmetrical of information and integration of interests

are necessary. Ideas for such systems should be gained from the following two companies. (Hearing with the Director of the General Affairs and HR Division on February and May, 2011)

(2) US Company GE (General Electric)

(a) Develop women leaders' system at U.S. company GE

GE takes the development of women leaders conducted in partnership with two unique their operating mechanism system: Session C and the GE Women's Network (GEWN). High potential female talents are recognized through Session C process by the senior management and HR department and their workplace managers push the top female talents to build up leadership experience in GEWN. GE CEO, Jeffrey Immelt, always communicates this message inside and outside the company: "In GE, there are many places for women to be active. Added value such as idea creation by women and business execution in women's style are truly the value added by diversity that is aimed at the growth of the company." The role of GEWN is to participate in the process of operating a variety of plans aligned with GE's company-wide business goals for the year. This also leads to the construction of networks within the company. GEWN participants are able to learn through experience how GE leaders act and made decisions, while Learning from numerous role models. Upper-level managers, including the chairman, visit GEWN sites around the world and actively create opportunities for direct dialog with female human resources. For members of upper-level management, GEWN functions as a space for dialog with talented women human resources recognized in Session C, and for seeking their own successors within the human resources pool. The contribution of previous Chairman Jack Welch was critical in bringing this about. During the 1980s, Welch, who sensed that the U.S. market was being pressed by Asian competition (especially Japan), initiated a great shift toward globalization and pulled the company's bureaucratic organizational culture, with over 300,000 people and 100 years of history, through creative destruction. As the process for doing so, he made a major course change toward a management strategy that made active and broad use of previously-untapped minorities, women, and local human resources, in order to win in diverse global markets. Behind this lay Welch's great management strategy of uncovering once-buried diverse human resources with his own eye, leveraging these to break down an existing bureaucratic organizational culture (constructed by white male human resources in the headquarters) with over 100 years of history, and reforming the company into an open organization (Nakagawa, 2011). According to GE data on the US Working Women website (2009), women make up 60% of employees taking part in management-level / leadership human resources-level development training, 50% of employees formally recognized in executive-level successor plans, 30% of the officer-level executive hires from outside the company, and 10% of employees promoted while making use of flexible work methods, showing that a very large number of women are undergoing development for taking steps into upper-level management. The company also has an official program to commend and praise managers who support activity by female human resources. (Hearing with the director of the GE Energy HQ in US)

(b) Opportunistic behavior suppression by strategic operating system in GE

Even when programs such as the above are in place, if upper-level management and mid-level management do not make use of them, the development and promotion of female managers will not happen. How does GE resolve the agency problems that occur in Japanese companies? According to a hearing-based survey of GE's personnel policies by the head of the personnel division in the U.S. headquarters of GE's energy unit, the following sort of incentive systems have been adopted to align interests. At GE, upper-level managers receive regular, thorough leadership education, which teaches that in order to win in markets it is the role of innovation leaders to actively develop female managers under a merit-based system with no gender gap. It also teaches that embracing differences is inclusive and creates new ideas demanded by diverse markets around the world. Process goals for the degree to which female managers have been developed and verification of results are built into the KPIs for leaders worldwide, with verification of results carried out regularly. In the cross-divisional Session C, where the HR department participates proactively in organizational development, leaders who do not deliver results are given poor evaluations. Strong incentives for the support of development of female managers and a monitoring system are operated as business strategies, not only in the U.S. but also for the management class in subsidiaries around the world. In particular, for upper-level management and higher positions, the inclusion of at least one woman or minority as one's successor is mandated. In other words, the systematic mechanism is set so that the possibility of the appointment of minority or female human resources is higher for upper-level management positions. In addition, roles and responsibilities as mentors and coaches are incorporated into KPIs for upper-level managers, with the personnel division providing careful matching. In short, mechanisms for closely watching and developing individuals are built into the workings of Session C, and are incorporated into the evaluation results for upper-level managers. As verification of results is always required at GE, the above does not end as a mere call for action. Over four years from the adoption of such measures in 1998 through 2002, the percentage of females rose from 5% to 13% among upper-level directors, 9% to 14% among the upper-level executive class, and 18% to 21% among executives. Regarding diversity, GE calls this a source of power that comes from mixing, and a competitive advantage strategy for global markets that is able to deliver excellent results through the gathering of different opinions and experiences. For GE, the ultimate purpose of

a diversity strategy is process execution that develops global leaders who are able to steer a course in an era of high uncertainty, even in a wide-open expanse. The worldwide systematic instillation of such a talent development process plays a major role in leadership education that can go beyond religion, ethnicity, and national borders to see that matters are thoroughly executed once they have been decided. This is due to the large non-financial incentive of organizational growth, and through that, individual growth, achieved by delivering results. (Hearing with the director of the GE Energy HQ in US on May, 2011)

(3) Korean Company, Samsung Electronics

(a) Opportunistic behavior suppression by strategic operating system in Samsung Electronics

Many research studies have been conducted on the topic of the problem of gender discrimination in the workplace, both in Japan and overseas. Korea resembles Japan in terms of its deep-rooted gender roles, and has had a very strong rigid labor market of fixed gender roles similar to Japan's. However, after experiencing the 1997 currency crisis, Korea concluded a fiscal relief memorandum with the International Monetary Fund (IMF). Among the relief provisions was the incorporation of structural reforms of the labor market, including the introduction of layoffs and temporary workers' systems as part of the structural reform of the economy. This enabled temporary layoffs when companies were performing poorly and increased the flexibility of the labor market (Mukaiyama, 2005). We conduct case study will examine the Samsung case from the standpoint that company executives can deploy management strategies that change people's ideas about fixed gender roles. Samsung, as part of its strategy to dominate in global competition, has established a recruitment strategy that is completely devoid of gender discrimination through the strategic level, tactical level and operational level HR system as below.

(c) The corporation made internal changes that established a strategic system to promote women

The Samsung Group, founded in 1938, is Korea's largest business group. Its core businesses are Samsung Electronics, a general electronics manufacturer, Samsung SDI that makes thin panels and batteries, Samsung Heavy Industries that builds ships and factories, and Samsung C and T Corporation that engages in trading and construction businesses. The electronics company Samsung Electronics was founded in 1969, and until the mid-1990s it was no more than a local company whose global presence was quite thin. However, its consolidated net sales had reached 20 trillion yen and operating income over 2 trillion yen by year-end 2012. It had grown dramatically to these high earnings from operating income that was just 700 billion yen as recently as 2007, and its operating profit margin of 10% has pulled far ahead of Japanese corporations with earnings ranging around 3%. Its workforce numbers some 220,000 (54% outside of Korea) and it is gaining momentum as it continues evolving into a huge global enterprise. This change was brought about by the currency crisis. According to Lee (2012), just as a crisis is sometimes regarded as both a crisis and an opportunity, the interactions of various aspects of the crisis ultimately led to sweeping changes. If a company is potentially competitive, there is a strong probability that it will transform a crisis into an opportunity. In addition, it is never enough to skillfully respond to changes in the external business environment in order to overcome a crisis, but it is also essential to accompany those moves with reforms in various internal organizational mechanisms and to maintain integrity. One aspect of organizational strategy, that of hiring women and leveraging the talents of the company's female workforce, will be taken up below, to shed light through the case study of Samsung Electronics.

(d) "Without change, you can't survive" – The company transforms to global management and strategy and begins to reap benefits from the talents of female employees

In the 1990s, when the business environment was in an ongoing state of upheaval, Lee Kun-hee, the company president and the second generation of the Samsung Electronics founding family, had a strong sense of crisis in which he felt that "Samsung Electronics cannot survive if it does not change." In the background was his judgment that the domestic Korean market alone could not be expected to produce major growth in the future. He then turned the company's rudder, revolutionizing its management policy to orient the company to globalize for its survival. In 1994, Chairman Lee's interest and philosophy towards the women in the company's workforce was manifested in his announcement of an "Open Personnel Reform Plan," the gist of which was the elimination of all forms of discrimination based on educational background and gender. According to Lee (2012), management established an even more aggressive strategy. In order to survive in the era when US-style globalization was being advocated, he was clearly aware that all forms of global standards must also be introduced in the personnel department. The Human Resources Department recognized the direction of global standards as well as trends and changes in human resources, and carried through by demonstrating leadership at each business location, thereby changing the organization to try to overcome the crisis. For example, a personnel policy that offered equal pay for equal work and thus eliminated gender discrimination was a breakthrough at the time. The women who had previously earned only 70-80% of the wages of their male peers suddenly got raises, and this obtained an outcome equivalent to an increase in total labor costs of several tens of percentage points. This move produced extremely favorable reactions in social terms as well; for example, Samsung Electronics public announcement that it was hiring professionals for

departments such as design produced a surge of applications from droves of women who had previously been almost entirely unable to gain employment in such occupations. In addition, even in the design department that is known as a key strength of Samsung Electronics, women designers produced new product designs, giving rise to great achievements. In 2002, Lee made clear his intention to aggressively push his policy to help advance women in the company. In the background, this move was one of the various internal reforms advanced in response to globalization. He felt the need to recreate the fundamentals of the corporate culture. According to Kim and Uinho (2004), women took the top three places of excellence among 2002 South Korean police school graduates. This demonstrated that their abilities surpassed men's, uprooting and overturning conventional wisdom and ultimately affecting Samsung's organizational reforms. When Lee heard the report of these graduates, he actively promoted a top-down workforce strategy to promote women's talents in the company, while at the same time, he promoted flexible work-style as a strategic personnel policy following from his management strategy. As a specific numerical target, he decided that at least 30 percent of the new recruits must be women, and announced other steps such as increasing the number of childcare facilities to enable their continuing employment. His intention was to build a system that could support a balance between raising children and working. Following the instructions of Chairman Lee to boldly employ women even in all of the so-called heavy industries such as shipbuilding, the headquarters personnel department formed new mechanisms for real-time monitoring of local workplaces that had previously managed their own personnel in an autonomous fashion. However, hiring was not the main problem. Instead, it was how to skillfully utilize the talents of women on-site at work. Chairman Lee was actively engaged in the hiring of women since his appointment as chairman in 1987. But in fact, there was no one in local workplaces who thought to sincerely employ the skills and abilities of female university graduates. (Hearing from Mr. Zhang, Senior Managing Director of the Economic Research Institute at Samsung headquarter).

(d) Multifaceted HRM system is an essential part of a management strategic system that seeks to build international competitiveness in a variety of global markets

As a senior executive, Chairman Lee declared an objective of more fully employing women and utilizing their skills. However, he eventually learned that no progress had been made in the company's many local workplaces over the course of many years. Responding to the blind eye turned by his middle managers, Chairman Lee solved the problem as follows. Chairman Lee's first move was to focus on the three key reasons that female talent must be deployed. He tied those in to Samsung's strategic management strategy, and carefully explained the connection, so his subordinates could fully understand them. His explanation resembled the following: The first, the 21st century will be an era of creativity and sensibility, and the full deployment of women's senses—those that don't exist in men—is essential for jumping into global competition. The second, social prejudice aside, there are many excellent women who deserve to be fully employed. The third, our country will also become competitive to the extent that women join and thrive in the workforce. According to Lee (2012), the personnel department played a central role in the leading transformation culture. Using the human resource management technique known as education and training the company's strategic intent came to be shared among all employees through "value generalization" activities, and the need to fully deploy women's talents was disseminated and promoted throughout the company. The enterprise's competitiveness increases when women talents are used to advantage, and the resulting benefits can be expected to accrue to both the organization and to the individual employees, by efforts to align the direction of the individual and the department with the company. In this way, the whole organization will catch up with top management's intention to adapt to environmental changes, while also facilitating an accelerated pace of new practices adoption with line managers' involvement at all levels. The promotion of women's employment is one part of the management strategy to win at international competition, and once it was well understood by management, the pace of reform at Samsung began to accelerate. Even now, human resources managers at the Samsung main group head office and at affiliated enterprises always set a goal of 30% women for all new hires, both new graduates and mid-career hires. Chairman Lee has said to both Samsung employees and to others outside the company, "We at Samsung are not treating women preferentially simply due to the provisions of the Affirmative Action Law or the Chapter on Elimination of all Forms of Discrimination. Beyond that, In order to strengthen our competitiveness and to acquire core competencies, we have initiated a strategy to employ diverse human resources. This is nothing more than basic respect for excellent human beings without regard for their gender or educational background. We can no longer compete based on a "purebred" principle. As part of our management's international competitiveness strategy geared to diverse world markets, we will implement diverse human resources management and develop a broad-minded and diverse organizational culture as a world leader through strategic HR operating system. Incidentally, at present, Samsung shipbuilding's best welders are women. Because that workplace that was originally male-centric, even within the organization of Samsung shipbuilding that is most representative of heavy industry, they were initially reluctant to recruit and hire women. But now that they are witnessing the real-world results, their evaluation of women's achievements has changed

significantly. (Hearing form Mr. Zhang, Senior Managing Director of the Economic Research Institute at Samsung headquarter).

(e) Change Performance evaluation criteria

Along with these kinds of changes, the company discarded its old work evaluation criteria that equate work quantity with the length of working time. In their place the company instituted performance evaluations that equate quality with the amount of added value that a person generates. Behind this change was management's judgment that the company would decline with the continuation of previous forms of evaluation that involved favoritism and seniority. The workplace was transformed from a place where gender discrimination was practiced to a place where careful, thorough management based its decisions on peoples' abilities, so that they would be motivated and would compete with each other. In addition, the job promotion and rank promotion committee began to review not only the evaluation results from each employee's immediate supervisor, but also interviewed multiple related individuals about what they had requested and what kind of feedback they received, as concrete evidence, in order to avoid distortions stemming from biased decisions based on personal preferences. The committee continued to strive for transparent promotion criteria devoid of prejudice. Because there formerly existed widespread social discrimination based on gender, and an associated disregard for individual abilities, women had no opportunities to be promoted to management positions. These new arrangements gave them quite a boost, and raised the motivation of all female employees. In addition, senior management formulated a training and promotion plan for female managers that considers long-term career paths for excellent women. The company is educating them to support their internal transfers to their next good positions. According to Lee (2012), every year the Human Resources Department communicates in detail to the company's management ranks about Chairman Lee's strategic intent and the upcoming year's management policy, in the form of in-house training and education, and also incorporates that content into a variety of other in-house education programs for further dissemination. Behind this initiative, in addition to Lee's own commitment to company-wide education, is top management's and the whole company's confidence in the Human Resources Department as the department for on-site education. Behind the human resources that have been cultivated by many years of reform as a strategic system, a corporate culture that puts abilities first has taken root, but the Human Resources Department's careful management with respect to the employment of women has also made a large contribution. When female employees have passed through a certain level of education and training, the Human Resources Department validates the results with a thoroughly conducted evaluation as strategic operating system. If any department does not get concrete results from its employment of women, senior management of that department is held accountable. In addition, female role models are picked up within the company and their actions are loudly praised in a public relations magazine, in a well-rounded strategy to increase the expectations and competition consciousness of female employees overall. (Hearing form Mr. Zhang, Senior Managing Director of the Economic Research Institute at Samsung headquarter).

(f) The goal of a 10% ratio of female senior directors is publicly announced

Chairman Lee announced both inside and outside the company that by 2020 the senior directors of the company will consist of a ratio of 10% women. Given that women are less than 2% of senior directors at the present time, that is a very lofty goal, but it suggests Chairman Lee's commitment to his strategy of recruiting female leaders (Sydney Morning Herald, 2011). Further, by first announcing this management policy outside the company, top management made full use of a tactic of conveying the information to employees from external sources, indicating their seriousness and the company's publicly-known policy. In this way they continued to move forward with their plans to solve the problem of fixed gender roles in the workplace, and as a result, at present, Samsung Electronics' ratio of internally promoted female officers (female officers / all officers) is 6.1%, and women now account for 9% of all managers. Even now, this is significantly higher than the average ratios in Japanese companies, and furthermore, Samsung has announced a plan to double the ratios after 2013. The aforementioned senior managing director of Samsung's Office of Economic research in the company's South Korean head office affirms as follows. "Samsung's personnel policy is not a case study of a Korean company. LG and Hyundai are different. We are one example of a company engaged in a global battle." This type of strategic employment of women has many aspects that could make good lessons for Japanese companies whose corporate cultures are quite different. (Interview conducted December 16, 2012 with Mr. Zhang, Senior Managing Director and Human Resources Development chief executive at the Samsung Economic Research Institute in Samsung's South Korea head office.)

4. Conclusion

In the above, this paper has compared and verified the causes of the "low GDM in HRM" phenomenon in Japanese companies, by selecting the Japanese Company A, the U.S. company GE, and the South Korean company Samsung Electronics (controlling for industry type, scale, and time since founding), and by conducting intensive interviews with persons responsible for personnel. Intensive interviews made clear what sort of problems are occurring within the

organization at the Japanese Company A, and also revealed that the problems of asymmetrical of information and misaligned interests among the CEO, senior management, and managers are also having a considerable effect. Next, the ways by which the same problems are being resolved within the organization at GE and Samsung were made clear. Through intensive interviews with GE and Samsung Electronics, this paper verified that a CEO's transformational leadership, mediated by strategic operating system, and the execution of inclusiveness can realize transformation in evaluation systems, and may effect improvement in the "GDM in HRM" phenomenon. Opportunistic behavior by the upper-level senior management class and managers toward senior management can be considered to exist in all sorts of organizations. However, we asked in the intensive interviews whether mechanisms to suppress this opportunistic behavior have been introduced into organizational management and whether these are functioning. As concrete numerical targets for the utilization of women have not been clearly incorporated into individual evaluation standards for mid-level managers in the Japanese Company A, the short-term benefit of managers' own divisions, rather than long-term human resources development of subordinates, is prioritized, through limited rationality, as the individual optimum. Accordingly, it became clear that the problem of misaligned interests and asymmetrical of information is occurring among managers who are aiming for overall optimization and sustained growth. Moreover, as the company's evaluation system places weight on the achievement of short-term benefits for managers' own divisions, signs of retaining talented human resources within managers' own divisions are apparent. Behind this lies site-driven individual optimization organizational management, and it can be inferred that monitoring functions for overall optimization and incentive system functions are not well handled by organizational management. Although Japanese Company A had been a leading company deserving of respect for its early incorporation of a framework for corporate governance, that formally structured framework did not function in operation, and three years after the interviews a scandal came to light concerning massive improper accounting within the organization, with the involvement of generations of CEOs. At present, a massive class action shareholder lawsuit has been filed by shareholders against the company's management. A lack of proper leadership by the CEO and an opaque corporate culture mired in individual optimization have been reported as causes behind the improper accounting scandal. Conversely, as a part of then-Chairman Welch's management strategy of destroying bureaucracy, in the 1990s GE strategically and thoroughly deployed previously-unused local human resources and female human resources as an organizational transformation-leading process. For individuals in upper-level management, the company built female leader development education and planning into targets, performed monitoring of progress, and tied this to evaluations. The personnel division and upper-level managers perform planning, execution, and verification of mentoring systems and individual female leaders' development plans in Session C, an annual organizational management operating systems. At Samsung Electronics, Chairman Kun-hee Lee declares the following inside and outside the company: "We do not utilize female employees out of legal compliance. We utilize talented human resources selected from a diverse human resources pool in order to win against global competition." Upper-level managers at the company are given education to formulate female manager development and appointment plans in the strategic HRM operating system, to consider long-term career paths for talented women, and to support internal transfers to the next favorable job. Verification of performance management results is conducted thoroughly, and upper-level managers who do not deliver results are evaluated poorly and made to take responsibility. These matters of organizational management contribute greatly to the alignment of interests between senior management and managers. By widely publicizing the utilization of internal female role models in its PR publication and by advancing the symmetrization of information, the company is driving a company-wide productivity improvement strategy while enhancing a competitive mindset among female employees overall. Amid a rapidly-changing environment, a strategy by which companies engaging in global competition develop and appoint talented human resources attracted from a diverse pool of human resources on the basis of capabilities is not merely a matter of calling for equality of gender-based opportunity or the promotion of the utilization of female employees. Rather, it is a management strategy system for an organizational transformation process and sustained growth. We have seen from the case studies of GE and Samsung Electronics that, toward this end, these companies are skillfully enabling strategic operating system that accompanies the execution of inclusiveness and strong transformational leadership by senior management. Japanese companies should learn from this strategic, tactical and operational level HR operating system to execute CEO's commitment and at all levels, line managers should play a more important role in GDM in HRM. We would like to implement the new implication which CEO's transformational leadership and inclusiveness provide a possible resolution to reduce senior management and line manager's opportunistic behavior by HR operating system with line management involvement learned from GE and Samsung.

Notes

- i. When a company or other organization is viewed as a mechanism for the allocation of human resources, a function for the adjustment of workforce supply and demand is assumed to exist within the organization, with promotions and transfers seen as the result. Here it is assumed that a unique labor market exists within a specific company organization. (Details in Doreinger and Piore, 1971)

- ii. A hypothesis concerning symmetry of information, by which all humans have limitations on information collection, information processing, and information communication capabilities, and do not necessarily hold the same information in common. Akerlof (1970) was the first to use the term.
- iii. The UN Global Compact (UNCG) is a voluntary initiative by which companies and organizations act as good members of society by displaying responsible, creative leadership, and participate in creating a global framework for realizing sustainable growth. GE is one of the signatories.
- iv. Yamaguchi (2012) considers women quitting work to be a "self-fulfilling prophecy." In other words, as women are assigned to job duties with constrained wages and without career potential on the assumption that they will quit, they are robbed of the desire to continue working and accordingly quit as predicted.
 - v. Behavior by which companies and individuals, in order to perform advantageous negotiations and transactions, hide or do not actively disclose to the other party information that is advantageous to themselves or information disadvantageous to the other party, or even betray the other party. (Details in Kikuzawa, 2006)
 - vi. A mechanism for top human resource training development and successor training that emphasizes leadership potential. Unique to GE, it is also a management strategy mechanism that has been in continued use since 1950.
- vii. Established in 1998 at the urging of past GE Chairman Jack Welch, this is a network of 40,000 women in 60 countries who work at GE. While it constitutes an activity outside of work, it is fully supported by GE's management team. It is a venue for making presentations to the management team, as well as for engaging in training while learning about leadership from female role models and while planning and operating events tied to GE's company-wide goals for the year. For the management team, it also functions as a venue for seeking next-generation successors.
- viii. The logic of Chairman Lee was clear and easy to understand: "Preventing the loss of economic vitality from a declining birth rate, the aging of society, and the atrophy of all-round consumption requires pulling female human resources from out of households and into society. If women take part in economic activities, the sources of a household's income will increase to two and wage elasticity will increase, which helps companies. At the same time, household income will increase, which will contribute to the invigoration of consumption and will also benefit the country."

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