

Crisis of Capitalism and Ethics Management of Enterprise

Jong-Woon Lee^{1†} and Sangbok Ree²

¹ The head of Business Ethics Laboratory,
Quality Academy Research Center, Seokyeong University

² Professor in the Department of Industrial Engineering,
Seokyeong University

Abstract

Author considered the contradiction of Capitalism and its Solution, systemized the concept to newly define Ethics Management and social Responsibility whose various terminologies are used in Domestic and foreign country and compared, analyzed and considered global guideline, standard organization and global Evaluation Model of internationally-performed Ethics Management on the basis of the concept of new Ethics Management.

Key Words: Sustainability, Ethics Management, Corporate Social Responsibility

1. Importance of Ethics Management

In the 21st century, enterprise should use idea with continual strategy in order to pursuit profit continuously. More over, when enterprise supports the roof, socially responsible Management after opening the crossbar of Ethics Management, the enterprise can be reborn as the permanent one and it must be the most advanced strategic Management. One day, author observed the film covering curtain on a glacier of the South Pole in internet. It suggested that the glacier is melting with tremendous speed. Author was surprised because it seemed that human regarding himself as the lord of all creatures on the Earth miserably tried to remove cultural trap made by himself. "Silent Spring" that Rachel Carson pointed out is already old story. Ecosystem of the Earth is experiencing the acceleration of change and it is emitting horrible disaster with water and fire. Since Industrial Revolution of the 19th century, worldwide rapid economic growth accompanied by the outstanding development of Science and Technology has opened the door of culture, which is present, and installed the glittering doorplate written in Capitalism. The enterprise, which was the signboard of Capitalism and pushed forward with bulldozer of development to get capital regardless of

†Corresponding Author

methods, was at the head to make a lot of places on the Earth as unrecoverable things, contaminate the air and destroy ecosystem of the Earth. More over, more capital and its aggression like food chain became power and caused unbalance of wealth, uneven distribution and concentration of property so they enlarged the population of hunger who maintained the life, which could not be respected, with excrement of worldwide animal. How about oppression of Capitalism to society in the process to destroy the ecosystem of the Earth, which is one green planet in universe? It expelled women and children to the blind spot of human right, infringed the right to labor with labor oppression and low wage under the name of expense reduction, destroyed law order, promoted unbalanced society with systematic injustice and corruption and made the chaotic society that wealth was power and principle and Justice disappeared.

As we surveyed until now, the bad effects suggest the essential common issue that Capitalism can't exist as it was. Boomerang of Capitalism that was randomly used for food is already threatening the human by hitting the Earth hardly. Association of the top countries for the environment of the Earth including Paradigm for sustainable development held in Brazil and announced in United Nations Framework Convention on Climate Change in 1992 was the grim consideration and capital punishment of Capitalism that has encroached the Earth without break. Then how to search sustainable development? How we can dream the pure and naive Earth without emitting fire and poison? What effort we should make to solve and minimize social confusion that has been caused until now? How can we find the way bounding to sustainable development and prosperity rather than self-destruction?

Now, the terminologies such as Ethics Management, social Responsibility Management, Justice, transparency, anti-corruption and integrity exist in public communities, enterprises and all organizations of the world. As we survey in the above, it is caused by the urgent and essential selection according to the desperate diagnosis that environment of the Earth and society are irrevocable because of the bad effect made by Capitalism.

The 21st century is requesting wide change and renovation and Korean government is promoting pan-Korea activities to prevent corruption keeping pace with the change of Core Value of international society. Including public enterprise, the number of large enterprise, medium enterprise and nonprofit institution that introduce and operate Ethics Management are increasing. In order to maintain the predominance in international competition, sympathy and recognition of Ethics Management is increasing in urgent time point.

In fact, various concepts and terminologies concerned to Ethics Management are causing confusion to all enterprises and their surroundings that should apply Ethics Management. More over, in the reality that rule and standardization are performed internationally and rating Model is suggested, it is necessary to establish the definition of Ethics Management urgently. Therefore the paper considered the concepts concerned to Ethics Management, which has been studied(moral, business Ethics, Ethics Management, social contribution, social

service, social Responsibility, enterprise corruption and Corporate Sustainability Management), established new definition of Ethics Management and social Responsibility and surveyed guideline, standard and rating Model of global Ethics Management according to new concepts of Ethics Management. Main structure of this paper is as follow. Chapter 1 describes suggestion of problem and importance of Ethics Management, Chapter 2 considers various concepts of Ethics Management, Chapter 3 surveys global guideline and standard of Ethics Management. Chapter 4 surveys global rating Model of Ethics Management and Chapter 5 summarizes study, survey, viewed fact and suggestion of each chapter.

2. Concept and Definition of Ethics Management

In case of current Korean enterprises, they understand Ethics Management, social responsibilities of enterprises with various terminologies and accesses. Like social service, environmental Management, social contribution and sustainability Development, enterprises are performing social responsibilities according to their organization sizes and situations. However, under the situation that the confusion caused by the use of various concepts and terminologies increases, in fact, they are used for social responsibilities of enterprises in international society. These concepts and terminologies cause confusion to social Responsibility of enterprises recognized by government, NGO and citizen as well as enterprise itself. Enterprise mistakes Philanthropy for social Responsibility. Philanthropy of enterprise not CSR (Corporate Social Responsibility) but the part of social Responsibility of enterprise. The confusion occurs in Japan as well as Korea. Including (Tanimoto, 2004), there are a lot of opinions to define social Responsibility of enterprise as CR (Corporate Responsibility) or SR (Social Responsibility) in Europe. May be, it is caused by obscure definition and concept of Ethics Management. First of all, the reason is that moral has been adhered during long-term period and society and enterprise change too fast.

Then, what is Ethics Management? First of all, it is practical principle so it is voluntary coexistence duty caused by human's real nature rather than law. If human or enterprise exist in island alone, rules of life such as ethic, moral and law are not necessary. It is the basic principle of coexistence in the society that I, you and the third person should live together. Park Jae-Rim and others (2003) said that Ethics is concerned to individual's internal conscience and sense of value so it is apt to regard that the Ethics is not affected by society but it is historical and social creature learned and empirically created by social expectation and custom in human's social life. More over, they defined it as reason, theory and the most basic rule in human society required to establish order for human's right social life or human life so they regarded social effect as importance.

Ethics Management means all activity processes to plan, practice and rate context con-

cerned to Ethics and it is result of social Responsibility. Choi In-Cheol (2002) said that Ethics Management means the activity to apply ethic expectation requested by society to decision making and behavior of enterprise as well as observe legal Responsibility. For example, he urged that according to Ethics Management, enterprise should select Ethics standard requested by society if it is not in accord with socially common idea, although enterprise has no legal Responsibility. Han Jeong-Hwa and others (2002) defined that Ethics Management is the Management to get reliance of employees, customers, suppliers and stockholders by managing according to the principle of Ethics Management (Ethics, Justice and transparency) in the situation of enterprise's ethic problem or issue on the basis of right business Ethics and meeting the balance between the right and profit of the person concerned to interest and the economic profit of enterprise. They regarded social reaction of the person concerned to interest as importance and mentioned wide concept including socially common idea as well as legal Responsibility.

Han Han-Su (2003) said that Ethics Management is that Ethics is regarded as the most prior value in company Management and enterprise activity and fair and reasonable works are performed on the basis of Ethics Management. It meant that enterprise should establish Management ideology or philosophy specifically. He said about Ethics Management policy and Ethics Management principle. The Federation of Korean Industries (2003) urged that Ethics Management means the Management that enterprise observes Ethics of market, in order word, order of market and fulfills right and Responsibility as social substance and it means the Management that enterprise fulfills social Responsibility that is differently requested according to age. They said that Ethics is continuously evolving with society.

It can be said that business Ethics is that right and wrong of decision making and ethic standard and principle of virtue and vice are applied to the activity of enterprise. Sin Yu-Geun (1992) said that Business Ethics means determination standard or study to systematically classify right and wrong of behavior or aptitude and virtue and vice appearing in the society. Park Heon-Jun and others (2004) said that if social Responsibility is to pay attention to the effect of decision making and behavior of enterprise on society, business Ethics is to pay attention to standard and principle that are helpful for decision making and behavior of individual and enterprise. Song Gyun-Seok and others (2001) said that business Ethics is not special Ethics that is different from general Ethics but one of application Ethics that is applied to special situation, enterprise Management.

In case of Korea, voluntary service and social service are activities that many enterprises participate with social contribution. They are activities that individuals and communities performed voluntarily without payment in order to improve various social problems and they shares important social function from the aspect to recover social Responsibility, find social productivity and reconsider social openness. Therefore it can be said that the enterprise,

which becomes the social subject, has the ability to solve social problem so social contribution and voluntary service are one type of Ethics Management and social Responsibility of enterprise.

Yu Nu-Ri (2006) said that the etymology of voluntary service comes from Latin word, 'Voluntus', which means voluntary will and desire of human so voluntary service means liberal activity that is not governed by any powers as basically voluntary activity. Lee Mi-Suk (2003) defined the concept of social service activity and American writers, G. Mnser and R. H. Cass defined Voluntarism in their joint work, *Voluntarism at The Crossroads*, as follow. "Voluntarism is the activity that is voluntary and performed by private effort of individual in order to act, create and experiment through voluntary welfare organization that he selects, enjoy the best freedom in the process to make an effort to achieve new goal, perform unique role in the democratic process and increase and promote the factor of Common Good." More over, Encyclopaedia of social work defined volunteer as "volunteer is the individual that voluntarily participate in the activities of various public and private organizations existing for preventing, controlling and improving various social problems occurring in individual, group and community without payment.

Giles Darvill and Brain Munday defined Volunteer as "the person who wants to serve for other people that is not his relatives without payment through certain public organization rather than through private contact with neighbor" in *Volunteers in the personal services*.

Although social Responsibility of enterprise is the concept including legal Responsibility, economic Responsibility, ethic Responsibility and philanthropic Responsibility, Ethics Management of enterprise is wider concept including these tangible and intangible responsibilities. Therefore it can be said that Ethics Management and socially responsible Management are girder and roof of enterprise.

EU (2002) defined Corporate Social Responsibility as "the concept that enterprise voluntarily reflects combined social and environmental interest in corelation between enterprise's business activity and the person concerned to interest. Sin Yu-Geun (2001) urged that Corporate Social Responsibility means the role and function that society expects so it is commonly used for wide concept including enterprise's social function beyond its economic function that has been traditionally regarded as importance. In other word, the point that enterprise should pursuit economic value and contribute to realization of general social value is the beginning to define Corporate Social Responsibility.

Carroll (1996) had the opinion that, as enterprise possesses the power to use in society due to industrialization of Capitalism, various persons concerned to interest are created so enterprise should have social Responsibility as its member because of the problems that are immanent in them. It is because, when enterprise disregards social request, it will cause entire social cost and raise enterprise's expense from the long-term view (Carroll, 1999).

As social costs, there are structural injustice and corruption. They will promote unbalanced and unfair society and the cost will increase more in the society that loses principle and Justice and in the confusing society that wealth is power. Kang Cheol-Gyu (2000) said that comprehensive definition of corruption is explained as the violation of principle that political and economic system selects as basis in OECD (1996) and the corruption defined by OECD for public official means overall illegal and unjust activity that misuses right and authority assigned to individual while violating basic operation principle of democratic government system. It includes economic crimes such as bribery, embezzlement of public money, abuse of internal information and abuse of power. When defining corruption narrowly, it can be defined as the abuse of public position or resource for individual profit or misuse of public position for individual profit.

Currently, Corporate Sustainability Management is the subject used in environmental aspect of enterprise Management. In order to explain Corporate Sustainability Management, the terminology, Triple Bottom Line, has been used. According to Elkington (1997), "Triple Bottom Line is the situation that enterprise can survive economically, is stable environmentally and make an harmonious effort to be socially responsible." KBCSD (2004) defined that "CSM (Corporate Sustainability Management) is enterprise's effort for environmental, economic and social sustainability and it is the Management activity to minimize risk and reconsider the value of enterprise including the value of stockholder."

As the above, from the result of considering the study on general concepts concerned to Ethics Management (Ethics, business Ethics, Ethics Management, social contribution, social service, social Responsibility, enterprise corruption, corporate sustainability Management, etc), author suggested concept diagram about Ethics Management and Mechanism of Social Responsibility in Figure 1 and defined the concept of Ethics Management as follows. "Ethics Management means Corporate Social Responsibility including Legal Responsibility, Economic Responsibility and Philanthropic Responsibility of all people concerned to interest and it is the Management activity to minimize risk and maximize the value of enterprise finally."

In other word, it includes Legal Responsibility, Economic Responsibility and Philanthropic Responsibility of enterprise on the foundation of social reactions such as expectation, request, desire, pressure and issue of the person concerned to interest and it defines the standard of Management activity by receiving feedback of Corporate Sustainability Management Report, which is result of social Responsibility Management and reconsidering business Ethics. Ethics Management is enterprise's effort for sustainability from exclusive viewpoint of economy, society and environment and it is the Management activity to minimize the risk of Ethics Management, the risk of social Responsibility and the risk of the person concerned to interest and reconsider the value of Ethics Management, the value of social Responsibility and the value of the person concerned to interest.

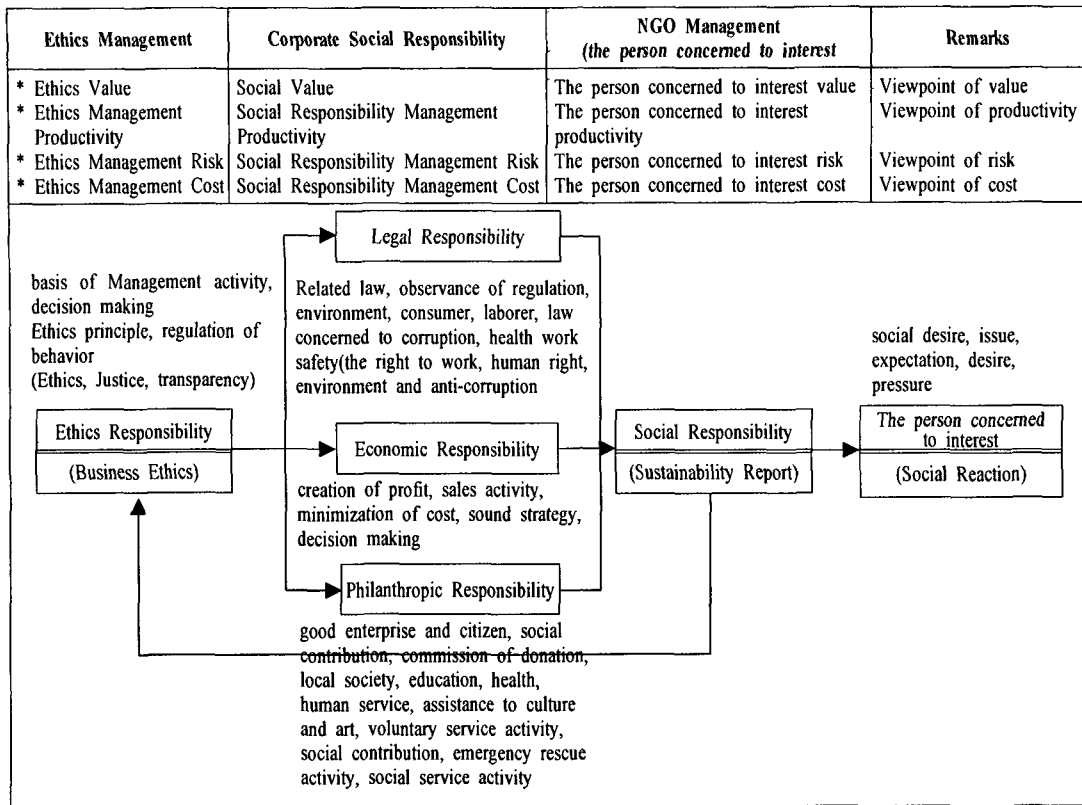


Figure 1. Ethics Management and Mechanism of Social Responsibility

3. Global Standard of Ethics Management

Today, individual, enterprise, society and country are living in severe and cruel competition of market capitalism but, in fact, it accelerates prosperity and development of human society and causes human's abundant life. However, the fact is only possible when human keeps Ethics, which is the basic principle of coexistence, in the society that I, you and the third person should live. It is because Ethics is duty and basic principle of coexistence. Principle is the reason that becomes basis and it has the mechanism that grows from root and works for everything by itself. Without saying enterprise Management, all individuals and organizations can't be free from the principle.

In Chapter 3, first of all, we will access to the viewpoint of community, which means enterprise, rather than individual for Ethics Management and consider the recent study whose context of the problem and Solution of Capitalism is concerned to the above before surveying global standards such as reinforcement of international joint collaboration and rule and reinforcement of social Responsibility and citizen's social participation (Lee Jong-Un, 2005)

Guy Sorman (1995) said that contradiction of Capitalism is vulgarity of culture, occurrence of unemployment and unbalance and he mentioned moral and mental renovation and creation of job for Solution. Lawrence Klein and others (1997) urged that excessive industrialization and enterprise-concentrated existence method causes the problem of environment, resource and population and Capitalism causes unbalanced distribution, unstable employment and unstable society and politics.

Kim Jin-Bang and others (2003) said that USA-type Capitalism is maximization of profit of stockholder and enterprise and it requires transparency and Justice in account and official notice. He said that the status of manager and influence of bank decreases but the influences of stock market, fund operation organization, fund manager, analyst and consulting comply increase. He also urged that the character of stockholder capitalism is hostile M&A, large amount of fire, gap between wealth and poverty, slump and sudden rise in stock, moral hazard of Management group and small shareholder movement. He selected Germany-type line Model for Solution and said that enterprise's profit is more important than embodiment of capitalism on the basis of the person concerned to interest and shareholder's profit through Management group that is familiar with board of supervisor director, job training, joint decision making and manufacture Technology and long-term investment of bank and long-term possession of shareholder are more important than anything.

Billemott (2003) urged that Capitalism is weak in long-term economy stagnation and crisis and selected enlargement of public education and assistance to the minority through agreement of the majority. Park U-Hui and others (2005) said that Capitalism is the motive power causing the growth of individual's desire and egoism and he selected unbalance, environmental disruption and exhaustion of resource for the restriction of Capitalism. He urged that the contradiction can be solved when mind is right.

Gravin Kelly and others (2003) urged the necessity of individual's voluntary participation and comprehension against individual's self-control and urged that appearance of stakeholder capitalism is necessary for developing new Technology and curing social instability (secure of laborer's employment) while mentioning the Dispute in England in 1999.

He also said that it is necessary to induce participation of alienated individual, promote collaboration relationship between individual and enterprise and prevent alienation in the political process. He said that owner of enterprise can perform long-term investment and laborer can participate as the type of Employee Stock Ownership Plans. He said that it is necessary to prevent hostile M&A and we can meet social Responsibility with reliance and collaboration and make good enterprise with introduction of social security system and long-term investment.

Gorge Soros and others (1998) regarded that the problem of worldwide Capitalism is caused by neglect of joint profit and pursuit of individual profit because of defect of market. He also urged that politics is absent and inefficient because of political failure and

regulation of joint profit practice system does not exist. He urged that it is necessary to perform follows in order to solve the crisis. First, in order to solve unbalance and instability problem, supervision and regulation of international organizations such as IM F is required from the aspect concerned to finance. Second, in order to solve the problem of the degradation of representative democracy and loss of social value, it is necessary to reestablish ethic value from the political aspect. Third, in order to solve the problem of neglect of international joint profit and serious consideration of country's profit, it is necessary to reinforce the regulation of international cooperation agency, establish the regulation of international society and reinforce citizenship society from the international aspect.

Author synthetically analyzes and compares what all researchers urged as the above. It is shown in Table 1. The characteristic is that they urged common things for contradiction of Capitalism and its Solution but they showed different and specific suggestions.

From the result of considering global guidelines and standards concerned to international Ethics Management and social Responsibility in Chapter 3. Global Standard of Ethics Management, it was confirmed that they are intended for community rather than individual and suggested on the foundation of international joint cooperation, reinforcement of rule and social Responsibility and reinforcement of the activity of citizen society. It was found that among the researchers above, especially what Gorge Soros and others (1998) suggested was similar to the result of the paper's survey.

Of course, Table 2, the result of summary, was analyzed and reviewed from the viewpoint of Ethics Management that author defined newly and its suggestions are as follows. In the time point that reestablishment of ethic value and supervision and regulation of international organizations are essential, if one country or one organization regards its profit as importance without considering international joint profit, it can't cope with global society.

To keep the pace with it, the reality requires to reinforce the regulation of international cooperation agency and international citizen society establishes social regulation and makes the standard of severe regulation by itself. Many organizations including OECD, UN Global Compact and WSSD consider exclusive Ethics Responsibility while mainly handling legal responsibilities such as labor right, human right, environment and anti-corruption.

Further more, as Table 2 shows, individual enterprises are required to establish and practice guidelines suitable for their business characteristic by using global regulations autonomously and gradually and use Corporate Sustainability Management Report as the tool to notice information and consider transparency. By publishing report, they can expect various positive effects such as change and renovation, opportunity of education and crisis Management and induction of employee's motive.

Guidelines of standard organizations and nonstandard organizations are shown in Table 3. Although it is restricted to standardization of partial Ethics Management factors before 1990s, standardization of various Ethics Management factor has been accelerated so the dis-

discussion about standardization of systematically unified Ethics Management has been actively performed since 2000s.

Table 1. Contradiction of Capitalism and Solution

Research	Contradiction of Capitalism	Solution	Characteristic
Guy Sorman and others (1995)	durability of culture, occurrence of unemployment, unbalance, occurrence of poverty	moral and mental renovation, creation of job	decrease of private loyalty
Lawrence Klein and others (1997)	industrialism and enterprise-focused principle → the problem of environment, resource and population	synthetic economy	
Forge Sorcer and others (1998)	defect of market(financial separation, unstability) → neglect of joint profit, pursuit of market participant's private profit. political failure(degradation of representative democracy, loss of social value) → inefficiency, absence of the system to practice joint profit. international aspect(joint profit of the world, consideration of domestic profit as importance)	financial aspect → supervision and regulation of international organization such as IMF. political aspect → reestablishment of moral value, lead of successful person. international aspect → reinforcement of the regulation of international cooperation agency, establishment of the regulation of international society, reinforcement of citizen society	Importance of moral value
Kim Jin-Bang and others (2003)	USA-type capitalism → stockholder capitalism → maximization of the profit of enterprise and stockholder → hostile M&A, large amount of hire, gap between wealth and poverty, slump and sudden rise of stock, moral hazard of Management group	German-type line Model → board of supervision director, work training, joint decision making system, Management group that is familiar with manufacture Technology, embodiment of capitalism on the basis of the person concerned to interest, consideration of enterprise profit as importance rather than stockholder profit, long-term investment of bank, long-term possession of stock	small shareholder movement
Billemtott (2003)	long-term economic stagnation, weak to crisis	enlargement of public education, assistance to the minority with the agreement of the majority	
Gavin Kelly (2003)	development of new Technology, social unstability(security of laborer employment)	consideration of participatory capitalism as importance, creation of cooperative relationship between individual and enterprise, long-term investment of enterprise owner, long-term profit of organization investor, laborer's participation in employee stock ownership plans, prohibition of hostile M&A, social Responsibility, social insurance system, creation of good enterprise with long-term investment, realization of social Justice, etc	individual's self-control → assertion of participation and comprehension
Park U-Hui and others (2005)	unbalance, environmental destruction, exhaustion of resource	the problem can be solved when mind is right	

Table 2. Survey of Global Standard of Ethics Management

Classification	Ethics Management	Corporate Social Responsibility				NGO Management	Remarks
	Ethics Responsibility	Legal Responsibility	Economic Responsibility	Philanthropic Responsibility	Sustainability report	the person concerned to interest	
OECD	Ethics	Environment, human right, labor, <i>anti-corruption</i> , control structure	Economy	Society		Consumer	* multinational enterprise guideline (Chapter 1~ Chapter 10)
UN Global Compact	Ethics	Environment, human right, labor, <i>anti-corruption</i>					*10 principles
ILO		Labor				government, employer, laborer	* proper environment, creation of employment
ETI		Employment, labor				supplier, employee	* 9 main articles
SA 6000		Labor, employment			Responsibility to report to society		* on the basis of workshop, verification of observance, rating
WSSD		Environment	Poverty	Society	catalyst of ISO 14000		* protection of environment of the Earth(environment, unification and harmony of development system
PSGO		Law-abiding					* effective law-abiding program
BCMSS	enterprise behavior Management system	control structure, internal control					* danger control system
NBN	Ethics						* education / research of Ethics practice
BE	Ethics						* education / research of Ethics practice
GSP		environment, human right, labor, <i>anti-corruption</i>					
CERES		environment					

Table 3. Standard organization and Nonstandard Organization of Ethics Management

Classification	Ethics Management	Social Responsibility Management				NGO Management	Remarks
	Ethics Responsibility	Legal Responsibility	Economic Responsibility	Philanthropic Responsibility	Sustainability report	the person concerned to interest	
ISO					ISO 9000 certification ISO 14000 certification	customer, supplier, the person concerned to public interest	* induce from regulation to Management system
OHSA 18001		Health in workshop, safety					* discrimination/ rating/ Management
SIGMA		Environment	Economy	Society		the person concerned to interest	* proper and realistic index * discrimination/ removal/ prevention/ minimization
AA 8000	Ethics	Anti-corruption		Society	Ethics/ report of the performance of social outcome		* measurement/ supervision/ report
AENOR	Ethics Management system	Environment, control structure, transparency		Society			* Ethics and social Responsibility * development of financial organization
CRT	Enterprise behavior principle(Ethics)	Environment, illegal operation	Economy	Society		respect of the right of the person concerned to interest	* Ethics and social Responsibility
ICCR		human right, labor, environment	enterprise outcome index	Society	measurement and report of enterprise outcome		* association of non-religious alliance
IMD	Ethics	environment, transparency, internal transaction		Society		customer's satisfaction, supply of motive to employee	* competitive power report
WEF	Ethics	Labor, Corruption	Economy	Society			* competitive power index, social and economic problem
WB/BU		Corruption	Poverty				* reliance index
TI	Ethics	Anti-corruption					* BPI/CPI
LTI	Ethics					internal customer's satisfaction	* reliable Management index

Ethics Management Mechanism,	DJSI	FTSE4GOOD	GRI	IVA™	CoreRating
	<p>Environment: Environmental Policy/ Environmental Management/ Environmental Outcome/ Environmental report</p> <p>Economy: Enterprise control structure/ Behavior regulation/ kindness/ Corruption and Bribery/ CRM/ Financial Outcome/ Investor/ Danger Control</p> <p>Society: Enterprise's Social activity/ charity activity/ relationship with the person concerned to interest/ Labor standard index/ development of human resource/ Social report/ security and maintenance of competent person</p>	<p>Environment: Environmental Policy/ Environmental Management/ Environmental report</p> <p>Human right: Human right Policy/ Human Right Management/ Example and Outcome Report</p> <p>Society and the person concerned to interest: the policy to handle the person concerned to interest/ Management of the person concerned to interest/ example and outcome report</p>	<p>Environment: Material/ Energy/ water/ Various Discharges/ waste Material/ waste/ Supplied material and Service/ Observance of law/ Transportation/ Synthesis</p> <p>Economy: Customer/ Cooperative Company/ Staff/ capital provider/ Public part</p> <p>Vision and Strategy: will of the top Manager/ long-term Vision/ practice strategy</p> <p>Control structure and Management system: long-term vision/ control structure to perform social Responsibility/ organization Management system/ communication system</p> <p>Labor: Hire, Relationship between Management and labor/ Health Safety/ Education and Training/ Diversity and Opportunity</p> <p>Human Right: Strategy and control/ non-discrimination/ freedom of association and joint negotiation/ Child Labor/ Compulsive Labor/ Punishment Custom/ Preservation Custom/ Birthright</p> <p>Society: Local society/ bribery and corruption/ donation of political fund/ competition and price policy</p> <p>Product Liability: Customer's health and safety/ Product and service/ Advertisement/ respect of privacy</p>	<p>Environment: Environmental policy/ Environmental Management/ Management system/ Environmental Inspection/ Environment report/ Environmental Account</p> <p>Human Resource control: Fame/ change of Occupation/ endowment of Motive/ Diversity/ Prevention of Discrimination/ Environment of workshop/ HR Development/ Relationship between Management and Labor/ Education and Training/ Health Safety/ Compensation/ Commission of right</p> <p>Control Structure: Diversified director/ Independence/ Policy concerned to Bribery/ Adaptation/ Performance Level</p> <p>Other Issues: Creation of market/ Manufacture Strategy/ Technology Transfer/ Advertisement and Publicity/ Consideration of Local culture/ Human Right/ external Activity and Leadership</p> <p>Relationship with the person concerned to interest Stockholder/ Local Social program/ Social contribution/ the plan to cope with disaster/ Local Society sourcing/ observance of law/ woman/ restriction of minor Human race</p>	<p>Environment: Manufacture, Transportation/ Packing</p> <p>Employment: Hire/ Education/ Relationship between Management and Labor/ Health Safety</p> <p>Investment risk Factor: Brand Value/ Intangible Value/ asset of the person concerned to interest/ counterplan for regulation/ Legal Responsibility/ Human Resource control/ Business Capability</p> <p>Control structure and Ethics Business Ethics/ risk control/ investor's right/ relationship with investor/ release of financial information and audit/ possession structure and control</p> <p>Society: Local Society/ effect on the country</p> <p>The person concerned to interest governmental organization/ Investor/ supply of other persons concerned to interest</p>

Figure 2. Survey of Global Rating Model of Ethics Management

4. Global Rating Model of Ethics Management

From the aspect of measurement, rating and Management, "If it is not measured, it can't be managed and if it is not managed, it can't be measured". What standardization and quantification of enterprise's Ethics Management and social Responsibility are supported by various guidelines are very important result. As information release standardizations of Ethics Management and enterprise's intangible and unmeasurable aspects became global issues, GRI (Global Reporting Initiative) developed guidelines of Corporate Sustainability Management Report and hundreds of enterprises has published the report.

More over, in order to allow financial organizations to use released information of enterprise, rating or consulting organizations have been established with assistance of existing credit rating company. As investors got much profit by investing to the enterprise which has observed social Responsibility well, the current situation is that the voice to enlarge investment opportunity becomes louder.

The result of surveying global rating Model of Ethics Management that advanced global enterprises apply is shown in Figure 2. As it shows. it is found that they focus on the construction of credit on the basis of expectations, requests, desires, pressures and issues of various people concerned to interest and search wide Ethics Management based on Corporate Social Leadership by observing legal Responsibility, economic Responsibility and Philanthropic Responsibility and maximizing the value of enterprises.

5. Conclusion

It seems that the subject of worldwide people in 21st century is not consumptive ideology such as Capitalism and Socialism any more but focuses on which country or enterprise contribute to improvement of "Quality of life." The problem of global sustainability shows serious aspect from the recognition that Earth survives, society survives and enterprise survives.

Therefore if enterprise pursuits sustainability Development and prosperity in the site of coexistence with current mankind, it should enter the door of Ethics Management observing law and order and protecting principle and Justice and pursuit coexistence and mutual prosperity with socially responsible Management.

Because the definitions of Ethics Management and social Responsibility are told with various terminologies in domestic and foreign country, however, the reality is that enterprise has confusion in connection of Ethics with Management activity.

Therefore this paper considered general concepts concerned to Ethics Management (Ethics, business Ethics, Ethics Management, social contribution, social service, social Responsibility, enterprise corruption, corporate sustainability Management, etc). Author suggested concept di-

agram about Ethics Management and Mechanism of Social Responsibility in Figure 1 and defined the concept of Ethics Management as follows. "Ethics Management means Corporate Social Responsibility including Legal Responsibility, Economic Responsibility and Philanthropy Responsibility of all people concerned to interest and it is the Management activity to minimize risk and maximize the value of enterprise finally.

From the result of considering global standards according to suggested concept diagram of Ethics Management, as shown in Table 1, it was found that it is standardized to reinforce the regulation of international cooperation agency, establish the regulation of international society and reinforce citizen society. For example, its major characteristic is that many organizations including OECD, UN Global Compact and WSSD consider exclusive Ethics Responsibility while mainly handling legal responsibilities such as labor right, human right, environment and anti-corruption.

From the result of surveying guidelines of standard organizations and nonstandard organizations, as shown in Table 2. it was found that, although it was restricted to standardization of partial Ethics Management factors before 1990s, standardization of various Ethics Management factor has been accelerated so the discussion about standardization of systematically unified Ethics Management has been actively performed since 2000s.

From the result of surveying global rating Model of Ethics Management that is suitable for newly suggested concept of Ethics Management, as shown in Figure 2. it was found that it was supported by the results surveyed in global standards of Ethics Management, which are various guidelines and standards concerned to Ethics Management.

It is found that enterprises focus on the construction of credit on the basis of expectations, requests, desires, pressures and issues of various people concerned to interest and search wide Ethics Management based on Corporate Social Leadership by observing legal Responsibility, economic Responsibility and Philanthropic Responsibility and maximizing the value of enterprises.

Therefore advanced enterprises can measure the outcome of enterprise's Ethics Management and social Responsibility objectively, communicate consistently for the person concerned to interest, review long-term Management ideology continuously through Ethics Management, adjust Management strategy according to Management goal to achieve vision, prevent enterprise's risk in advance and finally achieve Management outcome so its suggestion is very important.

References

1. Park, Jae-rin, Lee, Jong-Beop, and Yun, Dae-Hyeok(2003), *Business Ethics Theory*, Muiyok Publishers.
-

2. Park, Heon-Junm and Kwon, In-Su(2004), "Recent Trend of the Study on Business Ethics and Assignment of Experimental Study," *The thesis announced in spring academic contest of KABE*, pp. 6-11.
 3. Sin, Yu-Geun(1992), *Business Ethics and Management Education*, Taxbible.
 4. Choi, In-Cheol(2002), *Existing Example of Ethics Management and The Method of Introduction*, Samsung Economy Research Center.
 5. Han, Jeong-Hwa, Kwon, Seok-Gyu, and Hong, Gil-Pyo(2002), "A Study on Ethics Management Rating Model of Venture Company and Practical Method," *Korea Venture Business Association*, Center for Venture Research.
 6. Han, Han-Su(2003), "The Effect of Ethics Management of Enterprise on Productivity," *Korea Productivity Association*, The Book of Productivity, the 17th Volume, the 3rd Edition, p. 27.
 7. The Federation of Korean Industries(2003), *2003 Enterprise and Foundation Social Contribution White Paper*, FKI Media.
 8. Lee, Mi-Suk(2003), "A Study on the Effect of Social Service Activity on the Decision of the Direction of Student Majoring social Welfare Science," Chung-Ang university.
 9. Yu, Nu-Ri(2006), "Effect of Enterprise's Voluntary Service Activity on the Enterprise's Image," Chung-Ang university.
 10. Sin, Yu-Geun(2001), "Management Regarding Society as Importance," Kyungmoon Publishers.
 11. Carroll, A. B.(1996), *Business & Society: Ethics & Stakeholder Management*, 3rd ed. Ohio South-Western College Publishing.
 12. Carroll, A. B.(1999), "Corporate Social Responsibility," *Business & Society*, Vol. 38, pp. 268-295.
 13. Kang, Cheol-Gyu(2000), "A Study on the Development of Enterprise Corruption Index Rating Model," Seoul Institute for Transparency.
 14. Lee, Jong-Woon and Ree, Sangbok(2005), "A Study on the New Ethics Management Model of Korean Enterprise in 21st Century: Focused on Traditional Confucian Ethics," proceeding spring of the Korean Society for Quality Management.
 15. Guy Sorman, Korea Economic Research Institute(translation)(1995), *End of Capitalism and New Century*, Korea Economic Research Institute.
 16. Lawrence Klein and other 54 persons, Korea Economic Research Institute(translation) (1997), *The future of Capitalism That I Think*, Hwanhwa Economic Research Institute
 17. Kim, Jin-Bang and Other 6 Persons(2003), *European Capitalism*, Pulbit Publishing co., Ltd.
 18. Billemott, Hyeong, Seon-Ho (translation)(2003), *20:21 Vision, Challenged peace, Suspicious Capitalism*, Thenanbiz Co., Ltd.
 19. Park, U-Hui and Lee, Eo-Ryeong(2005), *New Capitalism of Korea*, Pakyoungsa, Seoul.
-

20. Gravin Kelly and Other 20 Persons, Jang, Hyeon-Jun(translation)(2003), *Participatory Capitalism*, Mirae M&B.
 21. George Soros and Other 1 Person, Hyeong, Seon-Ho(translation)(1998), *Crisis of International Capitalism*, Thenanbiz Co., Ltd.
-