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## **Practical Insights that Designer Can Contribute to Corporate Social Value Management; through Changes in Samsung**

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### **Abstract**

*Our overall society circulates in line with the economical situations characterized by production and consumption and companies play the role of providing products and services, thus taking very significant responsibilities for the socioeconomical and cultural aspects in society. Therefore, when designers attempt to think of a way to enable companies and society to share their values and propose specific concepts and visualize outcomes, it is very critical to be able to understand economical philosophy and management strategies that interconnect companies with society and seek out proper design approaches.*

*Recently, the world's enterprise and management culture tend to connect products and services provided by companies through chains of social values. Based on the abovementioned shift in the management paradigm, the researcher investigates and analyzes actual cases of attempts by Samsung Electronics to achieve its social impacts and studies actual roles and approaches of in-house designers with creativity and insights of humanity with regard to these attempts. Each case is selected from various fields such as the company's products and service development, business systems, culture, and external strategies and the ultimate goal is to learn about actual insights and approaches of designers to make contributions to the company's management with social impacts. Especially, humanity and creative thinking of many designers working in the manufacturing industry can have significant contributions to achieving its management with social impacts and effects of sustainable management.*

**Keywords:** Social Design, Social Impact Management, Design Thinking, Global Goals Program, SDGs., Samsung Global Goals

## **1. INTRODUCTION**

The company to be studied is Samsung Electronics' Mobile Communication Business and Samsung Electronics is an electronics maker with a long history. Recently, it has successfully expanded itself from the traditional technology and manufacturing oriented business to become a company with high values in context of social impacts, by making great efforts in various ways.

Samsung Electronics is the company that the researcher works as a designer for. Since the goal of the study is to study social impact approaches of in-house designers, the research project is meaningful as the researcher is experienced with the internal capacity and system of the company. Including the cases of development works for mobile products where the researcher participated, four different cases with unique attributes are selected for analysis, thus successfully deriving useful, and practical insights for the company's in-house designers. In this research, the researcher aims to find an actual method for contributing to company management with social

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impacts by utilizing the internal resource and capacities of the company, prior to using external resources outside the company.

## 2. RESEARCH METHOD

### 2.1 Selection of Cases

Existing cases of management with social impacts at Samsung Electronics are classified accordingly in order to analyze the details and outcomes. Cases are selected from four fields such as business systems, company culture, external strategies and R&D because every company views company management with social impacts from various perspectives.

- Business system; business process, business platform
- Company culture; organization operation, human resource(HR) guide
- External strategies; marketing strategies, marketing communication
- R&D; development project, production processes

### 2.2 Qualitative analysis and derivation of practical insights

In order to analyze selected cases more realistically, the cases where the research was involved directly or indirectly are included. Using the external data of company, a balance between different perspectives is maintained, also considerations are made to derive roles and practical insights of the designer for each case with various attributes.

### 2.3 Application Target

Compared those companies operating in the field of service, it is relatively harder for manufacturing companies to create opportunities for social impacts. However, recently, through technological innovations such as AI, platforms, IoT and so on, the business areas of manufacturing companies are expanded gradually to cover the field of service. Moreover, company management with social impacts is now regarded as the required management paradigm. There are many attempts within various fields of a company for achieving company management with social impacts and this is exactly why in-house designers must develop their creativity and insights more widely. Thus, the target of the research serves the purpose of enabling manufacturing companies to fully use their in-house designers' creativities in making contributions to company management with social impacts.

## 3. INVESTIGATION AND ANALYSIS

### 3.1 Company Management with Social Impacts – ‘Business System’ Perspectives

From the ‘business system’ perspectives, company management with social impact is mainly relevant to the business process and the business platform. Samsung Electronics’ in-house group intelligence platform called ‘MOSAIC’ can be an example. Excerpts from the article in Korean new media of 2018 are shown as follows.

“Samsung Electronics’ in-house collective intelligence platform, MOSAIC has been significantly contributing to improvement of the business environment since its establishment in 2014, and this is indicated by the fact that daily average users more than 92,000 visit the platform. This figure accounts for about 30% of the entire 300 thousand employees. Samsung Electronics’ MOSAIC stands for 'Most Open Space for Advanced Intelligence and Creativity' and it is an in-house platform created to encompass capabilities and collective intelligence of 300 thousand employees of Samsung Electronics. Its operation is further divided into ‘ideation’ where excellent ideas are created and ‘collaboration’ that helps them to implement their ideas. As examples of services belonging to ‘ideation’, there are ‘idea market’ where individually suggested ideas are further developed through discussions between employees, ‘spark’ which is an in-depth open discussion where everyone can participate to suggest opinions, ‘questions’ that can be used when in need of help from experts, ‘M store’ where they can receive feedbacks on the application they are developing now, and so on, and as examples of services belonging to ‘collaboration’ there are ‘M project’, a virtual space where they can

plan projects requested by employees and select its members, ‘M cast’ a video based knowledge sharing space, ‘M chat’, a new conceptual conversational collaboration platform, ‘square’ that can collect employees interested in certain subjects offline/online, and ;community’ that can process the entire processes of collaboration at one place, ‘docs’ a cloud based real time doc joint editing/drafting tool and so on [1].”



**Figure 1. MOSAIC; Samsung internal collective intelligence platform**

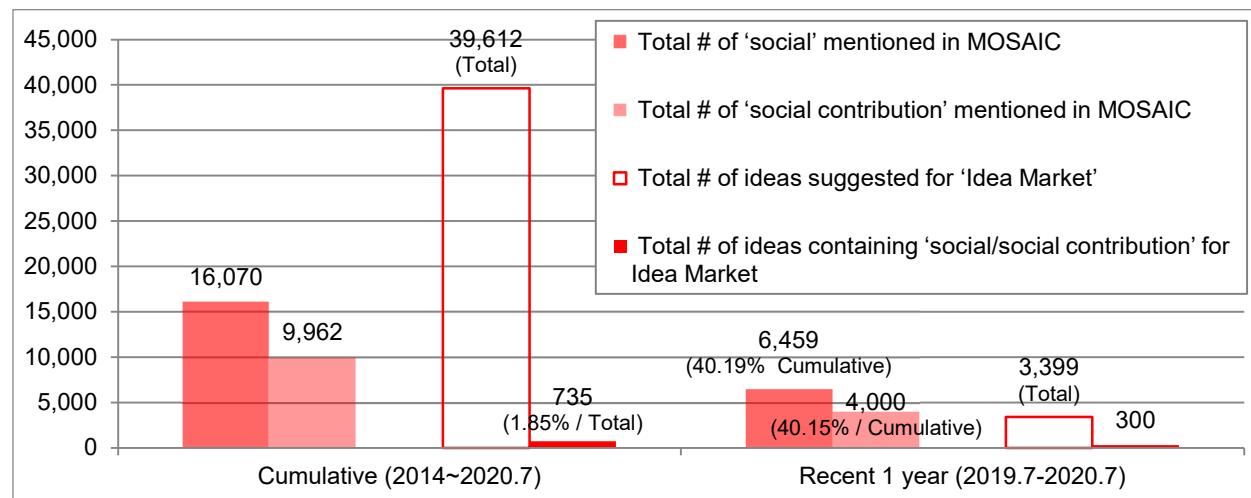
According to the results for assessing the latest use of the MOSAIC platform, as of July 2020, there are 104,528 daily average visitors, 3,399 cases of shared ideas and 21,630 communities in 1H of 2020. Since there are about 300 thousand employees globally, about 30% of them visit the platform, thus indicating that the collective intelligence platform is very actively operating. In this context, by using the keyword search function of the MOSAIC platform, they searched by keywords, such as social or social contribution, and the results are summarized in the following table.

**Table 1. Searching for keyword 'social' on MOSAIC platform**

Number of cases (unit: cases)

Searching keywords	'Social'		'Social contribution'		Total ('none keyword')	
	1 year	Cumulative (2014~)	1 year	Cumulative (2014~)	1 year	Cumulative (2014~)
Idea Market (Idea)	72	735	25	397	3,399	39,612
Spark (Discussion)	145	388	52	468	-	-
Community (Posting)	115	441	40	162	-	-
Whole service (number of times)	6,459	16,070	4,000	9,962	-	-

Here, it should be noted that the keyword, ‘social’ was used 6,459 times (recent 1 year) and 16,070 times (cumulative) while ‘social contribution’ was used 4,000 times (recent 1 year) and 9,962 times (cumulative). In the recent year, the two keywords were used very frequently, thus the ratio of the abovementioned count to the cumulative total is 40.19% and 40.15%, respectively, thus indicating, they began to very frequently use impact keywords such as ‘social’, or ‘social contribution’.



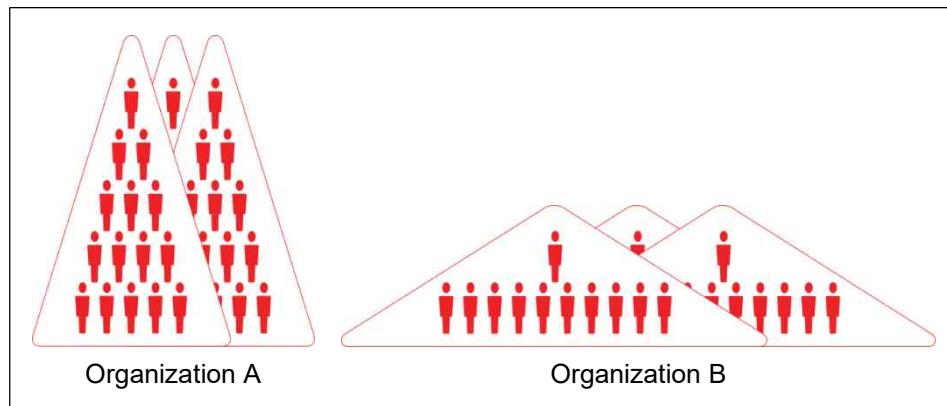
**Figure 2. Status of MOSAIC ‘social’ mention and ideas**

By the way, MOSAIC’s idea market shows 72 cases of proposals in the recent one year and 735 cases of proposals in cumulative total which includes the keywords and the ratio with respect to the total number of ideas suggested is 2.11% (recent 1 year) and 1.85% (cumulative). This fact indicates that recently employees have begun to be increasingly more interested in social impacts while the total number of ideas suggested is 1.85% (cumulative) and 2.11% (recent one year), which remains fixed. Compared to sudden increases in the interest, there are still difficulties in approaches and execution. So, in-house designers with creativity must make more efforts on practical insights to suggest ideas with impacts.

### 3.2 Company Management with Social Impact – ‘Company Culture’ Perspectives

From the ‘company culture’ perspectives, company management with social impacts is mainly relevant to organization operation, HR policies and so on. The following example is from the HR system of Samsung Electronics, here, we can see that the company is oriented toward open, horizontal/parallel organization culture. The following is an excerpt from the article in Korean news media of 2016.

“Samsung Electronics pursues new organization culture. It announced a new HR plan which mainly focuses on simplified ranks and horizontal addressing by introducing career levels. The goal of this HR system remodeling is to promote global competitiveness through implementation of creative and horizontal organization culture. The common title used throughout the company is “dear” and depending on the nature of duties, various horizontal addressing can be used. In the past, the rank system was very vertical and blinded in a way a focus is only made on indicating years of upcoming promotion and there were 7 levels, associate1.2.3, assistant manager, manager, senior manager, departmental manager. Now, the newly introduced rank system has 4 levels (CL1~CL4) that reflect the role and vocational capabilities of each employee. In the past, main factors were the age and the number of years in service which indicate hierarchical ranks but a shift has been made toward duty oriented ranks which are more simplified and efficient, while a focus is made of each employee’s role and professionalism [2].”



**Figure 3. Horizontal & Parallel organization culture**

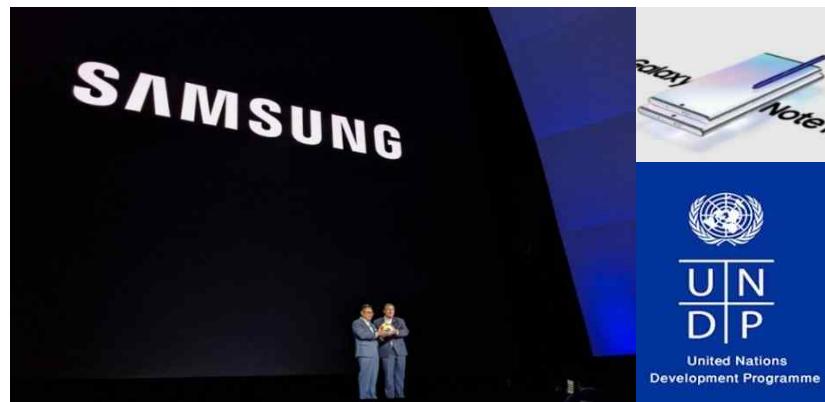
The evolution of the organizational culture for Samsung Electronics is still in progress at present. A shift has been made from the vertical and serial organizational culture and thinking to the horizontal and parallel organizational culture and thinking. Beyond simple organization formations, the shift is about new changes in processes and thinking.

The abovementioned environmental changes at Samsung Electronics leads to creation of the environment where in-house designers can now understand the company as an organic platform consisting of various roles, not as a stiff organization with division of labors. This is made possible because the internal structure of the company that used to be vertical is now horizontal, lowering the barriers between organizations. The gaps between organizations are narrowed down that much, and also external access to individual's ideas and planning is now allowed. In addition to the MOSAIC platform, one of the factors for encouraging in-house entrepreneurship, a shift toward the horizontal and parallel organizational culture has played a very important role in creating the internal environment where they can easily make humanity suggestions such as the keyword, 'social impact'.

### 3.3 Company Management with Social Impacts – ‘External Strategies’ Perspectives

From the ‘external strategies’ perspectives, company management with social impacts is relevant to marketing strategies, marketing communication and so on. Starting with Galaxy Note10, mobile series released in September 2019, Samsung Electronics officially announced its supports and participations on UNDP’s ‘The Global Goals; SDGs (Sustainable Development Goals)’ program. Thorough collaboration with UNDP, it decided to strengthen collaboration with various interested parties to achieve the goals related to youth education. Moreover, users were allowed to use their smartphone app, ‘Samsung Global Goals’ to directly donate to UNDP or donate ads profits earned while watching banner ads to a specific goal.

“Now more than ever, we have the potential to use the power of technology to address the world’s most pressing challenges,” said DJ Koh, President and CEO of IT & Mobile Communications, Samsung Electronics. “Our partnership with the United Nations Development Programme (UNDP) will provide Galaxy users with easy, impactful ways to learn about the Global Goals and support the causes important to them so we can collectively make a difference [3].”



**Figure 4. Announce for participating of UNDP Global Goals program (<https://www.undp.org>, 2019)**

The declaration took place along with launching events for the smartphone product and the management board sent emails to every employee internally right after the event, discussing the meaning of the company trying to support the social values under the company's strategies and also encouraging them to aggressively participate and perform planning and R&D. Not just a bottom up type of internal creation platforms such as MOSAIC, this was significant in that it was an external and internal declaration made by the top management board. It indicates that there will be a perfect environment for the company to realize social impacts as the both internal and external strategies and system are upholding it. However, as they are still unfamiliar with specific approaches and processes, practical methodologies as suggested in this study are required even more.

### 3.4 Company Management with Social Impacts – ‘R&D’ Perspectives

From the ‘R&D’ perspectives, company management with social impacts is relevant to development projects, production processes and so on. Samsung Electronics has successfully accumulated technical know-hows and expertise related to product development and production. In the past, when it was rapidly developing as a manufacturer, a focus was always made on functional development and specifications, but now, instead, there is a more focus on improving the level of service integrity and the user’s environment. Company identity was created on the UX and the product design by indicating consistent philosophy and implications while users consume the products and services ethically and morally beyond the functions. This is exactly where in-house designers’ creativity and insights to redefine humanity perspectives and concepts for the product and service are required.



**Figure 5. Social Impact design into the product (<https://www.samsung.com>)**

As a designer of the Galaxy Note10 from Samsung Electronics discussed earlier, the researcher suggested

the impact visual design motivated by colorful implementation of the 17 sustainable development goals (SDGs) in order to create the product design encompassing the company's desire for management with social impacts and implemented the final product through technical development processes. From the UX perspectives as well, the researcher developed applications that encourage users' participations in the 'Samsung Global Goals' to suggest the impact service concept and visualize the possible outcomes [4].

A designer should be able to vitalize the products with social impacts and suggest effective impact ideas by participating as early as in the product planning phase to ensure that the products are in line with the current market and society in terms of context. Also, in order to form the impact product concepts, the design process that can visualize impact stories, services, usages and visuals.

## **4. INSIGHT DERIVATION**

Up to this point, the status of indirect and direct Samsung Electronics' management with multi-dimensional social impacts have been investigated and analyzed, including the fields that in-house designers such as the researcher are involved with. Applicable cases and fields are listed as follows.

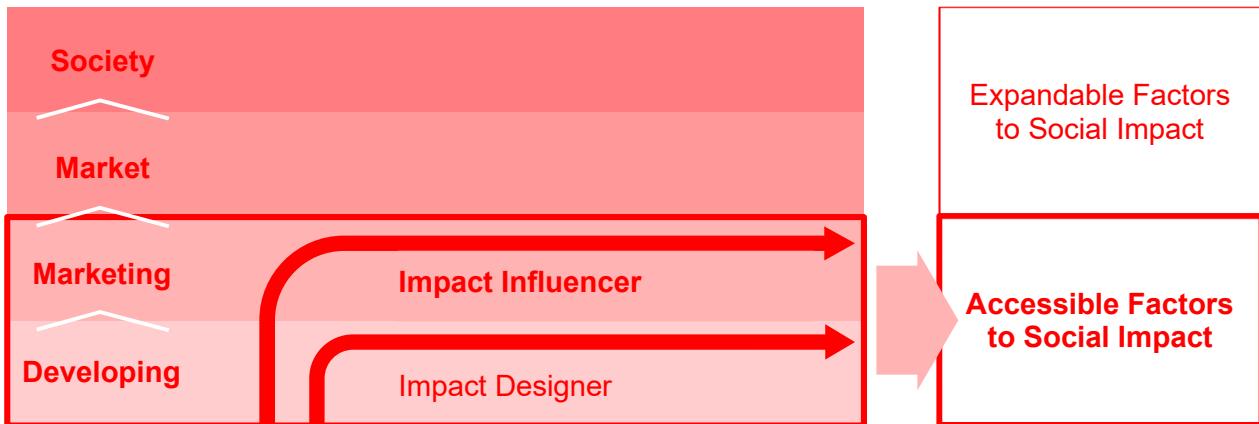
- Business systems; business processes, business platforms → MOSAIC; in-house collective intelligence platform
- Company culture; organization operation, human resource (HR) guide → Horizontal/parallel human resource (HR) culture systemization
- External strategies; marketing strategies, marketing communication → Participation in the Global Goals SDGs program
- R&D; development projects, production processes → Product•○UX•○Service; impact design

The current status of companies directly or indirectly related to company management with social impacts are comprehensively analyzed in each field, and the results are further divided into the highly accessible areas with the current situations and standpoints of in-house designers and the expandable areas that can be expanded in the long term, thus suggesting specific insights for execution.

### **4.1 Accessibility to Social Impacts**

For everyone, the most ideal keyword is 'sustainability'. So, in the field of design as well, before we can discuss the newly emerging keyword, 'sustainable design', and we must consider the 'accessible design' first. Goals and ideals are always right. However, it is very difficult to become a designer who can achieve the social values in every field as well as design. Beside the field of design, the keyword, 'sustainable' is the most righteous and mandatory goal and the mindset we all must have. But there is no reasonable system, team work, or process generalized to achieve these goals, and also the method does not need to be reasonable. Sociology professor Han Sangjin from Ulsan University in Korea said in his paper "In the current era of removed and low growths, the existing belief in sustainable development failed to change the traditions of unsustainable development instead of achieving the ideals of economical growths. Thus, we must study changes in patterns of living based on social ecological systems' wellbeing and specific execution strategies in the mid-range which covers from weakly sustainable supplies to practical environmental improvements from the technical perspectives [5].

Among various ideas suggested and motivated by the ideals of 'sustainability', very few of them can be specifically implemented through practical alternatives and it is also very ambiguous as to how designers who are expected to be creative and insightful can access and contribute to it. Before discussing the ideals of social impact strategies aiming at the company's sustainable management, we must discuss the accessibilities in the real world that the company is faced with. Through consistent efforts for improving and resolving issues within the accessible range, we can approach the company management with sustainable social impacts. Then, what does accessibility mean to in-house designers of the company and how should one approach it?



**Figure 5. Accessible factors area for in-house designers**

As shown in the above figure, the range of communication for in-house designers in the company is expanded in the order of ‘developing(production) < marketing < market < society’. The first priority for in-house designers is indirect communication through products and services, not direct communication to the market/society, so the ‘accessibility’ mainly implies setting the range of impactful communication, in other words, it is ‘Developing’ and ‘Marketing’. And, in each range, in-house designer’s specific execution strategies should be clarified.

#### • Impact Designer @ Developing

In the developing range, most of factors discussed are technical, physical or objective. They contain relatively more stable information than the progressive information, so direct interpretation is preferred over re-interpretation and thus the factors determining the company product’s technical upgrade and exterior should be discovered. In this range, designers responsible for designing products, UX and services should play the role as an impact designer who can acquire the impact design concept to be suggested and the technical sources necessary.

As discussed in Chapter 3: ‘R&D’ perspectives, the researcher is the designer of the mobile product. In order to express the meanings of global goals with 17 colors in the product, the researcher used a very special optical film that can simultaneously show various colors by multiple reflections and produced the colors accordingly. From the UX design perspectives, the researcher added interactions to encourage users of the product to participate in the social impact campaign. And the smartphone model became the first mass produce model that encompassed the impact solution and the impact symbols signifying participations in the global goals program of UNDP.

#### • Impact Influencer @ Marketing

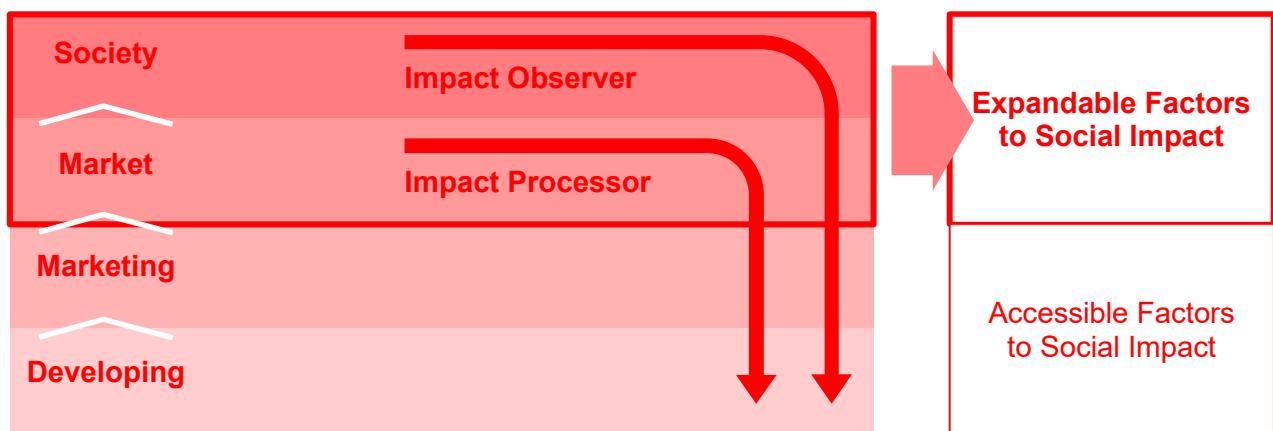
Every product manufactured by a company is accompanied with ‘marketing’. Marketing aims to publicly acknowledge the goals and implication of the product and contribute to increased revenues in the market, and thus guiding consumers to have amicable impression on the company. In this communication range, in-house designers should be able to creatively re-interpret the company’s strategies for management with social impacts and explicitly state and visualize them, thus promoting impact marketing even more. The creative role of in-house designers is the execution strategies of ‘impact influencers’.

As discussed in Chapter 3: ‘External Strategies’ perspectives, Samsung Electronics declared its plan to participate in the UNDP global goals campaign as the mobile product’s global unpack events took place, the CEO at the time directly shared with every employee the social value implementation as the main management strategy, asking for aggressive supports from every employee. This signified the commencement of the era of company management with social impacts for Samsung Electronics. As a result, in-house designers’ impact interpretation began to significantly contribute to more creative, and effective impact marketing.

In order to discover accessible factors in the two ranges of communication – developing and marketing, in-house designers participate in development works as ‘Impact Designers’ and support the production. Also, in-house designers should learn the execution strategies as ‘Impact Influencers’ required for creative impact marketing.

#### 4.2 Expandability to Social Impacts

Companies value feedbacks from the market. They always carefully listen to users’ requests and find rooms for improvement, make sure that they are reflected to the next product and service in line, thus seeking out opportunities for further development. Designers should participate in this effort for development and direct participation in the feedback process is required. As discussed earlier, in the range of ‘Developing’ and ‘Marketing’, the first priority is placed over indirect communication through products and services but in the range of ‘Market’ related to companies and products, and in the furthermore range beyond this range, direct communication is preferred. Why? Because in the phase of empathy formation in the design thinking framework that we are familiar with, it is assumed that designers directly involve themselves with the problems. It involves the ‘Impact Processor’ that delivers intentional questions reflecting the designer’s willingness for creating social impacts to consumers (users) in the market, receive feedbacks on their own and re-interpret them and the ‘Impact Observer’ that receives impact feedbacks in a more wide social range and perform reinterpretation.



**Figure 6. Expandable factors area for in-house designers**

- **Impact Processor @ Market**

In this range of communication for in-house designer, designers’ intention of creating social impacts is delivered to consumers in the market that the company is faced with, feedbacks are received and re-interpreted from the designer’s perspectives. In this case, feedbacks are not just limited to the products sold but they can contain various attributes such as users’ environments, social standings, preferences, trend and so on. In the phase of ‘Impact Processing’ that involves re-interpretation of the market from the impact perspectives, in order to discover impact contacts with the product, in-house designers with humanity and insightful visions must directly participate as questioners and listeners, and they should be able to acquire valuable insights on their own, which is called the execution strategies of ‘Impact Processor’.

As discussed in Chapter 3: ‘Company Culture’ perspectives, the case of transition to horizontal/parallel organization culture at Samsung Electronics implies creation of communication channels that can access internal feedbacks in the various fields of ‘Market’. In order to abandon the long tradition of vertical HR systems and inward oriented organization culture, Samsung Electronics created a very aggressive execution guide, thus successfully resolving the problems. Its effort is not limited to mentioning necessity for changing the organizational culture, instead, it quickly moved toward horizontal and parallel organization culture

through re-engineering of rank systems, thus reducing the gap between different departments. In the design team, even before this systematic guide was implemented, the person in charge took the full responsibilities for the process and the organization and after the remodeling, designers were able to easily have individual communication to the outside of their teams, thus it became possible for them to quickly learn about market feedbacks from other perspectives within the company. It means that in this organization culture, impact processing is enabled depending on in-house designers' interests and efforts.

In addition, the MOSAIC platform introduced from the 'Business System' perspectives is a very good solution for in-house designers to obtain feedbacks from various perspectives to their questions about 'intention of impacts'. Using this collective intelligence and the communication platform, it is possible to proceed with impact surveys or suggest impact ideas and also obtain feedbacks from various fields. This is very closely related to the frameworks of empathy, definition of problems, and idea suggestions and it implies that the process is operated as a platform that mutually exist, not just exist temporarily. This is the foundational system for achieving in-house designers' contributions to company management with social impacts.

#### • Impact Observer @ Society

In this range of communication, in-house designers obtain feedbacks from society beyond the market. These feedbacks are not limited to operation by the company, but instead they can include various social, national, and international issues that the company is directly and indirectly involved with. They are the most wide range of issues, which seemingly far away from the product values that electronics makers such as Samsung Electronics are faced with, and they are issues related to public benefits and entire human races such as resource, environment, energy, residential, province, cultural, human rights and so on. Therefore, in-house designers' insights and wisdom that can be connected to the company's products are indispensable and it can be seen as an opportunity for significantly expanding the roles inside and outside the company. So, in-house designers should be able to play the role of 'Impact Observer' who can explore opportunities for re-interpretation so that the most wide range of social norm issues can be brought to the realistic time/space where the company exists.

As discussed in Chapter 3: 'External Strategies' perspectives, Samsung Electronics' declaration to participate I the global goals campaign implies they are participating on the most wide, and long term social value implementation campaign. This is where it gives the birth to the company management environment that requires creative, insightful re-interpretation and re-organization of the social values which are seemingly most far away from the commercial aspects of the products from electronics makers, so that the company can accept them as their business.

In seldom cases, publicly beneficial needs found in the range of 'Society' can be immediately reflected to the products. Therefore, in-house designers of Samsung Electronics can visualize such attempts in the MOSAIC platform from the business system perspectives and communicate and develop them as well. The more public good the idea does, the harder it is to apply them directly to the regular projects of the company. So, in-house designers of Samsung Electronics can use the MOSACI platform as channel to experiment their own impact ideas and supplement them with help from various experts. Ideas widely discovered and suggested from the 'Impact Observer' can be examined in terms of implementation feasibility in the experiment phase where various internal interested parties participate in and rooms for improvements can be found and issues can be worked by joint efforts.

In order to find 'expandable factors' in the two ranges of communication, in-house designers should play the role of 'Impact Processor' who directly communicates with the market in search of impact factors and the role of 'Impact Observer' who encompasses the inside and outside of the company while directly observing society.

## 5. CONCLUSION

As discussed in the cases of Samsung Electronics, now is the era of company management with social impacts where companies pursue their value of existence through social values achieved. Through practical cases of execution and transition performed from the perspectives of Samsung Electronics' business systems, company culture, external strategies and R&D, it is shown that in-house designers' creative, humanity and insightful capabilities must drive the company's management with social impacts and further visualize outcomes. One possible approach that can be suggested is dividing them into explorations of accessible factors to implement company management with social impacts through products and service from the company and explorations of expandable factors for company management of social impacts for entire human races and thus suggesting execution strategies. The scope of accessible factor exploration is set to 'Developing' and 'Marketing' while the scope of expandable factor exploration to 'Market' and 'Society', thus the gap between reality and ideal, companies and society, and designers and the management can be reduced successfully by using the suggested execution strategies.

Based on the proposals made in the study, the researcher will review projects for each execution strategy and propose execution factors and processes so that in-house designers' insights, creative and humanity capabilities can contribute to implementation of ideals of sustainable management by company management with social impacts.

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