

# **Družbena odgovornost kot pogoj za smiselno podjetništvo in gospodarsko rast (1)**

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## **1. The selected problem and viewpoint**

Entrepreneurship can be productive, unproductive or destructive (Baumol, 1990: 893-921). So can management, experience shows. Economic growth can be based on sound grounds or on abuse of humans and natural preconditions for human existence. Which alternative is perceived as making sense, depends on criteria that depend on prevailing values, which become culture when accepted in a (broader) group, and become the prevailing ethics when winning over the other cultures, and then the norm for all (Potočan, Mulej, 2007). The recent data show that the neo-liberal economic practice has destroyed the socially beneficial working of the market by allowing monopolization under the banner of 'market fundamentalism' to the benefit of a tiny minority of humankind (See: Mulej et al, forthcoming, for details see many references). This means that over the decades after WWII, mostly or too much for humankind's benefit, the destructive entrepreneurs and managers have dominated, once their used criteria/norms have depended on the narrow owners' and managers' benefit, rather than on the social one that prevents their abuse of humans and nature (See: public data on abuse of employees around the world, wars and similar 'reasons' for production of detrimental tools, climate change caused by human one-sidedness, many poisonous waste deposits rather than recycling, mining with no/poor renewal of nature, accelerated urbanization and desertification, traffic/transportation rather than local food etc. ). Such conclusions make sense in the light of the fact that United Nations, associations of progressive global enterprises, European Union, International Standard Organization, and so on, published many documents, which oppose, actually, neo-liberalism as the promoter of the destructive entrepreneurship and related abuse of humans and nature . European Union reminds that the corporate SR is not its lonely initiative any longer neither is this initiative self-sufficient, but obviously a tool for solving of critical socio-economic problems (EU, 2011) . This is very much in line with the fact that ISO 26000 is introducing explicitly (1) interdependence and (2) holistic approach, which means a broader view rather than a one-sided one, making room for more thinking about preconditions for sense-making entrepreneurship and economic growth rather than the destructive ones of so far: humankind's prosperity is what makes sense.

## **2. Growth, crisis, and prosperity**

Cassiers and her co-authors (2011) studied the relations between growth, crisis and prosperity. Briefly, their findings include:

- Crisis is not a single one, but there are the cultural, political, financial, economic, alimentary, ecological, and social crises.
- ‘Being’ matters at least as much as ‘having’. Happiness, well-being, and satisfaction matter at least as much as growth of richness, affluence, and business success.
- Growth of GDP is not equal to prosperity, because there are (1) serious differences between the economic growth and satisfaction with one’s life; (2) ecological limits, and (3) inequalities and poverty.
- Data about the periods of 55 years from 1955 to 2010 in USA, Japan, France, and United Kingdom, and the period from 1975 to 2010 in Belgium showed a permanent steep growth of GDP and no growth of people’s satisfaction.
- The economic growth in the analyzed 55 years has neither increased life satisfaction in the West nor swept away world’s misery. This means that the neo-liberal economics have not been successful, but resulted in destructive entrepreneurship, once the socio-economic viewpoint is considered rather than the individual enterprises’ ones only; the latter tend to be too narrow and short-term to be satisfactory.

Prosperity is defined best, i.e. most holistically with human wellbeing (Šarotar Žižek, Mulej, Potočnik, 2011; see this text also for references quoted in the following chapter).

### **3. Human well-being as the sign of prosperity**

Well-being is a complex construct. Its meaning is contested and its key distinction delimits: (i) hedonic and eudaimonic well-being; and (ii) objective and subjective measures (SDRN 2005, 4).

One knows also the relative well-being, depending on one’s comparison with people playing important roles in one’s life (Revkin, 2005). Diener and Seligman show the following partial formula for high well-being (2004: 25; summarized after Prosenak and Mulej 2007a: 3): living in a democratic and stable society that provides material sources to meet needs, having supportive friends and family, rewarding and engaging work and adequate incomes, being reasonably healthy and having treatment available in case of medical problems, having important goals related to one's values, and philosophy or religion providing guidance, purpose and meaning to one's life. Here we address subjective well-being.

Subjective wellbeing (SWB) is the main topic in positive psychology (Musek/Avsec 2006: 51). Diener/Seligman (2004) define SWB as the evaluation of one’s life taking into account one’s positive emotions, work, life satisfaction and meaning. For Musek/Avsec (2002: 10) SWB is the main notion, combining many evaluations, tackling the individual’s cognitive and emotional, general, and more specific life.

The concept of SWB covers 3 components: (i) the positive emotions and humors, (ii) the absence of negative emotions and humors, and (iii) the evaluation of life satisfaction (Musek 2005: 178). The second factor of SWB tackles the emotional aspect of well-being, including 2 independent components – positive and negative affect. A measuring device had to be built for measuring the 3 above mentioned components in order to provide the requisite information. Watson/Clark/Tellegen (1988: summarized after Musek 2005: 178) mention that

positive and negative affection (PA and NA) is measured by numerous instruments and mostly the PANAS questionnaire (Positive Affect Negative Affect Scale) is used.

Diener/Biswas-Diener (2000; summarized from Musek 2005: 179) claim, that the dimensions such as optimism and the feeling of fulfillment should also be included in the concept of well-being. Therefore we see the emotional components of SWB, which are composed of positive and negative affects, and of cognitive components, which are composed of, for instance, life satisfaction. Although the mentioned components correlate, they differ (Diener/Biswas-Diener, 2000; summarized after Musek/Avsec 2002: 12). Anyway, it is not about money only. “Diener’s research indicates that there is no sole determinant of SWB. Some conditions seem to be necessary for high SWB (e.g., mental health, positive social relationships), but they are not, in themselves, sufficient to cause happiness.” (Eid/Larsen 2008: 5).

According to Diener/Seligman (2004: 1) a growing individual’s income is increasingly less relevant for growth of well-being; interpersonal relations and satisfaction at work are increasingly relevant. As important non-economic indicators of social well-being the social capital, democratic management and human rights are mentioned, while at work non-economic factors impact both satisfaction and profitability. Diener/Seligman (2004: 1) claim that the expected (economic) results are most often impacted by well-being and not vice versa. They detected that people at the top of the well-being scale have more income and more success at work as those in the lower region of the scale. Satisfied employees are better co-workers and therefore help their colleagues in various ways. Furthermore, people with more well-being have better social relations. They are more likely to get married, stay married, and have a successful marriage. And finally, well-being is also connected with health and longer living, but the connections between them are only partially understood. Therefore a high well-being is not precious only in the context of well-being; it can also be economically useful.

These facts show that information from monitoring of well-being at the organization and state levels is necessary for it to belong to the main topics for management; accurate measuring of well-being provides a basis of such a policy (Diener/Seligman 2004: 1). Authors suggest that measuring of well-being requires positive and negative emotions, commitment, purpose and meaning, optimism, trust, and a wide concept of a full life as variables. At the same time they stress that for the measuring of well-being researches must cover social conditions, income, physical health, mental disorders and social conditions. James (2007) warns that the border between well-being and the end of motivation because of one’s affluence combined with complacency is not objective, but subjective.

One could add that on this basis one should monitor SWB; it supports humans’ creative work and cooperation, which can then improve the objective and personal well-being. Hornung (2006; summarized after Prosenak and Mulej 2007b: 6) also finds: happiness is a humans’ constant goal and comprehensive synergetic indicator of comprehensive well-being, good performance, physical, psychological, and social health. Hornung (2006: 334–337; summarized after Prosenak, Mulej and Snoj 2008: 6) states that for the good well-being the following needs should be met: material, informational and, at the level of individuals, psychological, security, needs for freedom and action, adaptability, efficiency, and needs for responsibility.

“In recent years, a form of well-being in addition to SWB has emerged from theorists such as Deci and Ryan (e. g., Ryan/Deci, 2000, 2001) and Ryff (1989) based on the idea of universal

human needs and effective functioning. These approaches are labeled “psychological well-being” and are based in part on humanistic theories of positive functioning.” (Diener et al 2009: 251).

The literature on defining positive psychological functioning includes many perspectives such as Maslow’s (1968) conception of self-actualization, Rogers’s (1961) view of the fully functioning person, Jung’s (1933) formulation of individuation, and Allport’s (1961) conception of maturity (Ryff 1989: 1070). “A further domain of theory for defining psychological well-being follows from life span developmental perspectives, which emphasize the differing challenges confronted at various phases of the life cycle. Included here are Erikson’s (1959) psychological stage model, Buhler’s basic life tendencies that work toward the fulfillment of life (Buhler 1935) and descriptions of personality change in adulthood and old age” (Ryff 1989: 1070). Musek (2005: 175) states that Jahoda (1958) has been probably the first author, who has, researching the positive psychic health, analysed the existing scientific literature on variables related to normal, optimal psychic activity on one hand and pathologic psychic activity and emotional functioning on the other hand. She was particularly interested in optimal functioning in respect of content and not only as an absence of a negative behaviour.

All of these insights are bases of a multidimensional model of well-being. Ryff/Keyes (1995: 720) included in the model of well-being six distinct components of positive psychological functioning. “In combination, these dimensions encompass a breadth of wellness that includes positive evaluations of oneself and one’s past life (Self-Acceptance), a sense of continued growth and development as a person (Personal Growth), the belief that one’s life is purposeful and meaningful (Purpose in Life), the possession of quality relations with others (Positive Relations With Others), the capacity to manage effectively one’s life and surrounding world (Environmental Mastery), and a sense of self-determination (Autonomy).

These attributed depend much less on knowledge than on values. Hence, innovation of values in the direction of SR might offer a solution for sense-making entrepreneurship and economic growth to become the prevailing reality.

## **4. Innovating of values, culture, ethics, and norms**

Education in school and outside school provides young and adult persons with basic values, culture, ethics, and norms (VCEN) and related knowledge. Due to huge growing of knowledge and bad experience with the life in preindustrial times, the entrepreneurs-run society – called capitalism – has introduced VCEN and knowledge of extremely narrow specialization (Smith, 2010). The resulting one-sidedness was supposed to be overcome by a totally free market and multi-party political democracy taking care of the common benefit. Now, one sees that this approach has caused two world wars (with the big recession between them and linking them) and many other crises, including the current world-wide crises with global detriments for an overwhelming majority, and benefits for very few. American researches report that the percentage of property owned by one single percent of Americans has grown from 37% to 70% in only 12 years after 1995 (., Rop, 2011). But one also reads about the rapidly growing customers’ preference for suppliers with the image of SR (Gerzema, 2010) and about rather small percent of shopping-addicted persons: under six

percent in USA and under one percent in Germany (Zgonik, 2011). These data let us hope that economic theorists and policy makers will soon stop seeing the only dilemma between either market or central government as means of overcoming the one-sidedness and support SR as a solution to the current crises.

An especially crucial role belongs to entrepreneurs and managers, including the political ones: they control the society that has replaced the feudal society and economy with big success and crucial terrible consequences that are no longer simple side-effects.

## **5. The dead alley caused by neo-liberalist economics of the decades after World War II**

Quite many authors agree that the neoliberal capitalism, which has denied and prohibited SR, caused the current crisis by creating ‘Bubble Economy’ with monopolism – under the label of a totally free market – that provides chances only to a small minority of population (e.g. ..., Rop, 2011; Bozicnik et al, 2008; Dyck, 2011; Goerner et al, 2008; Korade, 2011; Senge et al., 2008; Stern, 2006; etc.: see references in Mulej, 2010 and Mulej, 2011, on which this contribution is partly based). E.g.:

- In less than 150 years the world-wide span of wealth (measured in national per-capita-income) has grown from 3:1 to +500:1, leaving 85% of humankind under six USD a day and hence angry and envious, or without ambitions.
- The natural carrying capacity of the Planet Earth to support the destructive living style of the current civilization has been overburdened several decades ago.
- The increase of standard of living after the 2nd World War has been fictitious: the huge cost of maintenance of the natural preconditions for humankind to survive has been postponed and piled up rather than covered in real time. The unavoidable renewal of these preconditions may cost more than both world-wars combined, if the action is immediate; or even 20% of the world-wide GDP, if the action is postponed for another 20 or so years (which is happening).
- The increase of standard of living after the 2nd World War has been fictitious, also, because of growing and hidden debts of countries of the so-called developed world. These debts are now made visible around the world .

7 Stojan (2012: 11) quotes the following levels of the gross national debts of some countries in Europe (source: OECD Economic Outlook, December 2011) as percentage of GDP:

	2010	2011 (estimated)	2012 (forecasted)	2013 (forecasted)
Slovenia	48,43	53,68	58,10	61,04
<i>Euro-area</i>	<i>92,92</i>	<i>95,57</i>	<i>97,86</i>	<i>98,19</i>
Austria	78,18	79,90	81,85	83,22
<i>France</i>	<i>95,18</i>	<i>98,62</i>	<i>102,35</i>	<i>104,05</i>
Greece	149,06	165,09	181,35	183,88
<i>Italy</i>	<i>126,12</i>	<i>127,74</i>	<i>128,10</i>	<i>126,59</i>
Hungary	86,92	89,82	90,75	91,46
<i>Germany</i>	<i>87,05</i>	<i>86,87</i>	<i>87,33</i>	<i>86,43</i>
Portugal	103,58	111,93	121,92	123,68
<i>Spain</i>	<i>67,05</i>	<i>74,12</i>	<i>77,23</i>	<i>78,96</i>

- The big depression of 1930, to which the current crisis is found quite similar, according to many authors, was not simply resolved with Keynes's economic measures, but continued as the 2nd world war in order for humankind to resolve the problems left over after the 1st world war. Similar problems are around. And so are nuclear weapons able to destroy the Planet Earth several times; this is a crucially new situation.
- People forgot that organizations, including enterprises and states are their tools rather than authorities above people; they are tools of those in the positions of higher human authorities, only, more or less.
- The 'Bubble Economy' cannot last (Senge et al, 2008). SR must replace it.
- In other words, the lack of SR has destroyed the slaves-owning and feudal societies and has created room for democracy and free-market economy; but the same lack of SR is surviving, called financial, neoliberal or feudal capitalism. Legal names are different, not much else. This is why SR is so much needed and discussed today. But the content of SR is differently understood.

## 6. Definition of social responsibility (SR)

There are many millions contributions about SR on webpages; they are too many to read. Our selection shows the following situation:

The simplest version of SR is charity, but it might only be a mask for real one-sidedness rather than RH of behavior of influential persons and their organizations.

European Union (EU, 2001) mentions officially four contents of SR (of enterprises): the point is in a free-will-based acceptance of the end of abuse of employees, other business partners, broader society, and natural preconditions of humankind's survival, beyond law. Later, EU defines SR shorter and more generally: CSR is responsibility of enterprises for their impacts on society (EU, 2011).

In literature on business excellence one requires more – upgrading of its measures with SR (For overview see: Gorenak, Mulej, 2010).

In further literature one sees connection between systemic thinking and SR (Cordoba, Campbell, 2008).

A fourth group of references links SR with world peace (Crowther, Caliyurt, 2004).

ISO 26000 (ISO, 2010) requires a holistic approach (based on interdependence) and includes seven content areas: (1) organization, management and governance, (2) human rights, (3) labor practices, (4) environment, (5) fair operating practices, (6) consumer issues, and (7) community involvement and development. See Figure 1.

The definition in ISO 26000 was not passed by theorists and politicians, but by the International standards organization (ISO, having 169 members world-wide) that is backed by businesses. Therefore, we prefer to build on it.

Principles of SR, belonging into VCEN are seven: (1) Accountability, (2) Transparency, (3) Ethical behavior, (4) Respect for stakeholder interests, (5) Respect for the rule of law, (6) Respect for international norms of behavior, and (7) Respect for human rights. (ISO, 2010: 10-14).

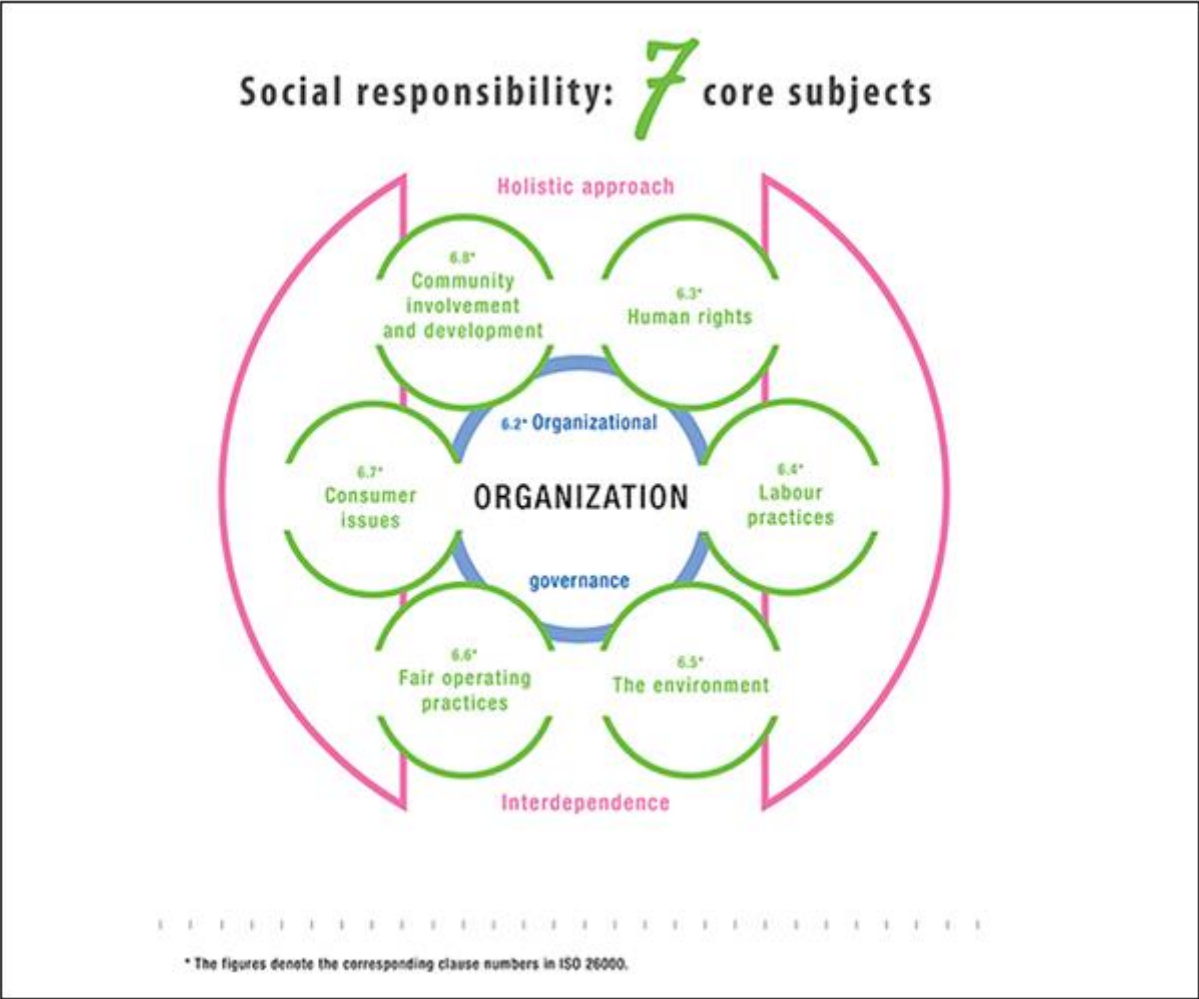


Figure 1: Summary of the essence of social responsibility (ISO, 2010)

## **7. Social responsibility – as a solution for problems caused by one-sidedness of so far and a precondition for sense-making entrepreneurship and economic growth**

SR actually supports solutions to problems that result from one-sided management and behavior, and are very costly to repair. They show up in many forms with the common denominator: lack of requisite holism results on failure rather than successes (See: Mulej, 2011).

All the given lacks of requisite holism and resulting failures in taking all crucial attributes in account cause waste of both human and material resources instead of SR, because the longer-term effects are over-looked as they are called less important side-effects. Side-effects are a wrong classification, as the available data tell us; they diminish competitiveness and hence benefits for all stake-holders and society at large. Both human and material resources are under-used, or wrongly used, especially the human creativity, capability, and VCEN. The usual accountancy does not show these facts, the opportunity cost calculation does.

The public data about the crisis, though, do not show the essence of the problem, but its visible consequences only. The problem did not grow on a tree; it results from human behavior that lacks SR for humans to be less selfish for selfish reasons, i.e. less short-term and narrowly oriented in their behavior than so far – in order for the current human civilization to survive. The Planet Earth can live without humans (again, like it used to live for millennia), but humans cannot live without a healthy Planet Earth and hence without a healthy economy (Hrast, Mulej, editors, 2010; Mulej, Hrast, et al, 2010; Mulej, 2010; quoted references; etc.).

Thus, for very economic reasons, IIDP and innovation, as its outcome, need a broader definition than a technology-related one only. The EU's definition (EU, 1995) is broad enough, in principle, although completely enterprise-based, but not elaborated in any detail; the technological innovation only is measured. This causes a misinformation in statistics, which make the misleading bases for governments', businesses', and individuals' decisions.

Additionally, safety issues can be added. The 2011 earthquake in North-East of Japan with a number of nuclear power-plants, the following tsunami, destruction and radiation is well published in public media in March 2011, e.g. The threats of one-sidedness rather than SR in e.g. human behavior toward humankind's natural environment, though, have so far received more attention of ecologists than of criminal justice and security scientists (Meško et al., editors, 2011).

From all these aspects, IIDP is badly needed, for humans to reach SR, and to survive as the current civilization; in this connection a broader definition of innovation that reaches beyond technology is needed.



## **8. The Breadth of Perception of Innovation in the 2008-Crises Conditions**

Forty years ago, in 1971, OECD provided its broad and rather realistic official definition of innovation. But many still tend to limit this term to technological innovation, including the official international statistics. But: technology alone does not create the future; it is a tool of decisive humans and their followers (Collins, 2001; Collins, Porras, 1994). If it is a tool, does either one-sidedness or RH/SR in humans' behavior show the way out from the 2008- crisis? Data about results of the recent decades expose the dangerous impact of one-sided decision makers, and the need for RH/SR (Bozicnik, 2007; Bozicnik et al., 2008; Harris, 2008; Senge et al., 2008; Stern, 2006; etc.). SR reflects RH and wholeness of outcomes based on a RH, rather than one-sided approach to human activities.

The official international definition of innovation does not cover technology only, but the statistical guidelines in the related Oslo Manual cover technology only: »Innovation is the renewal and enlargement of the range of products and services and the associated markets; the establishment of new methods of production, supply and distribution; the introduction of changes in management, work organization, and the working conditions and skills of the workforce« (EU, 2000: 4).

In the current trends, innovation may not be reduced to IIDP of products and services; it must rather cover the non-technological issues, too, or even first of all. See Table 1.

'Innovation is every (!) novelty, once its users (!) find it beneficial (!) in practice (!)'. <i>Three networked criteria of inventions, suggestions, potential innovations, and innovations</i>				
	<i>(2) Consequences of innovations</i>		<i>(3) On-job-duty to create inventions, suggestions, potential innovations, and innovations</i>	
<i>(1) Content of inventions, suggestions, potential innovations, and innovations</i>	<i>1. Radical</i>	<i>2. Incremental</i>	<i>1. Duty exists</i>	<i>2. No duty</i>
1. Business program items	1.1.	1.2.	1.3.	1.4.
2. Technology (products, work processes)	2.1.	2.2.	2.3.	2.4.
3. Organization (process-based rather than one-sided subordination-based)	3.1.	3.2.	3.3.	3.4.
4. Managerial style (co-operative rather than one-way commanding)	4.1.	4.2.	4.3.	4.4.
5. Methods of leading, working and co-working (supportive of co-operation)	5.1.	5.2.	5.3.	5.4.
6. Business style (co-operation with business partners)	6.1	6.2	6.3	6.4
7. Governance & management process (supportive of cooperation in daily practice)	7.1	7.2	7.3	7.4
8. VCEN (supportive of cooperation and reflecting interdependence)	8.1	8.2	8.3	8.4
9. Our habits (realizing contemporary VCEN in our practice)	9.1	9.2	9.3	9.4
10. Habits of others (realizing contemporary VCEN in their practice)	10.1	10.2	10.3	10.4

Table 1: 40 basic types of inventions, suggestions, potential innovation and innovations

Innovation of VCEN tends toward SR, ethics of interdependence, sustainable future, and RH of approach leading to requisite wholeness of outcomes of the human behavior. Management style- and VCEN-related innovation is the most influential: it switches from

- 'I think and decide, you work only' to
- 'We all think and we all work, and we all listen to each other to attain RH' principle.

This double innovation enables other types to show up. Management, governance, and organizing must become crucially more RH than in the concept of the Chicago School of neo-liberal economy opposing and disabling Adam Smith's liberalism and its invisible hand, briefed above (Gorenak, Mulej, 2010; Senge et al., 2008; Toth, 2008; Smith, 2010).

The 2008- crisis was not caused in 2008; it only surfaced then, as a consequence of the neo-liberal fictitious, rather than realistic, model of omnipotent market, causing also fictitious innovations by bank- and finance- people and the break of the fictitiously working real-estate market in USA (e.g.: ..., Rop, 2011). This crisis is obviously much deeper: the market cannot be relied upon, because it does not work as predefined by A. Smith (Smith, 2010). Neither can governments be reliable, if they are biased and one-sided rather than requisitely or even

totally holistic in their approach (Mulej and Kajzer, 1998). Thus, they can hardly attain the requisite wholeness of their insights and other outcomes. SR surfaces, again, as a good option.

## **9. Social responsibility – potential innovation that reduces cost**

If we consider the cited issues with RH, we find that SR only fictitiously and in a short term causes uncovered and avoidable costs (opponents of SR quote costs as reasons against SR, often; see public press). Costs of honest behavior replace – as an opportunity cost that is hard to see in book-keeping data – costs that are clearly visible in book-keeping data, although often indirectly, such as cost resulting from:

- Mistrust on the part of managers, coworkers, and business partners,
- Double-checking of creditworthiness of new business partners, replacing the lost ones,
- Dissatisfaction, causing poor work,
- Strikes, resulting from dissatisfaction, be them visible or white,
- Loss and regaining of high-quality co-workers and other business partners,
- Manager's and co-workers' routine-loving rather than creative/innovative behavior,
- Misery and poor health and illnesses (which are cured rather than prevented),
- Remediation of consequences of natural disasters, terror, and wars,
- Etc.

Thus, SR changes the practice of ownership as defined by the – still accepted – Roman law saying that the ownership gives to the owner the right of use and abuse. Abuse must be replaced by SR/RH for humankind – and its organizations, for that matter – to survive as the current civilization. This civilization faces problems of (1) extreme division and (2) affluence. Affluence is subjective; it causes the lack of ambition to work hard in order to have more, once one has everything one feels as a need (James, 2007). Need differs from greed that is said to mean that 'one buys things, which one does not need in order to impress individuals for who one does not really care'. Greed supports production beyond needs, but it ruins nature beyond needs, too, and is detrimental, in the longer terms, at least.

Development of SR is, hence, aimed to be an innovation of human behavior toward ethic of interdependence and resulting RH – for clear business reasons. For SR to become more than a word, a strategy of promotion of SR – as a potential innovation – might be needed (Hrast, Mulej, 2008; Mulej, Hrast, editors, 2010).

## **10. Strategy of Promotion of Social Responsibility**

SR is a demanding concept to promote as a specific case of RH having to do with the human approach to other people and nature. For success/survival many/all influential people should practice RH via SR. Work of a few individuals – professionals is not enough, except in the seeding phase, a general social support based on a clear strategy is needed, e.g. on the

national, international, and world-wide levels. This is visible from the summarized data and cited references.

SR Mission should be to promote global VCEN of SR in order to help humankind, including one-self, survive by doing something good to all stakeholders (based on RH) rather than evil (based on one-sidedness) beyond the official legal obligation and rather limitation to shareholders or owners only.

A working group with an interdisciplinary composition should prepare a draft strategy. Later on a special Agency for Promotion of SR might have to be established, in any country, integration of states such as European Union, and world-wide. Its tasks should include co-ordination of country-wide and world-wide SR-related activities in co-operation with several professionals and institutions. Thus, the following goals should/could be met:

1. To create a basic interdisciplinary core of researchers working on monitoring the situation concerning SR in the area under investigation, to compare the collected findings and suggest changes in the given area.
2. To prepare legal draft bases for legislation changes, where they are needed to cover SR everywhere per areas.
3. To prepare professional, RH bases for making up the SR program in all ministries.
4. To establish dialogue with professional associations, government bodies, public institutions, non-governmental organizations, businesses and other parts of society in order to attain a shared activity for promotion of SR.
5. To include topics on SR in primary, secondary, higher and life-long/adult education, and to promote values of SR in daily mutual contacts of youngsters and adults alike.
6. To create and implement a nation and world-wide program of public relations communication about SR in order to promote general awareness on how crucial a SR-based behavior of all humans and their organizations is for getting the society out of the current, as well as preventing long-term, crises.
7. To establish portals for both-way communication in public relations concerning the SR-based behavior with both good and bad examples.
8. To collect good and bad examples of SR and related practices of RH and innovation based on SR rather than on one-sidedness, for the society to become, be and remain an RH and innovative society with SR as a basic criterion of its excellence.
9. To collect information on development of SR anywhere and in the area under investigation in order to report about them.
10. To support initiatives of various stake-holders promoting SR and practicing it.

Tactics and operation should be defined per areas, but in the style of a coordinated decentralization: whatever can be done on lower administrative levels remains there. Ethic of interdependence expresses VCEN enabling the strategy of SR. This includes weighing and

concerting of solidarity and economic efficiency, sufficiency, and effectiveness by RH via SR. This may help humans to provide an equilibrium with no resulting need for too much solidarity (such as the ‘equal stomachs philosophy’ from the pre-industrial village solidarity) or too much protesting against the one-sided decisions and actions of authorities all way to terrorism (See also: Korade, 2011).

This strategy and ethics of interdependence may be well supported by a RH approach to the governance and management process.

- Vision may be briefed as “survival on the basis of competitiveness by RH/SR creative work and cooperation aimed at a systemic quality in accord with customers’ requirement.”
- Mission: “delight customers with an excellent systemic quality and attract them as sustained and sustainable customers.”
- Policy: “implement innovative business and SR as a source of a continuous systemic quality in all parts of the business process and all units.”
- Strategy towards implementation of such a policy may employ continuous self-assessment of one’s own quality in terms of the Deming Prize of Japan, the European Excellence Award, or Baldrige Award of USA, or (as a first phase) attainment and re-attainment of International Standards Organization’s rules as ISO 9000, 14000, 27000 certificates, and/or something similar (See the Slovenian reward for SR HORUS at [www.horus.si](http://www.horus.si)).
- Tactics for implementation of such an IIDP strategy include organized critique, followed by teams, and task forces, work on solution of the selected problems (on a free-will basis and on company time, one hour a week) with awards for inventions (symbolic in value, but with no delay) and innovations. Innovation reward is foreseen for all of the innovative team, all members of their own organizational units, every organizational member including managers, while a half of the value created by innovation enters the company business funds.
- Practice: permanent IIDP on a RH/SR basis as its management style and process.
- Monitoring and Intervening: Managers’ committee for promotion of IIDP and excellence based on SR – in session once in 3 or (later) 6 months, agenda: 1. comparative assessment of all units; 2. variable part of income of units’ managers depending on this assessment; 3. approval of new innovation (of all 40 types in Table 1) related objectives of units.
- Rewarding: non-monetary (justified feeling of being considered creative and innovative by peers and bosses) and monetary (e.g. 50% of innovation-based profit goes to enterprise funds, 50% to coworkers, of which: 30% to authors and coauthors, 10% to all in the innovative unit, and 10% to all in the enterprise, including managers).
- Training: in profession and creation, including creative interdisciplinary cooperation.

We learned from practice and its summary in e.g. Gladwell (2004; 2008; 2009) that a good preparation is crucial, but it includes consideration of conditions and preconditions, too.

Several lines of action might be necessary:

1. Humans as individuals act in the roles of consumers. Practice has already shown up that consumers prefer suppliers, who have the public image of SR. Greed is also less popular than

it used to be. After a level of material satisfaction well-being depends on other factors (to be briefly discussed later).

2. Humans as organizations act in three basic roles: (1) suppliers, (2) customers, (3) public awareness makers and users. In all of them they compete with others. The ones with the best image of RH innovators and SR actors in the market attract most customers and succeed. Reaching beyond law toward SR and RH helps competitiveness. This includes payment of managers on a longer-term basis instead of the given practice of so far: managers are too influential to be allowed short-term criteria of decision-making about them-selves and their organizations.

3. Humans as nations act via government and non-governmental organizations. Their bodies support competition and fight monopolies and other bases of abuse of influence of the more influential ones in their relations with the others. Thus, they support RH and SR with legal and moral tools.

4. Humans as nations do the same on the international levels, all way to the world-wide democracy, including a world government, made of very honest persons and coworkers.

5. Teachers, parents, journalists, politicians, and other public-opinion makers supporting creation of VCEN including as their essential component the social responsibility.

This might lead to RH in society and economy by/based on SR (Hrast et al, 2006, 2007, 2009, 2009, 2010, 2011; Hrast, 2007; IRDO, 2006; Knez-Riedl, Mulej, Zenko, 2001; Knez-Riedl, 2003a, b, c, d, 2006; Knez-Riedl et al, 2006; Mulej and Hrast, editors, 2010). Such attributes of behavior create new ambition, reaching beyond complacency of the affluent ones. No short-term efficiency, including e.g. abuse of external economics, or of the law of supply and demand, is enough. Then, a new economy can succeed. Who can start the process? Table 2 suggests: Many influential persons made history by making their individual values a culture, shared by a group of their followers, who then diffused this culture in order to make it a socially acceptable ethic, resulting in the social norms. Via these norms, one influences the individual values of other who have a dilemma to face: accept the novelty and be acceptable in the society or refuse it and be an outlaw. Norms may become law and support SR/RH, while SR reaches beyond law (ISO, 2010). Legal preconditions for law and habits to be innovated in order to support RH/SR and resulting survival of humankind are also needed, but they exceed the available room. Contributions by Harris (2008), Martin (2006), several authors in Murphy and Martin, editors (2009), Letnar Čerňič (2009, 2010) etc. clearly demonstrate that survival of humankind cannot be taken care of well, as long as the international law has its legal basis on agreement without legal enforcement, thus denying itself as law. Similar problems show up with all other existing international organizations, including United Nations. Countries/states obviously tend to prefer their (businesses') more narrow and short-term interests over their citizens' broader and more long-term ones, thus ruining their basis of existence all way to threatening survival of their people and humankind.

## **11. Conclusions**

‘Problems cannot be solved with the mentality that has caused them’. Hence, the 2008- crisis cannot be solved with ethics of one-sided and short-term mentality of the industrial and neo-liberal economics, which has caused the ‘Bubble Economy’ of several recent decades. Neither the market nor the government alone have assured the common benefit of all humans so far, as they were supposed to in the so-called capitalistic or communistic/socialistic socio-economic order over the recent centuries. The pre-industrial mentality has neither been able to assure the common benefit that should result from the ‘invisible hand’ or the ‘visible hand’ of power-holders. The decisions/ actions have always been made and taken by humans, making or heading organizations, be it families, enterprises, non-governmental organizations, public institutions, or government bodies. The role of organizations is to provide for synergetic co-operation of specialists toward holism as the basis of the common benefit.

These facts make us think about humans, their responsibility, values, culture, ethic, and norms (VCEN), with a focus on entrepreneurial and business life, in this text. They make us think about an innovative change in mentality (both as a process of beneficial change and as its outcome). Thus, we come to think of combining in a synergy (a) SR, (b) innovation, (c) the (Dialectical) Systems Theory (as the theory of attainment of the requisite holism (RH), without which the benefit of all can hardly be yielded). This means that we do not see the (corporate) SR as a simple charity or honesty of owners and managers in their relations with their coworkers, business partners, broader society (including charity as a part of SR) and nature (as a general precondition of human survival after centuries of nature’s destruction rather than maintenance), but as a/the new socio-economic order after neo-liberalism and its ‘Bubble Economy’. The latter disregards the natural and human capacities too much to be allowed to continue destroying humankind and its natural preconditions.

Without SR, the current civilization hardly has a chance to survive. We prefer no limitation of SR to companies: they follow influential humans’ decisions. SR is a human attribute. Interdependence makes human honest and leads from one-sidedness to holism.

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(1)Prispevek temelji na raziskavi, ki jo podpira Javna agencija za raziskovalno dejavnost RS kot temeljni raziskovalni projekt: 1000 - 09 - 212173, v letih 2009-2012.

(2)The contribution is based on research project that is supported by the Slovenian Public Agency for Research as a basic research project: 1000 - 09 – 212173, in 2009-2012.

(3)Interdependence is natural, e.g. between male and female, flowers and bees, parts of bodies, part of engines and organizations, nations, specialized professionals, parents and children, business partners, etc. Independence is critical in legal terms for nobody to have the title to abuse others, which existed in slavery and feudal times.

(4)See attached data overview, which M. Mulej received by e-mail on 04 Feb., 2012.

(5)Kaker (2011) mentions: OECD Guidelines, Accountability 1000 (AA1000), Principles of UN Global Compact, Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), Social Accountability 8000 (which provides basis for certification, while ISO 26000 does not). Thus, ISO 26000 is not the first international document standardizing human care

for SR, but it is the first one introducing 'interdependence' and 'holistic approach' (see Figure 1).

(6)Quotation: "A number of the Europe 2020 flagship initiatives make reference to CSR: the Integrated Industrial Policy for the Globalisation Era COM(2010)614, the European Platform against Poverty and Social Exclusion COM(2010)758, the Agenda for New Skills and Jobs COM(2010)682, Youth on the Move COM(2010)477 and the Single Market Act COM(2011)206. In addition, the Innovation Union COM(2010)546 aims to enhance the capacity of enterprises to address societal challenges through innovation, and the contribution of enterprises is central to achieving the objectives of the flagship initiative "A Resource-Efficient Europe" COM(2011)21 and COM(2011)571.."

(7)Stojan (2012: 11) quotes the following levels of the gross national debts of some countries in Europe (source: OECD Economic Outlook, December 2011) as percentage of GDP:

(8)Ethical behavior means values of honesty, equity and integrity. These values imply a concern for people, animals and the environment and a commitment to address the impact of its activities and decisions on stakeholders' interests.

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