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國際學碩士學位論文

**Beyond Corporate Social Responsibility (CSR) in Korea
: A Comparative Analysis of Major Three Korean Companies**

사회책임경영을 넘어서:

한국 주요 3개 기업 사례 비교 분석

2015年 2月

서울大學校 國際大學院

國際學科 國際協力專攻

申버들

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Abstract

Beyond Corporate Social Responsibility (CSR) in Korea

: A Comparative Analysis of Major Three Korean Companies

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Korea's major companies are strengthening Creating Shared Value (CSV) management which links business and social value creation. However, some Korean major companies maintain their earlier Corporate Social Responsibility (CSR) management style. This paper looks into the reasons why Korean major companies show different corporate social contribution styles. In this way, this paper proposes the model of corporate social contribution. To find the motive and reason of different forms of corporate social contribution in Korea, this paper examines the Korean corporate cases of the three forms: maintaining CSR (LG Electronics), standing between CSR and CSV (Amorepacific), and focusing on CSV (SK Telecom). To analyze these cases, this paper uses three factors that bring specific form of corporate social contribution: corporate ownership structure, changes in a company's yearly sales and net profit during the term for the past five years, and corporate owner's will for corporate social contribution.

Keywords: Creating Shared Value (CSV), Corporate Social Responsibility (CSR), a corporate owner's main interest about corporate social contribution

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I Introduction

Korea's major companies are strengthening Creating Shared Value (CSV) management which links business and social value creation. However, some Korean major companies maintain their earlier Corporate Social Responsibility (CSR) management style. Some experts analyze that this difference is due to the misunderstanding of some major Korean companies about the relationship between CSR and CSV. The experts explain that CSR is one principle, and CSV is one of the various ways to realize the principle. According to the experts, however, some Korean companies misunderstood CSV as another principle. This explanation seems not to be sufficient though.

This paper looks into the reasons why Korean major companies show different corporate social contribution styles further. Based on the research of current social contribution styles of Korean major companies, the styles can be described into three forms. They are, maintaining CSR, standing in the middle of CSR and CSV, and focusing on CSV.

Until now, most research on corporate social contribution focused on CSR or CSV separately. The research on CSR can be divided into two parts. One is the research about the influence of CSR to corporate value focusing on the result of CSR. The other is the research about the motive of CSR. Many researches have interpreted the motive of CSR as a duty of companies.¹ The research on CSV is focused on the motive and the way how to establish CSV.

¹ Ji-Hyeon Park, the research about the influence of corporate governance structure on the form of social contribution activity (2014)

Some research examined CSR and CSV together by linking the two concepts with the view point of evolution of corporate social contribution. However, the focus of the research is description of CSV by referring to CSR.

By reviewing existing research, it is not sufficient to interpret the motive or the reason why companies focus on the new concept, CSV or stay on the existing CSR or stand between CSV and CSR. This paper focuses on the reasons of existence of different forms of corporate social contribution in Korea. In this way, this paper proposes the model of corporate social contribution.

To find the motive and reason of different forms of corporate social contribution in Korea, this paper will examine the Korean corporate cases of the three forms: maintaining CSR, standing between CSR and CSV, and focusing on CSV. For an instance, the mobile service provider, SK Telecom is one of the corporate cases of focusing on CSV. SK Telecom transformed existing social responsibility management team into shared value creation team in 2014. The leading cosmetics company in Korea, Amorepacific is one of the cases of standing between CSR and CSV. Amorepacific transformed social contribution team into shared value creation team recently. On the other hand, the multinational company that produces electronic products and the representative of the LG Group affiliates, LG Electronics focuses on CSR by expanding existing work of social responsibility management team.²

² Eun-Young Yang, companies expand ‘CSV’ management ... this would not be the way to avoid social responsibility? (The Hankyoreh, November 3, 2014)

II Research Question

The research question of this paper is “why companies focus on the new concept, CSV or stay on the existing CSR or stand between CSV and CSR?” To answer this question, this paper uses three factors that bring specific form of corporate social contribution: corporate ownership structure, changes in a company’s yearly sales and net profit during the term for the past five years, and corporate owner’s will for corporate social contribution.

With these standards, this paper will verify three hypotheses. First hypothesis is ‘when a company’s total ownership of the largest shareholder and related parties is higher, the corporation concentrates on CSV’. Second hypothesis is ‘when a company’s net profit during the term’ decreases, the corporation concentrates on CSV.’ Third hypothesis is ‘When a corporate owner’s will for social contribution is stronger, the corporation concentrates on CSR.’

III Review on Previous Studies

3.1.1 Definition and history of CSR

In 1953, Howard R. Bowen mentioned about the responsibility of businessman at his book “Social Responsibilities of the Businessman” and this marked the beginnings of the modern period of CSR. Howard R. Bowen defined the social responsibility of the businessman as making desirable policy and decision including the goal and value of company and also of the society.³

In 1970, Milton Friedman argued in his book “Capitalism and Freedom” that in a society, there is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.⁴

However, Davis and Jones defined social responsibility of business as performing its duty as member of our society and the role is not fixed by specific law and contract. They argued that the company needs to pay attention not only to shareholder value but also to various areas of society including customer value, employee value, client, local community and to do its social responsibility.⁵

Like this, many scholars explain CSR using slightly different words and the concept of

³ Heung-Su Park et al, Creating Shared Value Strategy: from CSR to CSV (Parkyoungsa, 2014), p. 16

⁴ Milton Friedma, The Social Responsibility of Business is to Increase its Profits (The New York Times Magazine, September 13, 1970)

⁵ Heung-Su Park et al, Creating Shared Value Strategy: from CSR to CSV (ParkYoungSa, 2014), p. 16

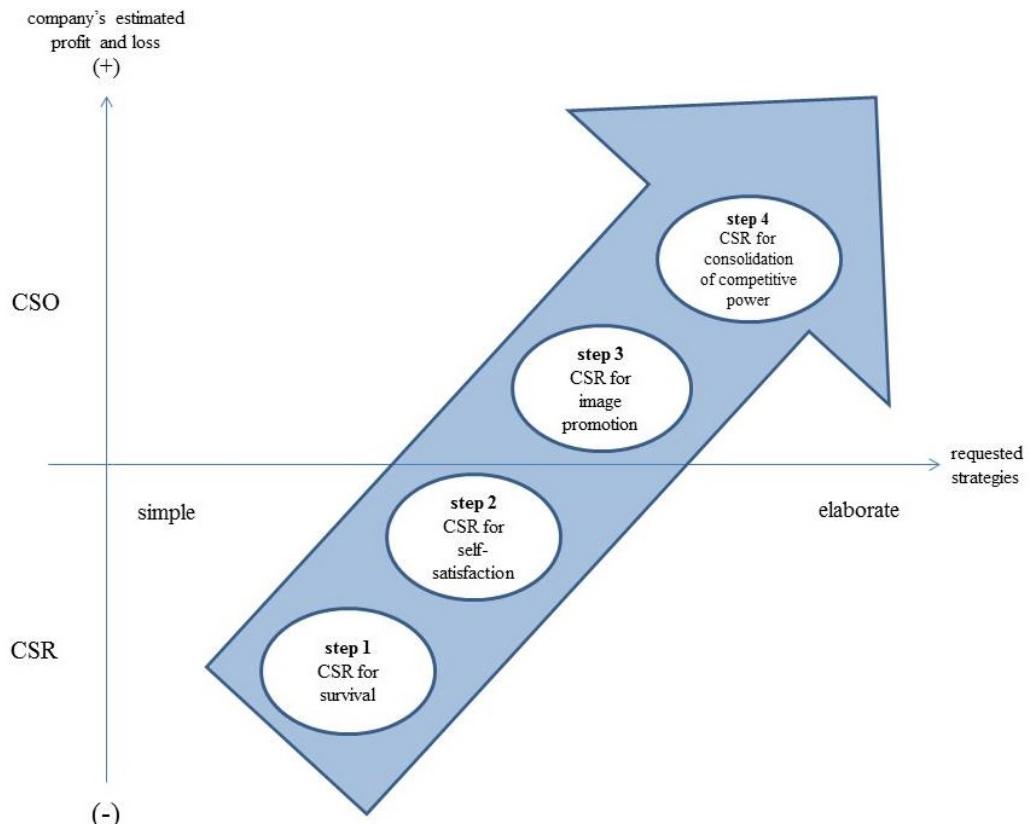
CSR has developed until recently. In 2012, Hwy-Chang Moon described CSR in four steps. Moon analyzed four goals of CSR through a research on various cases. The goals are survival, self-satisfaction, image promotion, and consolidation of competitive power.

Picture 1 shows the four steps of CSR activity according to its goal. The x-axis shows the level of requested strategies and the y-axis shows the company's estimated profit and loss. As the step gets higher, more elaborate strategy is needed and the benefit to company and society increases. Moon named the first and the second steps as 'Corporate Social Responsibility (CSR)' which is beneficial to society but not that much profitable to company. In addition, he named the third and the fourth steps as 'Corporate Social Opportunity (CSO)' which creates profit for company and society together. CSO is a new concept which means the process of pursuing profit of society and company thorough more elaborate strategy.

A company recognizes the activities for carrying out social responsibility even though it expects loss as 'responsibility'. On the other hand, a company expects profit for society and company through social responsibility activities, the company recognizes the activities as 'opportunity' not as 'responsibility'.⁶

⁶ Hwy-Chang Moon, Good to Smart (Rainmaker, 2012), p.20

[Picture 1] four steps of CSR activity⁷



3.1.2 Definition and history of CSV

Creating Shared Value was introduced in the paper “How to Fix the Capitalism” by Michael E. Porter and Mark R. Kramer in 2011. CSV was the answer to solve the social side effects of capitalism. According to Michael E. Porter and Mark R. Kramer, the capitalist system is under siege. In recent years, business has been increasingly viewed as

⁷ Hwy-Chang Moon, Good to Smart (Rainmaker, 2012), p.19

a major cause of social, environmental, and economic problems. Companies are widely perceived to be prospering at the expense of the broader community.

Even worse, the more business has begun to embrace corporate responsibility, the more it has been blamed for society's failures. The legitimacy of business has fallen to the levels not seen in recent history. This diminished trust in business leads political leaders to set policies that undermine competitiveness and sap economic growth. Business is caught in a vicious circle.⁸

According to Michael E. Porter and Mark R. Kramer, a big part of the problem lies with companies themselves, which remain trapped in an outdated approach to value creation that has emerged over the past few decades. They continue to view value creation narrowly, optimizing short-term financial performance in a bubble while missing the most important customer needs and ignoring the broader influences that determine their longer-term success.

Companies must take the lead in bringing business and society back together. The recognition is there among sophisticated business and thought leaders, and promising elements of a new model are emerging. Yet we still lack an overall framework for guiding these efforts, and most companies remain stuck in a “social responsibility” mind-set in which societal issues are at the periphery, not the core.⁹

The solution lies in the principle of shared value, which involves creating economic value

⁸ Michael E. Porter and Mark R. Kramer, How to Fix the Capitalism? (Harvard Business Review, January-February 2011)

⁹ Michael E. Porter and Mark R. Kramer (Harvard Business Review, January-February 2011), ibid.

in a way that also creates value for society by addressing its needs and challenges. Businesses must reconnect company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success. It is not on the margin of what companies do but at the center. We believe that it can give rise to the next major transformation of business thinking.¹⁰

According to the paper “Creating Shared Value” by Michael E. Porter and Mark R. Kramer in 2011, the concept of shared value can be defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress.

The concept rests on the premise that both economic and social progress must be addressed using value principles. Value is defined as benefits relative to costs, not just benefits alone. Value creation is an idea that has long been recognized in business, where profit is revenues earned from customers minus the costs incurred. However, businesses have rarely approached societal issues from a value perspective but have treated them as peripheral matters. This has obscured the connections between economic and social concerns.¹¹

3.1.3 Difference between CSR and CSV

¹⁰ Michael E. Porter and Mark R. Kramer, How to Fix the Capitalism? (Harvard Business Review, January-February 2011)

¹¹ Michael E. Porter and Mark R. Kramer, Creating Shared Value (Harvard Business Review, 2011), p.2

Creating Shared Value (CSV) is developed form of earlier Corporate Social Responsibility (CSR). Earlier CSR and CSV are similar in the sense that both of them care social contribution. However, CSV is different from CSR in the way how it cares social contribution. CSR pursue social contribution by sharing the outcome of business or profit. On the other hand, CSV pursue social contribution by creating profit which is helpful for both of the company and the society.

In other words, earlier CSR views that the society and the company is exclusively associated and their relationship is based on zero-sum game. However, CSV views that the society and the company is not exclusively associated and their relationship is based on win-win game. With earlier CSR, CSR activities are just expenses which are recorded as loss for companies. In the perspective of CSV, not only society but also company benefit from the activities of corporate social contribution. So, the company takes more strategic approach to corporate social contribution activities.¹²

With the view point of CSV, it is not even proper to share the profit gained from active profit seeking activity with other companies. According to the research of Michael E. Porter and Mark R. Kramer in 2011, shared value is not about personal values. Nor is it about “sharing” the value already created by firms—a redistribution approach. Instead, it is about expanding the total pool of economic and social value.¹³

A good example of this difference in perspective is the fair trade movement in purchasing. Fair trade aims to increase the proportion of revenue that goes to poor farmers by paying

¹² Hwy-Chang Moon, Good to Smart (Rainmaker, 2012), p. 140

¹³ Michael E. Porter and Mark R. Kramer, Creating Shared Value (Harvard Business Review, 2011), p.3

them higher prices for the same crops. Though this may be a noble sentiment, fair trade is mostly about redistribution rather than expanding the overall amount of value created. A shared value perspective, instead, focuses on improving growing techniques and strengthening the local cluster of supporting suppliers and other institutions in order to increase farmers' efficiency, yields, product quality, and sustainability. This leads to a bigger pie of revenue and profits that benefits both farmers and the companies that buy from them.¹⁴

In more detail, the big difference between CSR and CSV lies in the linkage with the company's core competence. In the case of CSV, from the starting point, the company thinks about the way to create economic value for the company and public value for the society at the same time. However, in the case of CSR, a company thinks about the way to gain profit and then spend some of the profit to good deeds. In this sense, CSR recognizes the activity of creating new market and new value as cost for business, but CSV recognizes the activity as investment for opportunity for the increase of social and economic utility and improvement of enterprise competitive power. The activity of CSR is limited due to its limited budget. In the case of CSV, as the process of establishing the company's new strategy, the company uses the investment budget for the company's future.¹⁵

¹⁴ Michael E. Porter and Mark R. Kramer, *Creating Shared Value* (Harvard Business Review, 2011), p. 3

¹⁵ Heung-Su Park et al, *Creating Shared Value Strategy: from CSR to CSV* (Parkyoungsa, 2014), p. 17

[Table 1] the difference between CSR and CSV^{16 17 18}

Item	CSR	CSV
Seeking models	Social Responsibility Model	Business Model (Corporate Social Opportunity Model)
How	Companies spend part of the profit it already created to good deeds	Creating economic value and social value simultaneously in the process of production, planning and marketing
Value	good deeds	social and economic value
Recognition	social costs	strategic investment
Budget	CSR budget	investment budget
Limitation	Companies recognize it as expenses, so activities can be limited according to the CSR budget scale	Not covering the areas, region, and beneficiaries that do not cause a direct impact on the value chain of the company

3.2.1 Previous studies on CSR

The flow of the study on Corporate Social Responsibility can be largely viewed in two ways. First, there are researches on the result or impact of CSR to corporate value. Various forms of CSR have emerged. Accordingly, new researches about the different forms of CSR with various results were constantly made. Luo and Bhattacharya (2006) argued that CSR enhances the corporate image to consumers resulting in increased business value in a study

¹⁶ Heung-Su Park et al, Creating Shared Value Strategy: from CSR to CSV (Parkyoungsa, 2014), p. 18

¹⁷ Eun-Na Bae, Topic of good company ... CSV or CSR: CSV is the alternative to the corporate social contribution (JoongAngIlbo, March 20, 2014)

¹⁸ Hwy-Chang Moon, Good to Smart (Rainmaker, 2012), p.19

about Fortune 500 companies. David et al. (2005), through CSR corporate image is enhanced and consumer purchasing intention is increased and this ultimately increases enterprise value in a study of four companies cases including Microsoft, Nike, Phillip Morris and Wendy's. On the other hand, there were research findings that if managers do excess of spending to increase their personal prestige, this increases the agency costs and this cause falling of the corporate value. (Barnea and Rubin, 2010; Brammer and Millington, 2005).¹⁹

The second flow of research on CSR is the research on motivation of CSR. Many researches interpreted motivation of CSR to a company as the corporate responsibility to stakeholders. A company can increase its value and strengthen its competitiveness by maintaining appropriate relationships with various stakeholders such as employees, customers and suppliers. CSR is the best means to mitigate conflicts of interests with these stakeholders (Freeman, 1984). Kolk and Pinkse (2006) argued that an important element of a successful CSR is to accurately identify the needs of the stakeholders in the case study of Dutch supermarket chain, 'Ahold' and construction industry. Sen and Bhattacharya (2001) argued that a company's CSR can rather lower consumer purchasing intention, depending on the consumers' degree of interest and support for CSR.²⁰

3.2.2 Previous studies on CSV

In 2011, Michael Porter and Mark Kramer provided an alternative to earlier CSR, coining

¹⁹ Ji-Hyeon Park, the research about the influence of corporate governance structure on the form of social contribution activity (2014), p.7

²⁰ Ji-Hyeon Park, the research about the influence of corporate governance structure on the form of social contribution activity (2014), p.8

it the Creating Shared Value (CSV).²¹ In the paper “Creating Shared Value”, Michael Porter and Mark Kramer proposed the concept of shared value—which focuses on the connections between societal and economic progress—has the power to unleash the next wave of global growth.²²

There are three key ways that companies can create shared value opportunities: by reconceiving needs, products and customers, by redefining productivity in the value chain, and by improving the local and regional business environment. Reconceiving products and markets can be realized by meeting societal needs through products and services and by serving unserved or underserved communities and customers. To redefine productivity in the value chain, a company can utilize resources, energy, suppliers, logistics, and employees differently and better. In addition, a company can improve the local and regional business environment by improving skills, the supplier base, the regulatory environment, and the supporting institutions that affect the business, by strengthening the cluster on which the company depends and by improving consumer education and local infrastructure. In this way, shared value strengthens the link between company success and community success.²³

²¹ Yeon-Woo Lee, Creating Shared Value in the Bottom of the Pyramid Markets: Analyzing the Strategies of Korean and Japanese Firms (February, 2013), p.9

²² Michael E. Porter and Mark R. Kramer, Creating Shared Value (Harvard Business Review, 2011) p. 1

²³ Michael E. Porter, 20141203 – Porter Prize for Excellence in CSV – V2 (2014)

[Table 2] from product to purpose based strategic positioning²⁴

	<u>Traditional Positioning</u>	<u>New positioning</u>
Nestlé	<ul style="list-style-type: none"> • Food and Beverage Company 	<ul style="list-style-type: none"> • Nutrition, Health and Wellness Company
IBM	<ul style="list-style-type: none"> • Computers and technology 	<ul style="list-style-type: none"> • “Smarter Planet”
Pearson	<ul style="list-style-type: none"> • Textbook Publishing 	 <ul style="list-style-type: none"> • Improving Educational Outcomes
Discovery Health Insurance	<ul style="list-style-type: none"> • Health Insurance 	<ul style="list-style-type: none"> • “Making People Healthier and Enhancing Their Lives”

In 2011, the paper “An Extension of Porter and Kramer's Creating Shared Value (CSV): Reorienting Strategies and Seeking International Cooperation” by Moon et al improved the theory of CSV. This study provided four types of corporations (Stupid Corporation, Selfish Corporation, Good Corporation, and Smart Corporation) categorized in terms of corporate and social benefits, and shows that the final destination for corporations is to be smart, meaning the ethics and strategy as the firm's basic measures to bolster value creation.²⁵

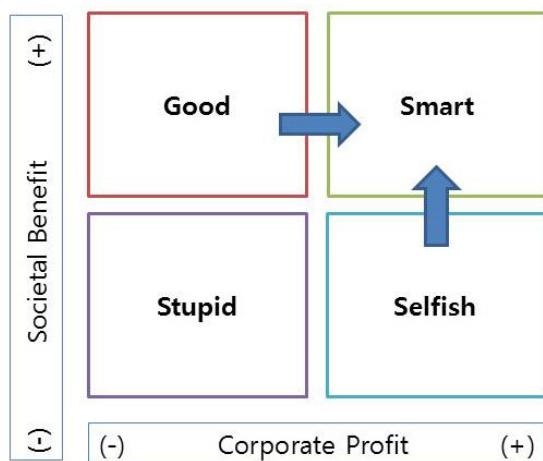
In addition, the paper provided four distinctive strategies in order to effectively create shared value, an extended version of three strategies presented by Porter and Kramer: defining core competence; reconceiving comprehensive targets; redefining productivity in

²⁴ Michael E. Porter, 20141203 – Porter Prize for Excellence in CSV – V2 (2014)

²⁵ Hwy-Chang Moon, Jimmyn Parc, So-Hyun Yim, and Na-Ri Park, “An Extension of Porter and Kramer's Creating Shared Value (CSV): Reorienting Strategies and Seeking International Cooperation” (Journal of International and Area Studies: Volume 18, Number 2, December 2011)

the value chain; and enabling local or global cluster development. “Defining core competence” is newly added and “reconceiving comprehensive targets” is extended from Porter and Kramer's notion of “reconceiving products and markets.” Above all, this paper highlights the importance of internationalization of CSV, unlike Porter and Kramer's emphasis on domestic clusters.

[Figure 1] types of corporations²⁶



3.3.1 CSR in Korea

The history of CSR in Korea is started later than in England, the United States and Japan. In England, the discussion related to CSR started in the 1930s. The United States and Japan started to establish the concept of CSR in the 1950s. According to the “research report of the current condition and prospect of Korean companies' social responsibility management”

²⁶ Hwy-Chang Moon, Jimmyn Parc, So-Hyun Yim, and Na-Ri Park (Journal of International and Area Studies: Volume 18, Number 2, December 2011), ibid.

by Korea Advanced Institute of Science and Technology (KAIST) CSR research center and Korea Chamber of Commerce & Industry (Korchem) corporate sustainability management team, the interest toward CSR have started to increase since the mid-1990s when democracy had been expanded.²⁷ According to the report, the history of CSR in Korea can be divided into three phases. They are ‘the period of observation’ before 1995, the introductory period from 1996 to 2002, and period of expanding after 2003.

About thirty years ago, Korean companies were not interested in social responsibility at all. In the past, in Korea, general understanding was that companies could receive respect in the society if they contribute to the economic development by increasing export or if they provide products at low price. In this circumstance, companies did not feel the necessity of doing contribution for the society in other way. Rather, many companies' cheating were admitted silently in the name of compressed growth. This became the starting point of anti-business sentiment which continues today.²⁸

Anti-business sentiment was expanded in Korea due to the unethical management. However, the expansion was progressed under the surface of the water, so companies did not particularly research about their social responsibility. Since the mid-1990s, anti-business sentiment which were expanded among the people, started to come out of the surface of water publicly due to various scandals of Korean companies.²⁹

For an instance, in 1991, phenol flew out from the plant of Doosan Electronics in Gumi

²⁷ Hwy-Chang Moon, Good to Smart (Rainmaker, 2012), p.33

²⁸ Hwy-Chang Moon (Rainmaker, 2012), ibid.

²⁹ Hwy-Chang Moon, Good to Smart (Rainmaker, 2012), p.33

located near the water intake source, Nakdong river and the river was contaminated due to this accident. People's anger went to extremes because of this accident. 30,000 supermarkets located in Seoul, Daegu, Busan and Jeollanam-do province passed a resolution for not dealing in all products produced by Doosan Group. Consumers have developed the campaign 'not buying Coca-Cola'. Coca-Cola was produced by affiliated company of Doosan. This severe backlash had a decisive influence on Dongyang Beer (OB Beer) which maintained the number one spot in the domestic beer market for 40 years for yielding the top position to the competitor, Chosun Beer (Hite Beer).³⁰

In 1995, the secret funds scandal of former president was revealed and unethical business took criticism of the people. The trend of distrust for companies was intensified due to many revealed scandals of back-scratching alliance of government and businesses. In 1997, international financial capital sharply flew into the country due to IMF financial crisis. The proportion of foreign shareholders of domestic major companies surpassed 50%. In addition, transparent management with the level of international standard was forced to corporate management. The pressure of society to the company gradually increased due to various corporate scandals. As a result, various CSR programs were introduced including transparent management, ethical management, social contribution and environmental management, etc. ³¹

Like this, Korea's CSR activities were initiated by social pressure. Doosan Group was condemned by the people due to the Nakdong river phenol pollution incident. For the

³⁰ Hwy-Chang Moon, Good to Smart (Rainmaker, 2012), p.34

³¹ Hwy-Chang Moon, Good to Smart (Rainmaker, 2012), ibid.

survival of the group after the incident, Doosan Group established the environmental management committee and implemented environment-friendly management. Companies which are afraid of the anti-corporate sentiment heading toward them launch social contribution activities even if it is involuntary. So, they pay attention to CSR activities for show and good events which can be easily implemented. In Korea, majority of CSR activities can be categorized into ‘CSR for survival’ and this is due to the anti-corporate sentiment because of the compressed growth.³²

3.3.2 CSV in Korea

Some take the case of ‘Yuhanyanghang’ which produced the inexpensive universal ointment, ‘Antipuramin’ 81 years ago as the beginning of Korean CSV. The founder of Yuhanyanghang, Il-Han Yoo, established the company as he jumped into pharmaceutical business. At first, the company introduced good medicine which was helpful for the people in Korea. The company was developed into independent modern pharmaceutical company with the development of Antipuramin in 1933. Il-Han Yoo has transformed the privately owned corporation, Yuhanyanghang into a corporative corporation in 1936. Because he thought that “the mission and responsibility of the company is growing the company for the development of whole society”. To practice this thought, he did initial public offering for the first time in the pharmaceutical industry. Also, he realized a stock-sharing plan for the employees. In this way, he led CSR practices in Korea.³³

CSV was more developed in Korea since the visit of Professor Porter to Korea in 2011.

³² Hwy-Chang Moon, Good to Smart (Rainmaker, 2012), p.35

³³ Eun-Na Bae, Topic of good company ... CSV or CSR: CSV is the alternative to the corporate social contribution (JoongAngIlbo, March 20, 2014)

Some companies reviewed CSR programs which were carried in the past from the perspective of CSV. Other companies have also published a sustainability report by making the best use of the term, CSV.³⁴ Scholars have formed CSV research associations and started their activity.³⁵

In recent years, domestic large companies strengthen CSV management which connects business and social value creation.³⁶ The level of understanding of CSV model in Korea is low though. Especially, many companies do not well understand the strategic steps of CSV for the development.³⁷

³⁴ Eun-Na Bae (JoongAngIlbo, March 20, 2014), ibid.

³⁵ Chung-Young Ahn, chairperson of Shared Growth Committee, It is time for creating Korean style shared value (JoongAngIlbo, September 5, 2014)

³⁶ Eun-Young Yang, companies expand ‘CSV’ management ... this would not be the way to avoid social responsibility? (The Hankyoreh, November 3, 2014)

³⁷ Making Korea model of CSV(Korea management association consulting, monthly chief executive, September 4, 2013)

IV Analytical Framework

4.1 Analysis standard

By reviewing existing research, it is not sufficient to interpret the motive or the reason why companies focus on the new concept, CSV or stay on the existing CSR or stand between CSV and CSR. This paper focuses on the reasons of existence of different forms of corporate social contribution. This paper uses three factors that bring specific form of corporate social contribution: corporate ownership structure, changes in a company's yearly sales and net profit during the term for the past five years, and corporate owner's will for corporate social contribution. In this way, this paper proposes the model of corporate social contribution.

Choosing first and second analysis standard is based on the examination of difference between earlier CSR and CSV. Third analysis standard reflects the characteristic of corporate management in Korea. Above all, corporate ownership structure may affect corporate social contribution style. Major difference between CSR and CSV is in their seeking models. CSR seeks Social Responsibility Model, whereas CSV seeks Business Model (or Corporate Social Opportunity Model). So, CSV is relatively more sensitive to profit making and shareholder's money spending. According to Michael E. Porter and Mark R. Kramer, corporate responsibility programs—a reaction to external pressure—have emerged largely to improve firms' reputations and are treated as a necessary expense. Anything more is seen by many as an irresponsible use of shareholders' money.³⁸ The

³⁸ Michael E. Porter and Mark R. Kramer, competitive strategy, Creating Shared Value (Harvard Business Review, January 2011 Issue)

emphasis on responsible use of shareholder's money emerged in some companies' cases which move toward CSV. For an instance, the world's leading nutrition, health and wellness company, Nestlé mentioned about its concern on shareholder's interest in its CSV Report like following. "For a business to be successful in the long term it has to create value, not only for its shareholders but also for society. We call this CSV. It is not philanthropy or an add-on, but a fundamental part of our business strategy."

Also, changes in a company's yearly sales and net profit during the term may affect corporate social contribution style. CSR and CSV are different in their budget characteristic. CSR is covered by CSR budget, whereas CSV is ran by investment budget. So, companies recognize CSR as expenses, so activities can be limited according to the CSR budget scale. It can be assumed that when a company's sales or net profit during the term decrease, CSR budget would be decreased. Then it would be highly probable that the company could consider other form of social contribution which would be helpful to its sales also.

The third standard, corporate owner's will has especially big influence in business management in Korea. So, it can be assumed that corporate owner's will has big influence on a company's social contribution style also. In 2008, eight researchers of Samsung Economic Research Institute (SERI) including Gu-Hyun Jung presented a single keyword in the past twenty years of South Korea's business environment. That was companies' owner. In the book, "20 years of corporate management in South Korea", they argued that the rise and fall of the companies in Korea were eventually settled by the companies' owners. For an instance, Korea's great success in semiconductor industry was supported by US—Japan semiconductor agreement of 1986 and Japan's long-term stagnation in the 1990s. However, the success was not possible without the decision of the owners'

investment drive under the company's fate from mid-1980s.³⁹

4.2 Analysis cases: SK Telecom, Amorepacific, LG Electronics

With the analysis standard, this paper will examine the Korean corporate cases of the three forms: maintaining earlier CSR, standing between earlier CSR and CSV, focusing on CSV. For an instance, SK Telecom is one of the corporate cases of focusing on CSV form. SK Telecom transformed existing social responsibility management team into shared value creation team this year. The head of the SK Telecom's shared value creation team explained the reason of transformation like this. "Social responsibility management is for increasing the company's reputation, and now, it is time to increase actual economic and social value through shared value creating." In this regard, SK Telecom will focus on the new direction to create additional value with stakeholders while maintaining social contribution projects which were the major works of social responsibility management team.⁴⁰

Amorepacific is one of the cases of standing between CSR and CSV. Amorepacific transformed social contribution team into shared value creation team recently. Before, Amorepacific ran continuous growth team and social contribution team together. The head of the continuous growth support team explained "the continuous growth support team will cooperate with the shared value creation team. At the same time, the continuous growth support team will accomplish existing social responsibility management related to labor, human rights and environment." Amorepacific deals with shared value creation and shared

³⁹ Gu-Hyun Jung et al, 20 years of corporate management in South Korea (Samsung Economic Research Institute, 2008)

⁴⁰ Eun-Young Yang, companies expand 'CSV' management ... this would not be the way to avoid social responsibility? (The Hankyoreh, November 3, 2014)

growth in the big frame of sustainable management strategy. In the companies like Amorepacific, companies take shared value creation as an evolved concept or substitution of CSR.⁴¹

On the other hand, LG Electronics focuses on CSR by expanding existing work of social responsibility management team. In addition, LG Electronics newly formed sustainable management consultative group of executives where executives of each department gather together and discuss social responsibility management. The head of social responsibility management team explained “shared value creation is additional result of social responsibility management. CSV and CSR are not comparable.”⁴²

4.2.1 SK Telecom’s CSV cases

For example, SK Telecom declared ‘accompany happily’ in May, 2013. ‘Accompany happily’ is SK Telecom’s growth methodology and CSV implementation strategy which shows SK Telecom’s will for improvement of customer value and mutual growth. In 2013, SK Telecom identified CSV’s possibility of success by running the enterprise support program for middle-aged class, ‘Bravo! Restart’ and the traditional market activation program.⁴³ The two programs fulfill the conditions of CSV mentioned above. In more detail, the two programs seek business model or corporate social opportunity model. In

⁴¹ EunYoung Yang companies expand ‘CSV’ management ... this would not be the way to avoid social responsibility? (The Hankyoreh, November 3, 2014)

⁴² Eun-Young Yang (The Hankyoreh, November 3, 2014), ibid.

⁴³ Kwan-Yong Kim, CSV is new growth power, SK Telecom “realize creative economy through ‘accompanying happily’ (Edaily, July 16, 2014)

addition, the two programs use the way of creating economic value and social value simultaneously in the process of production, planning and marketing. Also, they pursue social and economic value. SK Telecom recognizes the social contribution activities as strategic investment.

‘Bravo! Restart’ is tailored one-stop-start-up support program started in 2013. This program was established to activate high-value business start-up based on information and communications technologies (ICT) by people from middle-aged class who have rich experience and knowledge. Previous start-up support programs were limited to specific areas such as fund and facilities, whereas ‘Bravo! Restart’ provides one-stop support for the whole process of business start-up including excavating idea, embodying business model, establishing a business, settlement of business at the beginning and creating a success story.⁴⁴

SK Telecom selected 10 teams as the first cases of ‘Bravo! Restart’ in 2013. SK Telecom opened ‘happy start-up support center’ and provided office space free of charge, mentoring by internal and external experts, capacity enhancement training, and start-up counseling. As a result, all 10 teams succeeded in business start-up and commercialization. 10 teams are focusing on the sales growth. In 2014, SK Telecom selected 13 teams as the second cases of ‘Bravo! Restart’ and provided various start-up support program.⁴⁵

In addition, SK Telecom reinforced efforts to achieve ‘accompany happily’ by activating

⁴⁴ Kwan-Yong Kim, CSV is new growth power, SK Telecom “realize creative economy through ‘accompanying happily’ (Edaily, July 16, 2014)

⁴⁵ Kwan-Yong Kim (Edaily, July 16, 2014), ibid.

traditional market. Following the successful cooperation with JunggokJaeil market in Seoul, SK Telecom and Shinki market in Incheon signed the memorandum of understanding (MOU) in 2013. SK Telecom provided ICT solutions and supported the market to enhance marketing capacity. SK Telecom devised customized solutions for traditional markets such as the business management support solution, small ‘my shop’, ‘ICT experience center’ where customers can experience smart robot and smart gym board, ‘smart delivery system’ which enables easy and quick delivery of purchases from traditional market.⁴⁶

4.2.2 LG Electronics’ CSR cases

On the other hand, LG Electronics actively takes the lead in the practice of CSR by actively carrying out sharing management at home and abroad. Employees and labor unions are involved in the practice of sharing the love. Also, LG Electronics operates programs to spread the joy of giving to young people.⁴⁷ Overall, LG Electronics seeks CSR model. Above all, LG Electronics spends part of the profit it already created to good deeds by caring the value of good deeds. Furthermore, LG Electronics recognizes the social contribution activity as social costs.

For an instance, LG Electronics’ labor union in Changwon and workers’ representative consultative body of LG Electronics, ‘Junior Board’ did volunteer activity of supporting elderly people living alone in association with Jinhae Senior Welfare Service Center in 2014.

⁴⁶ Kwan-Yong Kim, CSV is new growth power, SK Telecom “realize creative economy through ‘accompanying happily’ (Edaily, July 16, 2014)

⁴⁷ Hui-Jong Gang, LG Electronics, employees donate their talent... sharing in Central and South America (DigitalTimes, May 22, 2014)

They put carnation corsages on 500 senior citizens who live alone in Jinhae and provided them a free meal.⁴⁸

In addition, the labor union of LG Electronics' headquarter and workers' representative consultative body of LG Electronics, 'Junior Board' held 'Home Run All Together' in conjunction with Yeongdeungpo Senior Welfare Service Center in May, 2014. They invited 20 children raised by grandparents to Jamsil baseball stadium and watched baseball game of LG Twins together.⁴⁹

Also, LG Electronics takes the lead in sharing management in abroad. For an instance, LG Electronics jumped into the large-scale social contribution activities in Latin America in April, 2014. LG Electronics' 8 sales subsidiaries in Latin America started 'creando sonrisas (which means 'smile' in Spanish)' campaign for the local poorest households.⁵⁰

Latin America regarded as the place where the gap between the rich and the poor according to the income inequality of the people is the biggest in the world. The Gini coefficient (0 is perfect equality, 1 is complete inequality) indicating that income inequality of the Organization for Economic Cooperation and Development (OECD) average is 0.26, whereas it reaches to 0.55 in Latin America.⁵¹

⁴⁸ Hui-Jong Gang LG Electronics, employees donate their talent... sharing in Central and South America (DigitalTimes, May 22, 2014)

⁴⁹ Hui-Jong Gang, (DigitalTimes, May 22, 2014), ibid.

⁵⁰ Ji-Eun Jeong, LG Electronics expands CSR campaign in Latin America, starts house-building and child medical care for low-income families, the campaign will be continued in 2015 (MoneyToday, April 20, 2014)

⁵¹ Ji-Eun Jeong, LG Electronics expands CSR campaign in Latin America, starts house-building

Representative activity of ‘creando sonrisas’ campaign is house building activity for low-income families in Latin America. LG Electronics began house building activity for low-income families with nonprofit social contribution organization ‘Techo’ in April, 2014. The general public can participate to this campaign. LG Electronics donates a dollar every time a person posts a picture of one person’s happy smile on Facebook or Twitter that LG Electronics operates in Central and South America. LG Electronics uses the collection in house-building.⁵²

In addition, LG Electronics also supported free surgery for 200 children with congenital cleft lip of poor families in Panama in Latin America with a medical team of 100 professionals and the international non-profit volunteer organization, ‘operation smile’ in April, 2014. LG Electronics will continue ‘creando sonrisas’ campaign in 2015 by actively supporting low-income families in Latin America. LG Electronics has 8 sales subsidiaries in Latin America including Mexico, Guatemala, Panama, Colombia, Argentina, Chile, Peru, and Venezuela.⁵³

Meanwhile, LG Electronics conducts social contribution activities focused on the voluntary talent donation of employees every year. ‘Life’s good service group’ is a voluntary corps organized by LG Electronics’ employees to share their strengths such as arts, IT, etc.⁵⁴

and child medical care for low-income families, the campaign will be continued in 2015 (MoneyToday, April 20, 2014)

⁵² Ji-Eun Jeong (MoneyToday, April 20, 2014), ibid.

⁵³ Jieun Jeong (MoneyToday, April 20, 2014), ibid.

⁵⁴ Hui-Jong Gang, LG Electronics, employees donate their talent... sharing in Central and South

Also, LG Electronics managed the CSR supporters of university students, ‘love jeanie’ from 2014.⁵⁵ ‘Love jeanie’ means practicing love and sharing dreams and hopes like the fairy of magic lamp, ‘Genie’ in the story of ‘Aladdin’.⁵⁶ Unlike the activities of most voluntary corps sponsored by companies, the members of ‘love jeanie’ plan an action plan by themselves in the field of their usual interest and put the plans into practice.⁵⁷

In July, 2014, LG Electronics held first completion ceremony of CSR supporters of university students, ‘love jeanie’ in Seoul. The contents and outcome of novel social responsibility activities in various fields such as labor, human rights, ethics, environment, community involvement, social contribution, safety and health planned and proceeded by ‘love jeanie’ for 3 months were shared at the ceremony. LG Electronics selected 3 teams among 9 teams and awarded them by considering novelty of CSR activity, degree of social contribution and sustainability. The team ‘genie effect’ who carried on the ‘environment love’ campaign received the grand prize. The team received high praise by carrying out various social responsibility activities using their own sensitivity and creativity including presenting pots made of disposable cups, having oath ceremony of environment love.⁵⁸

America (DigitalTimes, May 22, 2014)

⁵⁵ Hui-Jong Gang (DigitalTimes, May 22, 2014), ibid.

⁵⁶ Sang-Yun Shin, LG Electronics held first completion ceremony of CSR supporters of university students, ‘love genie’ (The Herald Business, July15, 2014)

⁵⁷ Hui-Jong Gang, LG Electronics, employees donate their talent... sharing in Central and South America (DigitalTimes, May 22, 2014)

⁵⁸ Sang-Yun Shin, LG Electronics held first completion ceremony of CSR supporters of university students, ‘love genie’ (The Herald Business, July15, 2014)

4.2.3 Amorepacific's CSR and CSV cases

Amorepacific focuses on CSV and CSR together. Existing social contribution activities of Amorepacific are inclined to CSR. Amorepacific's 'make up your life' campaign and 'green cycle' campaign are typical example of Amorepacific's CSR activities. In these CSR activities, Amorepacific spends part of the profit it already created to good deeds by caring the value of good deeds. In addition, Amorepacific recognizes the social contribution activity as social costs.

Meanwhile, Amorepacific has an intention to develop CSV activities. However, there is not clear example of CSV case by Amorepacific until now. Amorepacific's 'beautiful purchase' campaign is one of the cases that are close to CSV. 'Beautiful purchase' campaign uses the way of creating economic value and social value simultaneously in the process of production, planning and marketing. Also, the campaign pursues social and economic value. In more detail, local producers can have benefit through 'beautiful purchase' campaign while the campaign guarantees high quality raw material to Amorepacific.

In more detail, Amorepacific started 'make up your life' campaign in 2008 which supports female cancer patients suffering from sudden appearance changes to inspire positive attitude towards life by teaching make up, skin care and hairstyle production know-how. The campaign is sponsored by Amorepacific, and organized by Korea Breast Cancer Foundation, Korean Breast Cancer Society and Korean Oncology Nursing Society. Until the first half of 2014, 8654 female cancer patients and 2872 Amore volunteer counselors participated.⁵⁹ Recently, Amorepacific has also extended the beneficiary region to China.

⁵⁹ Eun-Na Bae, happy laughter blooms, on your lips with hope lipstick (JoongAngIlbo, November

The campaign was carried out in Fudan university hospital in Shanghai, leading cancer organizations such as ‘Shanghai Cancer Recovery Club’ and ‘Pink Angel Fund’, and major hospitals including ‘Seogeum hospital’ and ‘Jinyeo hospital’.⁶⁰

‘Green cycle’ campaign is developed from the existing Amorepacific environment-friendly social contribution activities including collecting empty bottle campaign. This campaign was started in 2009, from the ‘collect empty bottle’ event at Innisfree (one of the cosmetics brand of Amorepacific) store. The campaign was extended to Aritaum (one of the cosmetics brand of Amorepacific) store, big box retailers and department stores in 2010. In addition, the campaign was extended to the stores of Amorepacific Group located in all over Korea including Etude House in 2012.⁶¹

Customers can save 500 points per one empty bottle (in the case of Etude, 300 points per one empty bottle) of Amorepacific’s membership when they bring empty bottles of used products (glass and plastic containers of skin care products) to the empty bottle collection box at each store. The cumulative amount of collected empty bottles is 431 tons. Through this, 456 tons of carbon dioxide have been reduced since 2009. This has the same effect with planting 4,107 young pine trees 107 trees. Amorepacific makes and exhibits various sculptures with the collected empty bottles. In June, 2014, the company showed ‘guerrilla gardening’ by decorating the garden with empty cosmetics bottles and disposable cups of

21, 2014)

⁶⁰ Dae-Hee Lee, ‘beautiful change in your life’, sharing management of Amorepacific (CBS No Cut News, July 23, 2014)

⁶¹ Recycle cosmetics bottles ‘green cycle’ (The Hankyoreh, December 30, 2014)

Osulloc (one of the subsidiaries of Amorepacific, green tea brand) in Cheonggyecheon for Seoul citizens.⁶²

‘Beautiful purchase’ is fair trade agreements signed with the towns in Korea or abroad which supply cosmetics raw material under the three principles: safe purchasing of raw material, environmental conservation, and contribution to local community since 2010. In Korea, Amorepacific has signed ‘beautiful purchase’ agreement with 10 regions including the Camellia town in Jeju. In 2013, ‘beautiful purchase’ was applied to overseas for the first time. Amorepacific signed ‘beautiful purchase’ agreement with an NGO in Bihar province in India in 2013 to start ‘beautiful purchase’ in the Jamuyi area. With this agreement, Amorepacific purchased 27 tons of mango seeds from participating farmers in 2013 and the company conducted a research for breeding. Mango seeds gathered from 15 warehouses in Jamuyi area are used to produce mango butter which is excellent for maintaining moisturizing effect.⁶³

⁶² The Hankyoreh, (December 30, 2014), *ibid*

⁶³ Su-Mn Lee, Amorepacific’s ‘beautiful purchase’ is extended to overseas, signed mango seed purchase agreements with Indian NGO (Seoul Kyungjae, December 2, 2013)

V Analysis

5.1 Corporate ownership structure and corporate social contribution

To examine the relationship between corporate ownership structure and corporate social contribution, this paper used the data of total ownership of the largest shareholder and related parties of each company on the base date, September 30, 2014. The data was announced publicly at 2014 third-quarter report of each company at Data Analysis, Retrieval and Transfer System (DART).

The total ownership of the largest shareholder and related parties of Amorepacific is 49.34% and it is the highest among the number of three companies. In addition, the total ownership of the largest shareholder and related parties of LG Electronics is 33.7% and it holds the second rank. The total ownership of the largest shareholder and related parties of SK Telecom is 25.22%.

According to this data, the first hypothesis, ‘when a company’s total ownership of the largest shareholder and related parties is higher, the corporation concentrates on CSV’ is semi-true. In the case of Amorepacific and LG Electronics, the hypothesis is semi-‘true’ because the total ownership of the largest shareholder and related parties of Amorepacific is higher than the number of LG Electronics, and Amorepacific is relatively more focused on CSV than LG Electronics. However, if we compare SK Telecom and Amorepacific, the hypothesis is ‘semi’-true because even though the total ownership of the largest shareholder and related parties of Amorepacific is higher than the ratio of SK Telecom, Amorepacific is relatively more focused on CSR than SK Telecom.

In more detail, the biggest shareholder of Amorepacific is Amorepacific Group which

holds 2,069,586 common stocks (35.40%) and 151,103 class shares (14.31%). The second biggest shareholder of Amorepacific is Kyung-Bae Suh, the chairman of Amorepacific who holds 626,445 common stocks (10.72%). In addition, the biggest shareholder of Amorepacific Group is also Kyung-Bae Suh who holds 4,444,362 common stocks (55.70%) and 121,150 class shares (13.30%). Kyung-Bae Suh is the second son of the Amorepacific founder Seong-Hwan Suh.

The biggest shareholder of LG Electronics is the limited-liability company LG which holds 55,094,582 common stocks (33.7%) of LG Electronics. The limited-liability company LG is the holding company LG Group. The biggest shareholder of the limited-liability company LG is Bon-Moo Koo, the chairman of LG, who holds 18,978,169 common stocks (11%). The second biggest shareholder is Bon-Jun Koo, the vice-chairman of LG Electronics, holds 13,317,448 stocks (7.72%). Bon-Neung Koo, the chairman of Heesung Group holds 8,855,032 common stocks (5.13%) and Kwang-Mo Koo, the director of limited-liability company LG, holds 8,349,715 common stocks (4.84%). Bon-Moo Koo is the first son of the LG Group founder, Koo In-Hwoi. Bon-Jun Koo and Bon-Neung Koo are younger brothers of Bon-Moo Koo. Kwang-Mo Koo is the first son of Bon-Moo Koo.

In the case of SK Telecom, its biggest shareholder is the limited-liability company SK which holds 20,363,452 common stocks (25.22%). The limited-liability company SK is the holding company of SK Group. The chairman of SK, Tae-Won Choi holds 100 stocks, the chairman of SKC (one of the affiliates of SK Group) and Shin-won Choi holds 4,000 common stocks. Shin-Won Choi is the second son of the SK Group founder, Jong-Gun Choi. Tae-Won Choi is the son of Jong-Hyun Choi, the younger brother of Jong-Gun Choi. In addition, the biggest shareholder of limited-liability company SK is SK C&C which holds 14,944,432 common stocks (31.82 %). Furthermore, the biggest shareholder of SK

C&C is Tae-Won Choi who holds 16,458,105 common stocks (32.92%).

Some parts of the reason why the first hypothesis, ‘when a company’s total ownership of the largest shareholder and related parties is higher, the corporation concentrates on CSV’ is semi-true can be explained with the characteristics of CSR and CSV. Firstly, the hypothesis is semi-‘true’ due to the importance of profit making for a company. The main concern of the largest shareholder and related parties is the profit making in general. Also, profit making is essential for the general shareholders. As mentioned above, CSV is relatively more sensitive to profit making and shareholder’s money spending than CSR. CSV seeks Business Model (or Corporate Social Opportunity Model), whereas CSR seeks Social Responsibility Model. However, according to this research, the first hypothesis is ‘semi’-true and it can be assumed that another factor which is more influential than ‘a company’s total ownership of the largest shareholder’ exists in the cases of three companies.

[Table 3] total ownership of the largest shareholder and related parties⁶⁴

	largest shareholder (and related parties)	number of stocks (stock)	percentage (%)
SK Telecom	(limited-liability company) SK et al	common stock 14,968,127	31.87
SK Telecom	(limited-liability company) SK	common stock 20,368,290	25.22
(limited-liability company) SK	SK C&C	common stock 14,944,432	31.82
SK C&C	Tae-Won Choi	common stock 16,458,105	32.92
Amorepacific	Amorepacific Group et al	common stock 2,884,469	49.34
		class shares 168,022	15.91
Amorepacific	Amorepacific Group	common stock 2,069,586	35.40
		class shares 151,103	14.31
Amorepacific Group	Kyung-Bae Suh	common stock 4,444,362	55.70
		class shares 121,150	13.30
LG Electronics	(limited-liability company) LG et al	common stock 55,094,582	33.7
(limited-liability company) LG	Bon-Moo Koo	common stock 18,978,169	11.00

5.2 Changes in a company's net profit and corporate social contribution

To examine the relationship between company's yearly net profit and corporate social contribution, this paper used the data of net profit and sales which have been announced

⁶⁴ 2014 third-quarter reports of SK Telecom, Amorepacific, and LG Electronics announced publicly at Data Analysis, Retrieval and Transfer System (DART)

publicly at quarterly reports from 2009 to 2014 of each company at Data Analysis, Retrieval and Transfer System (DART).

Above all, three companies' yearly net profit has changed in different pattern during the past five years. Firstly, the yearly net profit of LG Electronics increased in the recent several years. Its yearly net profit decreased by -73% in 2010 and by -176% in 2011. However, its yearly net profit increased by 121% in 2012 and by 117% in 2013. In contrast, the yearly net profit of Amorepacific decreased in the recent several years. Its yearly net profit decreased by -18% in 2012 and by -1% in 2013, whereas its yearly net profit increased by 27% in 2010 and by 14% in 2011. The yearly net profit of LG Electronics increased again in 2013. Its yearly net profit increased by 44% in 2013, whereas its yearly net profit decreased by -10% in 2011 and by -29% in 2012. In addition, its yearly net profit increased by 67% in 2010.

According to this data, the second hypothesis, 'when a company's yearly net profit decreases, the corporation concentrates on CSV' is semi-true. The yearly net profit of Amorepacific decreased by -18% in 2012 and by -1% in 2013, and the company started concentrating on CSV in 2014. However, Amorepacific maintains its CSR activities also even though its yearly net profit has decreased. Meanwhile, the yearly net profit of SK Telecom increased recently, the company started concentrating on CSV in 2014. In contrast, the yearly net profit of LG Electronics increased recently and the company maintains its CSR activities.

Another big difference in the sales of three companies is their total size. The yearly sales of LG Electronics have been the biggest during the past five years. In addition, the yearly sales of Amorepacific have been the smallest during the same period. In more detail, the

yearly sales of LG Electronics are about 18.8 times the sales of Amorepacific and the yearly sales of LG Electronics are about 3.5 times of the sales of SK Telecom.

In addition, LG Electronics has shown relatively low sales growth rate compare to SK Telecom and Amorepacific during the past five years. The growth rate of LG Electronics ranged from -5 % to 5%. Especially, in 2011 and 2012, LG Electronics recorded minus growth. The company's sales growth rate was -1% in 2011 and -5% in 2012. The sales of SK Telecom and Amorepacific have constantly grown during the past five years. Amorepacific has shown relatively higher growth rate compare to SK Telecom. The sales growth rate of Amorepacific ranged from 9 % to 21%. Amorepacific showed relatively low growth rate (9%) in 2013, and showed relatively high growth rate (21%) in 2014. In addition, the sales growth rate of SK Telecom ranged from 2 % to 6%. SK Telecom showed relatively high growth rate in 2010 (6%), whereas the company showed low growth rate (2%) in 2011 and 2012.

Some parts of the reason why the second hypothesis, ‘when a company’s yearly net profit decreases, the corporation concentrates on CSV’ is semi-true can be explained by the features of CSR and CSV. Firstly, the second hypothesis is semi-‘true’ due to the difference between CSR and CSV in their budget characteristic. As mentioned above, CSR is covered by CSR budget, whereas CSV is ran by investment budget. So, companies recognize CSR as expenses, so activities can be limited according to the CSR budget scale. It can be assumed that when a company’s sales or net profit during the term decrease, CSR budget would be decreased. Then it would be highly probable that the company could consider other form of social contribution which would be helpful to its sales also.

However, the second hypothesis is ‘semi’-true and it can be assumed that more powerful

factor exists which can be applied to the three companies' cases. The total size of sales might be one example. In general, large companies are slow in adapting to change. CSV is relatively new concept compare to CSR. So, large companies can be slow in adopting CSV model to their existing system. This explanation is related to the term 'big company disease' which appeared in 1980s. This was linked to the fall of large companies such as GE, IBM and Ford which dominated the era of industrialization. At that time, many researches were done to find the reason of the fall of large companies. According to the researches, 'bureaucratization of the organizations' turned out to be the main reason of 'big company disease'. 'Big company disease' is the pathological phenomenon which appears when bureaucratization is developed in large-scale and old corporation and the corporation cannot respond to the environmental change according to the report 'big company disease and curing measures' published by Samsung Economic Research Institute (SERI) in 1994.⁶⁵

The hypothesis, 'large companies are slow in adopting CSV' is semi-true though. The hypothesis is semi-'true' when we compare Amorepacific, SK Telecom and LG Electronics. LG Electronics' sales are the biggest among three companies' sales and LG Electronics maintains CSR approach in corporate social contribution. Meanwhile, the hypothesis is 'semi'-true when we compare SK Telecom and Amorepacific. SK Telecom's sales are bigger than Amorepacific's sales, but SK Telecom is faster than Amorepacific in adopting CSV. Based on this result, it can be assumed that more powerful factor exists in relation regarding the decision of corporate social contribution model.

⁶⁵ Si-Ryong Park, big company disease (Economy Today, December 19, 2014)

[Table 4] changes in a company's yearly sales from 2010 to September, 2014⁶⁶

year/item	SK Telecom			Amorepacific			LG Electronics				
	sales (one milli on won)	gro wth rate (%)	net profit during th e term (one milli on won)	gro wth rate (%)	sales (one milli on won)	gro wth rate (%)	net profit during th e term (one milli on won)	grow sales th rat (one millio n won)	gro wth rate (%)	net profit during the term (one milli on won)	gro wth rate (%)
2009	14,555,465		1,055,606		1,940,423		225,878	57,219,724		2,350,092	
2010	15,489,374	6	1,766,835	67	2,272,312	17	287,609	27 58,538,521	2	627,322	-73
2011	15,803,174	2	1,582,073	-10	2,554,723	12	327,269	14 57,739,899	-1	-478,632	-176
2012	16,141,409	2	1,115,663	-29	2,849,462	12	269,258	-18 55,122,623	-5	102,802	121
2013	16,602,054	4	4,1609,549	44	3,100,413	9	267,359	-1 58,140,376	5.47	222,704	117
2013 (by S eptember)	12,307,213				2,395,570		230,549	43,225,067		286,151	
2014 (by S eptember)	12,874,772	5			2,895,251	21	341,155	44,565,652	3	707,049	

5.3 Corporate owner's will and corporate social contribution

To examine the relationship between corporate owner's will for corporate social contribution, this paper used the data of current owner's mention about corporate social contribution and his volunteer activity at the company's history book, social contribution white paper, two Korean major economic daily newspapers. To search the owner's mention about social contribution in the newspaper, I used the keyword, 'the name of the owner and company and contribution'. Then I calculated the number of owner's mention and his

⁶⁶ quarterly reports from 2009 to 2014 of SK Telecom, limited-liability company SK, SK C&C, Amorepacific, Amorepacific Group, LG Electronics, limited-liability company LG at Data Analysis, Retrieval and Transfer System (DART)

volunteer activity and ranked the numbers.

In more detail, in the case of SK Telecom, this paper referred to SK history book (1953-2013), SK Telecom social contribution activity white paper (2000~2009) and major economic daily newspapers in Korea, Hankuk Kyungjae (2010~2014), Maeil Kyungjae (2007~2014). The examination of Amorepacific is based on AmorePacific history book (1945-2008), Amorepacific social contribution white paper (2005~2008) and major economic daily newspapers in Korea: Hankuk Kyungjae (2006~2014), Maeil Kyungjae (2007~2014). The research on LG Electronics is based on LG history book (1947~2006), major economic daily newspapers in Korea: Hankuk Kyungjae (2003~2014), Maeil Kyungjae (2007~2014). In the case of LG Group, there is not social contribution white paper available.

According to this research, the number of the chairman of SK, Tae-Won Choi's mention about corporate social contribution and volunteer activity is the biggest among the three companies' owners' cases. Tae-Won Choi has mentioned about social contribution and has done volunteer activity 85 times in total since 1998 when he was appointed as the chairman of the limited-liability company SK.

In addition, the number of the chairman of Amorepacific Group, Kyung-Bae Suh's mention about corporate social contribution and volunteer activity is second biggest among the three companies' owners' cases. Kyung-Bae Suh has mentioned about social contribution and had done volunteer activity 59 times in total since 1998 when he was appointed as the CEO of Taepyeongyang Corporation, which is the previous name of Amorepacific.

The number of the chairman of LG Group, Bon-Moo Koo's mention about corporate

social contribution and volunteer activity is the smallest among the three companies' owners' cases. Bon-Moo Koo has mentioned about social contribution and had done volunteer activity 20 times in total since 1995 when he was appointed as the chairman of LG Group.

According to this data, the third hypothesis, 'when a corporate owner's will for social contribution is stronger, the corporation concentrates on CSR' is false. The counter examples are SK Telecom and Amorepacific. The owner of SK Telecom's will for social contribution is stronger than the case of Amorepacific and LG Electronics, but SK Telecom concentrates on CSV. Also, the owner of Amorepacific's will for social contribution is stronger than the case of LG Electronics, but Amorepacific relatively concentrates on CSV more than LG Electronics.

In order to verify the reason of this analysis result, this paper reviewed three owners' mention about corporate social contribution to find the difference among the three owners' cases. Most of all, Tae-Won Choi, the chairman of SK Group, has mentioned about 'social enterprise' many times compare to others. For an instance, he has often emphasized the importance of social enterprise in global stage. One of them is "social enterprises are the third sector beyond government and private sector, which can have a social value to solve the problem of emerging economies including unemployment and the polarization." 'Social enterprise' was introduced in Korea a little later than developed countries, but SK is known as the enterprise which fosters social enterprises most actively in Korea.⁶⁷

In November, 2012 in Beijing Forum, Tae-Won Choi said "the reason why I have

⁶⁷ SK history for 60 years (1953~2013): Sharing Happiness, p. 150

emphasized social enterprise in Korea and abroad for a long time is social enterprise is an alternative to solve social problems including unemployment and polarization around us” as a keynote speaker. Also, he emphasized that “people from various sectors including government, civil society and business need to act to solve social problems.”⁶⁸ In 2013, Tae-Won Choi who resigned from the CEO of internal and external SK Group at the end of 2012, said in his New Year’s message “I will focus on solving social problems such as polarization by creating an ecosystem where social enterprises can operate efficiently.”⁶⁹

Meanwhile, Bon-Moo Koo, the chairman of LG Group has often emphasized ‘right path management’ and ‘ethical management’. For an instance, he said “LG needs to strive for transparent management based on right path management and ethical management which considers the whole society more” in his New Year’s message. He added “always keep in mind that LG is a company which grows with the society that we belong” in 2013.⁷⁰ According to the introduction of LG Group at its website, LG’s ‘right path management’ means LG’s mode of behavior which describes the way to compete fairly by developing ability constantly based on ethical management.⁷¹

Kyung-Bae Suh, the chairman of Amorepacific Group, has emphasized ‘corporate social contribution activity focusing on women’ many times. For an instance, at an interview with

⁶⁸ SK history for 60 years (1953~2013): Sharing Happiness p. 152

⁶⁹ Tae-Myung Lee, Jung-Hyun Yoon, Kun-Hee Lee, Mong-Koo Chung, Bon-Moo Koo will carry out our responsibility to the fullest for social responsibility (Hankuk Kyungjae, January 2, 2013)

⁷⁰ Kae-Man Kang, Bon-Moo Koo, the chairman of LG, highlights shared growth “There is no discrimination of A from B with partners” (Maeil Kyungjae, March 22, 2013)

⁷¹ <http://www.lg.co.kr/about/vision.dev>

the economic daily newspaper in Korea, Hankuk Kyungjae in 2009, he said “Amorepacific’s mission is protecting women’s beauty and health”. He added “Amorepacific concentrates on the social contribution activities for improving quality of life and environment always focusing on women as ‘a company for women and culture’.” Also, he said “Sung-Hwan Suh, the founder of Amorepacific and my deceased father, was always interested in social contribution activities for the welfare of women and children.”⁷²

We can find the owners’ different interests for social contribution based on the review of three owners’ mention about corporate social contribution. I assume that the difference caused the different style of corporate social contribution among CSR and CSV. What matters more than the total number of the owners’ mention about social contribution is the owners’ focus when they face corporate social contribution.

For an instance, the main interest of the chairman of SK Group, Tae-Won Choi, social enterprise is closer to the CSV which can be described as Business Model or Creating Business Opportunity model than the cases of Amorepacific or LG Group. The interest of Amorepacific’ owner is ‘women and social contribution’. In addition, the interest of LG Group’s owner is ‘right path and ethical management’. A social enterprise is broadly defined as an enterprise that puts social benefit above or at least alongside profit. Traditionally these were non-profit organizations or charities with a philanthropic purpose, but they can also be structured as for-profit entities where profit is not the only overriding

⁷² 1 company 1 sharing together with Hankyung (12) 35,000 missionaries for sharing, ‘Amore counselors’ are working (Hankuk Kyungjae, November 18, 2009)

concern.⁷³

5.3.1 SK owner's main interest: social enterprise

Typical social enterprise support model of SK, 'happy lunch' is a company that delivers lunch to children of lower-income group. In addition, 'happy lunch' employs people of lower-income group as a cook or a delivery man. The company is committed to improving the culture of providing meals and to realizing social value. 'Happy lunch' opened first store in 2006 and the number was increased to 28 in 2013.⁷⁴

In addition, Tae-Won Choi is also interested in corporate social enterprise activity which is closer to CSV than simple social enterprise. The term corporate social enterprise activity can be used to describe a situation where a company engages in a project using its core commercial skills or intellectual capacity, not to deliver a profit, but instead explicit social or environmental outcomes. Over time a strategically planned and executed corporate social enterprise (CSE) should also be of commercial value to the business.⁷⁵

For an instance, SK established a part-time day-care center, 'Agaya' to ease the childcare burden of low-income women. 'Agaya' received the certification of corporate social enterprise in 2008. To establish the day-care center, SK worked with the NGO, YMCA. 'Agaya' supported the women who are having hard time to get a job to take chances for

⁷³ Financial Times ft.com/lexicon (<http://lexicon.ft.com/Term?term=social-enterprise>)

⁷⁴ Tae-Kyo Kim, SK group promote social enterprise starting from supporting 'happy lunch' (Metro, December 19, 2014)

⁷⁵ Ben Lewis, sustainable business: social impact, 'corporate social enterprise needs time and resources' (Guardian, 14 August, 2013)

economic activity by lessening their burden of childcare.⁷⁶

CSE projects deliver novel outcomes because project partners and communities receive the benefit of a company's commercial skills, resources and know-how that are rarely focused in this way. The company obtains new professional insights on sustainability issues through the medium of what they do often in underserved but potentially attractive new markets.⁷⁷

5.3.2 Amorepacific owner's main interest: social contribution for women

In the case of Amorepacific, the chairman, Kyung-Bae Suh's main interest in social contribution is 'social contribution for women' and women are main client of Amorepacific which mainly produces cosmetics. In this sense, Kyung-Bae Suh's main interest is related to CSV and CSR. Although Amorepacific's social contribution programs for women cannot be described as a Business Model, they care potential customers of Amorepacific.

In more detail, Kyung-Bae Suh searched various ways to foster female professional manpower and to provide them participation opportunity on economic activities and implement the methods.⁷⁸ For an instance, Amorepacific conducts 'makeup your life' campaign and 'pink ribbon' campaign for keeping women's health. 'Makeup your life' campaign is teaching female cancer patients who underwent sudden appearance changes

⁷⁶ Jae-Yong Lee, Companies lead happy economy, SK Group "start building ecosystem of social enterprise" (Aju Kyungjae, March 25, 2013)

⁷⁷ Ben Lewis, sustainable business: social impact, 'corporate social enterprise needs time and resources' (Guardian, 14 August, 2013)

⁷⁸ 1 Company 1 Sharing Together with Hankyung (12) 35,000 missionary for sharing, 'Amore Counselors' are working (Hankuk Kyungjae, November 18, 2009)

such as hair loss make-up and hair styling etiquette. This aims to help them to overcome mental pain and depression.⁷⁹

‘Pink ribbon campaign’ is a campaign for breast health awareness improvement. In 2000, Amorepacific established the first non-profit public foundation for breast health in Korea, Korea Breast Health Foundation by investing total amount of the foundation fund and ran the campaign. A representative program is ‘pink ribbon love marathon’. Amorepacific donated total amount of entry fee and donation of sponsors of the marathon race to Korea Breast Health Foundation. As a result, from 2001 until last year, the foundation collected a total of 2.6 billion won donations and supported operation and treatment expenses for 760 breast-cancer patients from 2001 to 2013.⁸⁰

Also, Amorepacific runs the microcredit business program, ‘hope store’ since 2003, to help the business establishment of women breadwinners of low-income and single-parent family. This program helps stabilization of livelihood of mother-and-child families by supporting the establishment of business in various fields such as restaurants, beauty salons and snack bars. This program encourages ‘hope store’ owner’s real independence by supporting fund for establishment, business consulting and follow-up management.⁸¹

5.3.3 LG owner’s main interest: right path management and ethical management

⁷⁹ Ji-Won Park, ‘Beautiful Management’ of cosmetics industry (Metro, December 19, 2014)

⁸⁰ Ji-Won Park (Metro, December 19, 2014), ibid.

⁸¹ Ji-Won Park (Metro, December 19, 2014), ibid.

The main interest of the chairman of LG Group, Bon-Moo Koo is ‘right path management and ethical management which considers whole society’ and the concept is closer to CSR than to CSV. Actually, LG Group’s CSR activities are focused on achieving the dream of young people who will take the leading role in the future. Under the slogan ‘LG, love which nurtures young dream’, LG Group’s CSR activities support teenagers from low-income families and multicultural families to develop their dream.⁸²

Currently, various affiliates of LG Group run about 20 programs to assist teenagers from low-income families and multicultural families. LG welfare foundation has worked on ‘growth hormone support program for low-height children’ for 20 years since 1995 to support low-height children from low-income families for being taller and developing their dream. The administration of growth hormone is necessary for the treatment of short stature in children. However, receiving the treatment is very difficult for low-income families due to the annual cost of over 10 million won (about 928 dollars).⁸³

Also, LG Group has been moving actively in supporting teenagers from low-income families and multicultural families in the field of science, language and music. For an instance, since 2010, with the program of ‘multicultural school of love of LG’, LG has selected teenagers who are talented in language and science from multicultural families and has supported them to receive training by the professors of Hankuk University of Foreign Studies and Korea Advanced Institute of Science and Technology free of charge for two

⁸² Gi-Dong Kim, LG, multicultural, music school support ... love that develops dream (SegyeIlbo, December 21, 2014)

⁸³ Gi-Dong Kim (SegyeIlbo, December 21, 2014), ibid.

years.⁸⁴

LG's education support activity has continued overseas. Since 2012, LG has been carried out 'scholarship program for descendants of Ethiopian Veterans' which supports the descendants of Ethiopian Veterans who participated in the Korean War to stand on their own feet through education.⁸⁵

[Table 5] number of current owner's mention about corporate social contribution and his volunteer activity at the company's history book, social contribution white paper, major economic daily newspapers in Korea

Tae-Won Choi, chairman of SK Group: 85

-source: SK history book, SK history for 60 years (1953-2013), SKT social contribution activity white paper (2000~2009), major economic daily newspapers: Hankuk Kyungjae (2010~2014), Maeil Kyungjae (2007~2014)

"In order to receive love from the community, SK needs to fulfill its responsibility. So I seriously thought about CSR. And I thought CSR is to give happiness to stakeholders around the company." in 2004, from SK history book SK history for 60 years

"The reason why I have emphasized social enterprise in Korea and abroad for a long time is social enterprise is an alternative to solve social problems including unemployment and polarization around us" from Beijing Forum in 2012

Kyung-Bae Suh, chairman of Amorepacific Group: 59

-source: Amorepacific history book(1945-2008), Amorepacific social contribution white paper (2005~2008), major economic daily newspaper: Hankuk Kyungjae (2006~2014), Maeil

⁸⁴ Gi-Dong Kim LG, multicultural, music school support ... love that develops dream (SegyeIlbo, December 21, 2014)

⁸⁵ Gi-Dong Kim, (SegyeIlbo, December 21, 2014), ibid.

Kyungjae (2007~2014)

“Amorepacific really thinks much in order to develop a sharing activity. The spirit of sharing, the way of sharing, the process of sharing and benefits of Sharing, etc. Sharing that become joy and hope for giver and receiver. So what Amorepacific concerns always is not how much sharing but how to share more.”, in 2005, from Amorepacific social contribution white paper 2005

“Amorepacific’s mission is protecting women’s beauty and health.. Amorepacific concentrates on the social contribution activities for improving quality of life and environment always focusing on women as ‘a company for women and culture” at an interview with Hankuk Kyungjae in 2009

Bon-Moo Koo, chairman of LG Group: 20

-source: LG history book(1947~2006), major economic daily newspaper: Hankuk Kyungjae (2003~2014), Maeil Kyungjae (2007~2014)

“LG will become real global enterprise by completely satisfying the customer through precision management on the basis of fairness, honesty and sincerity and by fulfilling its responsibility for employees, partner companies, shareholders and society.” in 1995, from LG history book

“LG needs to strive for transparent management based on right path management and ethical management which considers the whole society more. Always keep in mind that LG is a company which grows with the society that we belong” from his New Year’s message in 2013

VI Conclusion

In conclusion, the first hypothesis, ‘when a company’s total ownership of the largest shareholder and related parties is higher, the corporation concentrates on CSV’ is semi-true. The second hypothesis, ‘when a company’s yearly net profit decreases, the corporation concentrates on CSV’ is semi-true. In addition, the third hypothesis, ‘when a corporate owner’s will for social contribution is stronger, the corporation concentrates on CSR’ is false.

Based on this research, it can be assumed that the two factors including a company’s total ownership of the largest shareholder and related parties and a company’s yearly net profit have influence in some degree to the decision making on corporate social contribution model. However, the degree of a corporate owner’s will for social contribution has little influence to the decision making.

This paper assumes that another factor which is more powerful to the decision making on corporate social contribution model than a company’s total ownership of the largest shareholder and related parties and a company’s yearly net profit exist. A corporate owner’s main interest appeared in his remarks about corporate social contribution is the one of the most probable factors.

According to this research, a corporate owner’s main interest appeared in his remarks about corporate social contribution has big influence to the decision making. The close relationship between owners’ interest in corporate social contribution of three companies including SK Group, Amorepacific, LG Group and each company’s social contribution model supports this argument.

For example, the chairman of SK Group, Tae-Won Choi is mainly interested in ‘social enterprise’ and SK realized some social enterprise models like the part-time day-care center for easing the childcare burden of low-income women, ‘agaya’. These social enterprises have relatively close relationship with CSV which seeks Business Model (or Corporate Social Opportunity Model) because over time a strategically planned and executed corporate social enterprise should also be of commercial value to the business.⁸⁶ In this sense, it can be assumed that Tae-Won Choi’s interest is linked to the CSV activities of SK including the tailored one-stop-start-up support program for middle-aged people, ‘bravo! restart’ and traditional market activation program by provided ICT solutions.

Meanwhile, the chairman of Amorepacific Group, Kyung-Bae Suh is interested in ‘social contribution for women’ and women are Amorepacific’s main customer. Amorepacific practiced some social contribution activities for women including ‘make up your life’ campaign which supports female cancer patients suffering from sudden appearance changes by teaching make up, skin care and hairstyle production know-how. The microcredit business program to help the business establishment of women breadwinners of low-income and single-parent family, ‘hope store’ is another example.

This result may reveal the characteristic of management environment of Korea where a corporate owner’s influence to the management is relatively bigger than the cases of other international companies. Kyung-Seo Park, the director of Korea Corporate Governance Service said, “in the case of corporate governance developed countries, an owner holds about 40% of corporate shares. Meanwhile, Chaebol (conglomerate in English) in their 30s

⁸⁶ Ben Lewis, sustainable business: social impact, ‘Corporate social enterprise needs time and resources’ (Guardian, 14 August, 2013)

in Korea exercises management control through subsidiary even though he holds only 4% of corporate shares. This is abnormal.”⁸⁷

In this paper, the number of companies for analysis is limited. Also, some of the analysis standards might not be that much suitable for analyzing CSV cases. In addition, comparing each analysis standard’s degree of influence is limited in this paper. In this sense, this research result is not sufficient to answer the first question, “why companies focus on the new concept, CSV or stay on the existing CSR or stand between CSV and CSR?” It would be nice if this paper could be the basis of further studies to answer this question.

⁸⁷ So-Hyun Kwon, capital starts to have a voice: pension transformation is innocent, (Edaily, January 15,2015)

[Table 6] corporate social contribution activities ranged from CSR to CSV of SK, Amorepacific and LG

	activity name	Explanation
SK	CSV: 'bravo! restart'	Tailored one-stop-start-up support program started in 2013. Established to activate high-value business start-up based on information and communications technologies (ICT) by people from middle-aged class who have rich experience and knowledge. Provides one-stop support for the whole process of business start-up including excavating idea, embodying business model, establishing a business, settlement of business at the beginning and creating a success story.
	CSV: traditional market activation program	Provided ICT solutions and supported traditional markets such as JunggokJaeil market in Seoul and Shinki market in Incheon to enhance marketing capacity in 2012. Devised customized solutions for traditional markets such as small 'my shop' which is business management support solution, 'ICT experience center' where customers can experience smart robot and smart gym board, 'smart delivery system' which enable easy and quick delivery of purchases from traditional market.
Amorepacific	CSR: 'make up your life' campaign	Supports female cancer patients suffering from sudden appearance changes to inspire positive attitude towards life by teaching make up, skin care and hairstyle production know-how since 2008
	CSR: 'green cycle' campaign	Developed from the existing Amorepacific environment-friendly social contribution activities including collecting empty bottle campaign started in 2009
	Close to CSV: 'beautiful purchase'	Fair trade agreements signed with the towns in Korea or abroad which supply cosmetics raw material under the three principles: safe purchasing of raw material, environmental conservation, and contribution to local community since 2010

LG	CSR: 'junior board'	LG Electronics' labor union and workers' representative consultative body of LG Electronics. Did volunteer activity of supporting elderly people living alone in association with Jinhae Senior Welfare Service Center in 2014.
	CSR: 'creando sonrisas' campaign	LG Electronics' 8 sales subsidiaries in Latin America started in 2014, for the local poorest households. Representative activity is house building activity for low-income families in Latin America.
	CSR: 'love jeanie'	Managed the CSR supporters of university students from 2014. Unlike the activities of most voluntary corps sponsored by companies, the members of 'love jeanie' plan an action plan by themselves in the field of their usual interest and put the plans into practice.

[Table 7] activities which reveal owners' main interest in corporate social contribution in the case of SK, Amorepacific and LG

		activity name	Explanation
SK: Tae-Won Choi	'social enterprise'	'agaya'	A part-time day-care center for easing the childcare burden of low-income women. Received the certification of corporate social enterprise in 2008. Supported women who are having hard time to get a job by lessening their burden of childcare.
Amorepacific: Kyung-Bae Suh	social contribution for women	'pink ribbon campaign'	A campaign for breast health awareness improvement. In 2000, Amorepacific established the first non-profit public foundation for breast health in Korea, Korea Breast Health Foundation by investing total amount of the foundation fund and ran the campaign. A representative program is 'pink ribbon love marathon'. Amorepacific donated total amount of entry fee and donation of sponsors of the marathon race to Korea Breast Health Foundation.
		'hope store'	Microcredit business program to help the business establishment of women breadwinners of low-income and single-parent family started in 2003. Helps stabilization of livelihood of mother-and-child families by supporting the establishment of business in various fields such as restaurants, beauty salons and snack bars.

LG: Bon-Moo Koo	right path management and ethical management	<p>‘growth hormone support program for low-height children’</p>	<p>LG welfare foundation has worked on for about 20 years since 1995 to support low-height children from low-income families for being taller and developing their dream. The administration of growth hormone is necessary for the treatment of short stature in children. However, receiving the treatment is very difficult for low-income families due to the annual cost of over 10 million won (about 928 dollars).</p>
		<p>‘multicultural school of love of LG’</p>	<p>Supports teenagers from low-income families and multicultural families in the field of science, language and music. In 2010, LG has selected teenagers who are talented in language and science from multicultural families and has supported them to receive training by the professors of Hankuk University of Foreign Studies and Korea Advanced Institute of Science and Technology.</p>

[Table 8] degree of influence of each analysis standard in decision making for social contribution model

analysis standard	degree of influence	related hypothesis	analysis result
a company's total ownership of the largest shareholder and related parties	Middle	when a company's total ownership of the largest shareholder and related parties is higher, the corporation concentrates on CSV	semi-true
a company's yearly net profit	Middle	when a company's yearly net profit decreases, the corporation concentrates on CSV	semi-true
the degree of a corporate owner's will for social contribution	Low	when a corporate owner's will for social contribution is stronger, the corporation concentrates on CSR	false
a corporate owner's main interest appeared in his remarks about corporate social contribution	High		

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국문초록

사회책임경영을 넘어서 : 한국 주요 3개 기업 사례 비교 분석

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국제학과 국제협력전공
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요즘 한국의 주요 기업들이 비즈니스와 사회적 가치 창출을 연결하는 공유가치창출(CSV) 경영을 강화한다. 하지만 한국의 일부 주요 기업들은 기존의 기업의 사회적 책임 (CSR) 경영 스타일을 유지한다. 이 논문은 한국의 주요 기업들이 서로 다른 기업의 사회공헌 스타일을 보이는 이유를 분석한다. 이를 통해 기업의 사회공헌 모델을 제안하고자 한다. 한국기업들이 서로 다른 사회공헌 형태를 취하는 동기와 이유를 찾고자, 이 논문은 서로 다른 사회공헌 형태를 보이는 한국의 세 기업 사례를 살펴본다. ‘기업의 소유구조’, ‘최근 5년 동안의 기업의 연간 매출과 당기순이익의 변화’, ‘기업의 사회공헌에 대한 기업 오너의 의지’를 기준으로, CSR을 유지하는 기업(LG전자), CSR과 CSV 사이에 서 있는 기업(아모레퍼시픽), 그리고 CSV에 초점을 맞추는 기업(SK 텔레콤)을 분석한다.

중심어: 공유가치창출(CSV), 기업의 사회적 책임(CSR), 기업의 사회 공헌에 대한 기업 오너의 주요 관심

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