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Ethical Commitment and Long-Term Performance: A New Era for Korean Companies

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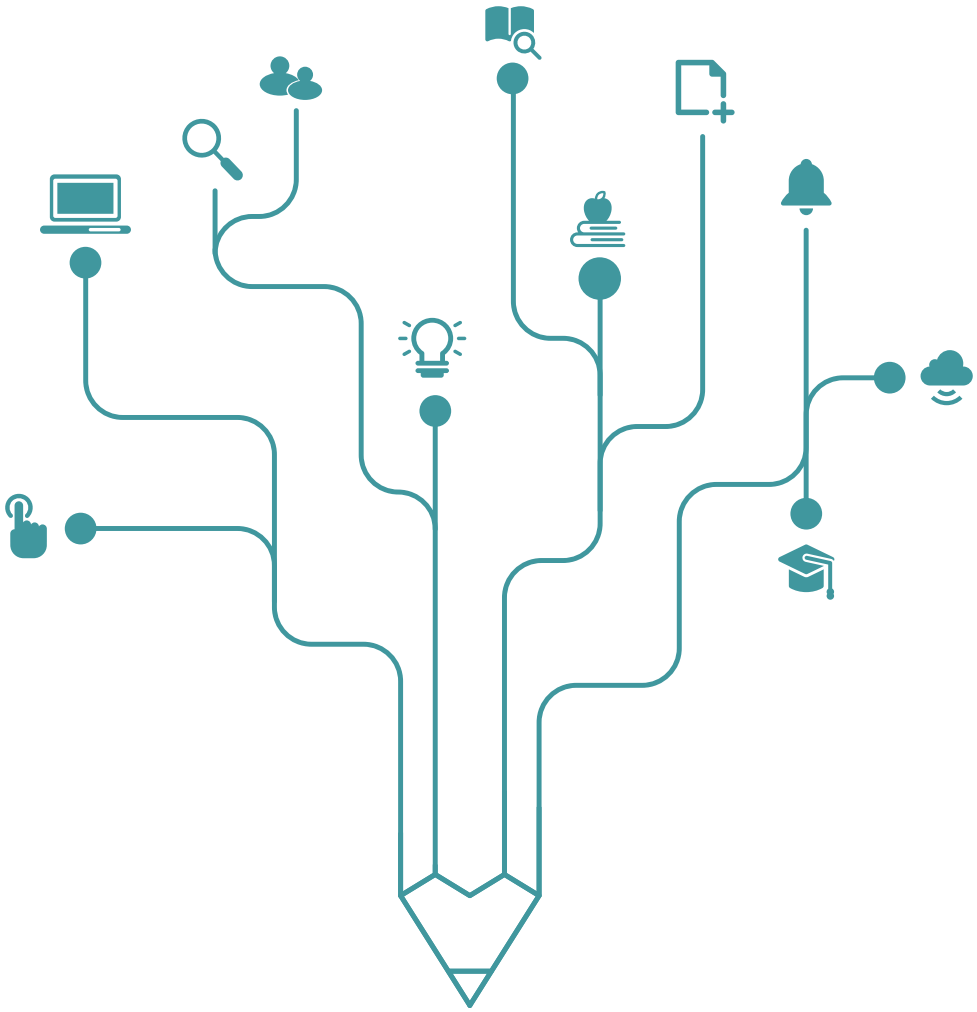

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Ethical Commitment and Long-Term Performance: A New Era for Korean Companies

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Abstract: What is the current state of ethical management, especially in the context of AI's growing influence on daily life and business practices? In the last 20 years, the focus has been on institutionalizing ethical management. Post-2015, companies have actively engaged in this process. The goal is to make these ethical systems integral to organizational culture and norms for all members. The United States' SOX Act, following the Enron scandal, exemplifies such institutionalization, promoting transparent governance.

Key findings include: firstly, CSR now emphasizes a variety of stakeholders, including customers, employees, and shareholders. COVID-19 has highlighted the significant role of businesses in addressing environmental issues, leading to a focus on ESG management and sustainable practices. According to Pfeffer and Salancik's Resource Dependence Theory, decision-making in organizations is more influenced by external resources than internal factors. A collaborative approach, as opposed to Porter's Five Forces' competitive model, is becoming more prevalent, turning diverse stakeholder relationships into competitive advantages (Ha and Park, 2022).

The study suggests ethical conflicts still exist despite progress in ethical institutionalization and awareness. The recent generational shift in corporate leadership to the MZ generation and third-generation managers implies a growing integration of fairness and justice in ethical management. The paradigm of ethical management is shifting towards a framework beneficial to society, emphasizing sustainability and compliance with environmental changes. This paradigm shift necessitates a corresponding change in the framework of institutionalization and normative perception of ethical management.

Key words: Ethical Management, Institutionalization, Corporate Social Responsibility, ESG

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Management, Stakeholder Theory, Organizational Culture, Long-Term Performance, Korean Companies.

JEL classification: F2, M5, Z1

1 Introduction

There have been many changes regarding corporate ethics around the turn of the 21st century. International standards such as the "1997 OECD Anti-Bribery Convention" and the "2003 OECD Anti-Corruption Convention" have become benchmarks for ethical corporate management. Korea experienced the IMF bailout and foreign exchange crisis due to corporate governance issues, lack of transparency, and unethical management. Although companies declared the necessity of practicing Business Ethics (BE) to enhance competitiveness, the effectiveness was not significant (Lee, 2016). In other words, Korean companies often used BE more as a means to improve corporate image than as a strategic approach to creating core competency value even describes this as an 'infant stage' of BE, where fundamental unethical issues in Korean companies are not being resolved (Lee, 2016) .

In the West, BE is based on compliance, focusing on corporate image conscious of customers and society, and has evolved into a strategic management tool impacting financial performance and corporate value. Accounting scandals such as the Enron and Worldcom in the U.S. led to the enactment of the Sarbanes-Oxley Act, and unethical issues related to Libor rate manipulation by major global banks like Barclays and UBS in the UK had a significant global impact. Recently, IKEA's greenwashing scandal led to substantial corporate image damage. These unethical practices are often due to CEOs and executives not having proper standards for ethical dilemmas (Lee, 2007).

For a long time, as a rapidly growing country, Korea prioritized policies focusing on industrial and corporate growth, where ethical issues did not play a critical role in corporate management. Issues like political-business collusion, conglomerate-centric industrial policies, and opaque corporate governance have been problematic from an ethical standpoint. These issues eventually led to the IMF economic crisis, after which there was an increased interest in practicing and institutionalizing BE.

The necessity of BE is linked with the advancement of corporations and nations, and there was high interest in BE's execution equating to enhanced corporate competitiveness. Before the 21st century, Korea's BE was discussed from a normative and moralistic viewpoint, limited to a display-oriented approach. With the advent of the internet, correct corporate management and decision-making began to be recognized as means to enhance corporate reputation and image. The focus of a company's purpose on economic or social value determines the range of BE choices. There is no robust causal relationship between BE and financial performance or corporate value, and variations can be seen depending on mediatory processes (e.g., legitimacy perception) or situational context (Lee and Ham, 2016; McGuire et al., 1988).

BE's positive impact on financial performance is based on studies and is distinguished as 'good management' and 'slack resources,' with increasing emphasis on the effectiveness of correct management (Cummings, 2000; Waddock and Graves, 1997).

BE is now a core part of corporate management, and the perspective is how it can be used as a strategic measure. BE is the backbone of alternative approaches to excessive competition and performance-oriented capitalism, as well as in ESG management, emphasized by environmental and climate threats highlighted by COVID-19. BE is intrinsic in explaining the role and function of corporations in social responsibility (CSR), shared value creation (CSV), sustainable management, and ESG management.

This study aims to distinguish and clarify the trends and characteristics of ethical management in Korean companies over time. Firstly, it seeks to compare and analyze employee (mainly managerial level) perceptions of BE issues at two points in time, 2005 and 2015. The reason for measuring employee perception is because beyond the mere existence of a system, the genuine perception of BE's authenticity is important (Koo and Shim, 2017). Study 1 of this research compares the same questions at two specific points in time to understand the ten-year trend of BE. This period marks a time when Korean companies and society began to view BE from a new perspective, recognizing its significance as a strategic tool. Therefore, this period can be considered as the institutionalization phase of BE, where many research and status surveys were conducted. However, as Verschoor (1998) mentioned, BE should be based on genuine institutionalization and commitment, not just as a defensive measure to avoid compliance or regulations.

Despite numerous studies, there is a lack of clear comparative research from different per-

spectives. In other words, most studies are one-spot studies, and there is a lack of comparative research between different points in time. This study is significant in that it specifies the years 2005 and 2015 to understand trends and changes. Additionally, the research results from these surveys will be indirectly compared with numerous other results (academic research or research reports data searched through Google) conducted and reported during this period to analyze the maturity process of BE.

Second, a comparative analysis requires a benchmark standard, and this study aims to conduct such an analysis focusing on specific issues related to Business Ethics (BE). Issue 1 is about the target of Corporate Social Responsibility (CSR). Traditionally, social responsibility has been directed towards shareholders (as argued by Milton Friedman), but has expanded to various stakeholders (customers, employees, partner companies, government, local communities, shareholders, etc.), as proposed in Freeman's stakeholder theory. This study emphasizes understanding the appropriateness of CSR targets. Issue 2 deals with the causes of ethical conflicts and dilemmas, intending to clarify their origins and compare them across specific periods. Issue 3 is about the institutionalization of BE, examining efforts organizations make for the development of BE from the perspective of institutionalization. Issue 4 explores the reasons behind not whistleblowing or reporting unethical situations in relation to BE, aiming to understand the detailed situations of BE. Issue 5 looks into the factors influencing ethical or unethical decision-making, and Issue 6 focuses on identifying the determinants that influence the development of an ethical organizational culture. While these six key issues are the focus, the study also seeks to understand the state of BE in 2005 and 2015 through a comparative analysis of various perspectives on BE and the responses to them.

Third, to grasp recent trends in BE, the study involves searching for "Ethical Management in Korea" on Google and academic research through the DBpia database since 2015. This period is considered significant due to the impacts of COVID-19, the Fourth Industrial Revolution, and AI technology on business activities and their role in transforming thoughts about BE. The study aims to synthesize the findings and claims of these six key issues after 2015 and compare them with the results of Study 1, which examines the years 2005 and 2015.

The characteristics of this research are: First, it dynamically tracks the same survey content over a decade. Second, it examines employees' (specifically managers') perceptions based on the institutionalization (explicit evidence) of BE practices or systems. The perception of em-

ployees regarding institutionalization represents another dimension, suggesting internalization or embedding of these systems within the organization. There is growing interest in whether employees' perceptions of BE, which are internal stakeholders, impact actual BE practices more than the perceptions of external stakeholders. Third, as many studies on BE focus on phenomenological analysis or validation of research models, a review study like this one, focusing on trends and developments, is considered highly meaningful due to the inadequacy of such perspectives in existing research.

2 Study 1 - Comparison of Managers' Perception of Corporate Ethics (2005 vs. 2015)

2.1 Prior Studies

The issues and key concerns regarding Business Ethics (BE) change over time. The ethical development of a nation or a corporation is related to the maturity and advancement of that institution. In the United States during the 1960s, ethical issues began with inequality and anti-discrimination and expanded to include corruption eradication and environmental issues. The primary method of addressing these social issues was through legislative enactment. This content is summarized in Table 1.

The year 2000 marked a point where a new role was emphasized from the perspective of BE. In the United States, the foundation for BE legislation and social atmosphere was established before the 2000s, but in Korea, following the IMF economic crisis, there was a lack of adequate recognition of the necessity for global requirements, and the response was merely reactive. However, the convergence of BE in society and corporations is similar in both the United States and Korea, albeit with temporal differences.

In the U.S., the enactment of Title VII of the Civil Rights Act of 1964 prohibited employment discrimination in corporations, marking a development in BE. However, the evolution of BE was more evident following corporate corruption scandals (seung Kim, 2018). The year 2005 was a time when criticism of corporate corruption and immorality, such as the bankruptcy of Enron in America, was rampant, and there was a shift in corporate auditing standards and an emphasis on the effective operation of ethical management. However, for the concept of BE

Table 1: Major Ethical Issues by Era

Decades	Major Ethical and Conflict Issues	Social Atmosphere and Compliance Programs
1960	· Increased employer-employee conflicts	· Post-Vietnam War social instability,
∼		decreasing employee loyalty to employers
1970s	· Civil rights issues	· Emergence of codes of ethics and value statements,
		CSR (Corporate Social Responsibility)
	· Military industry corruption scandals	· Corporate responsibility for overseeing ethical issues
		in compliance and HR departments
	· Economic recession	· Foreign Corrupt Practices Act 1977
	and rising unemployment	
	· Social atmosphere demanding	· Punitive level of Business Ethics (BE) in its infancy
	corporate ethical responsibility	
		· Approach to unethical behavior more from a values
		perspective than legal compliance
1980s	· Practices of bribery and illegal contracts	· U.S. government code of ethics (1980)
	· Improper solicitation	· General Dynamics' first BE department head appointment (1985)
	· Deceptive advertising	· Defense Industry Initiative regulations (1986)
	· Financial fraud (e.g., loan scams)	· Establishment of corporate ombudsman systems and ethics departments
	· Enhancement of corporate transparency	· Punitive level of BE still in its infancy
		· False Claims Act
1990s	· Third-world countries: Hazardous working environments	· U.S. Federal Sentencing Guidelines for Organizations (FSGO 1991)
	· Corporate responsibility for personal harm (e.g., tobacco, chemical companies)	· Class actions (e.g., Pacific Gas & Electric)
	· Financial mismanagement and fraud	· Specialization of ethical functions, EOA launched in 1992
	· Global management and associated problems (e.g., child labor)	· Transparency International (TI) Corruption Perception Index released in 1995
	· Enhancement of corporate transparency	· Royal Dutch Shell International's annual report on ethical performance
2000s	· Cybercrime	· Amendment of FSGO; Sarbanes-Oxley Act 2002
	· Privacy issues	· Strengthening of CSR and integrity management
	· Financial mismanagement	· Integration of ethics and compliance functions
	· International corruption and intellectual property theft, increasing corporate responsibility for sustainable development	· Excessive layoffs and employees' distrust and excessive competition within companies
2010s	· Transparency-privacy conflicts	· Rising income inequality and the widening gap between management and employees
	· Increased diversity in the workforce and the need for new standards	· Increased expectations for transparency from managers and growing corporate responsibility for sustainable development
	· Corporate responsibility towards shareholders and society, increased role and responsibility in environmental sustainability	· OECD publication: Good Practices Guidance for anti-bribery compliance programs
	· Pervasive cynicism and distrust towards American companies (e.g., Occupy Wall Street movement)	· U.S. Securities and Exchange Commission (SEC): Dodd-Frank Wall Street Reform and Consumer Protection Act

Notes to Table 1:
The content is based on resources from
https://www.ethics.org/resources/free-toolkit/ethics-timeline/#60.

to be institutionalized and established as a management practice, it requires more than just institutionalization; managers and employees must truly internalize the understanding of BE. Therefore, research at that time focused on understanding the perception or awareness of BE.

Initial studies classifying research related to BE into issues were conducted by (Collins, 2000). Collins (2000) categorized the key issues of the first 1,500 papers published in the Journal of Business Ethics from its inception in 1982 until 2000. These issues include 1) the prevalence of ethical behavior, 2) ethical sensitivity, 3) ethics codes and programs, 4) corporate social performance and policies, 5) human resource practices and policies, and 6) ethics in accounting/finance/marketing.

2.1.1 Corporate Ethics Prior to 2005: The Nascent Stage

A search for "Business Ethics" in the DBpia database from 1995 to 2005 yielded approximately 36 papers, quantitatively and qualitatively inferior compared to concentrated international research. During this time, the level of Business Ethics (BE) in Korea was considered low in the global context (Park and Lee, 2002a; Lee and Yoshihara, 1997). Korean research on BE primarily focused on the normative imperative perspective, emphasizing the need for ethical institutionalization to meet global demands (Lee Jong-Young, 1998). Yang Ga-Yoon (1993) provided a theoretical foundation for early corporate ethics, while Cho Byung-Tae and Yang Ki-Yoon (2002) highlighted the necessity of Korean corporate ethics, proposing a model for ethical behavior including the role of CEOs, building an ethical organizational culture, ethics charters, and ethics evaluations. Research for practical BE implementation Park and Lee (1996), BE education (Shin Yu-Geun, 1997), emphasizing BE as a source of CSR management and corporate competitiveness Lee (1997), differences in BE attitudes based on national cultural differences Jung (1998), and analysis of BE status Park and Lee (2002a) were conducted from various perspectives. Park and Lee (2002a) also examined the trends in BE from 1991 to 2001, emphasizing the necessity of BE in the context of CSR over the decade.

However, Kim Yong-Dae (1996) suggested that a focus solely on the social legitimacy of management perspectives can lead to conflicts between ethical performance and business performance, advocating for a balance between the two in BE. Additionally, corporate ethics research prior to 2005 primarily focused on normative perspectives that corporations should adopt. In practice, however, companies were more concerned with growth and competitiveness, treating

corporate ethics as a means of enhancing external image or as merely declarative ethical management. This situation led employees to experience a dilemma or conflict between the ideals and reality of ethical management, as superficial declarations and institutionalization of corporate ethics did not significantly influence actual work practices or HR policies (Verschoor, 1998).

2.1.2 Corporate Ethics from 2005 to 2014: The Institutionalization Phase

The institutionalization of ethical management is differentiated into explicit and implicit forms (Yang and Park, 2010; Brenner, 1992; Vitell and Singhapakdi, 2008). This era primarily focused on institutionalizing ethical codes, education, and non-ethical reporting channels. However, implicit institutionalization refers to the ethical atmosphere or culture of an organization and shared values among members. Brenner (1992) defines ethical organizational culture as shared ethical values, encompassing both explicit (e.g., performance compensation systems linked to ethical performance) and implicit (e.g., ethical organizational culture) institutionalizations. The implementation of such ethical organizational culture is centered on management and their ethical decision-making (Carlson and Perrewe, 1995; Carroll, 1987).

The early 2000s marked the period when Korean companies formalized programs, practices, and systems of ethical management explicitly. Jeong Dae-Soon (2004) outlined "Seven Conditions for Successful Ethical Management," including a strong commitment from the CEO, infrastructure for implementation, program maintenance, continuous ethical training, fostering a firm belief in outcomes, enhancing monitoring and evaluation, and encouraging participation from partner companies. The institutionalization of BE in organizations, based on HR practices and policies, becomes a guideline for employee job behavior, gradually forming an ethical organizational culture. However, as Verschoor (1998) pointed out, mere superficial formalization like the establishment of ethical codes without sufficient commitment to ethical activities and roles within the organization has its limitations in inducing job behavior and performance (seung Kim, 2018). Particularly in Korea, with its strong collectivist 'We' culture and hierarchical organizational structure, relationships often outweigh systematic approaches to BE, and the organizational culture and BE system are significantly shaped by the CEO's ethical leadership (Carlson and Perrewe, 1995). Yang Se-Hyung & Park Won-Woo (2011) confirmed that there are limitations to the impact of explicit BE practices on visible organizational outcomes.

From 2005 to 2014, a search in the DBpia database for "Business Ethics, Corporate Ethics,

Ethical Codes" yielded 85 papers. The key findings from these studies highlight the causality between ethical organizational culture and financial performance, as demonstrated by(Kim Chang-Ho & Lee Pung-Hak, 2005; Yang Se-Hyung & Park Won-Woo, 2011), with ethical commitment positively related to financial performance, corporate value (Choi and Jung, 2008; Verschoor, 1998), and the quality of financial disclosure (Choi and Pae, 2011). Research on how different types of BE implementation affect employee attitudes and resultant behaviors (Byeon and Heo, 2006; chan Moon, 2011; hyuk Yoon, 2005), including organizational citizenship behavior (Byeon and Heo, 2006). Studies on styles of ethical management, such as proactive, responsibility-based, normative, and performance-based types (hyuk Yoon, 2005). The importance of CEOs' values and ethical leadership, and how materialistic values impact economic performance (won Kim, 2006; Hwang et al., 2006). Focused case studies and practical research on ethical management (Kim and Seo, 2006). Explaining the relationship between a company's social responsibility management and ethics from a perspective of social legitimacy (chan Moon, 2011). Trend analysis and review studies in BE, covering topics like ethical decision-making, ethical performance, governance, ethical management theories and cases, and political and social issues (Park and Lee, 2002b; soon Cho et al., 2014). Arnold et al. (2015) classified the topics of articles published in Business Ethics Quarterly from volumes 1 to 25, finding the highest interest in conceptual BE and global ethics, followed by normative BE, organizational BE, CSR, stakeholder theory, labor relations, and virtue ethics. However, they noted a shift towards micro-level, individual-focused BE research, without considering collective perspectives or synchronic and diachronic views of real-life situations. Choi and Nakano (2008) observed significant systemic changes in CSR and BE among managers in Korea and Japan over the past decade but noted little change in the acceptance and perception of BE. Korean managers showed no significant difference in BE perception compared to their Japanese and American counterparts. This aligns with previous findings that Korean and Japanese managers focus more on consequential criteria like utilitarianism in BE (Lee and Yoshihara, 1997; Jackson et al., 2000). However, employees from diverse cultures exhibit different BE attitudes (Picken, 1987; Weeks and Nantel, 1992; Donaldson and Dunfee, 1999; Jackson et al., 2000).

2.2 Managerial Perception of Business Ethics in 2015

2.2.1 Research Design and Data

This study collected data from employees (at least at the deputy level) of Korean companies in 2014 and 2015. The survey content was designed identically to previous studies for longitudinal comparative analysis (Nakano, 2005; Choi and Nakano, 2008). The target organizations for this study included both private enterprises and public institutions. However, for equivalence with the 2005 data (Choi and Nakano, 2008), data from public institutions were excluded, focusing only on private companies (both manufacturing and non-manufacturing sectors). This approach aimed to directly compare the two time points and indirectly with the findings of (Lee and Yoshihara, 1997). The demographic characteristics of the survey respondents are as shown in Table 2. According to Table 2, it is challenging to categorize the companies as small or large based on the number of employees, as those with over 500 employees constitute 43% of the sample. However, the overall distribution suggests a majority from mid-sized to larger companies, spanning both manufacturing and non-manufacturing sectors, and mainly middle management.

Table 2: Descriptive Statistics: Company Size, Industry, and Management Position

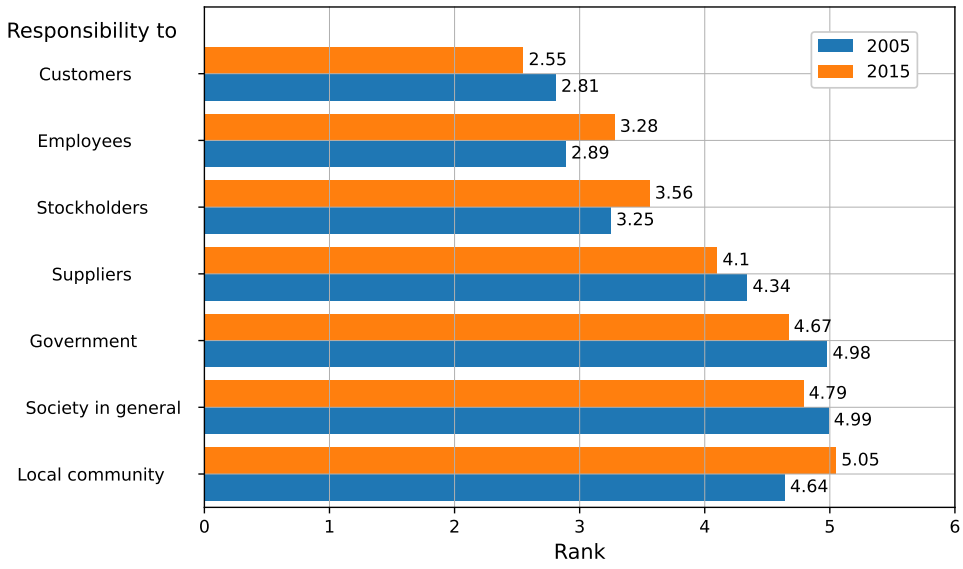
	2005	2015
Number of Employees	(N=391)	(N=321)
to 499	48.3 %	56.7 %
500 to 999	23.8 %	19.3 %
1000 to 4900	19.9 %	18 %
Over 5000	7.9 %	5.9 %
Industry		
Manufacturing	53.6 %	77.2 %
Non-manufacturing	46.4 %	22.8 %
Position		
Executive	0.8 %	1.9 %
Deputy/Assistant Manager Level	24.4 %	20.6 %
Manager Level	37.9 %	27.4 %
Associate Level	39.9 %	50.2 %

2.2.2 Empirical Data Results

1) Target of Corporate Social Responsibility (Stakeholder Accountability)

What or who is the focus of a company's Corporate Social Responsibility (CSR)? In other words, to which stakeholders does CSR accountability apply? The specification of CSR targets is inherently linked to organizational objectives and strategic directions, ultimately influencing corporate performance goals. For instance, setting CSR objectives limited to shareholders would lead to strategic goals oriented towards shareholder-centric management. However, Freeman et al.'s stakeholder theory argues that CSR targets should encompass various stakeholders. The perception of CSR targets among managers surveyed in 2005 and 2015 is shown in Figure 1.

Figure 1: The Rank of the Company's Responsibility to Various Groups.



Survey Question Content: Social responsibility management of businesses is being emphasized. Who do you think should be the target of a company's social responsibility, in order of importance from 1st to 7th? Please write the rankings from 1st to 7th in the order you consider important. Customers - Employees - Shareholders - Suppliers - Government - Society in General - Local Community
The ranking is based upon a scale of 1 (most responsibility) to 7 (least responsibility).

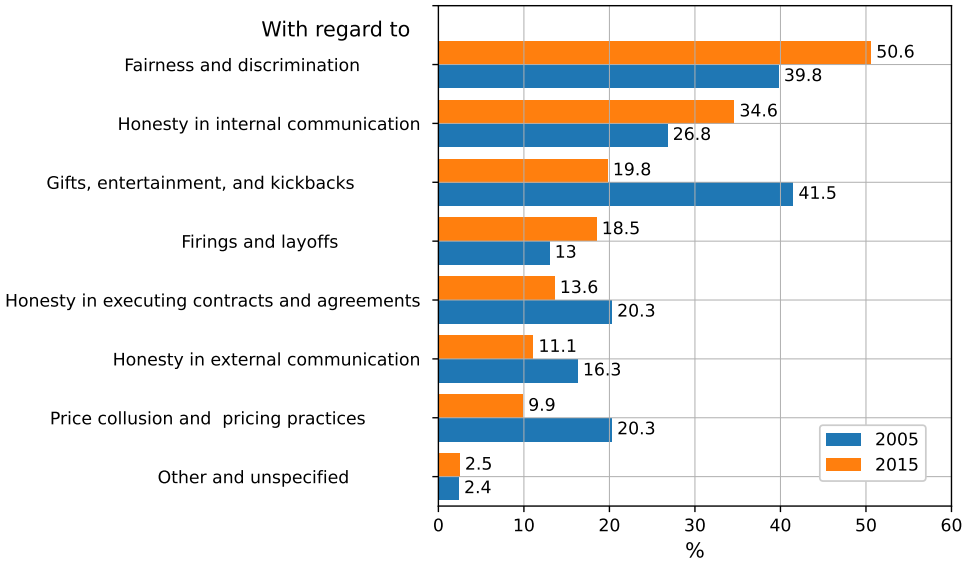
The results indicate little change in CSR targets between 2005 and 2015. In 2015, employees emerged as a primary focus of CSR, consistent with 2005 findings. However, since the survey respondents were company employees themselves, there is a likelihood of bias towards selecting employees as primary CSR stakeholders. Both in 2005 and 2015, shareholders were specifically

identified as CSR targets, possibly due to employees also being shareholders. The survey reveals that managers tend to view stakeholders directly involved in business activities, like shareholders and partners, as primary CSR targets. Moreover, the main focus of CSR-related research has been on the impact of these CSR activities on corporate value (soon Lee and Kim, 2015). soon Lee and Kim (2015) demonstrated a positive relationship between listed companies' CSR activities and CSR performance indicators (ESG Integrated Rating and KEJI).

2) Experience of Ethical Conflict

Organizational life is dominated by command, control, and a top-down culture. However, directives based on organizational interests often clash with the value systems and ethics of the individuals executing them, tending to be assessed from an overall organizational perspective (Park and Lee, 2002b). This is referred to as job-value congruence or ethical conflict.

Figure 2: Evolution of Primary Ethical Conflict Factors in the Workplace: 2005 vs. 2015

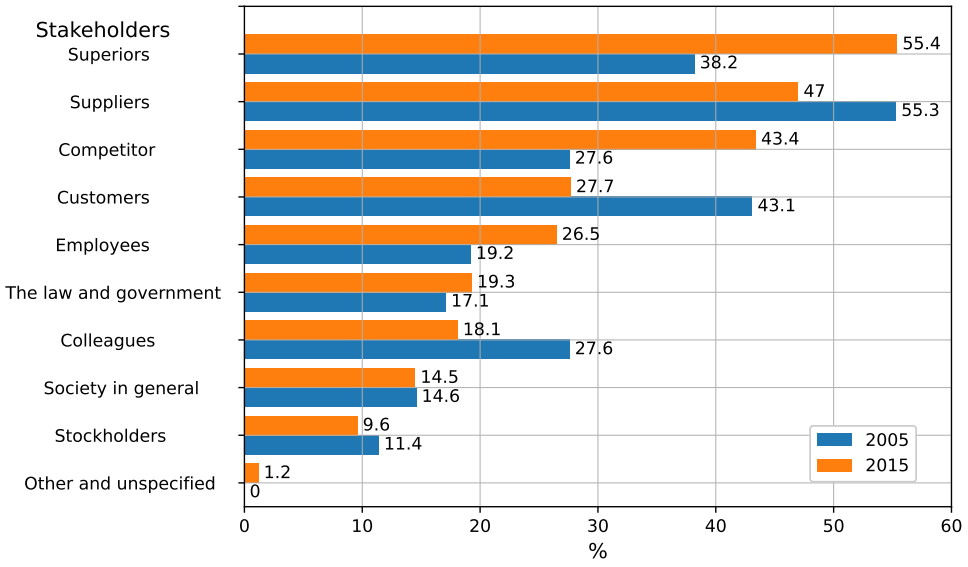


Survey Question Content: What situations involve conflicts between company profits and one's own conscience? Please select all that apply. (In 2005, the numbers in parentheses represent the extent of being the most significant CSR target, with 1 being the most significant and 7 being the least significant, and they represent average values.)

As shown in figure 2, the primary factors of ethical conflict have changed between 2005 and 2015. While ethical conflicts over bribery were predominant in 2005, discrimination and unfair treatment emerged as primary issues in 2015 (50.6%). This change can be attributed to the enactment of the Anti-Corruption and Bribery Act (commonly known as the Kim Young-

Ran Law) in 2015. In the past, despite strict legal measures against bribery, the gap between policy and implementation led to ethical conflicts. Additionally, both in 2005 and 2015, ethical conflicts were experienced due to issues like false accounting or reporting within companies. The study also found that ethical conflicts arising from unfair dismissals or suspensions became a more prominent issue in 2015 compared to 2005, possibly due to the financial crisis in 2009 and criticism of greedy capitalism. This shift in neoliberal competitive systems often resulted in unfair dismissals or suspensions of employees. Companies and employees exhibited differences in ethical conflicts, with such conflicts becoming more significant issues over time.

Figure 3: Conflicts Between Company Interests and Personal Ethics Involving Various Stakeholders



Survey Question Content: If there are targets that would lead to conflicts between company profits and one's own conscience, what are they? Please select all that apply. (In 2005, the numbers in parentheses represent the extent of being the most significant CSR target, with 1 being the most significant and 7 being the least significant, and they represent average values.)

Figure 3, presents the response rates to questions about conflicts between company interests and personal conscience in relation to various stakeholders. The 2015 data indicates that conflicts often arise in the process of forming relationships with superiors, where company interests clash with personal values (Vitell and Festervand, 1987). This happens because, in the workplace, superiors often prioritize organizational goals and performance improvement over individual thoughts. Carroll (1975) suggests that lower-ranked managers face intense psychological pressure

from their superiors to achieve organizational performance, regardless of their ethical standards. Brenner and Molander (1977) found that superiors have the most significant impact on ethical issues and conflicts. Additionally, conflicts with suppliers (most common in 2005, 55.3%) often stem from the difficulty in challenging organizational policies despite recognizing unfairness in subcontracting relationships, suggesting the potential operation of power dynamics ('Gapjil') in subcontractor issues. Notably, the rate of ethical conflicts in customer relationships was higher in 2005 than in 2015 (27.7%), which aligns with previous research by Vitell and Festervand (1987), indicating that ethical conflicts in customer relationships can arise from emotional labor, as customer satisfaction becomes a key organizational goal. This type of conflict arises when individuals cannot act in customer relationships based on their own disposition or judgment.

In making specific decisions, individuals must choose between conflicting personal values and organizational directives. The study asked respondents, "If there is a conflict between the company's interests and your conscience, which would you choose?" Michael Sandel's "What is Justice?" distinguishes decisions based on justice from utilitarianism, liberalism, and communitarianism. Sandel focuses on communitarianism based on virtue among these perspectives, but standards for making decisions in specific ethical situations vary among individuals.

Table 3: Ethical decisions - company interests or personal ethics

	2005			2015		
	Total	Top & Upper Management	Lower Management	Total	Top & Upper Management	Lower Management
Company interests	54.5%	66.7%	52.1%	50.9%	56.7%	44.4%
Personal ethics	26.0%	22.2%	27.1%	12.3%	10.0%	14.8%
Depends on the situation	19.5%	11.1%	20.8%	36.8%	33.3%	40.7%

Notes to Table 3:

Survey Question Content: If there is a conflict between company profits and one's own conscience, which side would you choose? Top & Upper Managers : Executives, Directors, Assistant Directors Lower Managers : Managers, Assistant Managers

Table 3 shows respondents' reactions to such questions. However, the low response rate to these questions (84 out of 391 in 2005, 57 out of 321 in 2015) suggests sensitivity to expressing opinions on conflicts between company interests and personal conscience in Korean corporate culture. The 2015 survey results indicate a higher rate of respondents who believe that decisions depend on the situation (36.8%), which could be attributed to changes in Korean corporate culture over the past ten years. Traditionally, Korean corporate culture has a strong collectivist

tendency. Asian values prioritize community harmony and collective interests over individual priorities. However, this 'We' value system has shifted towards an 'I'-centered perspective. Following the IMF financial crisis, Western management styles were institutionalized in Korean companies, and the advent of advanced technologies like the internet led to a global boundary-less situation, resulting in a blend of traditional and Western values.

3) Ethical Dilemmas

Members of an organization, including managers, frequently face numerous decisions and judgments in the course of their professional duties, often encountering ethical dilemmas beyond mere bifurcation of personal or organizational interests. Even with organizational codes of ethics and guidelines in place, it is challenging to address every possible scenario. Notable corporate examples of ethical dilemmas include Johnson & Johnson's Tylenol poisoning crisis, Merck's decision regarding Ivermectin in 1979, and the Enron accounting scandal, all cited as cases of ethical dilemmas (Velasquez, 2002; Lee, 2007). Lee (2007) presents the utility of the FILOP (Fact, Issue, Law, Options, Principles) five-stage model for solving ethical dilemmas. Similarly, KOTRA's "Ethical Management Practice Manual, 2005" provides guidelines for resolving ethical dilemmas.

This study examined responses to four hypothetical scenarios, differentiating between the respondent's personal decision and what they perceive an average manager would decide in such dilemmas. The scenarios and responses are presented in Tables 4, 5, 6, and 7.

Table 4: Padding an expense account

	2005		2015	
	Oneself	Others	Oneself	Others
Unacceptable, regardless of circumstances	68.6%	40.6%	63.2%	37.4%
Acceptable, if other executives in company do the same thing	6.4%	22.6%	5.3%	17.8%
Acceptable, if the executive's superior, knows about it and says nothing	24.9%	36.8%	31.5%	44.9%

Notes to Table 4:
Survey Question Content: An executive earning $400,000 a year has been padding his/her expense account by about $20,000 a year. What do you think?
The term 'Others' refers to an average company (not 'Oneself').

Table 4 outlines a hypothetical situation involving the misappropriation of public funds for

private use, showing a majority (63.2% in 2015) deem this as unjustifiable. However, compared to 2005 data, there was an increase in the proportion who believe misappropriating company funds without repercussions is acceptable (from 24.9% to 31.5%). Respondents were stricter about such misuse personally, but believed other managers would be less principled. Table 5considers the scenario of hiring key personnel from competitors without proper justification, showing little difference in responses between 2005 and 2015. This indicates a prevailing logic in Korean corporations and among employees that recruiting any personnel is justifiable if it benefits the organization.

Table 5: Hiring to obtain technological secrets

	2005		2015	
	Oneself	Others	Oneself	Others
Probably would hire him	59.5%	84.5%	59.4%	81.9%
Probably would not hire him	40.5%	15.5%	40.7%	18.1%

Notes to Table 5:
Survey Question Content: Imagine that you are the president of a company in a highly competitive industry. You learn that a competitor has made an important scientific discovery which will give him an advantage that will substantially reduce the profits of your company. If there were some hope of hiring one of the competitor's employees who knew the details of the discovery, would you try to hire him?
The term 'Others' refers to an average company (not 'Oneself').

Table 6 highlights responses to unethical business practices in culturally different countries, with the majority in 2015 (52.0%) finding it acceptable if such practices are customary and pose no ethical issue. This result again emphasizes a strong stance toward accepting lobbying or similar practices if they benefit the company and are legally permissible in the respective country.

Table 7 slightly differs from Table 6, where the former focuses on the organizational benefit, while the latter concerns the deviant behavior of a salesperson. Compared to 2005, the 2015 survey shows an increase in respondents advocating for strict punitive measures against such misconduct (from 38.3% to 55.1%), indicating a trend towards stricter ethical follow-up measures.

4) Reporting Unethical Practices and Internal Controls

Reporting systems for unethical behaviors or practices in the workplace are part of ethical institutionalization and internal control systems. However, even with formalized reporting sys-

Table 6: Paying fee to get a contract

	2005		2015	
	Oneself	Others	Oneself	Others
Refuse to pay, even if sale is lost	20.5%	9.6%	29.6%	12.5%
Pay the fee, feeling it was ethical				
in the moral climate of the foreign nation	52.8%	47.4%	52.0%	47.0%
Pay the fee, feeling it was unethical				
but necessary to help insure the same	26.7%	43.0%	18.4%	40.5%

Notes to Table 6:
Survey Question Content: The minister of a foreign nation, where extraordinary payments to lubricate the decision-making machinery are common, asks you, as a company executive, for a $300,000 consulting free. In return, he promises special assistance in obtaining a $100 million contract which should produce, at least, a $500,000 profit for your company. What would you do?
The term 'Others' refers to an average company (not 'Oneself').

Table 7: Issuing an order to stop payments to purchasing agents

	2005		2015	
	Oneself	Others	Oneself	Others
Issue an order stopping future payments				
and reduce salespeople's pay in the amount				
equal to their commissions on the sales				
gained as a result of future payments	38.3%	24.2%	55.1%	34.0%
Issue an order stopping future payments,				
but do not reduce sales people's pay	49.2%	31.9%	38.9%	31.8%
Say and do nothing	12.4%	43.9%	5.9%	34.3%

Notes to Table 7:
Survey Question Content: Imagine that you are a regional sales manager for a large industrial supply company and your salespeople are giving money to purchasing agents to obtain sales. This is beyond the generally acceptable meal or promotional item. Assuming that no laws are being violated, what would you do?
The term 'Others' refers to an average company (not 'Oneself').

tems, actual application may not be effective. Surveys on this topic revealed that the majority do not report ethical doubts to superiors or relevant departments (66.3% in 2005 and 67.9% in 2015). The reasons for not reporting, as outlined in Table 8, show that most find it difficult to clearly determine whether an act is ethically objectionable (48.1% in 2015), and believe that reporting would not lead to the establishment of ethical practices (25.2% in 2015). These findings highlight the challenge in delineating clear boundaries between ethical and unethical behavior. This suggests that Korean companies need more concrete efforts and outcomes in BE. Firstly, there is a need for clear ethical guidelines that can help employees understand the boundaries between ethical and unethical behavior. Secondly, despite existing protections for whistleblowers, there is a need to change the organizational culture that views internal reporting as detrimental

to team harmony. This is particularly challenging in collectivist cultures where reporting ethical misconduct can strain relationships and complicate organizational life (Velasquez, 2002).

Table 8: Reasons for not reporting unethical practice

	2005			
	Total	Top & Upper Mgt.	Lower Mgt.	Other
Was not really sure whether the practice was unethical	39.1 %	35.9 %	38.7 %	41.6 %
Did not think that misconduct could be resolved	22.9 %	25.0 %	18.3 %	25.7 %
Concerned about confidentiality	9.3 %	12.5 %	8.6 %	7.9 %
Concerned about relationship with superior or colleagues	9.7 %	9.4 %	10.8 %	8.9 %
Other	0.8 %	1.6 %	1.1 %	0.0 %
	2015			
	Total	Top & Upper Mgt.	Lower Mgt.	Other
Was not really sure whether the practice was unethical	48.1 %	53.1 %	38.9 %	52.8 %
Did not think that misconduct could be resolved	25.2 %	18.8 %	27.8 %	25.5 %
Concerned about confidentiality	17.1 %	18.8 %	19.4 %	15.1 %
Concerned about relationship with superior or colleagues	9.5 %	9.4 %	13.9 %	6.6 %
Other	0.0 %	0.0 %	0.0 %	0.0 %

Notes to Table 8:

Survey Question Content: if you have not reported a behavior that you found ethically questionable, what were the reasons?
Survey participants provide multiple responses.

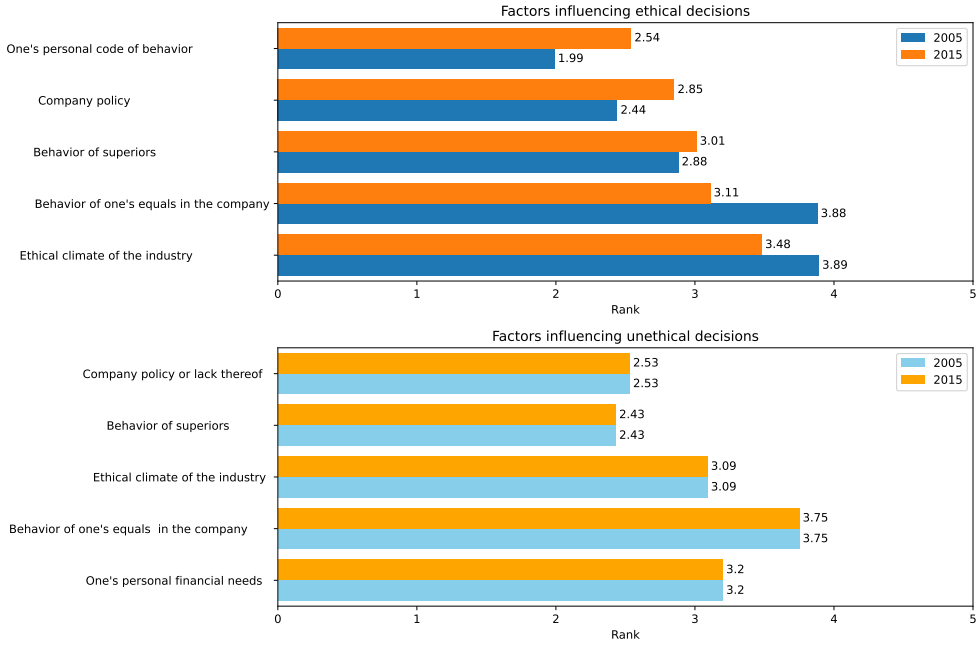
5) Factors Influencing Ethical and Unethical Decision-Making

The characteristics of organizational culture and various power dynamics in workplace life can influence the making of ethical and conscientious decisions. However, the factors influencing ethical and unethical decisions may differ. Therefore, this survey distinguishes between factors impacting ethical and unethical decision-making, presenting them in order of prevalence as shown in Figure 4.

The top panel of Figure 4 shows that in both 2005 and 2015, factors such as personal conscience, company policy and culture, and the thoughts and actions of managers/superiors consistently influenced conscientious decision-making. Conversely, The bottom panel of Figure 4

presents the factors influencing unethical decisions, where the ambiguity in company policy and the thoughts and actions of managers/superiors rank high. These results suggest that decision-making related to business ethics (BE) is closely associated with the institutionalization of BE within the company, highlighting the importance of creating an ethical climate or culture.

Figure 4: The Rank of the Company's Responsibility to Various Groups.



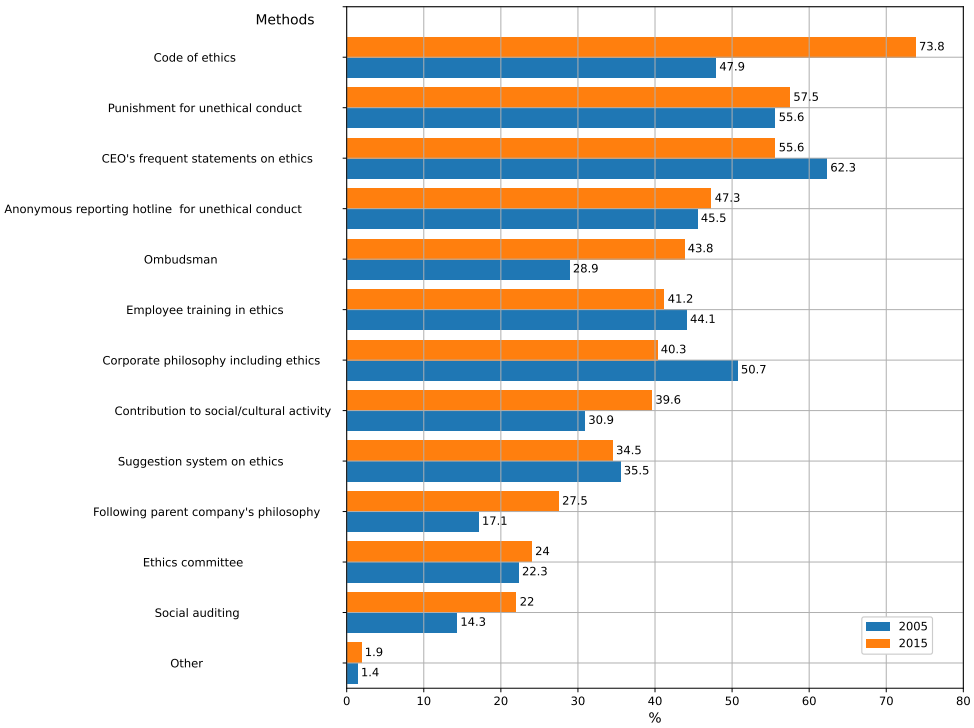
Survey Question Content: What do you think are the most influential factors when making conscientious decisions in the workplace? Please list them in order of their influence, from 1st to 5th.

6) Institutionalization of Ethical Management

The commitment to ethical management begins with the establishment and implementation of systems. However, employees' awareness of these ethical management systems in their organization is one aspect of understanding the institutionalization of ethical management. Figure 5 represents the status of ethical management systems or practices as perceived by managerial-level employees. The 2015 results indicate awareness of various institutionalized practices, including the establishment of a code of ethics (73.8%), sanctions against employees for unethical behavior (57.5%), managers frequently discussing the necessity of corporate ethics (55.6%), the establishment of hotlines or consultation services for anonymous reporting of unethical actions (47.3%), and systems for external verification (such as by outside directors) of ethics and legal compliance within the company (43.8%). Notably, the awareness of disciplinary committees for

unethical behavior or the establishment of a code of ethics shows no significant change between 2005 and 2015.

Figure 5: Methods of instilling ethical values in the organization



Survey Question Content: What efforts is your company making to establish corporate ethics? Please select all that apply.

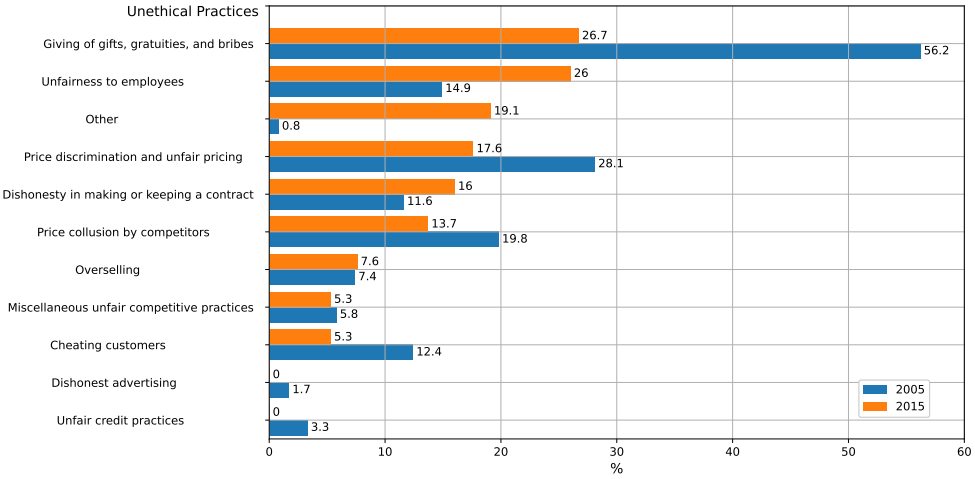
7) Unethical Industry Practices

Customary unethical business practices in industries or organizational life need improvement from a BE perspective. The practices identified as needing reform are presented in Figure 6 . The data shows that, even after ten years from 2005, practices such as giving or receiving bribes and rebates are still prevalent, emphasizing the need to eradicate these unethical practices. Unfair treatment of employees, which was a concern in 2005, is still highlighted as an area requiring improvement. Unfair price adjustments and other unethical practices continue to be pointed out as persistent issues.

8) Change in BE Levels from 2005 to 2015

An overview of the changes in Business Ethics (BE) between 2005 and 2015 indicates an improvement in awareness and institutional efforts at the organizational level. When directly

Figure 6: Existence of unethical industry practices



Survey Question Content: What is a wrongful business practice in your industry that you think 'this must be changed'?

asked whether corporate ethics have evolved during this period, 72.3% of respondents agreed that BE standards have improved compared to the past. However, issues that could potentially lower the BE standards of Korean companies were highlighted, as shown in Figure 7.

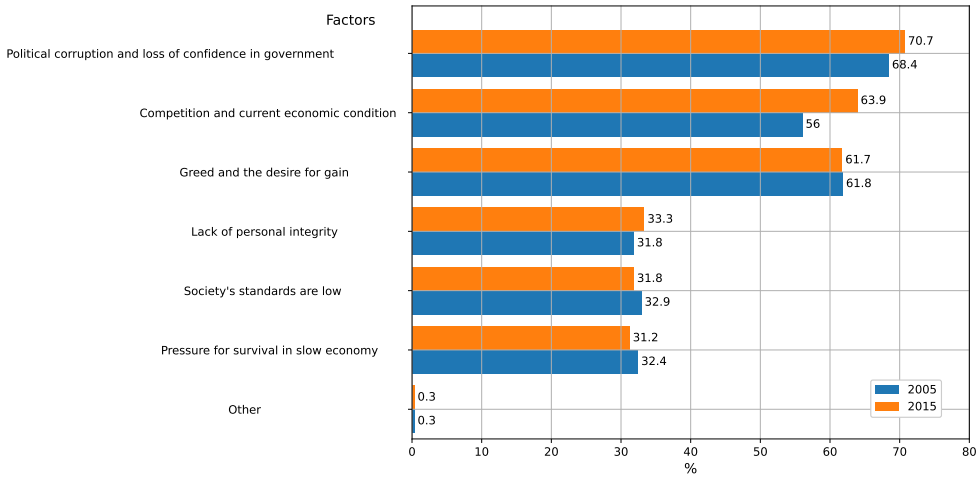
According to Figure 7, political factors are cited as a reason for lowering the BE standards in Korean companies. Notably, the distrust in politics increased from 68.4% in 2005 to 70.7% in 2015, indicating persistent skepticism. Additionally, the pursuit of profit and performance due to competition is inversely related to BE, suggesting that unethical methods used to increase profits can lower BE standards.

2.3 Insights on BE from 2005 to 2015

While the level of Business Ethics (BE) in South Korea has improved since 2005, it is still considered inadequate compared to Western standards. The Ministry of Commerce, Industry, and Energy, in its "2005 Major Companies' Business Ethics Status Survey," assessed Korea's BE as still deficient. Additionally, a 2014 survey by Forbes Korea in collaboration with the Korean Society of Business Ethics found that while CEOs viewed their ethical management activities positively, experts regarded them as insufficient.

The key implications from the research trends in Business Ethics (BE) and related managerial perceptions since 2005 can be summarized as follows.

Figure 7: Factors causing lower standards



Survey Question Content: What are the main factors that have contributed to the decline of corporate ethics? Please select all that apply.

Firstly, the development and improvement of BE are being considered in relation to customers. The 2015 survey identifies customers as the primary target of CSR. The purpose of companies has shifted from shareholder-centric to customer value realization, incorporating strategies to present a good corporate image and an 'enlightened self-interest' approach. Moreover, as emphasized by soon Cho et al. (2014), Korean companies focus on direct stakeholders such as customers, employees, and suppliers, but there is a need for more comprehensive stakeholder-oriented BE management, including environmental groups, local communities, and media.

Secondly, a key theme in BE is how to minimize ethical conflicts and dilemmas. Lee (2007) highlights the usefulness of the FILOP model, suggesting that managers and executives should review perspectives based on this model when faced with ethical dilemmas. Comparing 2005 and 2015, the incidence of ethical conflicts, particularly those caused by bribery and improper solicitation, has decreased. However, the total amount of conflict has not necessarily reduced, indicating a need to satisfy higher-level ethical conflicts and dilemmas, similar to Maslow's hierarchy of needs.

Thirdly, the issue of whistleblowing or reporting unethical practices is a challenge in traditionally collectivist organizational cultures. There is often a psychological burden associated with reporting unethical practices within the organization, and justice and fairness are typically weighted in favor of organizational interests over individual ethics. However, trends and atti-

tudes towards these ethical dilemmas are gradually evolving, with a growing tendency to make judgments based on personal ethical beliefs rather than organizational economic interests. The survey results show that unethical decisions often align with company policies, suggesting a need for ethical education and systems like hotlines to address this ethical ambiguity.

Fourthly, the focus of CSR varies based on the company's likability and trustworthiness. min Park and han Kim (2015) note that how a company is evaluated in terms of its CSR efforts can differ based on whether it is perceived as trustworthy and ethical. This suggests that building a corporate image based on ethical values takes precedence over the specifics of CSR activities.

In summary, compared to 2005, there is a perceived improvement in BE levels and awareness among managers in 2015. Government efforts to combat corruption, the adoption of global ethical standards, a change in corporate leadership towards younger generations, and a shift from intuitive, secretive business dealings to transparent management all contribute to this trend. These changes indicate a new trend forming as a result of institutional pressure for transparent management and institutional isomorphism.

3 Study 2: Post-2015 Key Issues in Business Ethics Analysis

3.1 Prior Studies

This study aims to organize BE issues and discuss the future direction of BE, focusing on research literature, forums, and seminars post-2015. Kumar and Srivastava (2022) compressed topics into 19 themes after searching papers on CSR and Corporate Social Philosophy (CSP) published until 2021 using topic modeling. Key themes include reporting and disclosures, ethics and leadership, sustainability, social value creation, codes, rights and laws, employees, financial performance, communication, customers, and stakeholders (woo Lee and guk Kim, 2023).

Initially, the study categorized research results from the academic database DBpia under keywords "Corporate Ethics," "Ethical Management," and "Business Ethics" into (1) changes in CSR of Korean companies, (2) methods to resolve ethical conflicts and dilemmas, (3) institutionalization and ethical management of BE, (4) reporting and whistleblowing of unethical practices, and (5) impacts on ethical decision-making and organizational culture. In addition,

it compiled assertions based on evidence from academic seminars and forums related to BE.

1) Focus of Social Responsibility

CSR shares a concurrent and symbiotic nature with BE. During the COVID-19 pandemic, CEOs in the American business sector declared stakeholder capitalism at the round table, signifying a shift in focus from shareholder-centric to a broader range of stakeholders. According to a search on "social responsibility" in the academic database DBpia (2015-2023), 4,421 papers were identified. These studies indicate a shift in the focus of CSR since 2015. Corporations increasingly view CSR not merely as a passive or image-improving tool but as a strategic dimension to enhance customer value. Also, the focus of CSR has expanded to include a range of stakeholders such as shareholders, customers, employees, and local communities. Research during this period emphasizes stakeholder capitalism logic, transitioning CSR to accommodate various stakeholders' needs. Cho Bong-soon et al. (2014) predicted that CSR would evolve to consider a more comprehensive range of stakeholders.

The positive assessment of CSR is possible when accompanied by desirable BE activities. However, this perspective of BE or CSR, rather than focusing on a specific stakeholder, is increasingly emphasizing corporate ethics or ethical integrity that impact CSV's legitimacy, extending beyond CSR (Kang et al., 2020).

CSR targets were lowly rated for general society and local communities in measurements between 2005 and 2014. However, CSR as a means of BE is predicted to increase in importance, moving from micro-level relationships with direct stakeholders to macro-level societal relations, including local communities and society at large. This suggests that businesses will play a significant role in contributing to local communities, becoming essential components of the local ecosystem, and the importance of CSR towards local communities is expected to rise.

The focus or target of CSR is shifting from being shareholder-centric to encompassing a broad range of stakeholders (Ha Sang-gyun and Park Yong-seung, 2022). Discussions have evolved around theories like the principal-agent theory (Jensen and Meckling, 1976), shareholder-centric management (Friedman, 1962), industrial competition theory (Porter, 1981), and shared value creation (Porter, 2011). Recently, with the spotlight on climate change and environmental degradation, Freeman's stakeholder theory (Freeman et al., 2010) is being revisited, expanding CSR's range to include the environment as part of stakeholders' concerns.

2) Methods to Resolve Ethical Conflicts and Dilemmas

Since 2015, searches for "ethical conflict" in the RISS database yielded 505 domestic academic papers, and DBpia listed 383. Most of these studies focus on listing the phenomena of such conflicts and normative solutions. Many are centered on professions like nursing or counseling, emphasizing ethical education as a resolution method (Han and Jung, 2022).

Academic research on ethical conflicts and solutions can be categorized as follows. Firstly, studies related to ethical conflicts experienced by PR industry professionals in the context of the "Improper Solicitation and Graft Act" (also known as the "Kim Young-Ran Act") (Heo and Kim, 2015).

Lee et al. (2019) identified ethical conflicts experienced by corporate counselors with their clients, categorizing them into (1) conflicts in the process of confidentiality, (2) factors causing ethical conflicts related to confidentiality, (3) conflict factors in the counseling decision-making process, and (4) areas of decision-making related to confidentiality.

Hyundai Glovis strengthens self-awareness of ethical conflicts through self-checks - ethical consciousness regarding gifts and entertainment, information and asset protection, conflict of interest, job ethics, ethical organizational culture - with related questions. [4]

3) Institutionalization and Operation of Ethical Management Systems

The effectiveness of institutionalizing BE or operating ethical management systems lies in their recognition and utilization by organization members (Yoon and Yoon, 2016). Lee and Ham (2016) found that a normative, showpiece approach to BE system institutionalization in local public enterprises has little effect. Therefore, it's more meaningful to focus on the cultural maturity and embodiment of BE rather than mere institutionalization, and the sincerity behind these systems and institutions is crucial.

Firstly, studies on the genuine intent or fundamental purpose of organizational-level BE are highlighted. Kim (2018) states that unethical activities of companies infringe on the rights of various stakeholders, including employees. Institutionalization, such as laws and regulations, often follows public scandals as reactive measures. The establishment of DII following the Lockheed bribery scandal or the 1991 U.S. Federal Sentencing Guidelines led to businesses adopting ethical codes, compliance programs, and whistleblowing channels. However, for effective institutionalization, autonomous regulatory measures must be concrete, moving beyond mere ethical

[4] https://www.glovis.net/Kor/ethics/selfcheck/write.do

institutionalization to penalizing unethical companies and incentivizing ethical ones. Ku and Shim (2017) indicate that a company's ethical reputation affects members' perceptions of CSR sincerity, which then positively influences job attitudes.

Secondly, the impact of BE on employee responses, particularly job attitudes, is discussed. Distinguishing between normatively stated BE and culturally embodied BE, such ethical practices positively influence employees (Yoon and Yoon, 2016).

4) Reporting and Whistleblowing of Unethical Practices

A 2015 survey found that even when ethical issues were recognized, they were often unreported or unaddressed, mainly due to unclear ethical judgment and a perception that reporting would not lead to improvement. Gao et al. (2015) note that lower-ranking employees often hesitate to report or whistleblow unethical practices within the company, adopting a bystander attitude. However, external whistleblowing channels, like a national reporting system, make internal whistleblowing relatively more feasible. This suggests that regardless of organizational culture, employees' hierarchical position limits their capacity to report or whistleblow, as noted by Lee and Yoon (2011).

5) Ethical Decision-Making and Organizational Culture

How do managers make ethical decisions? Generally, managerial decisions consider environmental complexity, uncertainty, and internal organizational conflicts to arrive at the best decision (Hitt et al., 2016). Additionally, decisions reflecting societal demands like BE and CSR are necessary, as managerial ethical judgment becomes a standard for all members and a key factor in forming an ethical organizational culture. Lee (2007) emphasizes the importance of ethical corporate culture, alongside guidelines for resolving ethical dilemmas, including initial recognition of dilemmas, proactive response from top management, limitations of utilitarian ethics, legal decisions not necessarily being ethical, and using classic ethical guidelines.

6) BE and Organizational/Individual Performance BE performance can be distinguished at organizational and individual levels. Organizational performance relates to financial outcomes and enhanced corporate value due to BE, while individual performance includes positive job attitudes and behaviors. Positive BE activities of a specific company act as a signal, increasing likability, and correct BE forms positive job attitudes among employees (Kim et al., 2015). The systematization or institutionalization of BE leads to positive job attitudes in members (hyuk Yoon, 2005).

4 Conclusion and Implications

4.1 Conclusion

This study aims to analyze and present the implications of Business Ethics (BE) trends in Korea through two phases of research: the first comparing BE perceptions between 2005 and 2015, and the second analyzing academic research and corporate BE trends after 2015.

Firstly, from 2005 to 2015, BE was at a stage where ethical management systems were formalized and recognized by internal members (managers). However, at this stage, BE had not fully become a core competency or integral part of organizational culture. The primary focus of CSR remained largely unchanged during this period, with a strong emphasis on customer-centric management. The functioning of BE management systems has led to fewer conflicts arising from situations like providing bribes, with conflicts related to discrimination and unfair treatment becoming more prominent, indicating that ethical management systems are becoming established as internal management systems. Still, the fact that superiors are the primary cause of conflict between company interests and personal conscience shows that managers still prioritize organizational interests. The dual nature of BE judgment is evident in hypothetical scenarios such as company fund misappropriation, lobbying for contracts, and paying lobbying funds to salespeople within legal limits, reflecting the difficulty in making clear ethical judgments in non-reported cases. This period shows a focus on institutionalizing BE, as evidenced by the major impact of the establishment and institutionalization of ethical codes and policies on ethical organizational culture.

Secondly, after 2015, BE has been approached as a critical factor in organizational survival. The scope of CSR has expanded beyond customers and employees to include the environment and local communities. The systematization of ethical management has become more sophisticated, emphasizing a macro perspective of BE with a focus on diverse stakeholders. For instance, the expansion of CSR to include customers, employees, shareholders, and cooperative societies, and the emphasis on issues like environmental protection, demonstrate this trend (Lee, 2016; Ha and Park, 2022). COVID-19 has significantly impacted global business relations, emphasizing the role and responsibility of entrepreneurs and corporations in mitigating environmental destruction. This is reflected in ESG management and sustainable business practices, which emphasize the entrepreneurial spirit in converting threatening environmental factors into opportunities.

According to Pfeffer and Salancik's Resource Dependence Theory (Pfeffer and Salancik, 1978), companies are more influenced by external entities holding key resources, highlighting the importance of forming cooperative relationships with external entities (Ha and Park, 2022). The governance principle of management, which goes beyond the owner-agent relationship and considers various stakeholders, shows that CSR based on this approach can eventually transform Michael Porter's zero-sum 5-Force Model into a plus-sum principle, with stakeholder management becoming a source of competitive advantage and core competence (Ha and Park, 2022). It is predicted that CSR will focus more on local communities in the future.

4.2 Implications and Limitations

This study surveyed perceptions of BE-related issues in 2005 and 2015. The implications derived from the results are as follows:

Firstly, BE is increasingly being internalized and embodied within organizations, evolving from a focus on declaring ethical codes to meet global standards in the early 21st century, to forming an ethical organizational culture as a shared value among members, institutionalized and habitualized.

Secondly, the decoupling perspective in BE needs to be addressed. Decoupling refers to the discrepancy between internal thoughts and external appearances in BE, highlighting the need to recognize that BE as a mere display exacerbates this issue and prevents its development as an organizational capability.

Thirdly, BE should evolve in relation to various contemporary management issues such as CSR, CSV, sustainable management, and ESG management. BE plays a central role in implementing these issues or strategic objectives, contributing significantly to social value and performance creation.

The limitations of this study and suggestions for future research are as follows:

Firstly, this study focuses on the state of BE in 2005 and 2015, with post-2015 conditions based on literature research. A limitation is the lack of comparative research covering 30 years up to the present or similar to 2015. Future research is expected to extend this horizon by incorporating various perspectives on BE, such as environmental friendliness, climate change, AI ethics, etc., to present new empirical research dimensions in BE.

Secondly, BE involves moral and ethical content, which is susceptible to measurement er-

rors. For example, discrepancies in BE targets between oneself and others. The possibility of errors such as social desirability bias when surveying BE consciousness is present. Practically applying BE can be challenging despite its acknowledged necessity, reflecting a knowing-doing gap. Subsequent studies that can adequately address this gap are needed.

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