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## **A study on Ethics Management of Distributive Markets**

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### ***Abstract***

This study aims to draw up comprehensive ethical management practices so that companies can be reborn as high-quality companies not only at the level of management efficiency but also at the level of corporate integrity. -The main focus of in this study is as follows: To curb corrupt practices in the corporate sector, it is necessary to strengthen the monitoring function and accountability system of audits (internal audits, full-time audits, audit committees, external audits). In order for these system improvements to be made reliably, it is necessary to periodically measure and evaluate employee satisfaction with the overall personnel system.

**Keywords:** Ethical management, customers, responsibility, corporate culture of public enterprises, value coefficient.

### **1. Introduction**

Ethical management refers to “ethics” as the top priority in company management and business activities, and transparent, fair and reasonable performance of business activities based on the “ethics norms” of all business activities. In addition, the value sought by ethical management is to create a first-class 21st-century company that shares growth and value together with its stakeholders, customers, employees, shareholders, suppliers and communities.

Therefore, adherence to corporate ethics means that decision-making in a company is not based solely on economic principles, but is made on ethical judgment as a prerequisite, and is kept fair and justly beyond compliance with laws or government regulations. Thus, corporate ethics generally means 'the ethics that an executive or an employee should have in their business activities'. (2), Since the 1970s, Sudan has rationalized its purpose in the course of rapid economic development, so the issue of ethics throughout society has not attracted attention. Ethical management is now emerging as a key task in the process of seeking to rebuild the system to establish an economic structure to become an advanced country, not an economic structure outside the underdeveloped one. Furthermore, as the 21st century entered, anti-corruption moves have been strengthened, with economic organizations and advanced countries at the center, and efforts to prevent corruption in international transactions and induce fair competition among companies have paid off with the launch of the corruption round. In particular, the global trend of seeking transparency and fair competition in the economic system is expected to accelerate further with the corruption round. In the international economic society, corporate ethics are emerging as the best corporate competitiveness that companies in the 21st century should have, and corrupt companies and countries see their external competitiveness weakened due to the fall of international credibility.

In fact, given that corruption is the social and cultural product of the Han Dynasty, the prevailing view of the Korean people's way of thinking, values, behavior, and consciousness in the overall sense of Korea's civil culture can be seen as negative. This is because the cultural characteristic of Korean society is that it is compassionate and local factionalism rather than the Korean connectionism and rationality, which values delayed school ties.(1).

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This study aims to draw up comprehensive ethical management practices so that companies can be reborn as high-quality companies not only at the level of management efficiency but also at the level of corporate integrity. The purpose is to find ways to sublimate the culture of administrative proceduralism and organizational corruption, which are blocking companies' sense of corporate ethics, into an anti-corruption-inducing ethical management culture of desirable changes, and to find alternatives to establish individual ethical views of public corporations.

## 2. Precedent Studies

### 2.1. Literature review.

This study aims to draw up comprehensive ethical management practices so that public corporations can be reborn as high-quality companies not only at the level of management efficiency but also at the level of corporate integrity. The purpose is to find ways to sublimate the culture of administrative proceduralism and organizational corruption, which are blocking the sense of corporate ethics of public corporations, into an anti-corruption-inducing ethical management culture of desirable changes, and to find alternatives to establish individual ethical views of public corporations (3).

Samsung, SK and Hyundai are all world-renowned companies and are the nation's leading companies that contribute greatly to the national economy. However, these companies also provided the cause of anti-corporate sentiment as they received a lot of criticism from their customers, the people. Their impact on our economic growth is truly enormous. However, their achievements have never been achieved, and only anticorporate sentiment and voices of the public calling for the disbandment of chaebol are high. Our company has made numerous efforts and sacrifices for businesses and the nation, but the moment a single ethical mistake is illuminated by the media, such efforts and sacrifices have been wasted. Companies enjoy the best benefit when building trust with customers. And when corporate management is recognized to contribute to social development, such profits last long. After all, ethical management is the key. If ethical management recognizes that a company is a vanguard of protecting social values, it will be respected and loved by the people and will give wings to business activities. In a poll, 64 percent of the public stressed the need for ethical management. Ethical management is no longer a choice but a necessity. So many companies are already introducing ethical management, but what is proper ethical management? How should I manage ethics? Be at a loss for words.

Recently, more and more companies are introducing ethical management. Companies that have been widely mentioned in the news due to corporate ethics may not be bored with the news that they have consistently spent a large amount of money to set up altars and to return corporate profits to society, and that they have held a grand ceremony to declare ethical management. However, just one press conference does not allow companies to gain ethical authority in our society. Companies are spending a lot of money on social welfare, but people complain that they are not aware of their efforts. However, ethical management is not an actual management. Therefore, ethical management is more difficult than management innovation like Six Sigma. This is because ethical management must permeate ethical minds into corporate culture through constant learning and education. The company that customers admire is not a company that returns large amounts of money to society, nor a company that conducts a huge ethics management declaration ceremony, but a company that executes ethical management without sound. Ethical mistakes in companies led Enron, the largest energy company, and WorldCom, the world's top three accounting firms, to collapse, while Johnson & Johnson, who wisely dealt with the Tylenol poison case, moved customers up their credibility and put Tylenol back on top of the market share. The book teaches us a lesson in the increasingly diverse era: important topics that must be known by looking at the various examples of mistakes made by companies in their management. Through this we will learn not only the senseless behavior of enterprises but also the major causes and regrettable consequences of doing so. It will also gain new knowledge by thoroughly analyzing recent cases that have betrayed public trust to find out in detail the causes and consequences of events, reviewing cases from the perspective of business and society. And in the future, I was helped not to repeat similar mistakes again, (4) Shin Sang-hun also emphasized corporate social responsibility, claiming responsibility for customers, responsibility for creditors, responsibility for the community, responsibility for the environment, and

conflicts between corporate social responsibility and maximization of profits. Emphasizing the responsibility of corporate ethics, he emphasized the reasons for the ethical application of shareholder theory and management ethics. It also pointed out the area of pollution and resource depletion in ethics and ecological environment and emphasized the need for environmental preservation ethics. He argued that employment discrimination, worker rights, worker organization and ethics are important in worker rights. In particular, the distribution ethics emphasized the maintenance of personal information of each consumer in the distribution industry.(5)

## **2.2. Methodology.**

There have been attempts for ethical management, such as enhancing corporate ethics in their own way, but due to limitations in the system and operation, it resulted in a one-time situational event. Therefore, the study seeks to establish a detailed framework to promote more specific and innovative corporate ethics and ethical management awareness and to spread to sound corporate culture of public enterprises. It also focuses on enhancing anti-corruption awareness of public enterprises, the role of corporate ethics, and developing specific action plans to improve the functions of the clean public enterprise administrative system.

Key points the author emphasizes are as follows:

- First, to introduce the problems and limitations of the integrity of public corporations will be analyzed from the corporate and cultural aspects, and the improvement plan will be devised based on the current status.
- Second, to analyze legal problems.
- Third, to understand successful case analysis of advanced countries in ethical management.

## **2. Significance of Corporate Ethics.**

Keeping corporate ethics means that decisions in companies are not based solely on economic principles, but are made on ethical judgment as a precondition, and are kept fair and justly beyond compliance with laws or government regulations. Thus, corporate ethics generally means “the ethics that an executive or an employee should have in their business activities”. (6)

Ethical management refers to “ethics” as the top priority in company management and business activities, and transparent, fair and reasonable performance of work is carried out with all standards of business activities in the "ethics norms." In addition, the value sought by ethical management is to create a first-class 21st century company that shares growth and value together with its stakeholders, customers, employees, shareholders, suppliers and communities.

### **2.1. Corporate Ethics Element.**

Let's now look at the elements of ethical policy needed in the course of establishing corporate policy. To this end, it is necessary to first review the important characteristics of corporate policy ethics. The establishment of corporate policy ethics requires a practical approach away from the theoretical tendency of past ethics. If ethics is biased toward theory, it will waste energy only on theoretical debate, as was the case with the past 500 years of Joseon Neo-Confucianism and the past two or three hundred years of Western ethics, and it will be difficult to present practical measures necessary for business, society and individual life.

Corporate ethics should focus on practice without knowing, thus, business ethics should first be able to present policy policies that are the first half of the enterprise, and both entrepreneurs, managers and workers as the main players of specific economic activities can present action plans that should be implemented in specific corporate

activities, and further link them to the establishment and implementation of voluntary code of conduct. For business ethics as such practical ethics, it is important to establish ethics in the course of corporate policy first. That's because, if corporate ethics are not applied from the process of establishing this corporate policy direction, the practice of each entity and each entity as an organism will be weakened, and after the establishment of the corporate policy ethics, it is easy for it to be embodied as an ethics in each function within the entity in each field of production, marketing, organization, finance, finance, etc, (7).

To establish ethics in the process of corporate policymaking, it is necessary to develop and practice comprehensive ethics that can reflect the characteristics and virtues of corporate policy ethics discussed above in corporate policy. And the comprehensive ethics of corporate policy are three important factors that must be considered in the course of establishing corporate policy:

- First, a company's self-interest embodied in its identity and sense of expansion of self-organization.
- Second, multi-responsibility embodied in the pattern of changes in the value coefficients and increased sensitivity to the views of the group people responsible by the company.
- Third, it consists of a social vision embodied in the short-term and long-term vision of business behavior and the vision of a safe environment for human habitation (8).

## 2-2. Shinsegae Distribution Company

Shinsegae is producing its own in-house broadcasting series on ethical management practices and social contribution activities by foreign companies. The move is aimed at encouraging employees' awareness of ethical management by introducing examples of ethical management practices by advanced foreign companies. It is also collecting examples of ethical management practices by foreign companies through the Internet or individual visits. Cases obtained by being neglected by foreign companies, such as "why ask the obvious story" or "We cannot disclose detailed corporate management principles to Korean companies," are the foundation of Shinsegae's ethical management.

Shinsegae is putting into practice the cases of Japanese automakers Toyota, Honda and U.S. household goods maker Johnson & Johnson's respect for their partners. This is because for Shinsegae, which has more than 6,000 suppliers, it is essential to establish a partnership with suppliers to strengthen their competitiveness as well as to implement ethical management. The president himself is an instructor, inviting CEO's and executives of partner companies to hold a seminar on ethical management and investigate their satisfaction every year. In the early days of the introduction, the response rate was around 5 percent as there were many partners who were skeptical about Shinsegae's ethical management, but later it rose to the 20 percent level.

A notice is posted at Shinsegae's headquarters' partner consulting office, urging employees to file complaints demanding money or entertainment. It is modeled after the "Don't entertain" notice hanging in the Wal-Mart partner's consultation room. It has introduced a hotline system run by Japanese retailer Itoiyokado. All internal employees who deceive the country of origin or supply counterfeit goods, as well as those who make unfair demands to their suppliers, are subject to complaint. Through the hotline, the president of a partner company accused Shinsegae employees of unfair demands. It also suspended transactions with one of the three suppliers who provided gifts to Shinsegae employees during holidays and restricted transactions of two. The system is being established.

It will also operate a counseling office for online suppliers, where suppliers will propose or consult on the delivery of products through the Internet, and the contents of counseling will be disclosed inside the company.

Shinsegae Department Store and Shinsegae E-Mart stores do not sell kimchap with pickled radish and eggs in the summer. This is because it can easily go bad in the summer, which can cause food poisoning accidents. It is modeled after the ethical management of Nestle, a Swiss food company, that said, "We will not sell products that

threaten the safety of customers even if sales decrease." Shinsegae has also begun work to root out ethical management within its organization, such as the U.S. paper company International Paper. For example, the company has made a mascot for ethical management and uses it for vending machine cups, as well as employee notebooks and settlement trials. (9)

It also strengthened its evaluation program to establish ethical management, benchmarking the ethics management evaluation system of multinational household goods company Johnson & Johnson, raising the proportion of ethical management from 10 percent to 20 percent in executive evaluations. It also gives "the target of ethical management" to exemplary employees who have practiced ethical management, including community service.

### **2-3. Lotte Mart.**

Lotte Department Store won the "Korea Ethics Management Award" in recognition of its will and efforts for ethical management, including the CEO's strong will for ethical management, a systematic ethical management-related system, and various activities for shared growth with partner companies. The "Korea Ethics Management Awards" is an annual award given to public institutions, public corporations, general enterprises, and non-profit organizations in Korea by the Korean Ethics Management Association. The Korea Ethics Management Association was launched in October 1998 and is an academic society composed of about 100 professors of business administration at 36 universities in Korea for the purpose of academic research related to business ethics. Lotte Department Store aims to implement "fairness management" that emphasizes ethics and morality, and all executives and employees are practicing ethical management, focusing on CEO's. Lotte Department Store has established and operated four major strategic tasks, including strengthening the ethical capacity of executives and employees, preventing and improving ethical standards, raising the image of ethical companies, and improving inefficient work. Lotte Department Store also operates a system in which all executives and employees can participate in ethical management practices.

First of all, Lotte Department Store is running an ethics management website <http://ethics.lotteshopping.com>(10).

Inside the website, the company provides data related to Lotte Department Store's ethical management, and operates an online ethics counseling center and a hotline. Anyone can report the unethical behavior of Lotte Department Store employees through the ethics hot line. It also operates a clean center at each headquarters and store, establishing a culture of "no gift" in-house and spreading it to partner companies.

Last year, the government conducted a total of 200 customized ethical education sessions for each job and position to strengthen awareness of the importance of ethical management. In particular, all executives and employees of Lotte Department Store put the phrase "quality management" in their business cards and fill out a pledge to practice quality management in January every year.

To implement ethical management, Lotte Department Store is also stepping up its shared growth activities by helping its partners manage funds smoothly and expanding domestic and overseas markets. First of all, Lotte Department Store has been operating the "Combined Growth Fund" since 2009. Through the 105 billion won fund for shared growth, partners can take out loans at lower interest rates than market rates. Since 2014, Lotte Department Store has also been operating Dream Plaza, a sales center exclusively for small and medium-sized partners. Dream Plaza is the first small and medium-sized business win-win center introduced by Lotte Department Store to expand the market for small and medium-sized companies, and is operating a total of four stores, including its main and Jamsil branches.

In particular, Lotte Department Store is responsible for the overall operation, including Dream Plaza's interior costs and sales personnel expenses. Since last year, the company has also been holding overseas purchase

consultation sessions to explore overseas markets for small and medium-sized partners. It is also being evaluated for proper ethical management through external agencies. Lotte Department Store conducts “ethics management evaluation” in conjunction with the Korea Management Association (KMAC) in the second half of every year. During the evaluation period, the Korea Efficiency Association conducts surveys and in-depth interviews with employees and colleagues of partner companies to evaluate 45 items including ethical management, fair trade, communication and power abuse.

Kang Hee-tae, CEO of Lotte Department Store, said, “I think it is good that all executives and employees have a strong will and have participated in ethical management practices over the years”. Lotte Department Store announced on the 19th that it has recently established a quality management committee to implement new policies for ethical management and quality management. Lee Won-joon, CEO of the committee, will be the chairman and 11 executives from each sector, including the head of the ethics management division, will participate. It will also introduce a "clean card" system that has functions for payment industries (entertainment, leisure, entertainment, etc), and usage time limits (from 0:00 to 5:00 a.m.) to prevent the unfair use of corporate cards. The government will establish an ethics management evaluation system in conjunction with an agency that evaluates national integrity. Each sector will be evaluated according to items such as ethical management, fair trade, customer information protection, and win-win efforts, and the superior sector will be given an “ethics target” at the end of the year and given a reward. It will also provide ethics management training for executives and employees. While posting a webtoon titled “Ethics Management Manual” twice a month on the company’s website, it will also produce a guidebook for ethical management that explains how to respond to situations and distribute it to executives and employees starting next month. It will also open a special program for ethics education for managers. It also sent a message of “CEO integrity” to its suppliers and purchasing contractors, pledging to carry out their work ethically. Yoo Young-taek, head of the ethics management division, said, “Ethics management is a must, not an option, as a first step in corporate activities that fulfill social responsibilities”, adding, “We will plan and carry out various events and campaigns that will raise employees interest in ethical management”. They argued that they only provide honest information to create the right customer value. Keep in mind that providing false or exaggerated information to customers for short term revenue growth or profit is a momentary blow to the trust our colleagues have built with customers. Information that can have a significant impact on customers should be actively disclosed even if it is against us. Employees responsible for marketing products and services or communicating with customers must be familiar with and comply with the relevant statutes and company regulations in advance.

For example:

- When producing promotional materials, make sure that they do not contain inaccurate information.
- Thoroughly check if external marketing materials are not true and that intellectual property rights are not infringed.

**Avoid marketing that indiscriminately criticizes competitors products and uses distorted information based on non-objective information. Special care should be taken not to violate fair trade laws, etc. when referring to competitors products.**

- When producing marketing materials, avoid ambiguous or exaggerated expressions and use words that have clear meanings.
- When information about products and services is changed, notify relevant departments quickly so that product information can be accurately reflected in marketing-related materials.(11)

### 3. Limitation: Issue of Legal and Ethics Constraint

First, our country's distribution companies are causing problems due to conflicts with small businesses due to legal regulations. In the first trial, the court saw that the business restrictions would improve the health of workers at large discount stores and help increase sales of small and medium-sized retailers, but the appeals court’s judgment was different. Considering the fact that working conditions for small merchants and workers in

traditional markets are worse than those of large-scale stores subject to disposal, the court judged that the purpose of the restriction is not to consider workers' right to health. The local governments subject to the lawsuit were also divided over the fact that the ordinance prohibits business operations uniformly from 0:00 a.m. to 8:00 a.m. the following day, and that the second and fourth Sundays of each month were designated as holidays. The first trial court saw it as legitimate on the grounds that 'if the time limit is different, it is rather confusing' (12).

Retail companies should not just blame the government for the power's sense of power or coercion, but should take this opportunity to create an opportunity to root out the link between politics and business. The government should break down old remnants at the request of the era of ethics management. Only then will economic justice be established.

Second, practice standards should be adjusted to meet accounting standards. Countries around the world have secured transparency in accounting, auditing and corporate governance based on international anti-corruption practices. The fact that the head of Samsung, a top-tier company with sales of more than 400 trillion won worldwide, has much room for disadvantages or discrimination in international anti-paradise and international bidding. To that end, the government should raise awareness of anti-corruption by conducting ethical management.

Third Lack of corporate culture and innovation abounds in corruption and injustice. To that end, the government will have to create an internal control system and remain aloof from outside political power. Samsung's move to get approval from its board of directors for more than 1 billion won in contributions or to withdraw from the FKI to establish a new management system is highly appreciated.

People will hope that companies will continue to be super-enterprise not only in Korea but also in the world through technological innovation. The government should secure an ethical management system commensurate with its size or status as a top-tier company and enhance its social responsibility.

#### **4. Improvement of plan and Efforts**

In order to strengthen the competitiveness of the distribution industry, Development of the chain business, development of the non-store sales business and Other policies necessary for strengthening the competitiveness of each sector of the distribution industry shall include the following:

1. Business status at home and abroad.
2. Matters concerning development strategies by industry and type.
3. Matters concerning the enhancement of awareness of the distribution industry.
4. Matters concerning the training of professional personnel.
5. Matters concerning the smooth distribution of relevant information.
6. Other matters necessary for the development of the distribution industry or the strengthening of competitiveness.

The head of a government or local government may provide necessary administrative and financial support. Distribution companies should also strengthen their own ethical management and trust management to fulfill their business ethics and social responsibilities in the distribution industry.

##### **4.1. Legal and institutional measures.**

###### **A. Improving the non-executive director system.**

The institutional-level responses to address moral hazards of companies and financial institutions include the outside director system and the minority shareholder movement. The function of corporate supervision through the outside director system and minority shareholder movement is largely determined by unofficial social norms

rather than official regulations and has a kind of social sanctions effect. (13).

Existing empirical studies on the improvement effects of boardroom organizations, including outside director systems, generally argue that these systems have positive consequences in enhancing corporate value. Indeed, the Gumi-style board of directors has a different structure, both legally and formally, but it is consistent in that it institutionalizes forces outside the enterprise in any way. However, due to the difficulty of securing outside directors with independence and expertise at the same time, conflicting opinions coexist even in the U.S., where the outside director system is most developed. In other words, outside directors should be able to give professional advice while being outside the company, and to this end, they should be deeply involved in management while maintaining a critical and independent attitude (14

In order to vitalize the functions of the board of directors, a key element of the internal governance structure of public corporations, and to strengthen the autonomous corruption control function of public enterprises, the independence and expertise of outside directors should be secured, among other things. In order to strengthen the role of non executive directors and take advantage of their expertise, it is necessary to introduce a specialized committee system. The professional committee system is mainly composed of non-executive directors, and the audit committee corresponds to a representative type of such professional committee system. In addition, investment committees, public committees and senior committees may be established and operated as specialized committees. Among them, the tentatively named, Public Committee can be used as an anti-corruption task force by carrying out its functions such as policy and supervision on business ethics and revision and management of the Code of Ethics.

It is also necessary to expand the number of outside directors to less than 20 and raise the composition ratio of non executive directors from the current 50 percent to 60 to 70 percent for the operation of the board of directors centered on outside directors. In the U.S., the president serves as the chairman of the board of directors, while the ratio of outside directors and in-house directors is 3:1.

In addition, it is also necessary to secure representation that can balance the interests of various stakeholders in the appointment of non-executive directors. Therefore, the formation of an outside board of directors can be considered by dividing it into representatives of the public interest, representatives of experts academic circles, and representatives of civic groups by a certain percentage. In addition, the board may consider accepting the functions of the "Open Management Committee", which is currently organized and operated by consumer representatives separately from the board of directors (15).

#### **4-2. Strengthening the monitoring function and accountability system of audit.**

To curb corrupt practices in the corporate sector, it is necessary to strengthen the monitoring function and accountability system of audits (internal audits, full-time audits, audit committees, external audits). It is also time to recognize that those in charge of auditing are responsible and responsible for monitoring and curbing corporate corruptions, and that they can contribute to transforming our companies and society into advanced ones, and to have a sense of crisis that they will face risks if they neglect them. For this to happen, independence and expertise of audit functions must be secured, especially for the corporate ethics of the Texas Instruments Company, "Know what's right. Value's right. Do what's right. Know what work is, cherish what is right, and do what is right".

This should be emphasized. In order to enhance the independence and efficiency of the internal audit function of government-invested institutions, strengthen the management monitoring function, and block the passage of parachute personnel, the government needs to consider abolishing the current audit system and introducing an audit committee system consisting of outside directors. In order for an audit to effectively perform its management monitoring and control functions, the independence and expertise of the audit must be secured. Despite the improvement in the audit term and appointment system, the issue of parachute personnel has not improved, and the appointment of non-professionals has weakened the internal audit function of government invested institutions. Therefore, it is believed that abolishing the current audit system and introducing an audit committee system as one of the board members' expert committees could also help strengthen the internal supervisory function for CEO's



and eliminate disputes over parachute appointments. Under the government proposed measures to improve corporate governance, financial institutions and listed companies with assets of more than 2 trillion won are required to set up an audit committee. When the audit committee system is introduced, the current full-time audit shall be abolished, the audit and inspection right, the reporting request and investigation right to the company, and the authority of the board of directors shall be partially delegated, and the investor shall be held liable for damages for the poor audit. Such an audit committee system is a device that guarantees transparency in corporate management, which will increase the company's external credibility, while the audit committee's audit committee members will be held accountable, so they should have expertise in audit work. (16).

#### **4-3. Promoting a career development system that supports individual growth.**

One of the measures to prevent disputes over unfairness in personnel management is to operate a career development system (CDP) for all employees, in which individuals and organizations design and manage their career paths from joining the company to retirement. The career development system could reduce unfair disputes in personnel management by giving employees predictability of their promotion and employment routes. In order to ensure that these career development systems operate effectively, the following efforts need to be systematically developed:

#### **4-4. Measuring and refluxing employee satisfaction with the personnel system.**

In order to ensure fair and predictable personnel management, the personnel system should be continuously improved. In order for these system improvements to be made reliably, it is necessary to periodically measure and evaluate employee satisfaction with the overall personnel system. In other words, it is necessary to conduct regular surveys on overall satisfaction with personnel management (promotion, placement, education, self-development, etc) and rationalize and supplement the personnel system based on the results (17).

#### **4-5. Measurement and promulgation of the Integrity Index.**

The Anti-Corruption and Civil Rights Commission and the Past Integrity Committee tried to induce anti-corruption efforts among agencies by evaluating the integrity of the relevant public institutions, including civil petitioners, and by measuring and indexing the actual state of corruption, anti-corruption equipment, and anti-corruption efforts. This focuses on assessing the actual state of implementation of anti-corruption by public institutions and reforming the corruption-causing administrative system.

### **5. Conclusion**

In our society, it is very difficult to set discipline by correcting something wrong. One reason is that it is not established as a system of agreed standards that specifically points out what is wrong. But the more serious reason is that the core of our society is not firmly established, and many elements of the social system do not function harmoniously. For this reason, interest groups often fail to resolve their differences and conflicts of interest through dialogue and agreement, but continue to engage in wasteful conflicts.

The framework of ethical compliance is the source of responsibility and obligation in the relationship between members of society, so ethical management is inevitable for companies to obtain support and cooperation from stakeholders. Many existing studies demonstrate that ethical management has a positive impact on corporate performance, directly and indirectly. Ethical management has resulted in various positive phenomena within the organization, including cooperative phenomena, which improve the ability to adapt to the changing world and bring meaningful differences with the financial indicators of companies. That it is a factor that enhances the competence of economic players at both the corporate and individual levels.

However, it is hard to expect that ethical management is being faithfully carried out in our industry or that such

management practices will be carried out in the future. Regardless of the size of the company, there are only a few cases in our society where the corporate ethics system has been introduced and institutionalized, but it lacks concreteness. In order for ethical management to take place, it is a question of whether to operate it to its original purpose along with a specific system to promote it, which in turn leads to the issue of individual personality (18).

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