Abstract

_Purpose:_ The purpose of this study is to find out the background and factors that enabled SK and POSCO, which are producing remarkable results by creating social values, to grow by changing the corporate paradigm.

_Method:_ In this study, I reviewed the management philosophy as a mission by replacing the corporate values such as SK and POSCO, 13 major groups among the successful companies in our country, and the social contribution that implemented the vision and core values as embedded shared values. Our economy, Society, Corporate social responsibility (CSR) to the environment is changing to improve corporate trust and value, and today's trend is to expand the total amount of shared value by simultaneously creating 'economic value' and 'social value' with the evolution of CSR. The results of briefly examining the management philosophy as mission, vision and core values as embedded shared values, and implemented social contribution activities, replacing corporate values are as follows. SK is the founder's corporate philosophy (business support: contributing to the development of the nation and human society through corporate management).

_Results:_ It is the social value that SK pursues to promote the happiness of the society and the company together as a business to challenge the business of social worries by inheriting the values and values. And Chairman Choi Tae-won emphasized the importance of social values and took the lead. The influence of strong driving force was absorbed into the corporate culture among members, and the shared value of voluntarily solving social problems existed and was exerted. Pohang Steel (now POSCO) was born in the 1960s with a national desire to create a well-lived Korea. Even after privatization, community behavior and mentality in ethical management and social contribution activities continued through win-win, consideration, and sharing activities with local communities. Based on POSCOIN's unique DNA, the leadership of Chairman Jeong-Woo Choi and “Corporate Citizens Growing Together” were born as a new management philosophy.

_Conclusion:_ The result of this study shows that the symbiosis and shared value that companies have to match their own capabilities are not suddenly created, but accumulated over time and generation. The philosophy of the company and the shared value of the mission are the power to move the mind, and the value created by connecting the capabilities of the company is my. A greater consensus can be gained on outside members, and social support must be united and connected with the members of society. In the end, the basic basis of SK's social value and happiness setting and POSCO's corporate citizen management philosophy is not much different. Today, social value creation is limited to specific companies, so it is linked to participation as a basic data for companies with new values in cooperation with SK and POSCO. It is expected that further studies will be carried out by suggesting expansion.

_Keywords:_ Csr, Csv, Sharing Value, Social Value Creation, Management Philosophy
1. Introduction

The full-scale discussion of corporate social responsibility (CSR) was the concept that entrepreneurs are obliged to act in line with social goals or values[1]. Social Responsibility of the Businessman was emphasized and developed, and CSR was economic responsibility (maximizing profit), legal responsibility (law). It was defined by classifying it into four categories: compliance with regulations, ethical responsibility (compliance with ethical standards), and charitable responsibility (community contribution). In four pyramids of social responsibility of CSR, moral management of organizational stakeholders was conceptualized as CSR area[2][3].

As the size of the company grows and the corporate environment becomes more complex, the concept of CSR is also changing. In the 2000s, the research was made in earnest by adding strategic elements to CSR, and strategic social contribution activities are needed to achieve long-term social and economic goals[4]. Furthermore, CSR argued that it is a source of opportunity, innovation, and competitive advantage. This concept of strategic CSR has become the basis for the concept of creating shared value (CSV)[5][6]. CSV, a recent trend, is a business model that creates both ‘economic value’ and ‘social value’ to expand the total amount of shared value. The key is to solve social problems and create profits for companies in social and environmental issues faced by companies. In fact, CSV companies are operating new businesses that solve social and environmental problems by using creative and innovative technologies, operating methods, and strategies in their main business, and creating value through them[7][8].

CSV activities of domestic companies are evolving day by day. In 2017, CJ Group was selected as the "Change the World" 50 by Fortune, the only global economic management monthly magazine published in the United States. “Fortune” was evaluated its positive impact on society and the environment, business performance, and innovation from 2015. In this study, ‘Silver courier service’ of CJ Korea Express was highly evaluated for contributing to the creation of high quality elderly jobs and solving the poverty problem of the elderly[9].

Recently, the Institute for Industrial Policy (IPS) and Korea Research International (KRI) developed a research model (CSVi) to measure consumer’s perception of CSR activities of companies, and diagnosed consumer-level awareness and analyzed the impact on actual business[10].

The 13 major group analysis on 'the social value of the 2020 consumer experience enterprise'

Among the indicators, it was analyzed that the influence was high in the order of 'profit considering social value', 'community contribution', and 'sustainability of environment'. LG, Samsung, and SK ranked among the 13 major groups. The empirical study showed that CSR and social contribution activities have a positive effect on corporate business, and it suggests that corporate social value pursuit activities should continue in the long term even in the economic contraction caused by corona 19[10]. The purpose of this study is to promote corporate social contribution. The Ministry of Health and Welfare is implementing a community contribution certification system[11].

Today, the needs of society and consumers for corporate mission and role are becoming stronger and diverse. Companies are also seeing a growing number of “good companies” that seek sustainable growth with a clear perception of social responsibility and help stakeholders succeed[12]. These are entrepreneurial innovations that implement social value creation first, and companies that pursue symbiosis through linkage with society and stakeholders. So social value pursuit has now become a global standard. Ottogi is one of the most successful companies that have achieved corporate reputation management and sales growth through CSR. It has gained favorable reviews from consumers through its image of win-win and ethical management companies. It has become a synonym for good companies and has been evaluated as favorable
enough to be nicknamed 'God' by attaching God in the meaning of God[13]. The CEO's two-generation management philosophy is the representative "Noblesse Oblivion" (corporate that fulfills the obligations of social leaders).

This is how corporations are compliance. It is very important to establish ethical management, to enhance social value and to create shared value. The more ethical the CEO's image is, the more positive it is evaluated on corporate social responsibility activities, so the CEO's image should be managed[14].

Corona 19 has been released based on Big data on the interest and contribution of large corporations to our society in the swamp of the global economic recession. As a result of analyzing the social contribution information of the 30 largest group leaders in the first quarter of 2020 in 12 channels (January to March), SK Group Chairman Choi Tae-Won had the largest number of 1097 cases, and Samsung Electronics vice chairman Lee Jae-Young had 786 cases[15].

According to the Global Big Data Research Institute, the keywords of the survey are 'social contribution, donation, service, social value, marginalized class, disadvantaged neighbors, scholarship, sharing, multiculturalism', etc., and it is to trigger 'Noblesse Oblivion' of social leaders[15]. As we have seen above, corporate social responsibility (CSR) on our economy, society and environment. It is changing to improve corporate trust and value. Recent trends are the creation of shared values (CSV) that CSR evolved, creating both 'economic values' and 'social values' at the same time, expanding the total amount of shared values. Furthermore, the pursuit of social value for the survival of a company should be recognized as an investment that ultimately collects future potential customers.

The effort to create social value requires the paradigm shift and recognition of the company, so management philosophy, CEO leadership, and social contribution activity strategies are the shared values inherent in the company, and internally, the awareness and willingness of the shared values of the management including the CEO should be preceded. Previous studies have been conducted to date, with the definition correlation between entrepreneurship and shared value creation[16], leadership and CSR participation of companies[17], and the balance point is the role of existing CEO in maximizing interests of stakeholders and companies[18].

This study is based on the previous studies that dealt with social values in fragments. We will deal with SK and POSCO, which are making remarkable achievements by creating social values. The purpose of this study is to investigate the management philosophy as a mission, the shared value of vision and core values, and the social contribution activities implemented by replacing corporate values with the background and factors that could change the paradigm of the company. SK's 'social value' and POSCO's 'corporate citizen' management strategy were tried with the intention that the basic base would be the same although the management ideology and expression are different. The purpose is to present basic data for creating social value.

2. Types of SK Group's Management Philosophy and Social Value Creation

2.1. SK group’s management philosophy

2.1.1. Happiness management

SK Group presents the basic direction of management based on SKMS (SK Management System), and it consists of SK's management philosophy and methodology to implement it in real management. All SK executives should take the lead in SKMS practice, evolution and development, and especially the major shareholder of entrepreneurial should fulfill the responsibility to maintain and develop the management philosophy with SK Group[19].
Through the SKMS revision in February 2020, the goal of SK management was established as sustainable member happiness, and the methodology, VWBE(Voluntarily Willingly Brain Engineering). The ultimate goal of SK management is to create happiness of members and stakeholders through the pursuit of Super Excellent Level(SUPEX)[19].

SK Group Chairman Choi Tae-Won has held a 100th happiness talk for members, clarifying that the goal of happiness management is not the happiness of SK members but the pursuit of happiness of members in a sustainable society. In addition, at the 2019 Expansion Management Conference, CEOs presented their contribution to happiness and happiness index as business evaluation standards, preaching happiness-related management philosophy throughout the company and expressing their willingness to "happiness management". It is the highest value with the excellent leadership of the CEO of Korea to evaluate the happiness contribution of the members who exclude the management achievement evaluation which is generally applied to the executives.

The synergy effect will double when the CEO's vision and values are absorbed into shared values in the organization. As the first Korean company leader, the company is also striving to improve the need and efficiency of measurement and management so that happiness management does not stop at a simple slogan as the Blue Ocean strategy. In addition, the development of member competency is a big factor in promoting happiness. 450 lectures in 8 areas including transformation, happiness, social values, and leadership were established and worked 10 percent of the time is recognized as the time for self-development of employees[20].

2.1.2. Deep change

In preparation for the era of the Fourth Industrial Revolution, SK Group emphasizes corporate culture innovation. Business and organization to cope with changes in the management environment. In terms of culture, it means breaking the existing custom framework and changing it. According to the 2017 SK Innovation Sustainability Report, global management, shared infrastructure, social value, and innovation in the way of working are saving 20 billion won annually. It is the fruit of the research and efforts of the members.

Deep Change, which means fundamental innovation of business structure, aims to raise the level of members' lives and work to a satisfactory level based on flexible and horizontal organizational culture in human resource management. As an action plan, all executive positions were abolished at the group level.

2.2. The direction of social value pursuit

SK Group aims to create happiness for stakeholders by allowing companies to survive only if they pursue social values. In 2017, SK Group changed its articles of incorporation of major affiliates from the phrase, "Companies should increase the value of stakeholders and continuously create sufficient profits for future growth of companies." The phrase, "Companies should strive to harmonize and balance happiness among stakeholders and consider happiness of the present and future at the same time so that they can continue in the long term.

In addition, the phrase ‘the company should contribute to the economic development and contribute to society through social and cultural activities and do its best to manage according to social norms and ethical standards’ was also changed to the sentence ‘the company contributes to the economic development and grows with society through the creation of social values’. SK Group is an example of the willingness to create social value.

The removal of the phrase ‘creating profits’ and the change to keywords such as ‘social value, happiness, harmony’ reflects the CEO’s management philosophy[21].
2.3. Shared value of SK group

SK Group has been aiming for social contribution activities that create a sustainable social ecosystem that can solve social problems and self-reliance of vulnerable groups by solving social problems, rather than unilateral charity and social contribution activities in the past. SK Group is the three directions of long-term perspective, authenticity, and sustainability. It is creating possible happiness.

There is no greater force in corporate social contribution activities than active and voluntary support and participation of members. SK Group, which operates volunteer groups by most affiliates, is carrying out organized and systematic volunteer activities from the top management to the entire organization.

In order to overcome the blood supply and demand shortage caused by the spread of Corona 19, the blood donation relay campaign voluntarily started by SK members spread throughout the group, and about 2,000 people applied for blood donation and 1,600 people who passed the preliminary test completed blood donation. The active blood donation of SK members is in line with the CEO’s theory that companies should act as a safety net for stakeholders in a crisis situation. Chairman Choi also participated in the blood donation relay, and the blood donation app Red Connect, jointly developed by SK Telecom and the Korean Red Cross, was used for the blood donation relay.

SK Telecom(SKT), an affiliate, is contributing to solving various social problems by using 'social value' as its core value. SKT's social value created in 2019 is 1.87 trillion won, and it is seeking all measures to overcome the national and social crisis with ICT by innovating the digital life paradigm to suit the untapped society that has been transformed into Corona[22].

As such, SK Group emphasizes the importance of Social Value(SV) at the group level and has a shared value that is absorbed into corporate culture among its members and fundamentally solves social problems. One aspect of Chairman Choi Tae-Hyun, who tried to improve the problems of CSR, can be seen in his book 'New Search, Social Enterprise'. The task was to develop a corporate management philosophy that my father taught me, because it was a task to create a plan that could continue to carry out effective social contributions in corporate management meaningfully[23].

If the entrepreneur’s corporate philosophy(business homeland: contribution to the development of the nation and human society through corporate management) and values are inherited and formed into shared values, it can be a good social value to solve social problems.

The shared value of the company’s philosophy mission has the power to move the mind, so the value created by connecting the capabilities of the company can gain greater consensus among the members of society.

2.4. Methods for realizing value and types of social enterprise activities

2.4.1. Business model innovation through the pursuit of double bottom line

DBL stands for 'Double Bottom Line and 'Measuring and managing social values at the same time as creating economic value in all management activities. It is defined as SK’s management principle that grows with society by increasing it. SK’s DBL is classified as 'business social performance', 'social contribution social performance, and 'economic indirect contribution performance. The analysis of SK Group's social enterprise activities by type can be classified as 'industry-specific social enterprise' established in connection with the industries of each affiliate and
'public-private cooperative social enterprise that solves social problems by cooperating with local community(government)[24].

Happiness Narae, Happiness ICT, and Happiness Greennet are specialized social enterprises in the industry, and Happy School, Daegu Happy Future Foundation, and Happiness Traditional Village are public-private cooperative social enterprises. In the case of the 'Happy Traditional Village', SK Group, the Ministry of Culture, Sports and Tourism(Central Government), Gyeongsangbuk-do(Broad Local Government), and Andong City(Basic Local Government) cooperated for the purpose of inheriting traditional culture and revitalizing local economy[25].

If we look at social enterprises that have tried to establish directly in SK since 2010, we can see that they share the corporate brand called ‘happiness’ in their names. 14 companies, including Happy Library, Happy New Life, and Happy F&C. The word ‘happiness’, which works as a common brand, seems to be linked to SKMS(SKMS) and management goals such as ‘happiness management’ and ‘maximization of happiness’. It is a practical economic effect to be able to enjoy the network externality effect of reputation capital through strong brand sharing among affiliates[25][26]. By sharing corporate brands, it is possible to create social values and achieve economic value at the same time.

2.4.2. Social process credit(spc)

SPC is a project that converts the social value created by social enterprises into money and provides corresponding cash incentives. When a system in which social performance of social enterprises is systematically measured and compensated is established in our society, it is expected that new investments and excellent talents will be introduced to increase the possibility of social enterprise development[27].

It is the sociality and incentive awards that SK compensates by selecting companies that have had a good social influence and have done good things. It is the fifth time this year, and social performance is divided into social service performance, employment performance, social ecosystem performance, and environmental performance[28].

According to SK Social Value Research Institute, about 25% of the amount of social performance is compensated in cash, and in 2020, SPC was measured and compensated, and about 200 companies have achieved social performance of 160 billion won. But the positive effects of the incentive system will not last forever. If people’s financial desires expand, they can distort or transform the measurement of social values, so it will be a way to train a system-equipped audit system or a talented person who can carry out social calling.

3. A Corporate Citizen

3.1. The concept of corporate citizen

There are various definitions and practical concepts related to corporate citizens. The context of ‘Citizenship of Enterprise’, ‘Citizenship of Enterprise’, ‘Citizenship of Enterprise’, but frequent keywords is ‘Sustainable growth and coexistence with society’ emphasizing ethical practice, trust, preserving the environment[28]. The current corporate citizen is a more active concept of behavior and identity transformation that responds to requests from the state and civil society beyond the CSR and CSV concepts. It is a co-evolution model that goes along with the government, trade unions, economic organizations and civic groups, and other economic and social stakeholders, including employees, customers, partners, and competitors who are members of the economic ecosystem. Most companies define their own corporate citizens and are engaged in activities[29].
In 2000 the World Economic Forum, the Global Corporate Civic CEOs’ Committee, quoted in a joint declaration, “Companies are engaged in business activities by complying with the law, producing products and services with high safety and cost efficiency, creating jobs and wealth, and providing education and technical cooperation. And it reflects international standards in corporate operation with values in areas such as environment, ethics, labor, and human rights. And we must recognize that we must go beyond charity and integrate into core strategies and operations.

3.2. Change up! together!

The topic of corporate citizenship is the proposal of Chairman Choi Jung-woo at the inauguration ceremony in 2018, "POSCO should develop into a corporate citizen who pursues the value of coexistence and symbiosis[28]. POSCO is a concept that gives a company a personality of citizen, which means a subject that fulfills the role and responsibility of coexistence and coexistence for social development like modern society. In other words, 'Companies are members of community such as community like ordinary citizens, and have rights and obligations(responsibility and responsibility) accordingly. Employees of POSCO are voluntarily participating in creating a better society based on consideration and sharing consciousness in their work and everyday life by using corporate citizen management philosophy as the standard of all decisions[30].

POSCO’s performance sharing system is one of the seven joint growth programs operated for symbiosis with SMEs. It is a system that performs improvement tasks jointly with SMEs and shares their achievements. It has the advantage of growing each other’s competitiveness while large and small enterprises coexist. ‘Change Up! Together!’ is POSCO’s co-growth brand that aims to preemptively respond to changes and to practice corporate citizens in cooperation with partner companies[31].

In order to create shared value, companies must continue to connect and cooperate internally and externally. Internally, the perception and willingness of the shared value of the management including the CEO is connected to the people in charge of execution. Companies should be able to change the organizational structure and change the organizational paradigm to strengthen their executive power. Externally, you need to partner with experts who can find social values that fit individual companies and help you connect the necessary parts. Networking your expertise can create new shared value.

3.3. Shared value

Pohang Steel(now POSCO) was born in the 1960s with the national desire to make a good living Korea. POSCO, which has been a myth of steel companies without capital, special technology, or experience for the past half century, is a company that is responsible for the miracle of the Han River[29].

Although it was privatized by this influence, employees internalized public enterprise beliefs and moral minds, and ethical management was settled. Since its inception, it has also carried out various contribution activities. The community behavior and mentality that were active in social contribution activities can be prided as POSCO’s unique DNA that has continued with mutual benefit, consideration and sharing activities with the local community. This is interpreted as the evolution of the mind into the corporate citizen today[28].

The core of POSCO’s shared value is not the sharing value that is created and divided according to the situation, but the strategically pursuing and pursuing the shared value already divided. Coexistence, symbiosis, and shared value that companies must align with their capabilities are not suddenly created, but accumulated over time and generations. The values shared by members of society may differ in priority depending on the situation, but the values that everyone
must recognize coexist. Symbiosis. Shared value. It is not easy to execute, it is not fast. But it is symbiotic. Shared values have the power to move the mind. Therefore, the value created by connecting the capabilities of the company can gain greater consensus among the members of society[32].

3.4. Civil spirit - future platform

POSCO starts from becoming a citizen of the company from its members to become a citizen. The true sense of citizenship is to learn, create, operate, and spread, and strive. POSCO was a national company at the time of its launch, and as a model worker who was a patriotic citizen, it was a sample of industrial warriors in the 1970s. In addition, when the mission and vision of the company change, the wind speed that became the habit of the members changes preemptively. Now, there is only a way to cultivate a mature citizen consciousness that has the individual’s mind and the mind of the public[33][34].

The people are required to be responsible as members of the state, and citizens are autonomous citizens who play an active role in their place. The future will be a network in which good citizens move with good hearts.

4. Conclusions

It is noted by various stakeholders about the impact of corporate activities on society and the environment. CSR and CSV need to change their perception that they are part of corporate value, not one of management strategies, and the biggest topic is 'social value'. The purpose of this study was to investigate the background and factors that could change the paradigm of companies through SK and POSCO, which are making remarkable achievements by creating social values. As a result of the study, the corporate management philosophy, the driving force of the CEO, and the shared value inherent in the members were voluntarily demonstrated.

The symbiosis that companies have to align with their capabilities. The shared value has not been created suddenly, but has accumulated over time and generations. Because it is a value that everyone can’t help but recognize, shared value has the power to move the mind. It has gained greater consensus among social members and is appearing as a social contribution practice through the capabilities of companies. The basic basis of SK’s social value and happiness setting and POSCO’s corporate citizen management philosophy is not much different. In the end, the pursuit of social value is a virtuous cycle structure in which economic value is created through management value and economic value is created again when it is put into social value creation.

In the end, management is helpful to the world, and the future will coexist with a network of good companies moving with good citizens and good consumers. Today, social value creation is limited by only a specific company, so it is expected that further research will be continued by suggesting that companies with new values will be expanded to participate as basic data for companies with new values.

5. References

5.1. Journal articles


5.2. Books


5.3. Additional references


5.4. Conference proceeding


6. Contribution

6.1. Authors contribution

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