

Giving Korea

2011

The 11th International Symposium on Giving Culture





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The 11th International Symposium on Giving Culture 2011

The Beautiful Foundation was founded in 2000 as a national community foundation. The purpose of the foundation is to create and promote philanthropy among the general Korean public as a way to establish a sustainable and systematic culture of giving at all levels of society.

The Center on Philanthropy at the Beautiful Foundation, by conducting research and study and by running educational programs, strives to boost the level of expertise and professionalism of non-profit practitioners, and hopes to become a cornerstone in the effort to raise the standard of the culture of giving.

Giving Korea 2011

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Foreword

The Beautiful Foundation has been organizing its annual International Conference on Giving Korea since 2001 in order to bring to light trends in South Korea giving culture and some of the challenges it faces. The Center on Philanthropy at the Beautiful Foundation has undertaken yearly research projects alternating between individual giving and corporate social responsibility. This year's topic is corporate giving.

The 11th International Conference on Giving Korea, themed "A new framework for corporate social responsibility that boosts both the internal values and external outcomes of a company" under the heading, "A creative discovery of corporate social responsibility" was held on November 23, 2011. This year's symposium for the first time, social responsibility activities to evaluate the effect of corporate social responsibility activities have been released the employee recognition survey. And corporate social responsibility on employee satisfaction and the promotion of corporate brand and strategic social responsibility with civil social's partnership and measurement of performance was carried out for the presentation.

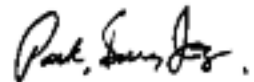
We found that the more employees are aware of CSR, agree with it, the stronger their sense of pride and loyalty. And the higher the corporate social responsibility activities' participation rate, the higher employee satisfaction. The results will be used valuation of corporate social responsibility in the future and with strategy based on the configuration key.

On Giving Korea 2011's research finding, along with corporate social responsibility on employee satisfaction and the promotion of corporate brand and strategic social responsibility with civil social's partnership and measurement of performance was carried out for the presentation.

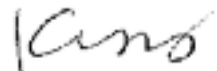
We hope this English version of Giving Korea 2011 serve to suggest a direction for sound social changes while contributing to the further development of philanthropic culture around the world.

Finally, we would like to extend our deep gratitude to all the researchers who so generously shared their expertise with us who co-sponsored Giving Korea 2011.

Park, Sang-jung
chairperson of the Beautiful Foundation.



Kim, Mee-kyung
Executive Director of the Beautiful Foundation.



발 간 사

아름다운재단은 2001년부터 매년 ‘국제기부문화심포지엄 Giving Korea’를 통해 한국 사회 기부문화의 현황과 과제를 발표해 왔습니다. 아름다운재단의 기부문화연구소는 개인기부문화와 기업사회공헌을 주제로 매년 번갈아 연구해왔으며, Giving Korea 2011은 기업사회공헌을 주제로 진행하였습니다.

2011년 11월 23일에 열린 제11회 ‘국제기부문화심포지엄 기빙코리아’는 “기업사회공헌의 창조적 재발견”이라는 제목 아래 “기업의 내부가치와 외부성과를 함께 높이는 새로운 사회공헌 프레임워크”라는 주제로 진행하였습니다. 올해 심포지엄에서 처음으로 사회공헌활동이 기업내부 조직화합에 미치는 영향을 알아보기 위해 실시한 기업사회공헌활동에 대한 직원인식조사 결과가 발표되었습니다. 그리고, 기업사회공헌이 직장만족도 및 기업 브랜드 제고에 미치는 실질적 영향과 전략적 사회공헌을 위한 시민사회와의 파트너십 및 성과측정에 대한 발표도 진행되었습니다.

Giving Korea 2011의 조사결과 직원의 자원봉사 참여율이 높을 수록 사회공헌활동이 조직문화에 기여한다고 평가하는 경향이 있는 것으로 나타났습니다. 또한 기업사회공헌활동에 참여도가 높을수록 직원만족도가 높은 것으로 나타났습니다. 이 결과는 향후 기업 사회공헌활동의 가치 평가와 전략구성에 중요한 기준으로 활용될 것입니다.

Giving Korea 2011 연구 결과와 더불어 기업사회공헌이 직장만족도 및 기업 브랜드 제고에 미치는 실질적 영향과 전략적 사회공헌을위한 시민사회와의 파트너십 및 성과측정에 대한 발표도 진행되었습니다.

아름다운재단에서 영문으로 발간되는 'Giving Korea 2011'가 건강한 사회변화의 방향을 제시하고 전세계 기부문화발전에 이바지하는데 도움이 되길 기대합니다.

마지막으로 '기빙코리아 2011' 연구조사에 참여하신 여러 연구자들께 진심으로 감사를 드립니다.

아름다운재단 이사장
박상증

아름다운재단 상임이사
김미경

2011 Corporate Social Responsibility in South Korea



01

2011 Corporate Social Responsibility in South Korea

Han, Dong-woo

Professor, Graduate School of Social Welfare, Kangnam University

Researcher, The Center on Philanthropy at the Beautiful Foundation

1. Survey methods

1) Survey design

Population	
Listed companies ranked within the top 1,800 based on sales volume	
Unlisted companies ranked within the top 1,800 based on sales volume	
Sample size:	
Listed companies ranked 1-100	338
Listed companies ranked 101-1800	34
Unlisted companies ranked 1-100	154
Unlisted companies ranked 101-1800	28
Unlisted companies ranked 101-1800	122
Sampling	
Purposive quota sampling by company type (listed/unlisted) and by sales volume	
Sampling error	
±5.3% at the 95% confidence level when random sampling is considered	
Data Collection	
Computer Assisted Web Interviewing (CAWI)	
Instrument	
Structured questionnaire	
Survey period	
August 4, 2011-September 27, 2011	
Survey agency	
Hankook Research	

2) Survey questions

CSR experience and methods

Dedicated CSR units and resources

2010 CSR activities

2010 CSR activities: Donation

2010 CSR activities: Employee volunteering programs

Motivating factors and obstacles to CSR practice

Impact of CSR activities

Awareness of CSR-related policies

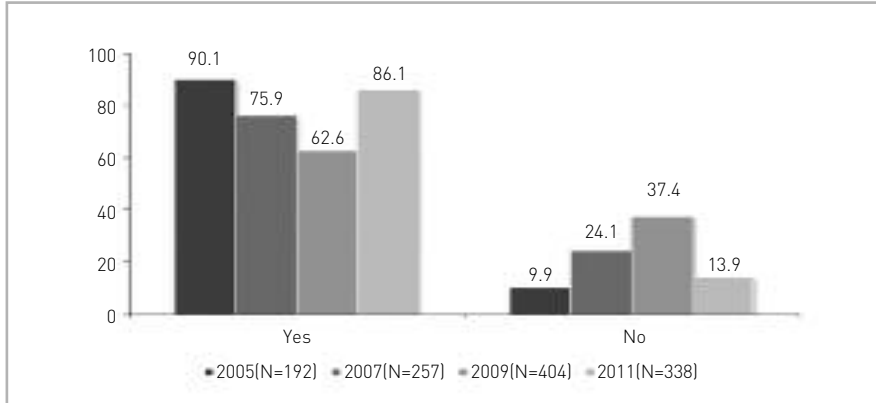
Donations by the surveyed companies in 2010 were subjected to a second analysis based on their financial reports.

2. Result of analysis

1) CSR experience and methods

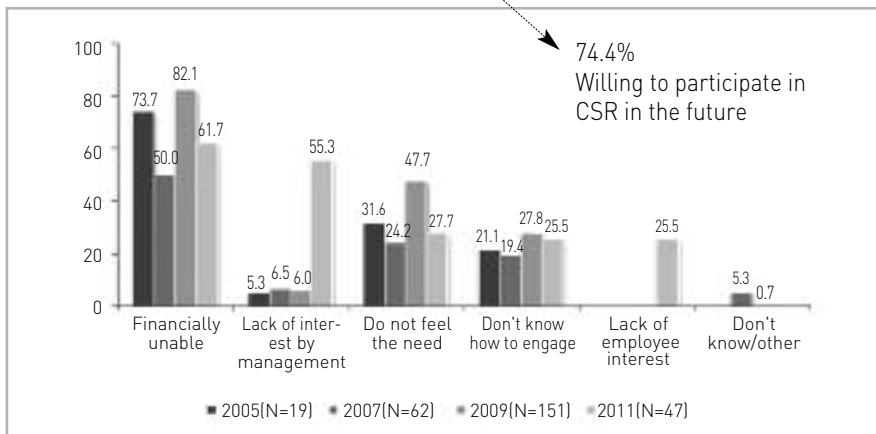
(1) CSR experience

Unit : %



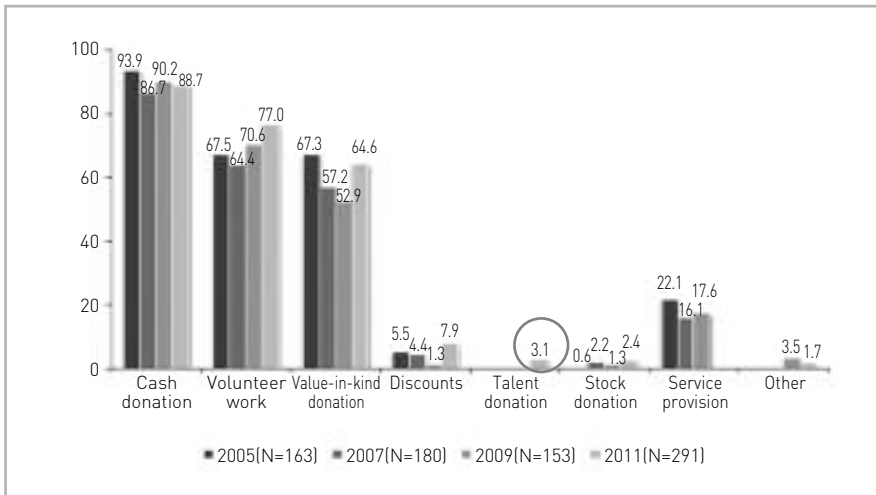
(2) Reasons for not participating in CSR

Unit : %



(3) Method of CSR activities (multiple responses)

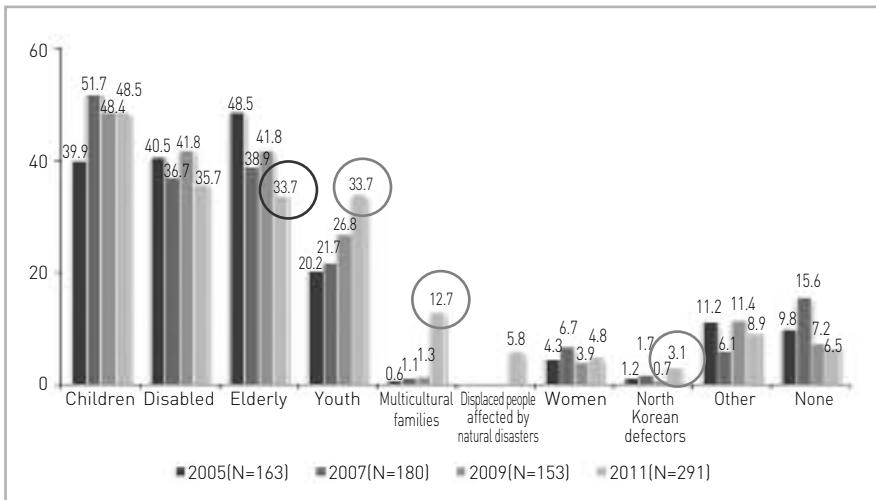
Unit : %



* The total value can exceed 100% due to multiple responses

(4) Groups of special concern (multiple responses)

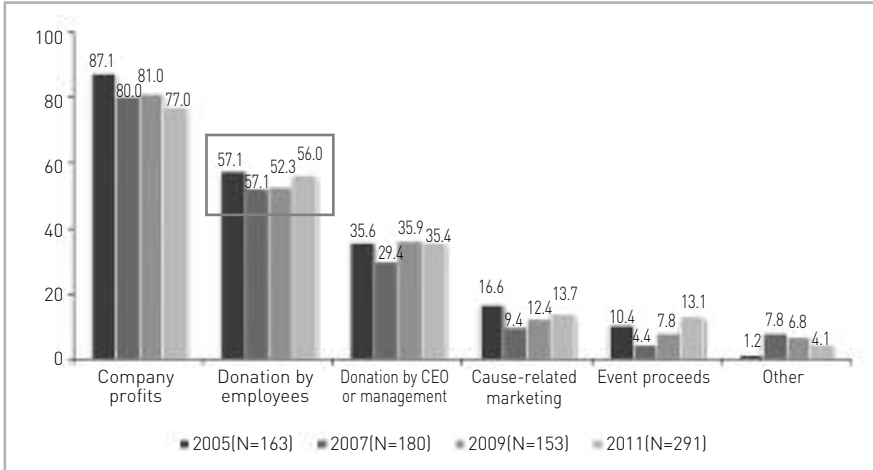
Unit : %



* The total value can exceed 100% due to multiple responses

(5) CSR funding sources (multiple responses)

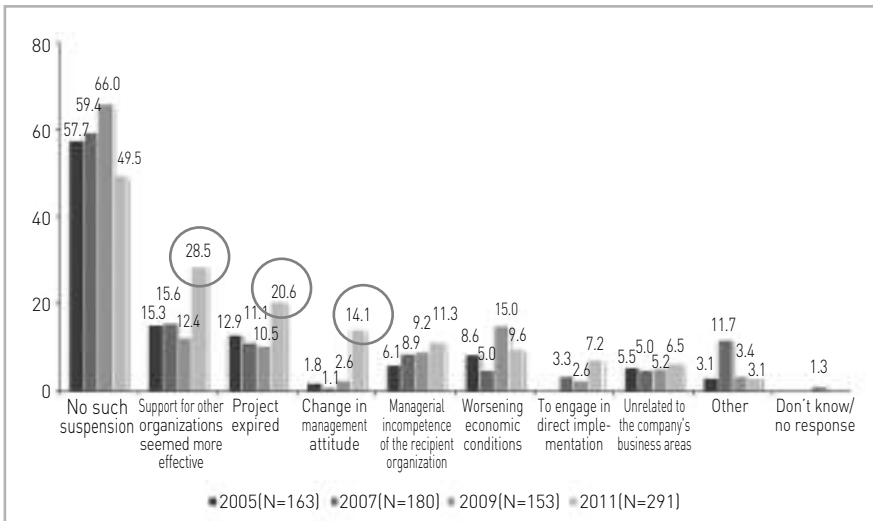
Unit : %



* The total value exceed 100% due to multiple responses

(6) Experience of suspending support to a public interest organization or changing a beneficiary organization (multiple responses)

Unit : %



* The total value exceeds 100% due to multiple responses

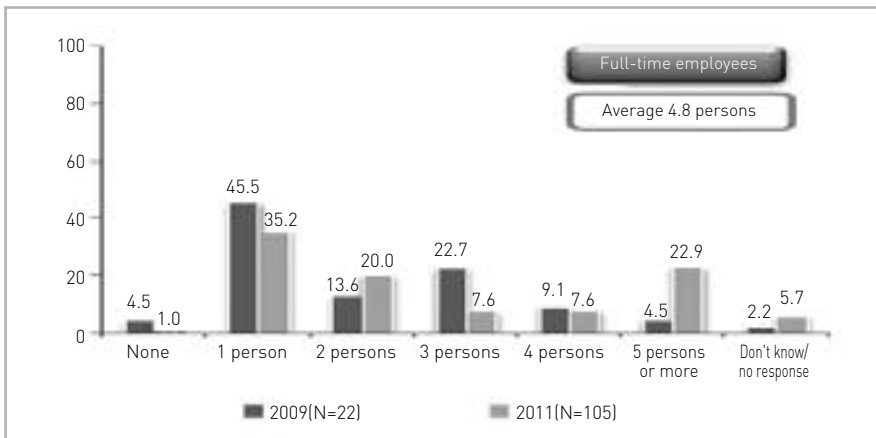
2) Dedicated CSR units and resources

(1) Dedicated CSR resources

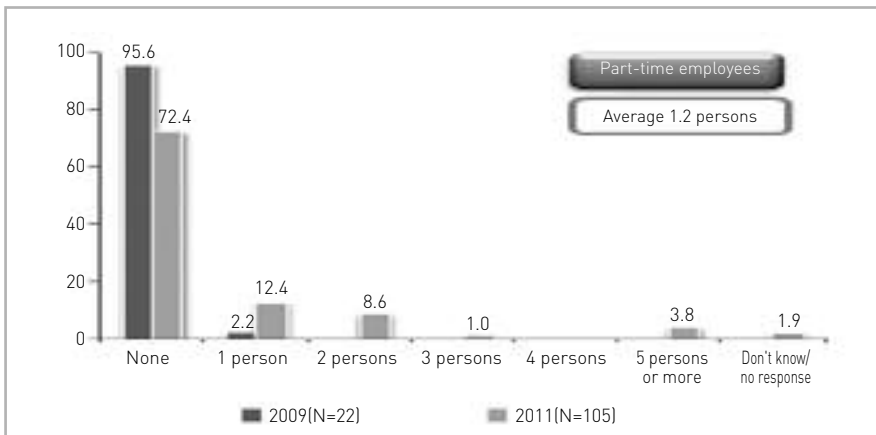
Dedicated units in place	17.2%	} 79.0%
Dedicated personnel only	18.9%	
No dedicated resources, but have personnel tasked with CSR activities	43.0%	

(2) Status of CSR staff

Unit : %

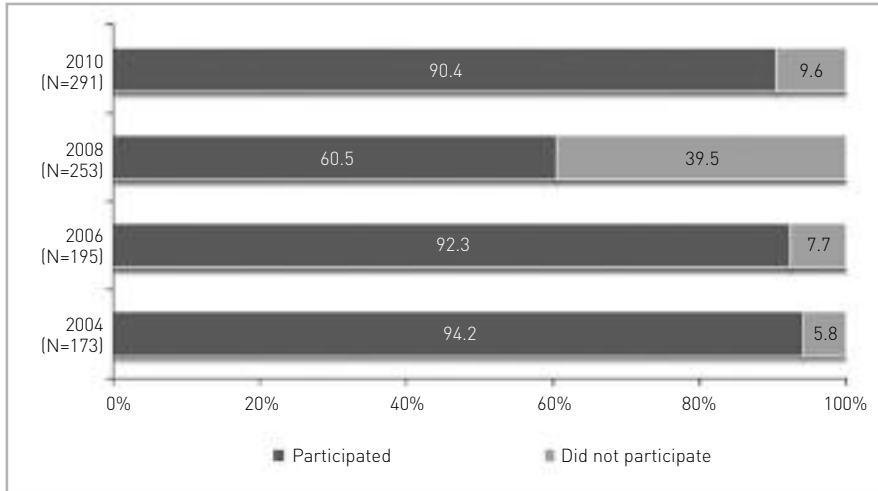


Unit : %



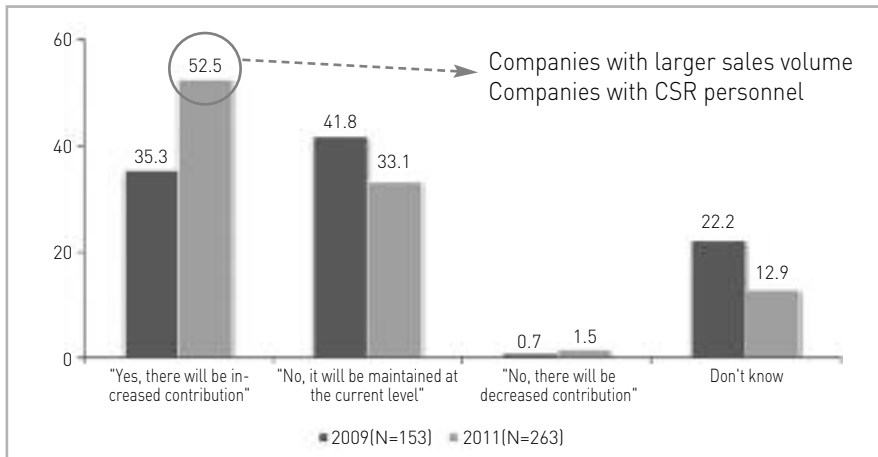
3) CSR activities in 2010

(1) Participation in CSR in 2010



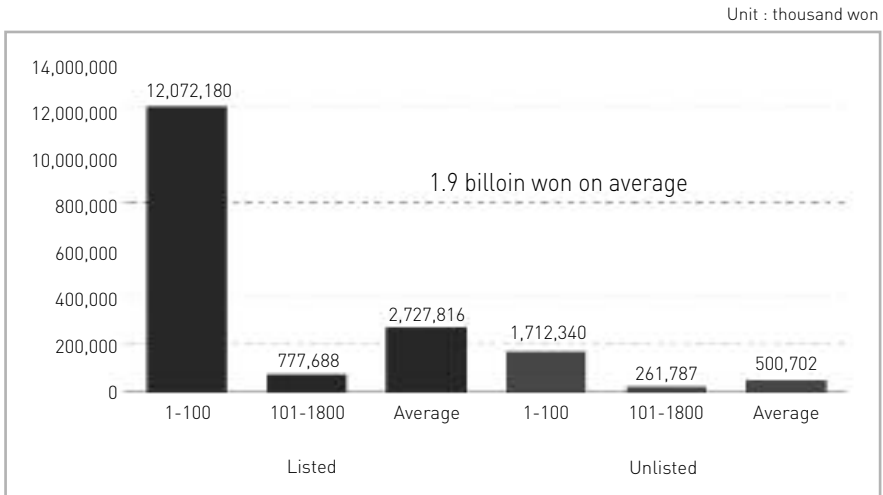
(2) Willingness to expand the scale of CSR in the future

Unit : %



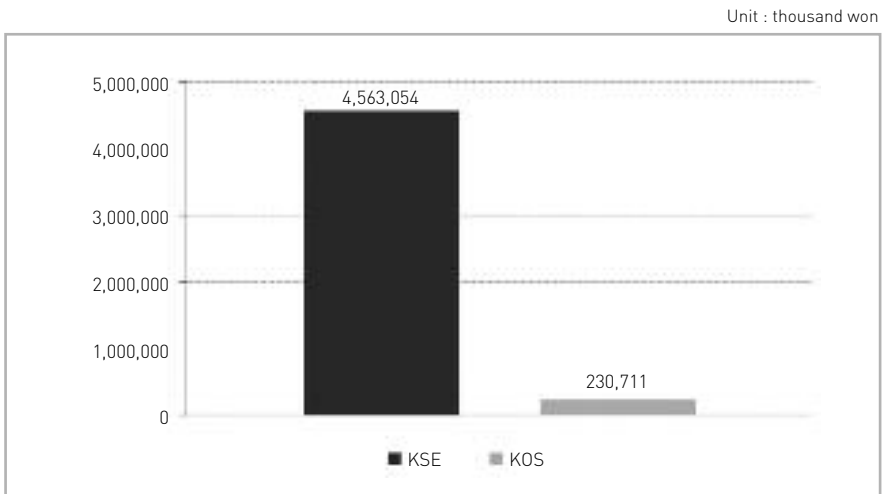
4) 2010 CSR activities: Donation *

(1) Donation by company type



* This data is the result of an analysis of financial reports for 2010.

(2) Donation by company type: KSE vs. KOS



* This data is the result of an analysis of financial reports for 2010.

(3) Comparison of the size of donation and sales volume by company type

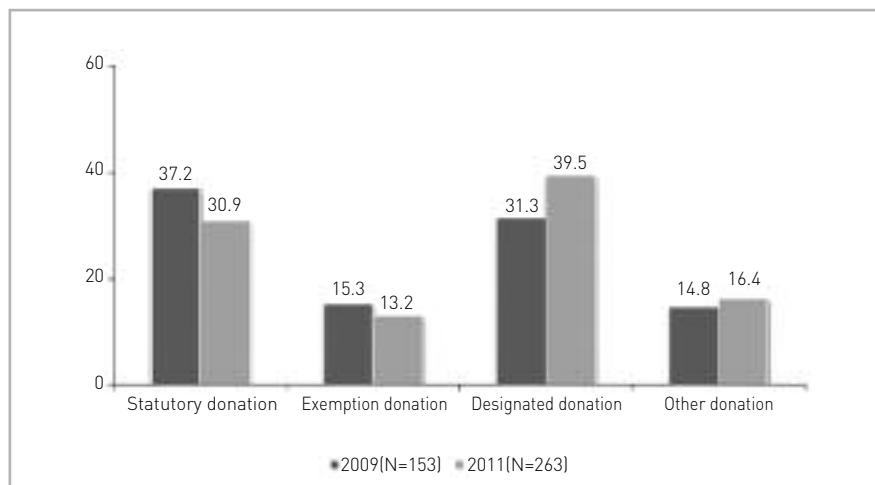
Unit : %

company type		Mean vale	Standard Deviation
Donation**	Listed	KSE	4,563,054
		KOS	230,711
		Average	230,71139,768
	Unlisted	500,702	1,251,400
	Average	1,882,705	7,388,841
Sales volume	Listed	KSE	3,548,433,495
		KOS	169,207,391
		Average	2,056,730,554
	Unlisted	623,820,340	1,185,348,148
	Average	1,472,952,318	4,413,802,358
Percentage of donation relative to sales volume	Listed	KSE	.1737
		KOS	.1552
		Average	.1659
	Unlisted	.1458	.60707
	Average	.1578	.44577

** p < .01

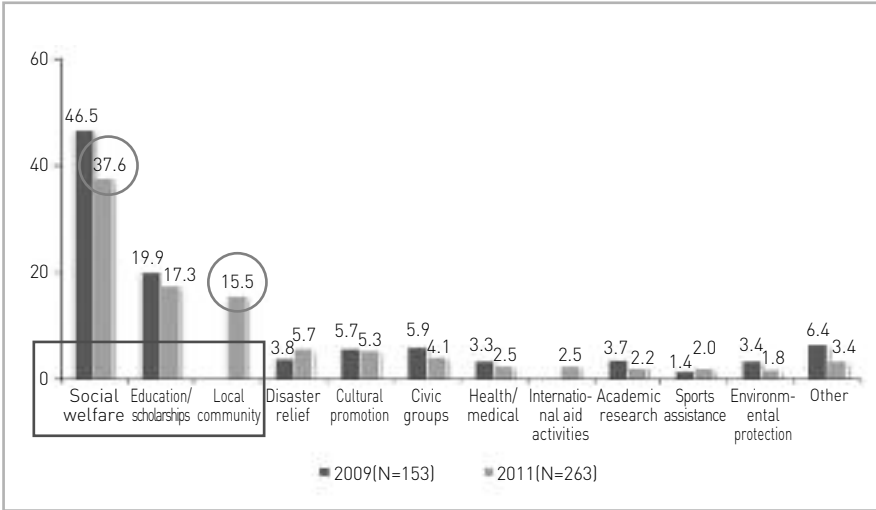
(4) Donation by donation type

Unit : %

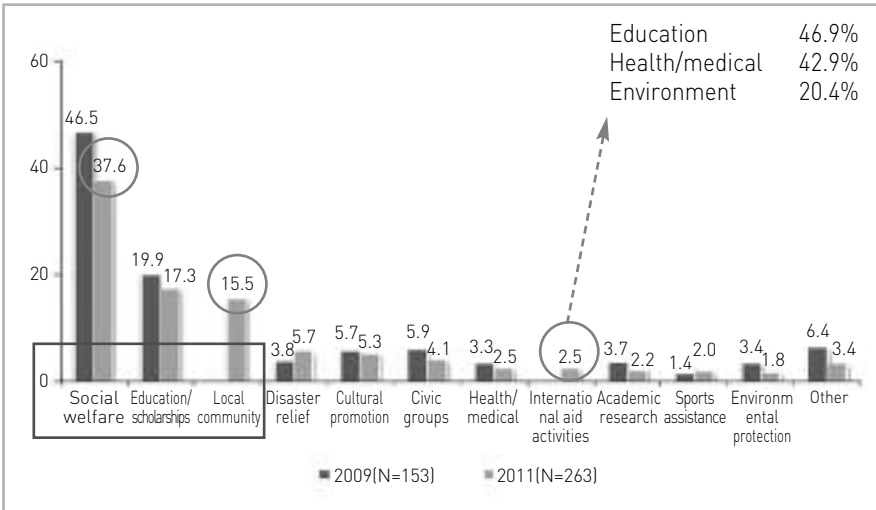


(5) Donation by recipient

Unit : %

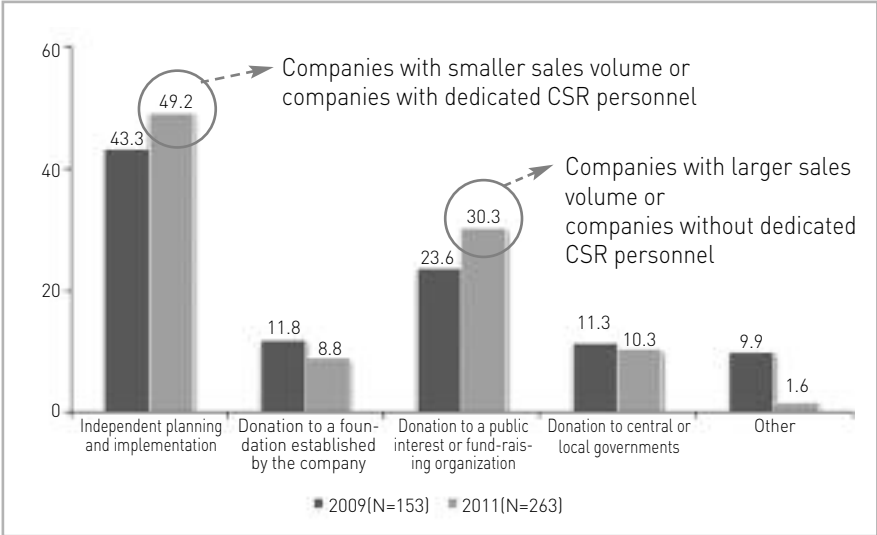


Unit : %



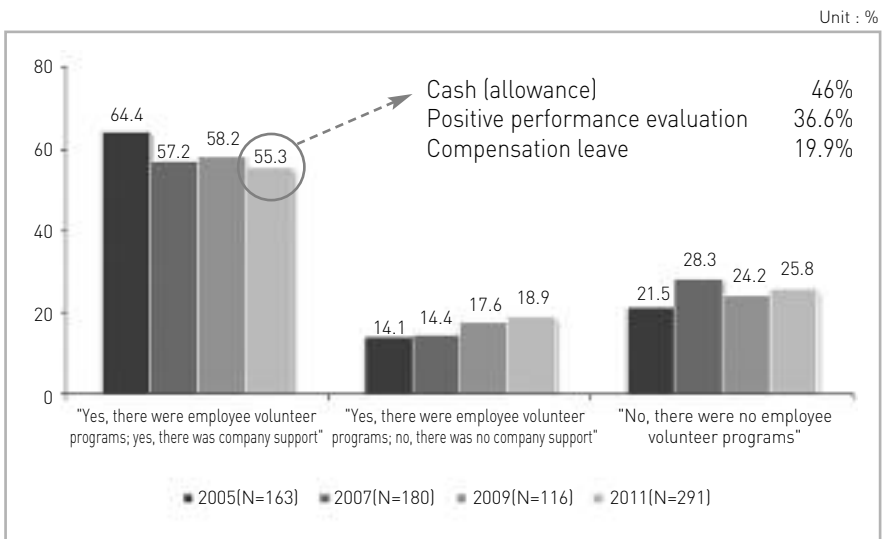
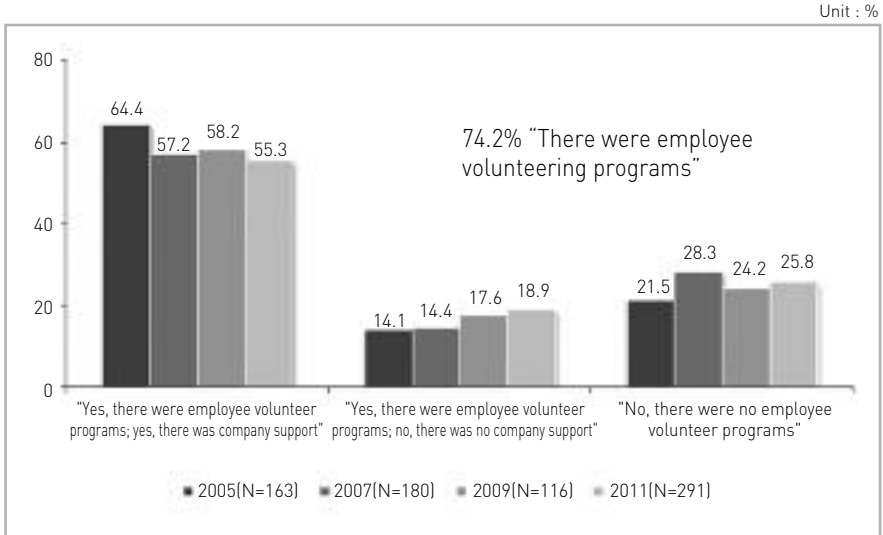
(6) Donation by method of implementation

Unit : %



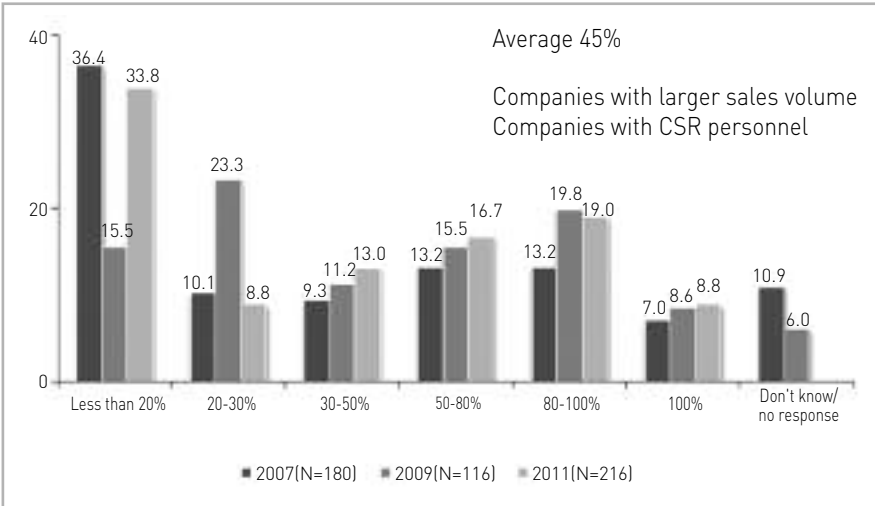
5) 2010 CSR activities: Employee volunteering programs

(1) Experience of employee volunteering and company support



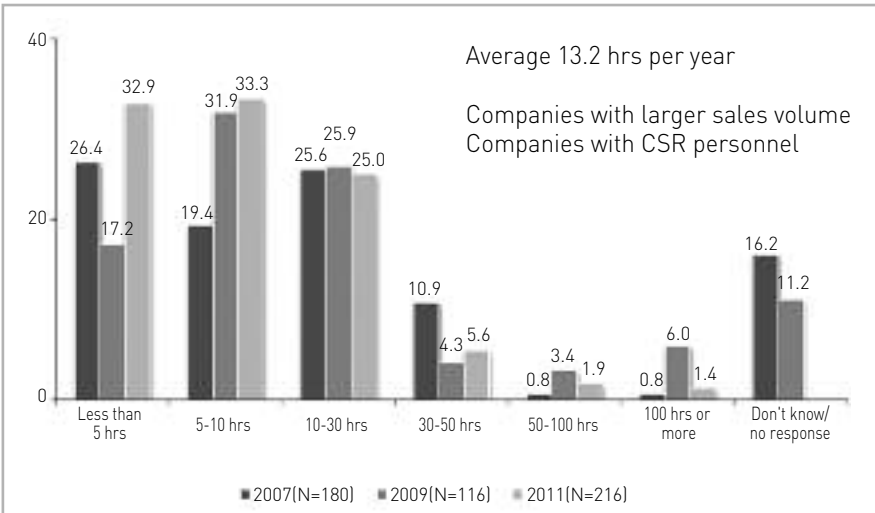
(2) Participation rate in employee volunteer programs

Unit : %



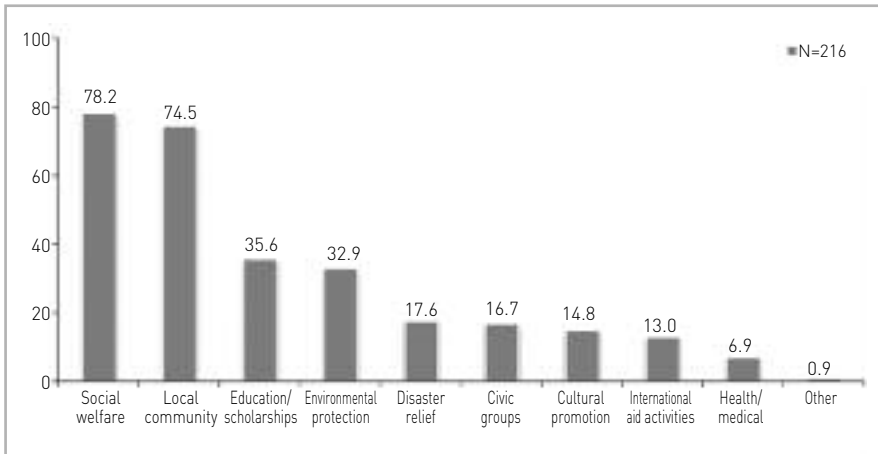
(3) Average volunteering hours of each participating employee

Unit : %



(4) Recipients of employee volunteering (multiple responses)

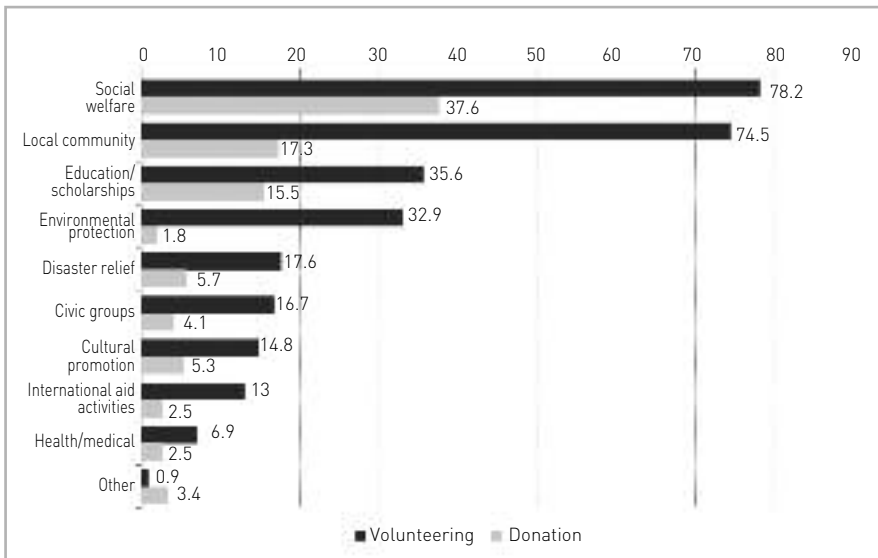
Unit : %



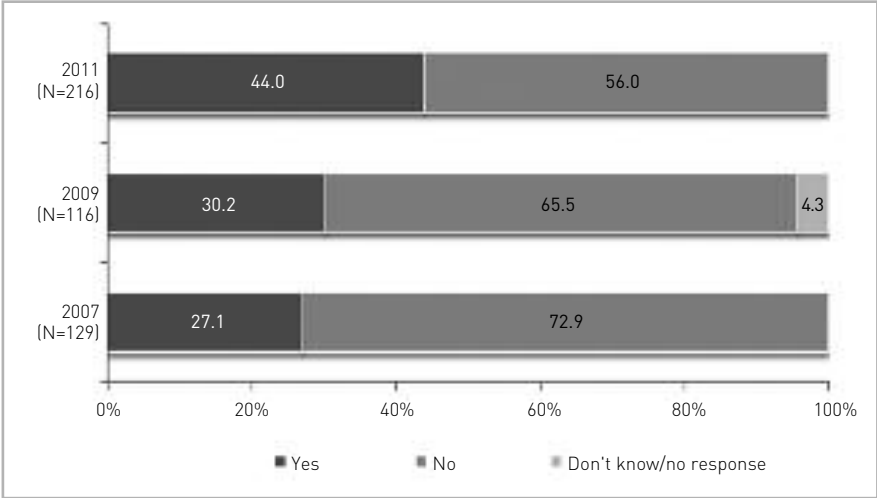
* The total value exceeds 100% due to multiple responses

(5) Volunteering vs. donation: Percentages by recipient

Unit : %



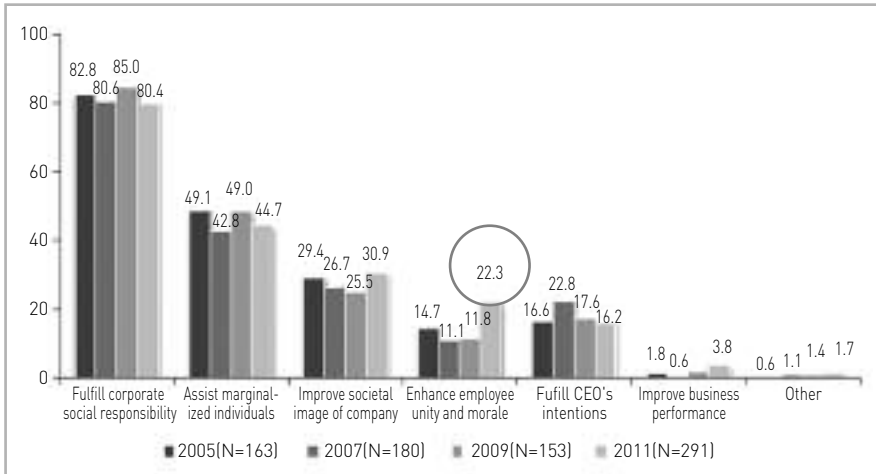
(6) Provision of education related to CSR



6) Motivating factors and obstacles to CSR

(1) Motivating factors (multiple responses)

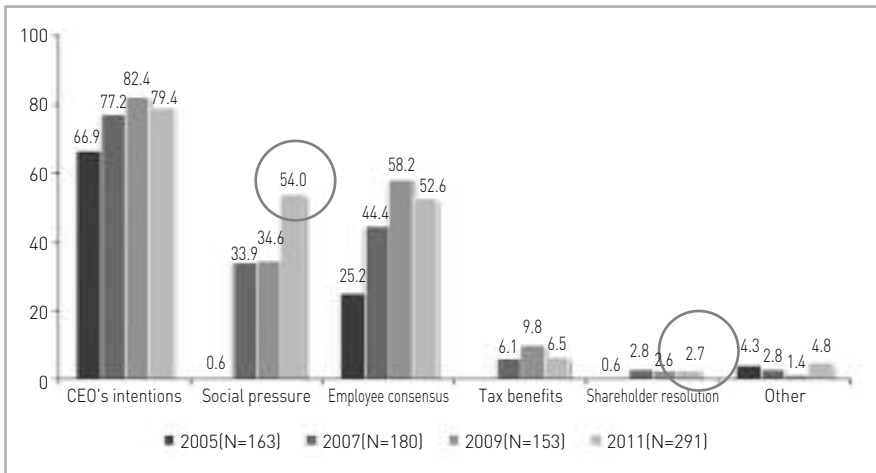
Unit : %



* The total value can exceed 100% due to multiple responses

(2) Decisive factors (multiple responses)

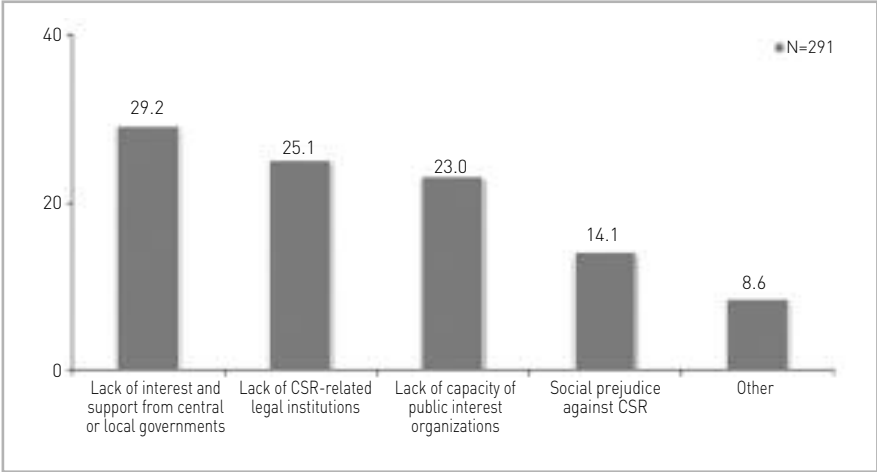
Unit : %



* The total value can exceed 100% due to multiple responses

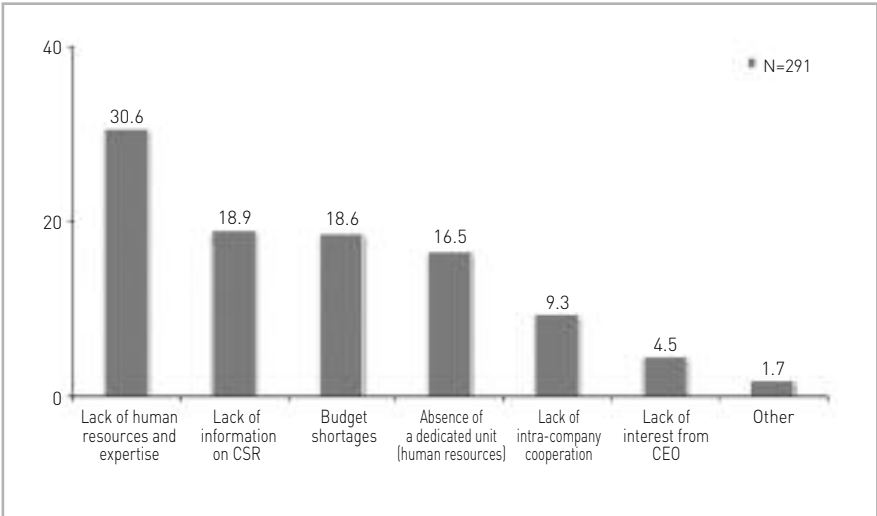
(3) External obstacles to CSR

Unit : %



(4) Internal obstacles to CSR

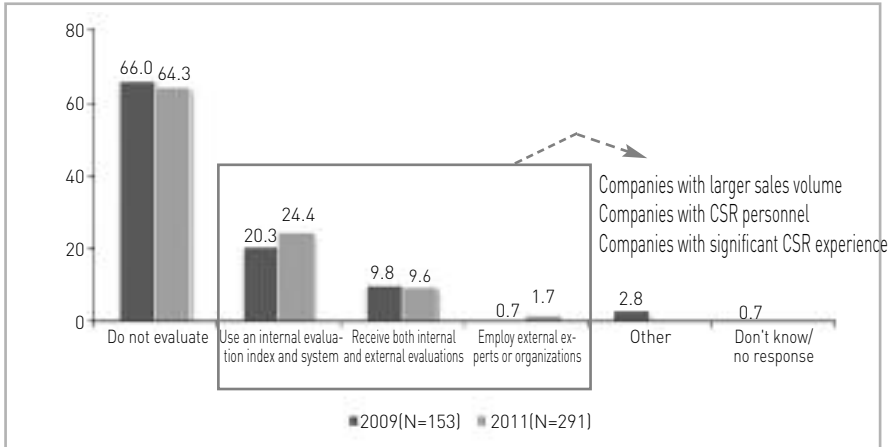
Unit : %



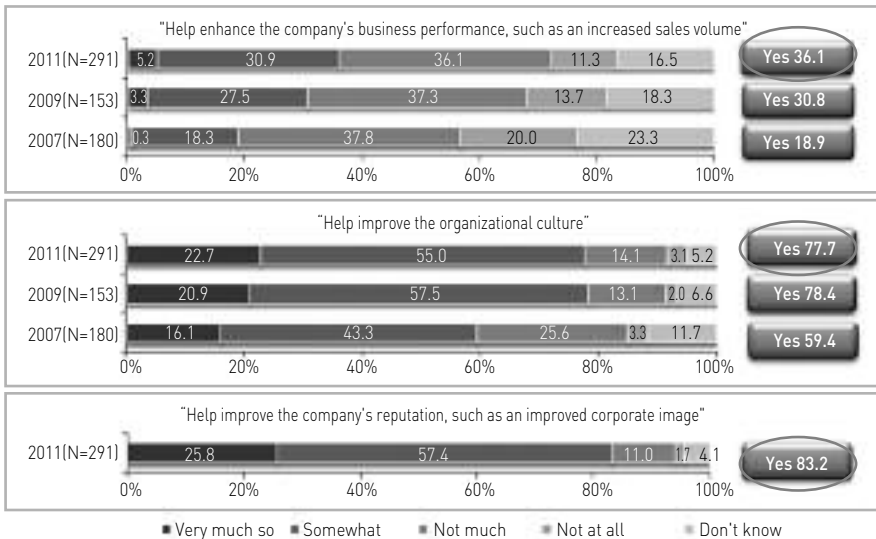
7) Impact of CSR activities

(1) Evaluation methods

Unit : %



(2) Impact of CSR activities

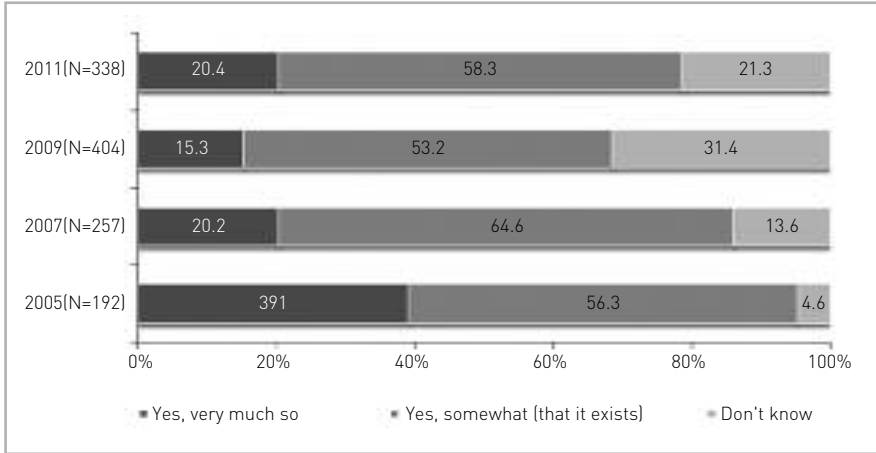


The higher the participation rate in employee volunteer programs, the more positively they respond to the statement that CSR helps improve organizational culture, such as by improving unity among company employees.

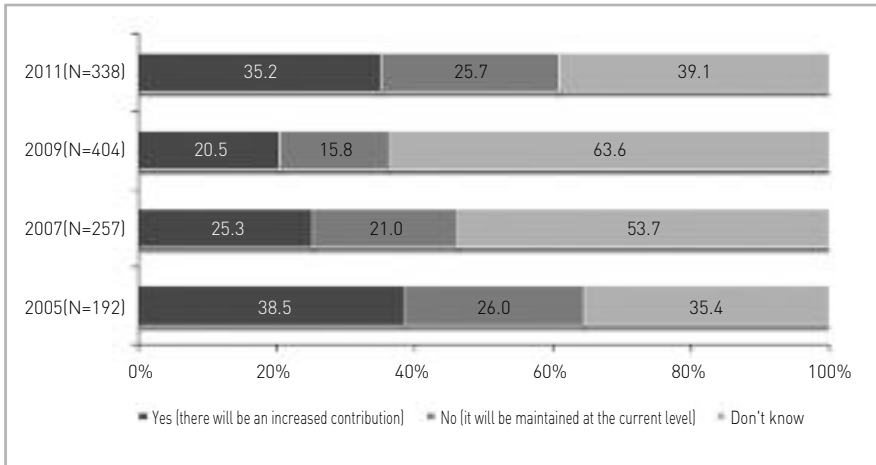
Pearson's $r = .135$ ($p < .05$)

8) Awareness of CSR-related policies

(1) Awareness of CSR-related tax benefits



(2) Willingness to increase donation if the government increases tax benefits



3. Summary

- **Have participated in CSR: 86.1%**
 - Willing to participate if circumstances allow: 72.3%
- **Preferred recipient of CSR: Children; 48.5%**
 - Recently, interest in multicultural families and North Korean defectors is rising.
- **Preferred method of CSR: Cash donation; 88.7%**
 - The proportions of volunteering and value-in-kind donation have been on the rise as well.
- **More companies allocate dedicated CSR units/human resources**
 - Companies' expertise in CSR is increasing.
- **Participation rate in CSR in 2010: 90.4%**
- **Average amount of corporate donation: 1.9 billion won**
- **The greatest amount of donation targets the social welfare sector**
 - The proportion of donation to education/scholarships and the local community continues to grow.
 - The social welfare sector in the broader sense is undisputedly the preferred recipient of donation.

- **Companies with their executives participating in volunteering: 74.2%**
 - As with donation, social welfare is the preferred target of volunteering.
 - However, the distribution of volunteering efforts among recipients is relatively greater than with donation.

- **The main reason why companies engage in CSR is “to fulfill corporate social responsibility.”**
 - A growing number of companies are engaging in CSR in order to enhance employee unity.

- **About 30% of companies have an evaluation system in place to assess CSR accomplishments.**

- **The most important impact of CSR as perceived by respondents is “improve the company’s reputation, such as corporate image.”**
 - Improving organizational culture, such as enhancing employee unity, is also considered a key accomplishment.
 - In general, companies are doubtful as to whether CSR leads to increased sales.

- **Awareness of CSR-related tax benefits is relatively low.**

4. Implications

- **There is a need for practical measures promoting CSR among small- and medium-sized enterprises.**

- **There is a need for research on the impact of policies on CSR.**
 - A diverse range of perspectives should be integrated, including central/local governments, businesses, and civil society.

- **There is a need to strengthen the information center on CSR.**
 - There is a need to enhance the functions and status of the current information center.

- **There is a need to diversify recipients of CSR.**
 - Concentration on the social welfare sector needs to be resolved.
 - Engagement with the environment, culture/arts, and civic society needs to be encouraged.

- **There is an urgent need for technical assistance in order to enhance the capability of non-profit organizations.**
 - Technical assistance is needed in order to promote transparency and trust in non-profit organizations.

Analysis of Trends in Corporate Giving in South Korea



02

Analysis of Trends in Corporate Giving in South Korea

Jun, Sang-gyung

Professor of Finance, School of Business, Hanyang University

Researcher, The Center on Philanthropy at the Beautiful Foundation

Listed companies (non-banking sector)

- 1981-2010
- As of 2010, 679 companies on the Korea Stock Exchange (KSE) and 1,021 companies on the KOSDAQ

Unlisted companies (non-banking sector)

- 1998-2010
- As of 2010, 15,651 companies

Average percentages by company vs. corporate Korea

1. Methods for estimating the size of corporate giving

Averaging donation percentages:

Average donation percentages of companies

- Calculate donation percentages by company
 - Donation/Sales volume
 - Donation/Operating profits
- Average donation percentages of companies

Calculating total donation percentages:

Calculate, assuming “corporate Korea”

- Calculate the total donation amount of all companies
 - Calculate the total amount of donation by corporate Korea
 - Calculate the total volume of sales and operating profits of corporate Korea
- Calculate donation percentages, assuming the entire South Korean business community to be a single entity
 - Total donation/Total sales
 - Total donation/Total operating profits

1) Averaging donation percentages: Average donation percentages of companies

(1) Listed companies in 2010

- Averaged donations/Sales of companies: 0.10%
- Averaged donations/Operating profits of companies: 0.46%

(2) Weaknesses

- Statistical problems
 - Extremely high skewness
 - Far from normal distribution
 - While the percentages of donation of a large number of companies is close to 0, the average value is skewed due to a few extreme values.
 - The median value is much lower than the average.

(3) Strengths

- Can show distribution by company
- Possible to compare in relative terms

(4) Averaging donation percentages: Donation/Sales per year (%)

Year	Average	Standard deviation	Skewness	Minimum	Percentile 25	Percentile 50	Percentile 75	Maximum
1981	0.20	0.31	4.18	0.00	0.04	0.09	0.25	2.94
1982	0.21	0.26	2.49	0.00	0.04	0.11	0.27	1.55
1983	0.27	0.47	6.10	0.00	0.05	0.12	0.35	5.28
1984	0.32	0.82	13.25	0.00	0.06	0.15	0.38	12.99
1985	0.26	0.51	4.70	0.00	0.02	0.07	0.27	4.62
1986	0.29	0.59	6.35	0.00	0.03	0.09	0.28	8.36
1987	0.28	0.50	3.80	0.00	0.03	0.10	0.27	4.64
1988	0.25	0.48	3.26	0.00	0.01	0.05	0.23	3.27
1989	0.24	0.51	4.85	0.00	0.02	0.06	0.21	5.91
1990	0.25	0.50	4.41	0.00	0.02	0.07	0.23	5.48
1991	0.22	0.45	4.06	0.00	0.02	0.07	0.20	3.40
1992	0.24	0.74	12.81	0.00	0.02	0.06	0.19	14.98
1993	0.26	0.74	7.67	0.00	0.01	0.05	0.19	11.72
1994	0.22	0.53	7.06	0.00	0.01	0.06	0.20	7.78
1995	0.17	0.46	8.52	0.00	0.01	0.04	0.14	7.47
1996	0.14	0.43	15.06	0.00	0.01	0.03	0.11	10.61
1997	0.10	0.34	14.66	0.00	0.00	0.02	0.08	8.41
1998	2.49	82.97	34.74	0.00	0.00	0.01	0.06	2882.50
1999	0.10	0.31	12.31	0.00	0.00	0.02	0.06	7.42
2000	0.12	0.71	28.45	0.00	0.00	0.01	0.07	25.59
2001	0.13	1.25	28.25	0.00	0.00	0.01	0.07	39.84
2002	1.94	77.73	42.55	0.00	0.00	0.02	0.08	3307.97
2003	0.14	2.21	41.78	0.00	0.00	0.01	0.06	93.47
2004	0.10	0.47	22.88	0.00	0.00	0.01	0.06	15.87
2005	0.10	0.34	12.83	0.00	0.00	0.01	0.07	8.89
2006	0.12	0.41	11.82	0.00	0.00	0.01	0.08	9.84
2007	0.13	0.51	12.58	0.00	0.00	0.01	0.07	11.46
2008	0.11	0.46	15.95	0.00	0.00	0.01	0.07	12.73
2009	0.11	0.64	29.84	0.00	0.00	0.01	0.06	24.03
2010	0.10	0.35	12.01	0.00	0.00	0.01	0.07	8.15

(5) Averaging donation percentages: Donation/Operating profits per year (%)

Year	Average	Standard deviation	Skewness	Minimum	Percentile 25	Percentile 50	Percentile 75	Maximum
1981	1.06	1.48	2.69	0.00	0.23	0.48	1.20	9.18
1982	1.11	1.37	2.17	0.00	0.26	0.55	1.38	7.19
1983	1.46	2.82	7.78	0.00	0.30	0.63	1.65	35.93
1984	1.51	2.02	4.37	0.00	0.34	0.79	1.92	21.08
1985	1.17	1.97	4.25	0.00	0.14	0.42	1.45	19.63
1986	1.33	2.36	4.91	0.00	0.20	0.53	1.50	25.05
1987	1.29	2.16	6.17	0.00	0.22	0.55	1.51	31.17
1988	1.09	1.76	2.66	0.00	0.08	0.34	1.25	11.05
1989	1.17	2.83	8.56	0.00	0.11	0.37	1.15	41.24
1990	1.16	1.93	3.70	0.00	0.16	0.47	1.25	16.17
1991	1.00	1.93	6.82	0.00	0.12	0.42	1.08	27.12
1992	1.05	2.15	6.51	0.00	0.11	0.38	1.01	31.07
1993	1.10	2.26	5.44	0.00	0.07	0.31	1.14	26.28
1994	1.09	2.41	6.07	0.00	0.10	0.33	1.12	27.40
1995	0.91	1.89	4.29	0.00	0.07	0.26	0.76	16.69
1996	0.76	1.83	6.72	0.00	0.04	0.20	0.69	23.47
1997	0.55	2.21	22.41	0.00	0.01	0.12	0.47	64.08
1998	0.60	4.02	23.88	0.00	0.01	0.09	0.33	118.19
1999	0.44	1.16	6.77	0.00	0.01	0.09	0.34	17.78
2000	2.27	59.63	38.53	0.00	0.00	0.08	0.35	2368.92
2001	0.53	2.73	23.03	0.00	0.00	0.07	0.35	87.80
2002	2.69	79.88	41.11	0.00	0.01	0.11	0.39	3307.97
2003	0.55	3.13	22.55	0.00	0.00	0.08	0.32	93.47
2004	0.47	1.99	18.64	0.00	0.00	0.05	0.31	56.85
2005	0.65	4.38	23.70	0.00	0.00	0.07	0.36	130.01
2006	0.60	2.06	11.26	0.00	0.00	0.08	0.38	44.10
2007	1.01	14.96	39.25	0.00	0.00	0.08	0.40	612.08
2008	0.58	2.52	15.10	0.00	0.00	0.07	0.36	64.83
2009	0.53	1.85	9.25	0.00	0.00	0.07	0.34	32.64
2010	0.46	1.22	6.12	0.00	0.01	0.08	0.37	15.24

(6) Implications of the distribution of the size of donation

- The amount of donation of about half the companies is “0”
 - A large number of companies do not engage in giving
 - About half of all companies donate
- Spreading giving culture is more important than increasing the amount of donation
 - More companies should be made aware of the need for CSR.

**2) Calculating the donation percentages of the total amount:
calculate the donation percentages based on the total
amount**

(1) Assume “corporate Korea”

- Calculate the total donation amount by year
 - Calculate the total amount of donation by corporate Korea
 - Calculate the total amount of sales and operating profits of corporate Korea
- Calculate the donation percentages by year, using the total amounts

(2) More reasonable for identifying average giving

- Produce a single figure for each year
 - Total donation/Total sales
 - Total donation/Total operating profits
- No need to be concerned about the distribution of statistics
- It can be used for examining year-by-year trends

2. Average amount of donation by listed companies and unlisted companies.

1) Listed companies

(1) Average amount of donation in 2010

- Average: 837 million won
- KSE: 1,971 million won
- KOSDAQ: 84 million won

(2) Relative to sales and operating profits (2010)

- | | |
|--|---|
| <ul style="list-style-type: none"> • Donation/Sales –Average: 0.12% –KSE: 0.13% –KOSDAQ: 0.08% | <ul style="list-style-type: none"> • Donation/Operating profits – Average: 1.69% – KSE: 1.71% – KOSDAQ: 1.54% |
|--|---|

Average amount of donation (million won)

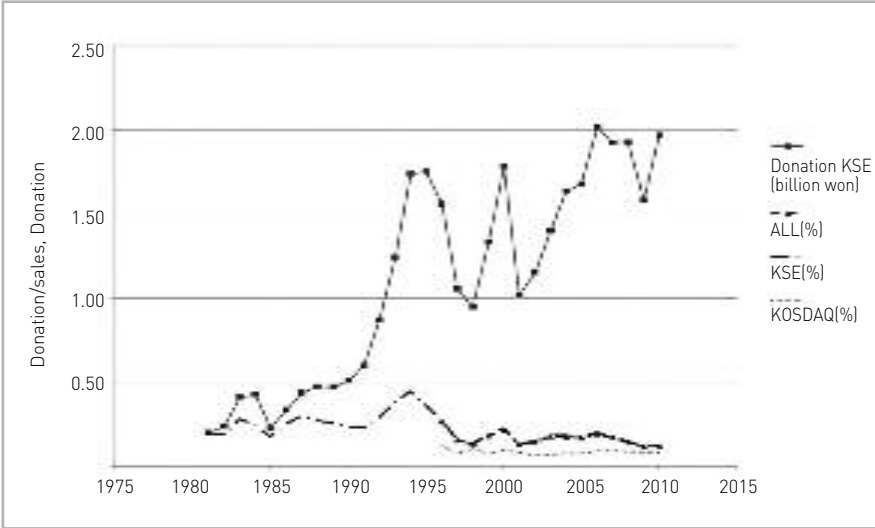
Year	ALL	KSE	KOSDAQ
1981		202	
1982		238	
1983		411	
1984		427	
1985		230	
1986		338	
1987		437	
1988		474	
1989		472	
1990		508	
1991		599	
1992		870	
1993		" 1,244 "	
1994		" 1,741 "	
1995		" 1,753 "	

Year	ALL	KSE	KOSDAQ
1996	" 1,059 "	" 1,560 "	59
1997	657	" 1,057 "	35
1998	559	948	41
1999	667	" 1,334 "	28
2000	783	" 1,781 "	42
2001	445	" 1,020 "	37
2002	479	" 1,154 "	32
2003	571	" 1,402 "	34
2004	655	" 1,634 "	41
2005	666	" 1,679 "	43
2006	792	" 2,016 "	54
2007	754	" 1,926 "	59
2008	769	" 1,927 "	64
2009	659	" 1,586 "	69
2010	837	" 1,971 "	84

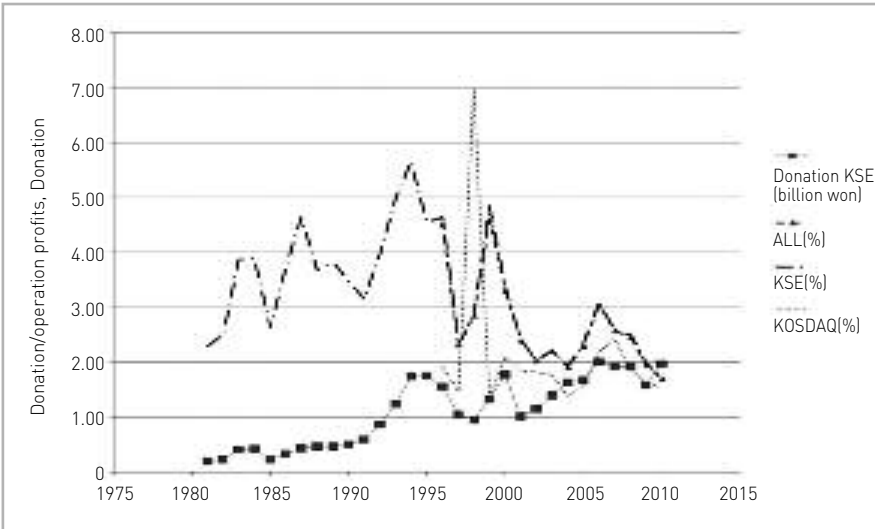
(3) Statistics: Listed companies

Year	Average amount of donation (million won)			% relative to sales			% relative to operating profits		
	ALL	KSE	KOSDAQ	ALL	KSE	KOSDAQ	ALL	KSE	KOSDAQ
1981		202			0.19			2.29	
1982		238			0.19			2.51	
1983		411			0.28			3.86	
1984		427			0.24			3.88	
1985		230			0.18			2.63	
1986		338			0.25			3.76	
1987		437			0.30			4.65	
1988		474			0.27			3.68	
1989		472			0.26			3.82	
1990		508			0.24			3.48	
1991		599			0.23			3.15	
1992		870			0.29			3.97	
1993		1,244			0.38			4.99	
1994		1,741			0.45			5.65	
1995		1,753			0.36			4.56	
1996	1,059	1,560	59	0.27	0.27	0.12	4.52	4.64	1.93
1997	657	1,057	35	0.16	0.16	0.08	2.31	2.34	1.47
1998	559	948	41	0.13	0.13	0.11	2.85	2.79	6.99
1999	667	1,334	28	0.18	0.19	0.07	4.59	4.84	1.37
2000	783	1,781	42	0.22	0.23	0.10	3.30	3.36	2.11
2001	445	1,020	37	0.13	0.14	0.08	2.39	2.43	1.85
2002	479	1,154	32	0.14	0.15	0.07	2.02	2.03	1.82
2003	571	1,402	34	0.18	0.19	0.07	2.20	2.22	1.77
2004	655	1,634	41	0.18	0.19	0.08	1.90	1.93	1.38
2005	666	1,679	43	0.17	0.18	0.08	2.29	2.34	1.56
2006	792	2,016	54	0.19	0.20	0.09	3.04	3.09	2.21
2007	754	1,926	59	0.17	0.18	0.09	2.57	2.58	2.43
2008	769	1,927	64	0.14	0.15	0.09	2.46	2.50	1.84
2009	659	1,586	69	0.12	0.12	0.09	1.96	1.98	1.63
2010	837	1,971	84	0.12	0.13	0.08	1.69	1.71	1.54

(4) Donation/Sales (%) of listed companies



(5) Donation/Operating profits (%) of listed companies



2) Unlisted companies

(1) Average amount of donation in 2010

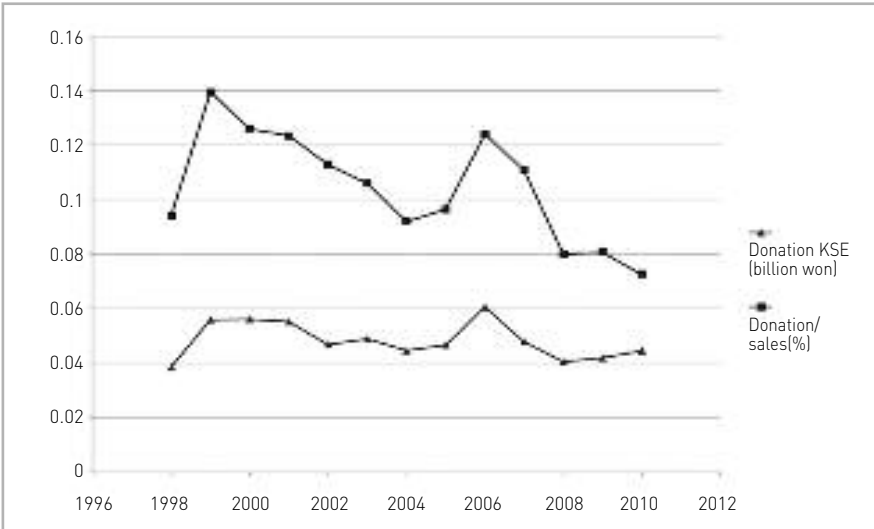
- 45 million won
- Donation percentages
 - Relative to sales: 0.07%
 - Relative to operating profits: 1.27%

(2) Trends

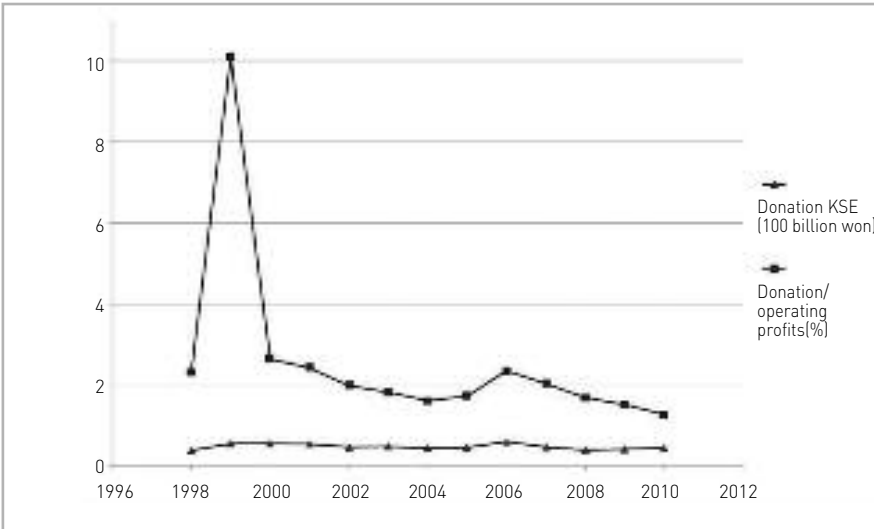
- The amount is stagnant.
- The percentage is declining.

Year	Average amount of donation (million won)	Relative to sales (%)	Relative to operating profits (%)
1998	39	0.09	2.32
1999	56	0.14	10.10
2000	56	0.13	2.65
2001	55	0.12	2.44
2002	47	0.11	1.99
2003	49	0.11	1.83
2004	45	0.09	1.62
2005	47	0.10	1.74
2006	61	0.12	2.35
2007	48	0.11	2.04
2008	40	0.08	1.69
2009	42	0.08	1.52
2010	45	0.07	1.27

(3) Donation/Sales (%) of unlisted companies



(4) Donation/Operating profits (%) of unlisted companies



3. Summary

1) Corporate giving in 2010

		Donation (million won)	Donation/Sales (%)	Donation/Operating profits (%)
Listed companies	KSE	1,971	0.13	1.71
	KOSDAQ	84	0.08	1.54
	Total	837	0.12	1.69
Unlisted companies		45	0.07	1.27

2) Implications

- The amount of donation by listed companies is gently rising.
 - With unlisted companies, the figure is stagnant.
- The growth rate of donation is slower than that of sales or operating profits.
 - Donation relative to sales
 - The percentage has been stagnant since a major drop in the mid-1990s.
 - Donation relative to operating profits
 - There have been ups and downs, but overall it has been on the decline since the mid 1990s.

4. Two faces of corporate giving

Businesses value public appreciation

- Businesses value sustainable management

The real face behind the mask

- Might they have attributes as “perks”?
 - Pet personal projects of the CEO
 - A manner of self-actualization
- Might it be an alternative to entertainment expenses?
- Might it be related to inheritance taxes?
 - December 31, 1996 amendment of the Inheritance and Gift Tax Law
- Might it be related to political conditions?

Therefore,

- It appears more reasonable to call for further dissemination of giving culture rather than to call for increased donation

Does Corporate Social Responsibility Contribute to Organizational Unity?



03

Does Corporate Social Responsibility Contribute to Organizational Unity?

Jun, Sang-gyung

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Survey of views on corporate social responsibility

- General employees

Can corporate social responsibility contribute to organizational unity?

- Regression analysis

1. Research background

1) Are current CSR activities led by the will of management rather than by the employees?

- How do employees view corporate social responsibility?
- There is a need to complement the results of surveys of personnel assigned to CSR activities and management.

2) Do CSR activities contribute to organizational unity?

- To examine the possibility of a virtuous cycle between CSR activities and organizational unity
 - Organizational unity is an essential element for enhancing corporate values.
- If CSR activities contribute to organizational unity, it implies that CSR is conducive to corporate values.
 - It can suggest a possibility of a virtuous cycle between socially responsible investment (SRI) and corporate values.

2. Research methods: Survey and regression analysis

1) Survey

- Respondents: General staff not in managerial or higher positions
- To investigate their perceptions and attitudes regarding corporate social responsibility

2) Regression analysis

- The survey results will be used for analysis.
- Do CSR activities contribute to organizational unity?

3. Analysis

1) Perceptions regarding corporate social responsibility

(1) General employee perceptions regarding corporate social responsibility

- Critical views on CSR
- Do the employees believe in the positive impacts of CSR?
 - Will CSR enhance corporate values?
 - Company reputation, sales, organizational unity, etc.
- Recipients of CSR activities
 - Who are reasonable recipients of CSR activities?
- Who would lead more effective CSR activities?
 - Managers and those in higher positions vs. unions

- [2] Level of employee participation in establishing the company's CSR direction
- Are employees well aware of the company's CSR activities?
 - Do employees agree with the direction of the company's CSR policies?
 - Does the company value the participation of employees in establishing the direction of CSR activities?

2) Relationship between CSR and organizational unity

- Analysis of the impact of CSR activities on communication with management, as well as on the sense of pride and employee loyalty toward the company
 - Do employees who are well aware of the company's CSR policy have a higher sense of pride and loyalty toward the company?
 - Do employees who agree with the company's CSR policy have a higher sense of pride and loyalty toward the company?
 - Do employees who are deeply interested in the direction of the company's CSR policy have a higher sense of pride and loyalty toward the company?
 - Do employees who believe in the value of the company's CSR activities have a higher sense of pride and loyalty toward the company?

4. Survey

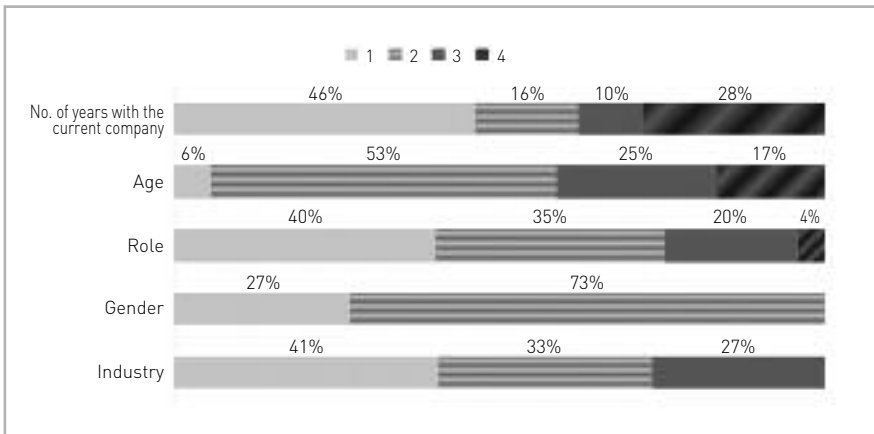
1) Survey structure

- Respondents: General employees
 - Survey of the perceptions of general employees who are not managers (heads of teams or higher)

-755 respondents

- An anonymous survey of three companies selected from three different industries
 - A pharmaceutical company
 - A labor-intensive manufacturing company
 - A construction company

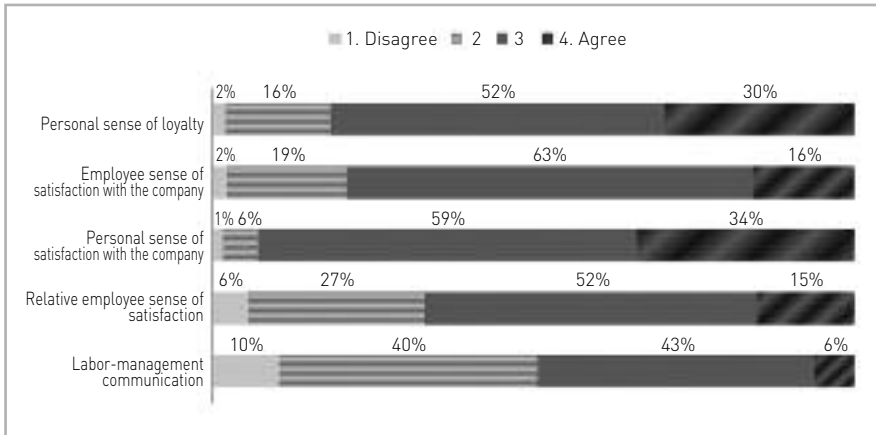
2) Demographics



- No. of years with the current company: 1) Less than 5 years 2) 6-10 years 3) 11-15 years 4) 16 years or more
- Age: 1) 25 years old or younger 2) 26-35 years old 3) 36-45 years old 4) 46 years old or older
- Role: 1) Manufacturing 2) Clerical/managerial 3) Marketing/sales 4) Research
- Gender: 1) Female 2) Male
- Industry: 1) Pharmaceutical 2) Labor-intensive manufacturing 3) Construction

3) Result of survey

(1) Degree of sense of pride and loyalty, satisfaction, and communication



- The degree of the respondents' sense of satisfaction with their company is high.
 - About 80% believed that their and their colleagues' sense of loyalty is high.
 - In particular, over 90% of respondents were satisfied with their current company.
- Less than 50% gave positive answers to smooth labor-management communication.
 - There is a need to improve labor-management communication.

Reference: Survey questions

Q1) I have a strong sense of pride and loyalty in my company.

- ① Strongly disagree
- ② Somewhat disagree
- ③ Somewhat agree
- ④ Agree

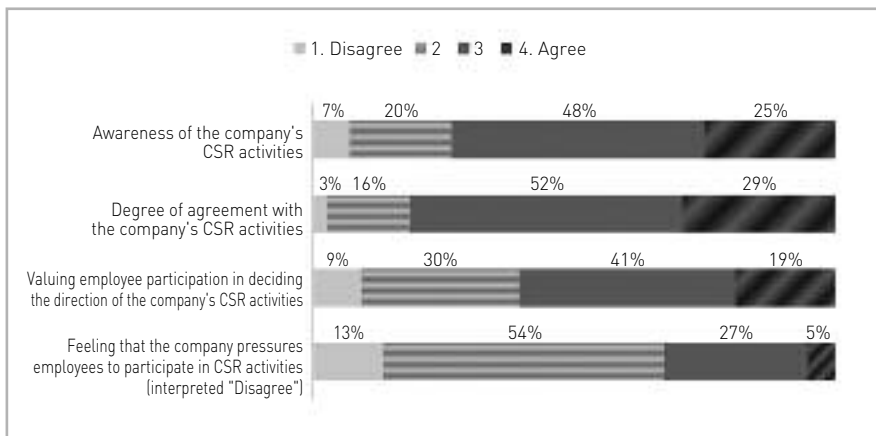
Q2) Employees of my company are in general highly satisfied with the working conditions and benefits provided by the company.

Q3) I'm satisfied working at this company.

Q4) Compared to similar companies within the industry, the employees of my company are in general more satisfied with their company.

Q5) I think that our company enjoys a relatively smooth flow of communication between employees and management.

(2) Whether they are well aware of their company's CSR activities, whether they agree with the direction of their company's CSR, and whether their company values employee participation in deciding CSR direction



- The degree of awareness of and agreement with company CSR activities is fairly high.
 - 73% considered themselves very well aware of their company's CSR activities.

- 81% agreed with their company’s CSR activities.
- However, company efforts to reflect employee opinions and promote participation in deciding the direction of CSR are insufficiently robust.
 - About 40% reported that their companies do not actively seek out the opinions of employees and participation in deciding CSR.
 - 32% felt pressure from management to participate in CSR.

Reference: Survey questions

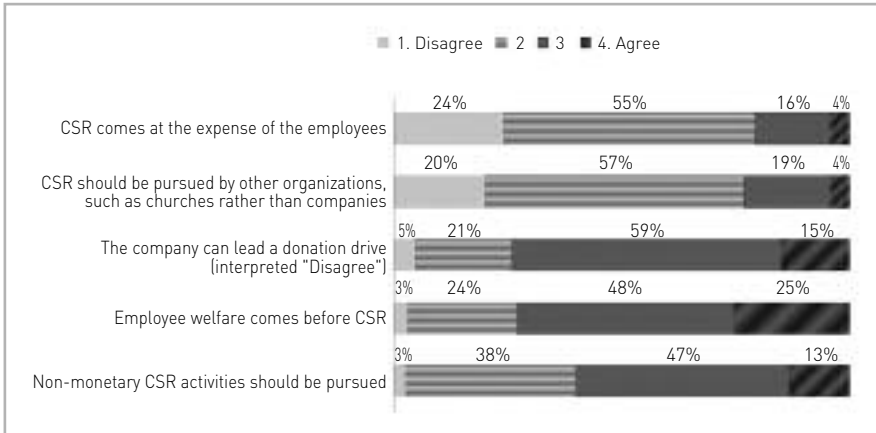
Q1) I am relatively well aware of the CSR activities (donations, volunteer work, etc.) in which my company is engaged.

Q2) I agree with the direction of my company’s CSR activities.

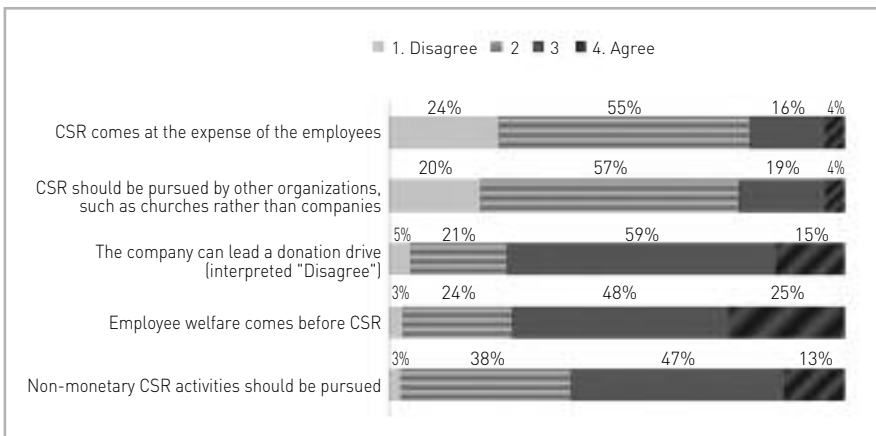
Q3) My company values employee consensus and participation when deciding the direction for CSR activities.

Q4) I feel that the management pressures employees to participate in CSR activities.

(3) Critical views on CSR 1) and 2)



- The proportion of strongly objecting to CSR is not high.
 - 20% believed that CSR comes at the expense of employees.
 - A relatively low percentage of respondents (23%) objected to CSR itself, believing that such activities should be pursued by churches or other organizations, not by companies.
 - 74% agreed with company-led donation drives.

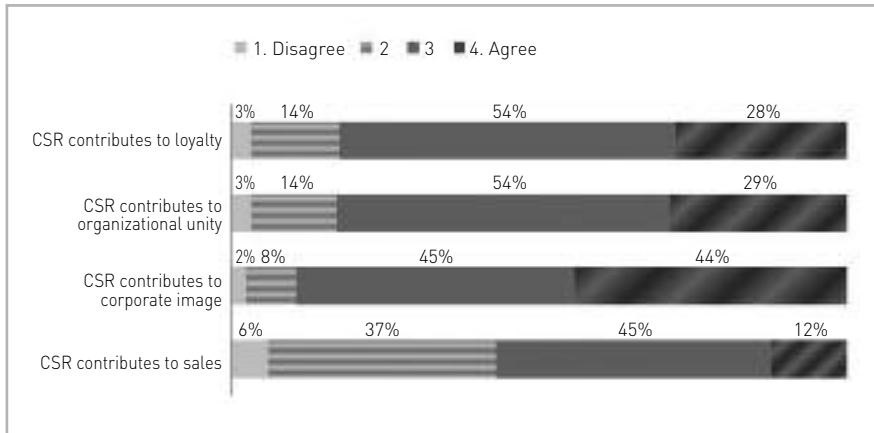


- However, a significant number of people have reservations toward CSR as well.
 - 73% believe the welfare of employees to be more important than CSR.
 - Respondents put more importance on non-monetary activities than on those that require fiscal expenditures.

Reference: Survey questions

- Q1) CSR funds or employee volunteering programs are designed to benefit the company at the expense of the employees.
- Q2) I think it is more reasonable for philanthropic activities to be carried out by other organizations, such as churches, rather than companies.
- Q3) It is acceptable for the company to ask employees to donate for CSR activities.
- Q4) I believe it is reasonable to consider CSR funding or volunteering only after maximizing the welfare and benefits of the company's employees.
- Q5) Companies should pursue non-monetary CSR activities such as employee volunteering, rather than those that require some kind of fiscal expenditures.

(4) Whether they believe that CSR increases corporate values



- A significant number of people believed that CSR would indirectly contribute to corporate values.
 - More than 82% thought that it would contribute to loyalty and organizational unity.
 - Roughly 90% believed that it would contribute to corporate image.
- A relatively smaller number of people agreed that it would bring about a direct impact on corporate values such as increased sales volume.
 - 57% believed that it would increase the company’s profits.

Reference: Survey questions

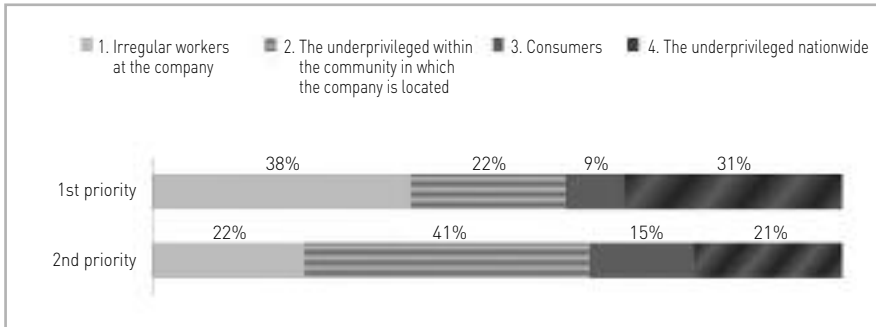
Q1) The CSR activities of my company help enhance employee pride and sense of loyalty toward the company.

Q2) When executives participate in CSR activities, it helps improve organizational unity.

Q3) The CSR activities of my company are effective in improving the company’s reputation and image.

Q4) The CSR activities of my company help increase the company’s profits.

(5) Perceptions regarding the recipients of CSR



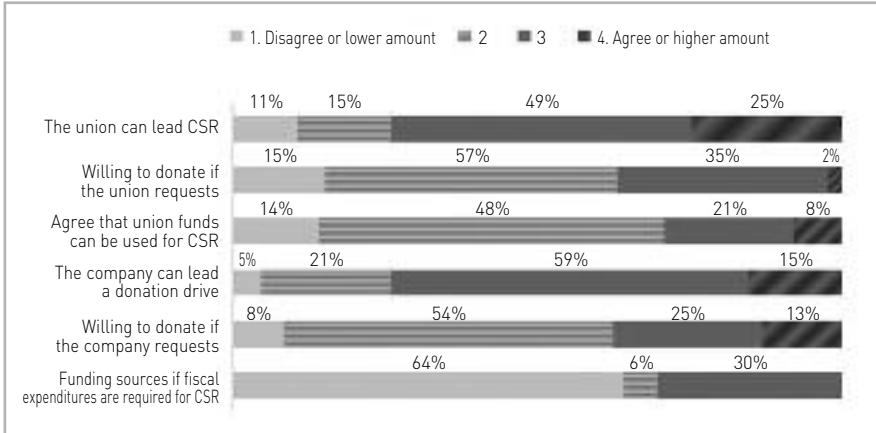
- They prioritize the underprivileged as an important recipient of CSR.
 - The 1st priority is irregular workers at the company (38%), showing a high consensus in support for irregular workers.
 - When both the first and second priorities are considered, the priority order of recipients is: Irregular workers at the company □ The underprivileged in the local community □ The underprivileged nationwide.
- The number of people who placed importance on stakeholders related to the company's profits, such as consumers, was not significant.

Reference: Survey questions

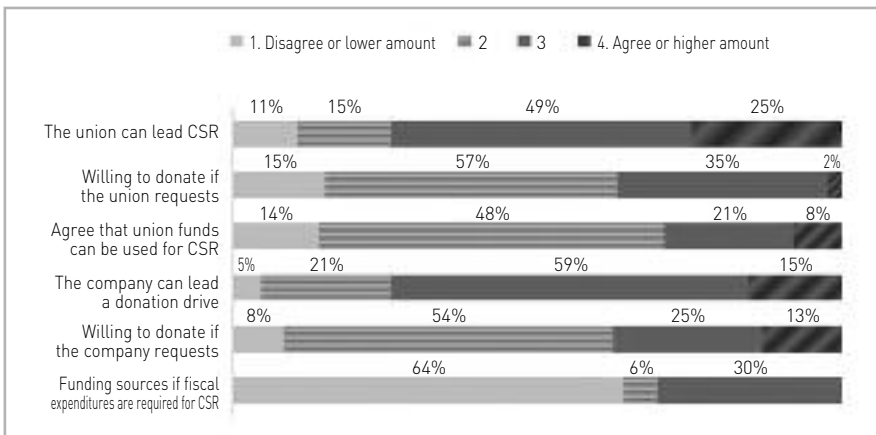
Q) When fulfilling corporate social responsibility, my company should pay the most attention to _____, and then to _____.

- ① Irregular workers at my company and their families
- ② The underprivileged within the community in which my company is located
- ③ Stakeholders related to the company's profits, such as consumers
- ④ The underprivileged nationwide

(6) Who should lead CSR: Management vs. unions 1) and 2)



- Employees did not show a preference between management-led and union-led CSR activities.
 - Both cases received about 75% agreement from respondents.
- The amount that individual employees are willing to donate is estimated to be 50,000 won per year.
 - 10,000-50,000 won: 55%; and 60,000-100,000 won: 30%.



① Company profits

② Executives' personal incomes

③ Personal incomes both of executives and employees

5. Regression analysis: Relationship between CSR and organizational unity

1) Subject of analysis

- The impact of CSR on communication with management and on the sense of pride and loyalty of employees

2) Methodology

- Dependent variables: proxy variables for organizational unity
 - Sense of pride and loyalty
 - Level of satisfaction with the company (absolute, relative levels)
 - Communication with management
- Explanatory variable 1: Degree of company emphasis on employee participation in CSR
 - Degree of employee awareness of the company's CSR activities
 - Degree of employee agreement with the company's CSR activities
 - Degree of agreement that the company values employee participation
 - The company implicitly pressures employees to participate in CSR ("backward" direction)
- Explanatory variable 2: Belief in the impact of CSR on enhancing corporate values
 - CSR contributes to employees' sense of pride and loyalty.

- CSR contributes to organizational unity
- CSR contributes to enhancing the company's reputation and image
- CSR contributes to increasing sales
- Explanatory variable 3: Critical views on CSR
 - Other organizations, such as churches, rather than companies should lead philanthropic activities
 - The welfare of employees comes before CSR
 - CSR comes at the expense of employees
 - It is acceptable for the company to ask employees to donate ("backward" direction)

3) Result 1: Awareness/agreement/participation vs. Sense of loyalty/communication/degree of satisfaction

- The more they are aware of CSR, agree with it, and believe that the company values employees' participation and consensus,
 - the stronger their sense of pride and loyalty;
 - the smoother they consider communication; and
 - the higher their degree of satisfaction with the company
- The more they feel that the company implicitly pressures employees to participate in CSR,
 - the weaker their sense of pride and loyalty;
 - the less they consider communication to be smooth; and
 - the lower their degree of satisfaction with the company

Independent variables	Dependent variable: Sense of loyalty				Dependent variable: Labor-management communication				Dependent variable: Relative degree of satisfaction			
Intercept	2.401 (16.17***)	1.865 (11.21***)	2.305 (15.93***)	2.945 (18.89***)	1.201 (8.22***)	0.650 (3.96***)	1.045 (7.53***)	1.831 (11.68***)	1.796 (12.77***)	1.314 (8.29***)	1.677 (12.38***)	2.415 (16.22***)
Awareness	0.227 (6.03***)				0.299 (8.08***)				0.256 (7.18***)			
Agreement		0.358 (8.87***)				0.410 (10.29***)				0.355 (9.22***)		
Participation/consensus			0.268 (8.14***)				0.372 (11.77***)				0.309 (10.02***)	
Implicit pressure				-0.096 (-2.74***)				-0.083 (-2.35**)				-0.111 (-3.32***)
No. of years with the company	0.026 (0.71)	0.040 (1.10)	0.055 (1.52)	0.023 (0.60)	-0.066 (-1.8*)	-0.052 (-1.47)	-0.025 (-0.71)	-0.073 (-1.92*)	-0.057 (-1.62)	-0.045 (-1.31)	-0.023 (-0.68)	-0.061 (-1.7*)
Age	-0.071 (-1.30)	-0.036 (-0.69)	-0.088 (-1.64)	-0.012 (-0.22)	0.100 (1.86*)	0.151 (2.91***)	0.073 (1.41)	0.179 (3.22***)	0.023 (0.44)	0.066 (1.32)	0.002 (0.04)	0.090 (1.71*)
sexf	-0.134 (-2.03**)	-0.127 (-1.99**)	-0.168 (-2.59***)	-0.108 (-1.61)	0.046 (0.7)	0.057 (0.90)	-0.004 (-0.07)	0.078 (1.16)	0.068 (1.09)	0.078 (1.28)	0.028 (0.45)	0.097 (1.51)
Clerical	-0.265 (-2.26**)	-0.196 (-1.71*)	-0.215 (-1.87*)	-0.317 (-2.65***)	-0.017 (-0.14)	0.056 (0.49)	0.055 (0.50)	-0.078 (-0.65)	-0.260 (-2.35**)	-0.197 (-1.81*)	-0.202 (-1.87*)	-0.319 (-2.8***)
Sales	-0.227 (-2.09**)	-0.153 (-1.44)	-0.191 (-1.79*)	-0.329 (-2.97***)	-0.088 (-0.83)	-0.015 (-0.14)	-0.033 (-0.33)	-0.206 (-1.85*)	-0.297 (-2.88***)	-0.232 (-2.29**)	-0.253 (-2.53**)	-0.413 (-3.89***)
Research	-0.215 (-1.38)	-0.180 (-1.19)	-0.167 (-1.09)	-0.308 (-1.94*)	0.088 (0.57)	0.119 (0.80)	0.158 (1.08)	-0.017 (-0.11)	-0.124 (-0.84)	-0.096 (-0.67)	-0.067 (-0.47)	-0.230 (-1.52)
Pharmaceutical company	0.500 (4.21***)	0.408 (3.59***)	0.497 (4.45***)	0.845 (7.61***)	0.371 (3.18***)	0.318 (2.84***)	0.347 (3.23***)	0.806 (7.23***)	0.694 (6.17***)	0.644 (5.94***)	0.683 (6.52***)	1.084 (10.23***)
Construction company	0.483 (3.34***)	0.394 (2.82***)	0.457 (3.28***)	0.809 (5.77***)	0.448 (3.15***)	0.397 (2.88***)	0.393 (2.94***)	0.861 (6.11***)	0.606 (4.42***)	0.557 (4.19***)	0.569 (4.36***)	0.975 (7.28***)
F	13.39***	18.64***	17.09***	9.81***	26.1***	31.6***	36.03***	17.96***	31.38***	36.25***	38.48***	25.48***
R sq.	0.148	0.195	0.182	0.113	0.253	0.291	0.319	0.189	0.289	0.320	0.333	0.248
N	704	704	704	704	704	704	704	704	704	704	704	704

4) Result 2: Belief in CSR vs. Sense of loyalty/communication/degree of satisfaction

(1) Methodology

- Dependent variable: Sense of loyalty
- Explanatory variable: Belief in that CSR contributes to corporate values
 - CSR enhances the sense of pride and loyalty
 - CSR contributes to organizational unity
 - CSR improves the company’s reputation and image
 - CSR increases sales

(2) Summary of results

- The more they believe that CSR contributes to corporate values,
 - the higher their sense of pride and loyalty

Independent variables	Dependent variable: Sense of loyalty								
Intercept	1.903 (11.33***)	1.744 (10.23***)	1.819 (10.09***)	2.221 (14.28***)	Clerical	-0.233 (-2.03**)	-0.244 (-2.16**)	-0.259 (-2.24**)	-0.203 (-1.73*)
Value_pride	0.299 (8.35***)				Sales	-0.244 (-2.3**)	-0.255 (-2.44**)	-0.275 (-2.58***)	-0.201 (-1.86*)
Value_organizational unity		0.325 (9.36***)			Research	-0.215 (-1.42)	-0.275 (-1.84*)	-0.248 (-1.62)	-0.217 (-1.41)
Value_reputation			0.298 (7.76***)		Pharmaceutical company	0.618 (5.75***)	0.658 (6.26***)	0.636 (5.89***)	0.671 (6.19***)
Value_sales				0.298 (6.95***)	Construction company	0.602 (4.45***)	0.653 (4.92***)	0.619 (4.55***)	0.599 (4.35***)
No. of years with the company	0.015 (0.41)	0.018 (0.51)	0.023 (0.63)	0.022 (0.6)	F	17.51***	19.73***	16.35***	14.87***
Age	-0.004 (-0.08)	0.016 (0.30)	-0.005 (-0.09)	-0.032 (-0.59)	R sq.	0.185	0.204	0.175	0.162
sexf	-0.104 (-1.61)	-0.096 (-1.51)	-0.105 (-1.61)	-0.119 (-1.82*)	N	704	704	704	704

5) Result 3: Critical views on CSR vs. Sense of loyalty

(1) Methodology

- Dependent variable: Sense of loyalty
- Explanatory variable: Critical views on CSR
 - The welfare of employees comes before CSR
 - CSR comes at the expense of the employees
 - Social contributions should be led by churches and other organizations, not by companies
 - Social contributions can be led by the company (“backward” direction)

(2) Summary of results

- Critical views on CSR and sense of loyalty are connected to some extent
 - Employees who are extremely critical of CSR show a weaker sense of loyalty
 - Employees who are more embracing of company-led CSR activities have a stronger sense of loyalty
- Prioritizing employee welfare/believing that social contributions should be done by churches or other such groups
 - No correlation

Independent variables	Dependent variable: Sense of loyalty			
Intercept	2.552 (13.57***)	3.403 (20.42***)	2.837 (17.59***)	2.172 (13.43***)
Criticism: Employee welfare first	0.056 (1.60)			
Criticism: Employee sacrifice		-0.241 (-6.73***)		
Criticism: Churches or other			-0.038 (-1.05)	
Company-led				0.242 (6.62***)
No. of years with the company	0.018 (0.48)	-0.001 (-0.01)	0.015 (0.40)	0.011 (0.30)
Age	-0.001 (-0.02)	-0.019 (-0.35)	-0.009 (-0.17)	-0.028 (-0.52)
sexf	-0.110 (-1.63)	-0.094 (-1.43)	-0.104 (-1.54)	-0.104 (-1.59)
Clerical	-0.292 (-2.43**)	-0.371 (-3.18***)	-0.322 (-2.65***)	-0.264 (-2.26**)
Sales	-0.295 (-2.66***)	-0.339 (-3.15***)	-0.304 (-2.73***)	-0.233 (-2.16**)
Research	-0.272 (-1.72*)	-0.330 (-2.14**)	-0.283 (-1.77*)	-0.208 (-1.34)
Pharmaceutical company	0.806 (7.31***)	0.684 (6.31***)	0.802 (7.27***)	0.670 (6.16***)
Construction company	0.782 (5.58***)	0.679 (4.97***)	0.779 (5.55***)	0.651 (4.75***)
F	9.20***	14.49***	9.02***	14.31***
R sq.	0.107	0.158	0.105	0.157
N	704	704	704	704

6. Implications and limitations

1) Employee perceptions of CSR

- Employees exhibited a significant level of awareness and agreement regarding their company's CSR activities.
- Their belief in the positive impact of CSR on corporate values is high.
- However, companies are relatively lacking in efforts to reflect employee participation and consensus in deciding the direction of CSR.
- There is no significant difference in employees' opinions about which is more effective between management-led and union-led CSR activities.

2) CSR and organizational unity

- The higher employees' participation, awareness, and agreement regarding CSR,
 - the higher their sense of pride and loyalty and degree of satisfaction with the company
 - the smoother they consider the communication between labor and management
- The more they believe in the positive impact of CSR
 - the higher their sense of pride and loyalty and their degree of satisfaction with the company
- Employees who are critical of CSR show
 - a weaker sense of pride and loyalty and degree of satisfaction with the company

3) Limitations of research

- Is there a possibility of reverse causality?
 - Is it actually the impact of CSR activities?
 - It could be that employees with a higher sense of loyalty are more supportive of CSR.
- The interpretation of the results of this research should be limited to the suggestion that there is a possibility that CSR enhances employees' sense of loyalty.



04

Corporate Social Responsibility Survey

Han, Dong-woo

Professor, Graduate School of Social Welfare, Kangnam University
Researcher, The Center on Philanthropy at the Beautiful Foundation

The Center on Philanthropy at the Beautiful Foundation

Survey collection and data analysis : Hankook Research

Corporate Social Responsibility Survey

Hello,

Greetings on behalf of Hankook Research, a professional polling agency.

This study is designed to investigate the current conditions of the ongoing Corporate Social Responsibility efforts of South Korean companies, as well as their attitudes and perceptions toward CSR. The results of this survey will provide valuable input both in promoting CSR practice in Korean society and to the creation of related policies.

The contents of your response will be kept strictly confidential in accordance with Article 33 of the Protection of Confidentiality of Statistics Act, and it will not be used for any purposes other than statistical compilation. Your answers will help greatly in further advancing our study.

It would be greatly appreciated if you could take a moment to answer the questions below. To those who complete this survey, 5,000 won will be offered as a token of our gratitude.

Hosting Organization



Surveying Agency



Contacts: The Center on Philanthropy at the Beautiful Foundation Tel. 82-2-766-1004

Hankook Research Tel. 82-2-3014-1056

Survey period: August-September 2011

Expected time required to complete the survey: 10-15 minutes

I. CSR experience and dedicated units

Q1. Has your company participated in CSR activities such as provision of cash, value-in-kind, professional services, or volunteer work, since the inception of the company?

1. Yes ☞ Go to Q4

2. No ☞ Go to Q2

- Ⓞ CSR activities are defined as a set of activities conducted by a company for the purpose of promoting social good or assisting individuals or organizations that undertake such activities by providing cash, value-in-kind, professional services, volunteer work, etc. that is unrelated to the ordinary operations of a company.
- Ⓞ The following activities are not included as CSR activities in this survey:
 1. Programs targeting a company's workers and families.
 2. Education or R&D activities performed for the benefit of the company's operations.
 3. Activities associated with ordinary customer relations such as after-sales service.

Q2. What are the reasons that your company did not participate in CSR activities? Please select two.

1. Financially unable

2. Do not feel the need

3. Lack of interest by management

4. Lack of employee interest

5. Don't know how to engage

6. Other ()

Q3. Is your company willing to participate in CSR activities in the future?

- | | |
|-------------------|--------------------------------|
| 1. Certainly | 2. If circumstances allow, yes |
| 3. Not interested | 4. Don't know |
- ☞ Go to Q31

Q4. What forms do your company's CSR activities take? Please select all that apply.

- | | |
|-------------------|---------------------------|
| 1. Cash donation | 2. Value-in-kind donation |
| 3. Volunteer work | 4. Discounts |
| 5. Stock donation | 6. Other () |

Q5. Are there any special social groups or areas that your company pays special attention to in the course of undertaking CSR activities? If yes, who are they? Please select two.

- | | | |
|-------------|------------|-------------|
| 1. None | 2. Elderly | 3. Disabled |
| 4. Children | 5. Youth | 6. Women |
7. North Korean defectors
8. Multicultural families (immigrant workers, immigrant women in international marriages, etc.)
9. Displaced people affected by natural disasters
10. Other ()

Q6. Does your company have a specific unit or dedicated human resources allocated for CSR activities? Units and/or personnel of a corporate foundation are not included here.

1. Yes, both a dedicated organizational unit and human resources [eg. We have a CSR unit] ☞ Go to Q7
2. Dedicated human resources only [eg. We have some CSR staff within the PR unit] ☞ Go to Q7
3. No dedicated human resources, but there is someone tasked with CSR activities [eg. Someone in the PR unit is responsible for managing CSR activities] ☞ Go to Q9
4. No ☞ Go to Q10

Q7. How many employees do you have in your dedicated CSR unit?

Full-time _____ persons, Part-time _____ persons

Q8. When did you first allocate human resources for CSR activities?

Year _____ ☞ Go to Q10

Q9. How many employees are actually dealing with CSR activities?

_____ persons

II. CSR activities in 2010

Q10. Did your company undertake CSR activities last year (January-December 2010)?

1. Yes ☞ Go to Q12

2. No ☞ Go to Q11

Q11. What are the reasons that your company did not participate in CSR activities in 2010? Please select two.

1. Financially unable

2. Do not feel the need

3. Management objection

4. Don't know how to engage ☞ Go to Q17

5. Other ()

Q12. Is your company willing to increase the level of CSR activities in the future?

1. No, it will be maintained at the current level

2. Yes, there will be increased contribution

3. No, there will be decreased contribution

4. Don't know

III. CSR activities in 2010: Donation

Q13. Out of last year's total donations, what is the approximate percentage of each of the following? (For a description of the options, please refer to the Donation Category provided below.)

Category	Percentage
1. Statutory donation (100% deductible)	
2. Exemption donation (50% deductible)	
3. Designated donation (5% deductible)	
4. Other donation (not deductible)	
Total	100%

[Donation Category]

Category	Description
Statutory donation	Cash or value-in-kind provided for free to a governmental or a local autonomous body
	Cash or value-in-kind provided for national defense and soldiers
	Cash or value-in-kind provided for disaster relief
Exemption donation	Donation in the form of facility costs, educational fees, scholarships, and/or research funds to private schools, non-profit educational foundations, state-funded vocational colleges, online university-style permanent education facilities, and industry-academia cooperative teams
	Contribution to the Culture & Arts Promotion Fund
	Donation for facilities, education and R&D provided to private schools, technical colleges, national university hospitals and Seoul National University Hospital
	Donation for in-company worker welfare fund
	Donation to the Independence Hall of Korea
	Donation to the Korea Institute of Industrial Technology and specialized technology institutes
	Donation to the Community Chest of Korea
	Donation to a government-funded research center
	Donation to the Education Broadcasting System (EBS)
	Donation to the National Cancer Center
Donation to the organizing committee of a sporting event	
Designated donation (public interest donation)	Other
	Donation to social welfare foundations established under the Social Welfare Service Act
	Donation to preschools established under the Early Childhood Education Act, schools under the Primary and Secondary Education Act and the Tertiary Education Act, vocational colleges under the Vocational College Act, and online universities under the Permanent Education Act
	Donation to academic research organizations, scholarship foundations, and technology promotion organizations authorized by the state
	Donation to culture and arts organizations (including specialized arts foundations and organizations designated under the Culture and Arts Promotion Act) or environmental organizations
	Donation to registered organizations established for the purpose of religious services and outreach
	Donation to medical foundations established under the Medical Services Act
Other	
Other	Private donations

Q14. In which of the following activities did your company participate last year? What is the percentage of each category in terms of donation amount?

Category	Percentage
1. Education/scholarships	_____ %
2. Social welfare	_____ %
3. Local community	_____ %
4. Cultural promotion	_____ %
5. Environmental protection	_____ %
6. Sports assistance	_____ %
7. Academic research	_____ %
8. Disaster relief	_____ %
9. Health/medical	_____ %
10. Civic groups	_____ %
11. International aid activities ⇨ Go to Q15	_____ %
12. Other ()	_____ %
Total	100%

Q15. (Only for those who responded to number 11 in Q14) If you participated in international aid activities, in which areas was it? Please select all that apply.

1. Education
2. Health/medical
3. Information Technology (IT)
4. Rural development
5. Administrative systems (public administration)
6. Industrial energy (expansion of Social Overhead Capital)
7. Environment
8. Other

1. No such suspension
2. Project expired
3. Managerial incompetence of the recipient organization
4. Unrelated to the company's business areas
5. Support for other organizations seemed more effective
6. Worsening economic conditions
7. Change in management attitude
8. To engage in direct implementation
9. Other ()

IV. CSR activities in 2010: Employee volunteer activities

Q19. Did your company conduct CSR activities through employee volunteer efforts in 2010? If yes, did your company provide support to such activities?

1. Yes, there were employee volunteer programs; yes, there was company support ☞ Go to Q20
2. Yes, there were employee volunteer programs; no, there was no company support ☞ Go to Q21
3. No, there were no employee volunteer programs ☞ Go to Q25

Q20. What support did your company provide to employees who took part in volunteer activities last year? Please select all of the following that apply.

- | | |
|------------------------------------|---------------------|
| 1. Compensation leave | 2. Cash (allowance) |
| 3. Positive performance evaluation | 4. Other () |

Q21. What was last year's participation rate in employee volunteer efforts?

_____ %

Participation rate in employee volunteer efforts = (number of employees who have participated more than once/total number of employees) x 100

Q22. What were last year's annual average hours of volunteering for each participating employee? _____ hours

Q23. In which areas did your company conduct volunteer activities last year? Please select all that apply.

- | | |
|---------------------------------|-----------------------|
| 1. Education/scholarships | 2. Social welfare |
| 3. Local community | 4. Cultural promotion |
| 5. Environmental protection | 6. Disaster relief |
| 7. Health/medicine | 8. Civic groups |
| 9. International aid activities | 10. Other() |

Q24. Did your company provide education related to CSR activities or volunteering last year?

- | | |
|--------|-------|
| 1. Yes | 2. No |
|--------|-------|

V. Motivating factors and obstacles to CSR activities

Q25. What are the main reasons why your company commenced CSR activities? Please select two.

1. Fulfill corporate social responsibility
2. Improve societal image of company
3. Assist marginalized individuals
4. Improve business performance
5. Enhance employee unity and morale
6. Fulfill CEO's intentions
7. Other ()

Q26. What is the decisive factor in promoting your company's CSR activities? Please select two.

- | | |
|-----------------------|---------------------------|
| 1. CEO's intentions | 2. Shareholder resolution |
| 3. Employee consensus | 4. Social pressure |
| 5. Tax benefits | 6. Other () |

Q27. What are the most important external obstacles to your company's pursuit of CSR activities?

1. Lack of CSR-related legal institutions
2. Lack of interest and support from central or local governments
3. Social prejudice against CSR
4. Lack of capacity of public interest organizations (social welfare institutions, civic groups, NGOs, etc.)
5. Other ()

Q28. What are the most prominent internal obstacles to your company's pursuit of CSR activities?

1. Lack of human resources and expertise
2. Lack of information on CSR
3. Lack of interest from CEO
4. Lack of intra-company cooperation
5. Budget shortages
6. Absence of a dedicated unit (human resources)
7. Other ()

VI. Impact of CSR activities

Q29. How does your company evaluate the impact of CSR practice?

1. Use an internal evaluation index and system
2. Employ external experts or organizations
3. Receive both internal and external evaluations
4. Do not evaluate
5. Other ()

Q30. Are your company's CSR activities believed to help enhance the categories presented below? Please mark appropriately.

Category	Not at all	Not much	Somewhat	Very much so	Don't know
1. Help enhance the company's business performance, such as an increased sales volume	①	②	③	④	⑤
2. Help improve the organizational culture, such as building unity among company employees	①	②	③	④	⑤
3. Help improve the company's reputation, such as an improved corporate image	①	②	③	④	⑤

VII. Views on policies related on Corporate Social Responsibility

Q31. Presently in South Korea, a company's CSR activities are entitled to a certain level of tax benefits. Are you aware of this incentive?

- 1. Yes, very much so
- 2. Yes, somewhat (that it exists)
- 9. Don't know

Q32. If the government increased tax benefits for CSR activities, would your company be willing to increase the level of your CSR activities?

- 1. No (it will be maintained at the current level)
- 2. Yes (there will be an increased contribution)
- 9. Don't know

VIII. Awareness of fundraising organizations and public interest foundations

Q33. How aware are you of the CSR programs of the Beautiful Foundation?

- | | |
|------------------------|---------------------------------|
| 1. Completely unaware | 2. I have heard of the programs |
| 3. To a certain extent | 4. Well aware |

IX. Demographics

DQ1. What is your role within your company?

- | | | |
|--------------|-----------------------|--------------------------|
| 1. HR | 2. Finance/accounting | 3. Marketing |
| 4. Planning | 5. PR | 6. Social Responsibility |
| 7. Other () | | |

DQ2. What is your position within the company?

- | | | |
|--------------------------------|----------------------|------------|
| 1. Staff | 2. Assistant manager | 3. Manager |
| 4. Assistant director/Director | 5. Executive | |

DQ3. How long have you been working for your current company?

years months

DQ4. How long have you been employed in your current role (CSR-related role)?

years months

04

Survey on Views on Corporate Social Responsibility

Jun, Sang-gyung

Professor, School of Business, Hanyang University

Researcher, The Center on Philanthropy at the Beautiful Foundation

Survey on Views on Corporate Social Responsibility

Greetings,

The Center on Philanthropy at the Beautiful Foundation is conducting an anonymous survey to help us better understand the perceptions and attitudes of company workers toward corporate social responsibility.

The results of this survey will provide valuable input for research into corporate social responsibility and will help offer guidance to companies.

The contents of your response will be kept strictly confidential and will never be used for any purposes other than statistical compilation. We greatly appreciate your taking the time to complete this survey.

Host organization: The Center on Philanthropy at the Beautiful Foundation

Surveyor: Professor Sang-gyung Jun (School of Business, Hanyang University)

Contact: The Center on Philanthropy at the Beautiful Foundation Tel. 82-2-766-1004

Expected time required to complete the survey: about two minutes

□ Please refer to the questions below and mark the appropriate number on the right.

① = Strongly agree

② = Somewhat agree

③ = Somewhat disagree

④ = Disagree

	Answer
1. The employees of my company are in general highly satisfied with the working conditions and benefits provided by the company.	① ② ③ ④
2. I'm satisfied working at this company.	① ② ③ ④
3. I agree with the direction of my company's CSR activities.	① ② ③ ④
4. I am relatively well aware of the CSR activities (donations, volunteer work, etc.) in which my company takes part.	① ② ③ ④
5. My company values employee consensus and participation in deciding the direction for CSR activities.	① ② ③ ④
6. It is acceptable for the company to ask employees to donate for CSR activities.	① ② ③ ④
7. I feel that management pressures employees to participate in CSR activities.	① ② ③ ④
8. Companies should pursue non-monetary CSR activities such as employee volunteering rather than those that require some kind of fiscal expenditure.	① ② ③ ④

9. The CSR activities of my company help enhance employee pride and sense of loyalty toward the company.	① ② ③ ④
10. When executives participate in CSR activities, it helps improve organizational unity.	① ② ③ ④
11. The CSR activities of my company are effective in improving the company's reputation and image.	① ② ③ ④
12. The CSR activities of my company help increase the company's profits.	① ② ③ ④
13. I believe it is reasonable to consider CSR funding or volunteering only after maximizing the welfare and benefits of the company's employees.	① ② ③ ④
14. CSR funds or employee volunteering programs are designed to benefit the company at the expense of the employees.	① ② ③ ④
15. Compared to similar companies within the industry, the employees of my company are in general more satisfied with their company.	① ② ③ ④
16. I have a strong sense of pride and loyalty regarding my company.	① ② ③ ④
17. I think it is more reasonable for philanthropic activities to be carried out by other organizations, such as churches, rather than companies.	① ② ③ ④
18. I think that our company enjoys a relatively smooth flow of communication between employees and management.	① ② ③ ④

□ Please mark the appropriate number on the right side.

	Answer
<p>19. If the company asks, I'm willing to contribute _____ per year out of my own pocket to participate in the company's philanthropic efforts. (payroll giving, individual donation)</p> <p>① 0 won ② 10,000-50,000 won ③ 60,000-100,000 won ④ 110,000 won or more</p>	① ② ③ ④
<p>20. If funds are needed to conduct the company's CSR activities, they should be provided through _____ .</p> <p>① Company profits ② Executives' personal incomes ③ Personal incomes both of executives and employees</p>	① ② ③
<p>21. When fulfilling corporate social responsibility, my company should pay the most attention to _____ , and</p>	① ② ③ ④
<p>22. then to _____. (Please select from below.)</p> <p>① Irregular workers at my company and their families ② The underprivileged within the community in which my company is located ③ Stakeholders related to the company's profits, such as consumers ④ The underprivileged nationwide</p>	① ② ③ ④

The questions below apply only to union members.

Please mark appropriately on the right side.

	Answer
<p>23. The union has the right to ask its members to donate to their company's CSR activities.</p> <p>① Strongly agree ② Somewhat agree ③ Somewhat disagree ④ Disagree</p>	<p>① ② ③ ④</p>
<p>24. If there is a request from the union, I'm willing to donate _____ per year to the union's contribution for CSR activities. [individual donation]</p> <p>① 0 won ② 10,000-50,000 won ③ 60,000-100,000 won ④ 110,000 won or more</p>	<p>① ② ③ ④</p>
<p>25. If the members agree, the union can spend _____ % of the union funds for CSR activities.</p> <p>① 0% ② 1% ③ 1-5 % _____ ④ 5 % or more</p>	<p>① ② ③ ④</p>

Personal Demographics

	Answer
<p>1. How long have you been working at your current company?</p> <p>① Less than 5 years ② 6-10 years ③ 11-15 years ④ 16 years or more</p>	<p>① ② ③ ④</p>
<p>2. How old are you?</p> <p>① 25 years old or younger ② 26-35 years old ③ 36-45 years old ④ 46 years old or older</p>	<p>① ② ③ ④</p>
<p>3. What is your gender?</p> <p>① Female ② Male</p>	<p>① ② ③ ④</p>



05

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Education

February 1987	B.A., Department of Social Welfare, Yonsei University, South Korea
August 1989	M.A., Department of Social Welfare, Yonsei University, South Korea
August 1995	Ph.D, Department of Social Welfare, Yonsei University, South Korea

Recent Positions

March 2000-present	Researcher, Social Welfare Research Institute, Kangnam University
December 1998-present	Member, Social Welfare Committee, People's Solidarity for Participatory Democracy
June 1999-present	Member of Board of Directors, The Korean Society for Welfare Administration
July 2004-present	Member, Distribution Committee, Korea Foundation for Women
2005-present	Researcher, The Center on Philanthropy at the Beautiful Foundation

Academic Society Memberships

Member, Korean Academy of Social Welfare
Member, The Korean Society for the Welfare Administration
Member, Korea Social Welfare Research Institute
Member, The Korea Association of Community Welfare
Member, The Korea Association of Social Welfare Policy
Member, The Korean Association of Nonprofit Organization Research
Member, Yonsei Social Welfare Research Club

Recent Books

- D. W. Han, et al. (2008) Principles and Reality of Social Welfare Studies, Hakjusa, Seoul
- D. W. Han, et al. (2003) Social Welfare Administration in South Korea, Hakhyunsa, Seoul
- D. W. Han, et al. (2002) Social Welfare in South Korea, Yupoong, Seoul

Recent Papers

- D. W. Han (2008) Factors of Governance Structures to Ensure Accountability in a Social Welfare Organization, Korea Nonprofit Research 7:1
- D. W. Han, Y. C. Ha, S. Y. Moon, S. J. Cho (2003) The Impact of Corporate Social Responsibility on Businesses with a Focus on Consumer Analysis, Korea Nonprofit Research 2:2, pp. 125-160
- D. W. Han (2003) Finances of Social Welfare Centers: Problems and Implications, Korea Nonprofit Research 2:1, pp. 165-198
- D. W. Han (2002) Research on the Relationship between Organizational Performance and the Compatibility between Leadership and Organizational Culture, 2002 Spring Academic Conference, The Academy of Critical Social Welfare



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Education

August 1994-May 2000	Ph.D. in Finance, The State University of New York at Buffalo, U.S.A.
September 1992-June 1994	MBA in Finance, The Ohio State University, U.S.A.
March 1981-February 1985	B.A. in English Literature, Seoul National University, South Korea

Academic Positions

March 2002-present	Professor, School of Business, Hanyang University, South Korea
September 2000-March 2002	Professor, The State University of New York at Albany, U.S.A.

Professional Organizations

March 2003-present	Member of Board of Directors at Korean Securities Association, Korean Financial Management Association, The Korean Association of Futures and Options
March 2008-present	Chief Editor of Korean Financial Management Association
January 2009-present	Member of Board of Directors of Korean Academy Society of Business Administration
March 2005-present	Member of Board of Directors of Korean Association of Financial Engineering
May 2004-present	Researcher, The Center on Philanthropy at the Beautiful Foundation

Research Areas

Debt Maturity Structure, Capital Structure, Dividend Policy, Corporate Financing Decisions, Loan Sales and Securitization, Corporate Governance, Corporate Social Responsibility, Emerging Capital Markets, Mutual Funds

The Beautiful Foundation, the first community foundation in Korea

The Beautiful Foundation was established by and for the citizens

The Foundation is a public organization, run by the participation and assistance of citizens. Independent from any specific individual, company or group, the Foundation is operated for the advancement of a society in which citizens play a pivotal role. All the profits of the Foundation go back to benefit citizens and society.

The Beautiful Foundation creates a beautiful giving culture

The Foundation is constantly in need of regular donations and donors rather than temporary acts of compassionate or sympathetic donations. The Foundation tries to spread the culture of giving especially with "The Beautiful 1% Sharing Campaign". A society where all people give money for a good cause is what the Foundation envisions.

The Beautiful Foundation heads for an abundant community

Many people remain in the dark, suffering from isolation and helplessness. And it is true also that many are dedicating themselves to make society a better place anonymously. The Foundation supports the marginal class as well as the activities for public benefit, which expedite the realization of shared hopes and happiness among an affluent community.

The Beautiful Foundation raises public funds

Not everyone can establish a foundation. However, anyone can keep the money for a good cause in one's own name within the Foundation. The funds from Donors will be maintained within the Foundation in the Donor's name, like a never-drying fountainhead, being perpetually used to support citizens and societal endeavors.

The Beautiful Foundation sets a new model

The Foundation is run by experts from various professional areas, armed with capability and morality. Its operation is most efficient and rewarding as to satisfy the wishes of the Donors. Projects and programs of the Foundation are to support sustainable activities for the public benefit. Transparent, fair management and devoted Staffs have created a new model for a public foundation.

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The Center on Philanthropy at the Beautiful Foundation, Korea's first and only research institute specializing in philanthropy

The Center on Philanthropy at the Beautiful Foundation, South Korea's first and only research institute focused on philanthropy, is a storehouse of knowledge on giving that offers scientific research and reliable statistics. In addition, it compiles an expansive store of data from other countries safeguarding long-standing traditions of philanthropy.

Through research, education, publications, and information sharing, our center strives to further foster the culture of sharing and empower non-profit organizations in South Korea.

The Center on Philanthropy at the Beautiful Foundation provides:

Research on giving culture

Research on giving trends in South Korea: In order to better promote giving culture and craft solid policy recommendations regarding donation, the Giving Index of Korea examines the status of donation and volunteering among South Koreans, as well as their perceptions and attitudes on philanthropy.

Survey on corporate social responsibility: This survey identifies the status of corporate social responsibility among South Korean companies. In order to help encourage CSR, it supports an index tailored to the South Korean business environment.

Featured research

The Center also conducts featured research deemed essential to the promotion of giving culture in South Korea, such as research into tax and legal procedures related to philanthropic activities and studies on promoting giving among the wealthy.

Giving Korea, an international symposium on giving culture

Giving Korea is a venue for the dissemination of up-to-date trends and models in philanthropy at home and abroad, designed to offer insight for cultivating a more creative and mature giving culture in South Korea. The publications from Giving Korea are also available in English.

Monitoring of key international research, networking with overseas philanthropic organizations

The Center tracks international research trends on philanthropy and maintains partnerships with related organizations in order to further improve the quality of our research on giving culture.

The data and other materials publicized by the Center on Philanthropy at the Beautiful Foundation are available through our Knowledge Sharing Archive (www.bfdata.org).

The Center on Philanthropy at the Beautiful Foundation

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