Social Responsibility as a Way of Systemic Behavior and Innovation Leading out of the Current Socio-Economic Crisis

Matjaž Mulej¹, Stane Božičnik², Vojko Potočan³, Zdenka Ženko⁴, Anita Hrast⁵, Tjaša Štrukelj⁶

[1] Prof. Emeritus, Doctor (Systems Theory), Doctor (Innovation management); University of Maribor, Faculty of Economics and Business (EPF), P.O. Box 142, SI-2001, Maribor, SLOVENIA; mulej@uni-mb.si

[2] Senior lecturer, Doctor (Economics), University of Maribor, Faculty of Civil Engineering, SI-2000 Maribor, SLOVENIA; stane.bozicnik@uni-mb.si

[3] Assoc. Prof., Doctor (Management and Organization), University of Maribor, Faculty of Economics and Business (EPF), P.O. Box 142, SI-2001, Maribor, SLOVENIA; vojko.potocan@uni-mb.si

[4] Assist. Prof., Doctor (Innovation Management), University of Maribor, Faculty of Economics and Business (EPF), P.O. Box 142, SI-2001, Maribor, SLOVENIA; zdenka.zenko@uni-mb.si

[5] Manager, IRDO Institute for Development of Social Responsibility, Maribor, SLOVENIA; anita.hrast@irdo.si

[6] Senior lecturer, M.A., (General Management and Strategy), University of Maribor, Faculty of Economics and Business (EPF), P.O. Box 142, SI-2001, Maribor, SLOVENIA; tjasa.strukelj@uni-mb.si

Abstract

For several recent centuries the so called free market economy has been found more efficient and providing for more economic development and higher living standard of its users than any other socio-economic model of so far. It was in a deep crisis in 1930 (resulting in the WWII, not Keynesian measures only, which Hitler’s Nazis used, too), and is facing it now again under the name of big depression, financial crisis, etc. These labels are too narrow: it is a general social crisis due to a lack of requisite holistic values/culture/ethic/norms (VCEN) and behavior (made of monitoring, perception, thinking, emotional and spiritual life, decision making, and action) rather than one-sided and short-term behavior of the influential people and their organizations, including enterprises and governments. This narrowness is based on failure of many to use systemic thinking and behavior due to their over-specialization with a poor capability of interdisciplinary creative cooperation. Consequences include the frequent limitation of the term innovation to the technology innovation alone. Consequences might be dangerous: good technology serving bad/evil/unclear purposes. They can still be avoided – by innovation of culture of one-sided behavior to the one of requisite holism. The current humankind is moving from routine via knowledge to creative society. This is based on a new economy and requires new values/culture/ethic/norms – self-interest realized by socially responsible and therefore requisite holistic behavior. Social responsibility can and must reach far beyond charity toward the end of abuse of power/influence of the influential persons/organizations in their relations with their co-workers, other business and personal partners, broader society, and natural environment as the unavoidable and terribly endangered precondition of human survival, at least in terms of the current civilization. Social responsibility supports innovation also by upgrading criteria of business excellence, by supporting requisite holistic
behavior and thus it means also a form of innovation of human values/culture/ethic/norms and
knowledge, resulting in a requisite holistic behavior. In a most optimistic scenario, social
responsibility can also provide a way toward peace on Earth. It can lead to covering all these urgent
humankind’s needs by making co-workers and other people more happy, because it provides to
them more feeling of being considered equal and creative rather than abused and/or misused by
power-holders. In synergy with ethics of interdependence, because every specialist is
complementary to all other specialists as a professional and as a human being, and with the fact than
one lives increasingly on creativity, including innovation, social responsibility may innovate society
to include social efficiency, social justice and similar VCEN that, among other references, lie at the
core of all social teaching called religions, philosophy of moral and ethical behavior, etc.
Technology supports rather than creates future and development into it, and can be used with social
responsibility or abused/misused with detrimental consequences. The choice depends on the most
influential people and their definition of their self-interest as a background of the new economy and
humankind’s future. Innovation of values/culture/ethic/norms is unavoidable for the current
civilization to survive.

**Key words:** innovation, new economy, requisite holism, social responsibility, technology

### The Selected Problem and Viewpoint of Consideration of it here

Does technology alone create the future, as it seems to be from the notions of the industrial, post-
industrial, information revolutions, etc., or is it a tool of decisive humans? If it is a tool, does either
one-sided or requisite holistic (RH) humans’ behavior make a way out of the crisis of 2008 and a
promising future by requisite wholeness (RW) of insights and other outcomes of RH human
behavior? Data about results of the recent decades expose the dangerous impact of one-sided
decision makers and the humankind’s need for RH/RW. Our thesis reads: values/culture/ethic/norms (VCEN) of social responsibility (SR) might be a potential innovation able to help humans to switch from a too narrow and therefore dangerous/detrimental behavior to
RH/RW and thus to enable survival of humankind’s current civilization or, at least, its way out of
the current crisis.

#### 7. Typology of Innovation

The official international definition of innovation does not cover technology only; it is more general
than the statistical guidelines in the related Oslo Manual covering technology mostly, because data
about the other innovations are less easy to capture:

>"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, p. 4).

One can structure the quoted definition of innovation in Table 1 (Mulej et al, 1992, renewed and
extended). Its summary reads:

‘Innovation is every (!) novelty, once its users (!) find it beneficial (!) in their practice (!)’.

As a process, innovation includes the following basic steps: 1) ideas creation and collection by
research, intuition, buying, etc., 2) selection of ideas into the future-benefit-promising inventions and
abandoned ideas, 3) selection of inventions into the recorded suggestions and the abandoned ones, 4) development of some of the suggestions into the usable potential innovations, 5) success of some of them in the users’ practice in the market outside or inside the authoring organization, i.e. innovations, and 6) diffusion of innovations to many users bringing benefit to their authors and owners, too.
As an outcome of the briefed process, innovation can be manifold, as summarized in Table 1:

<table>
<thead>
<tr>
<th>Three networked criteria of inv., suggestions, pot. Innov., and innovations</th>
<th>(2) Consequences of innovations</th>
<th>(3) On-job-duty to create inv., sugg., potent. Innovations, and innovations</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Content of inventions, suggestions, potential innovations, and innovations</td>
<td>1. Radical</td>
<td>2. Incremental</td>
</tr>
<tr>
<td>1. Business program items</td>
<td>1.1.</td>
<td>1.2.</td>
</tr>
<tr>
<td>2. Technology (products, processes, ..)</td>
<td>2.1.</td>
<td>2.2.</td>
</tr>
<tr>
<td>3. Organization</td>
<td>3.1.</td>
<td>3.2.</td>
</tr>
<tr>
<td>4. Managerial style</td>
<td>4.1.</td>
<td>4.2.</td>
</tr>
<tr>
<td>5. Methods of leading, working and co-working</td>
<td>5.1.</td>
<td>5.2.</td>
</tr>
<tr>
<td>6. Business style</td>
<td>6.1</td>
<td>6.2</td>
</tr>
<tr>
<td>7. Management process</td>
<td>7.1</td>
<td>7.2</td>
</tr>
</tbody>
</table>

| Table 1: 28 basic types of inventions, suggestions, potential innovation and innovations |

Economic historians (Rosenberg, Birdzell, 1986) found that it was the innovation of management, which has been the most crucial one in humankind's modern history, going in the direction toward democracy (in all areas of social life, not politics only) as the relation fostering holism and creativity (Mulej et al, 1987). But Goerner et al (2008), Dyck (2008, 2009), Knez-Riedl and Mulej (2008), Löckenhoff (2008), Metcalf (2008a), Močnik and Mulej (2008), etc. find that the current practice of democracy, and free market leads away from this definition of content of democracy toward crucial differences between citizens against which the founding fathers of USA have been fighting and have established USA by the constitution of USA. Thus, one must innovate the content of democracy, too, including the free market concept.

Requisite Holism as Innovation of Values and Basic Precondition for Ideas to Become Innovations

According to many international statistics, a very small percentage of ideas become innovations. This fact must not cause discouragement: business success with no innovation is even harder to attain. (The current economic crisis results, viewed from this viewpoint, from fictitious innovations in the form of new banking instruments; one-sided opinions that good air and drinking water are free commodities providing for no need for environmental care, meaning no care for human preconditions of survival; abuse of Adam Smith’s economic theory by one-sided interpretation of it; etc. – see Božičnik et al, 2008, for some details). In practice, there are so many factors of success in the idea-invention-innovation-diffusion process that one-sidedness cannot lead to success, while a total holism (being the optimal theoretical way) cannot be attained, but the requisite holism can: see Tables 2 and 3.

<table>
<thead>
<tr>
<th>Fictitious holism/realism (inside a single viewpoint)</th>
<th>Requisite holism/realism (a dialectical system of all essential viewpoints)</th>
<th>Total = real holism/realism (a system of all viewpoints)</th>
</tr>
</thead>
</table>

| Table 2: The selected level of holism and realism of consideration of the selected topic between the fictitious, requisite, and total holism and realism |
Obviously, in each and every case a decision has to be made on: *which level of holism is good enough to solve the given dilemma well enough*. One should avoid both exaggerations (Tables 2 and 3):

- The *total holism*, trying to include *all attributes from all viewpoints, and interlink all viewpoints into the system of all viewpoints with no selection*; the result may be a lack of focus and hence a lack of response, which outcomes of thinking, decision-making, and actions are making the point, i.e. are *essential*;

- The *fictitious holism*, trying to limit the *concentration to one single viewpoint, which might be too much of a selection of a narrow kind*; the result may be a good focus, leading to a lot of knowledge about nearly nothing.

A *middle* way is close enough to reality in terms of both needs and possibilities. This is what we called (Mulej, Kajzer, 1998b) the *requisite holism*. It turned out to be a law: successful persons and organizations (tacitly) live with this law (See e.g.: Meško Štok, 2008; Ženko, 1999; Ženko et al, 2002; Ženko, Mulej, Marn, 2004). See Table 3.

<table>
<thead>
<tr>
<th>APPROACH TO DEALING WITH AN OBJECT AS A TOPIC OF THINKING ETC.</th>
<th>One-sidedness by a single viewpoint</th>
<th>Requisite holism by co-operation of all essential professionals and only them</th>
<th>Total holism by consideration of totally all viewpoints, insights from all of them and synergies of all of them</th>
</tr>
</thead>
<tbody>
<tr>
<td>TYPE OF APPROACH</td>
<td>(Too) simple</td>
<td>Requisitely simple</td>
<td>Very entangled</td>
</tr>
<tr>
<td>TYPE OF SYSTEM AS A MENTAL PICTURE OF THE OBJECT DEALT WITH</td>
<td>Single-viewpoint based system</td>
<td>Dialectical system</td>
<td>Total system</td>
</tr>
<tr>
<td>ATTRIBUTES OF OBJECT INCLUDED IN SYSTEM</td>
<td>(Very) few</td>
<td>All essential</td>
<td>All</td>
</tr>
<tr>
<td>RESULT OF APPROACH</td>
<td>Fictitious holism (in most cases)</td>
<td>Requisite holism (good in most cases)</td>
<td>Total holism (ideal)</td>
</tr>
<tr>
<td>FOCUS MADE POSSIBLE</td>
<td>(Too) Narrow focus (in most cases)</td>
<td>Requisitely holistic focus</td>
<td>Lack of focus</td>
</tr>
<tr>
<td>NUMBER OF PROFESSIONS</td>
<td>One single</td>
<td>Requisitely many</td>
<td>Literally all</td>
</tr>
<tr>
<td>TYPE OF WORK</td>
<td>Individual</td>
<td>Mixed team of requisite and different experts</td>
<td>All humankind in co-operation</td>
</tr>
<tr>
<td>CONSEQUENCES</td>
<td>Complex due to crucial oversights, dangerous</td>
<td>No problem due to no crucial oversights</td>
<td>Simple due to no oversights</td>
</tr>
<tr>
<td>AVAILABILITY</td>
<td>(Too) Frequent in real life</td>
<td>Possible in real life</td>
<td>Not possible in real life</td>
</tr>
</tbody>
</table>

**Table 3: Law of requisite holism (RH) in some details**

A brief summary of the *law of RH* may thus read (Mulej et al, 2000):

*The law of RH says that one needs always to try and do, what many, but not all, have the habit to do in their behavior – do one’s best toward avoiding the exaggeration of both types: 1) the fictitious holism, which observers cause by limiting themselves to one single viewpoint in consideration of complex features and processes; 2) the total holism, which observers cause by no limitation to any selection of a system of viewpoints in consideration of complex features and processes. Instead, the middle ground*
between both exaggerations should be covered, which can be achieved by using a “dialectical system”, made by the author/s as a chosen system / entity / network of all essential and only essential viewpoints.

For RH/RW to be achieved three preconditions, at least, matter: 1) Both specialists and generalists are needed, working in teams that feel ethics of interdependence and co-operate therefore creatively. 2) They include professionals from all and only essential professions / disciplines / attributes. 3) Their values are expressed in their ethics of interdependence and practiced in a creative teamwork, task force, session(s) based on an equal-footed cooperation rather than top-down one-way commanding (without listening and hearing).

RH thinking/behavior cannot include the global attributes only, because they make a part of the really existing attributes only, although they matter very much and tend to be subject to specialists’ oversight. Neither can RH thinking/behavior include the parts’ attributes only, although they matter very much and specialists of single disciplines and professions tend to focused on them. Oversight of relations, especially interdependences causing influences of parts over each other, may not be forgotten about in RH thinking/behavior; especially specialists, who have not developed the habit to consider specialists different from themselves, tend to make crucial oversights in this respect. This experience means that they are not realistic enough. Take a look at experience around you and discover (again): Success has always resulted from absence of oversights with crucial impact. And failure has always resulted from crucial oversights, be it in business, scientific experiments, education, medical care, environmental care, invention-innovation-diffusion processes, etc., or wars, all way to World Wars of the 20th century, or the world-wide economic crises. The crisis of 2008 is no exception; it is even more dangerous due to nuclear weapons, extreme annoying differences between people and peoples, etc.

RH of thinking/behavior is aimed at avoiding crucial oversights. Systems thinking should better be called holistic thinking and be the worldview and methodology of holism, or better and more realistic: requisite holism of behavior attaining requisite wholeness of outcomes.

Systemic, i.e. RH, thinking/behavior matters for scientific reasons, for individual success in whatever activity, and for economic reasons, too. See Table 4 for a quick look at the historic changes requiring RH thinking/behavior more and more today e.g. in relation to humans’ natural environment, on which humankind’s survival depends, but humankind threatens it by one-sided behavior, which causes its destruction leading to humankind’s destruction. (See: www.climatecrisis.net; Božičnik et al, 2008; Ećimović, Mulej, Mayur, 2002; Stuhler, Vezjak, Mulej, eds, 1995; Ećimović et al, 2007; etc.).

<table>
<thead>
<tr>
<th>Viewpoints Type of Market</th>
<th>Basic Relation/s Between Production and Consumption</th>
<th>Impact of Humans on Natural Environment</th>
<th>Humankind’s Interdependence with Natural Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>RANDOM MARKET</td>
<td>Producers’ own consumption and occasional exchange of random surpluses</td>
<td>Minimal impact, growing as humankind grows in number and needs / requirements</td>
<td>Intuitive human consideration of nature based on experience in agriculture, gathering, hunting, wood cutting, fishing and mining</td>
</tr>
<tr>
<td>SELLERS’ / PRODUCERS’ PREVAILING POWER = PRODUCERS’</td>
<td>Growing production for poorly considered, known/unknown, customers, who lack impact over suppliers</td>
<td>Specialization and narrow thinking grow and so does the humans’ detrimental impact over nature</td>
<td>Nature is subordinated to profit, jobs depend less on nature, more on growing urbanization and manufacturing as well as</td>
</tr>
</tbody>
</table>
MARKET (supply smaller than demand) (especially by industrialized production) industrialized agriculture

BUYERS’ / CUSTOMERS’ PREVAILING POWER = BUYERS’ MARKET
Growing impact of customers requiring satisfaction / total quality of products and services, and conditions of life (supply bigger than demand)
Specialization and its bad one-sided impact over nature keep growing, so does biased application of science, causing need for inter-disciplinary cooperation
Nature is still subordinated to profit, but nature is thought of more due to cost, caused by backlash of oversights caused for profit; inter-disciplinary insight grows

STATE / GOVERNMENT SUPPORTED BUYERS’ MARKET
Increasingly organized / legalized impact of customers demanding total quality of products, services and conditions of life (supply much bigger than demand)
Growing awareness about the terrible impact of humankind’s one-sided impact over nature & its dramatic consequences for humans’ survival
Same as before, but worldwide official documents and actions urge governments and businesses as well as humans to be more holistic; so does a part of market (e.g. by requiring social responsibility)

| Table 4: Development of market relations and environmental care quality – a case of growing awareness of the requisite holism as a precondition of humankind’s survival |

Thus, the name of the crucial innovation to be attained now is the new economy based of RH/RW that can be attained, we hope, with development of social responsibility (SR) from a much-talked word into reality (Google offered for the term social responsibility close to 25 million texts in December 2008, and beyond 50 million in April 2009). This might lead to a new economy and survival.

The New Economy and Social Responsibility

A discussion about the ‘new economy’ (Ing et al, 2008) brought several insights that can be summarized as follows: the new economy’ faces property revolution (because ownership of knowledge and creativity differs from knowledge of tangible properties), information revolution (due to information/communication technology, etc.), serious new problems (due to piling up rather than covering cost of care for natural precondition of humankind’s survival beyond the cost of both world wars combined or even much more), the need for much more transparency and participatory democracy in all organizations from families via enterprises, countries, to international associations (for RH in behavior), and SR (for less of the detrimental abuse/misuse of Adam Smith’s concepts of self-interest and invisible hand, of the laws of external economics, market, and trust). On the basis of economics and economy of so far, namely, according to official data, 20% of humankind – the so called West and Japan and Pacific Rim Tigers – enjoy results of the end of monopolies of 1870s much more than the other 80%. They are much richer because they innovate much more, but they are not holistic enough to avoid the danger of blind alley.

Thus, the pre-market monopolies are renewed under new political and economic names, although they have produced the highest amount and impact of innovation ever. The resulting benefit belongs to a too small percentage of humans: 85% still live on six USD or less a day, one billion under one USD a day (Nixon, 2004). The resulting current crisis seems to require innovation of the concept of innovation of so far to include RH/RW. (See also several contributions in ISSS 2008; Mulej et al,
According to analyses quoted above the – abused and misused – liberal capitalism has led to the current crisis by becoming its own opposite – monopolism/oligopolism that provides chances only to a small minority of population. One percent owns 40% of the world-wide wealth. In less than 150 years the world-wide span of wealth measures in national per-capita-income has grown from 3:1 to +500:1. 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 increasing standard of living after the 2nd world war has been fictitious because the huge cost of maintenance of the natural preconditions for humankind to survive have been postponed and pilled 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; and even 20% of the world-wide GDP, if the action is postponed for another 20 or so years. The big depression of 1930, to which the current crisis is quite similar in its structure was not simply resolved with Keynesian 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 here again. And so are nuclear weapons able to destroy the Planet Earth several times. People forgot that organizations, including enterprises and states are their tools, not a higher authority, and they are tools of those in the positions of higher authorities, only, more or less.

In other words, the lack of SR that has destroyed the slaves-owning and feudal societies and has created room for democracy and free-market economy is back. Legal names are different, not much else. This is why one speaks of SR so much today.

But the content of SR is differently understood. The precious and 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. European Union (EU, 2001) mentions officially four contents of SR (of enterprises): the point is in a free acceptance of the end of abuse of employees, other business partners, broader society, and natural preconditions of humankind’s survival. In literature on business excellence one requires more – upgrading of its measures with SR (For overview see Gorenak, Mulej, 2008). 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).

If we limit ourselves to the EU’s definition and enterprises, we find that SR only fictitiously and in a short term causes uncovered and avoidable costs. Costs of honest rather than abusing/misusing behavior of bosses replace costs for expensive mistrust, double-checking of creditworthiness, dissatisfaction, strikes, loss and regaining of high-quality co-workers and other business partners, their routine-loving rather than creative/innovative behavior, misery and poor health (which are cured rather than prevented), remediation of consequences of natural disasters, terror, and wars, etc. (Hrast et al, 2006, 2007, 2008, and references therein).

Development of SR is, hence, an innovation of human behavior toward RH by ethic of interdependence.

**Ethic of Interdependence, New Economy, Affluence, and RH/RW by Social Responsibility**

In preparation, passing, and realizing of decisions one succeeds, it one has attained RH/RW. This does not depend on knowledge alone, but an equal importance belongs to values, because they direct the application of knowledge. The RH of specialists who need each other is backed by and expressed in their ethic of interdependence (Mulej, Kajzer, 1998a, b). It expresses the specialists’ feeling that they complete each other up with their differences in order to make the RH and therefore success attainable. Due to these differences, clear boundaries and isomorphisms are not enough: viewing the world
‘through the eyes of the others extends vision’ is needed (Churchman, 1993, quoted by Lopez Garzia, 2008), leading toward the dialectical systems approach (Mulej, 1974, 1975, 1979, etc.) and resulting RH. RH is in line with EU’s definition of systemic thinking (EU, 2000: 6): ‘The Action Plan (First Action Plan for Innovation in Europe, 1996, based on Green Paper on Innovation, 1995) was firmly based on the ‘systemic’ view, in which innovation is seen as arising from complex interactions between many individuals, organizations and environmental factors, rather than as a linear trajectory from new knowledge to new product. Support for this view has deepened in recent years.’

EU is trying to become a sustainable and knowledge/innovation-based society; the concept includes for sure the SR. In its document EU (2001) defines SR as the integration of the care for society and environment in the daily business of enterprises and their relations with stake-holders, on a voluntary basis. Its messages include the crucial statement that in a longer run the economic growth, social cohesion, and environmental protection complete each other up and support each other. EU stresses too, that SR-behavior reaches beyond matching the legal obligations, hence it reflects organizations’ additional efforts to meet expectations of numerous/all stake-holders. EU passed also several other documents that support development of SR (EU, 2000b; EU, 2006). They only partially cover the real contemporary needs: (1) the creativity-based society is replacing the knowledge-based one that has replaced the routine-based one (Chesbrough, 2003); (2) the concept of sustainable future needs to replace the concept of sustainable development (Ećimović, editor, 2008; Goerner et al, 2008; Hrast, Mulej, editors, 2008; ISSS, 2008; etc.), for humankind to survive. The long-term and broader view is able to contribute more to the daily business success, too (Branson, 2009; Meško-Štok, 2008; Quinn, 2006; etc.) because it makes employees and other stakeholders more interested, motivated, creative, and loyal to their organization by providing them well-being (Prosenak, Mulej, 2008; Prosenak, Mulej, Snoj, 2008; etc.). SR helps.

EU defined for the period until 2010 ‘A European Roadmap’, stressing the sustainable and competitive enterprise, which considers both the short-term and long-term creation of value (Knez Riedl, 2007b). The corporate SR can fortify the competitive position of single enterprises as well as local and regional communities, countries and EU (Knez Riedl, 2007a). We prefer no limitation of SR to companies: they are human tools and act along with influential humans’ decisions.

For SR to become more than a word, a strategy of promotion of SR – as a potential innovation leading to informal RH/RW – might be needed (Hrast, Mulej, 2008).

Strategy of Promotion of SR

SR is a demanding concept of promotion of a specific case of RH having to do with the human approach to other people and nature. For success many influential people should practice RH via SR. Work of a few individuals – professionals is not enough, a general social support based on a clear strategy is needed, e.g. on the national level.

SR Mission should be to promote global ethics in order to help humankind, including one-self, survive by doing ‘good’ to all stakeholders (based on RH leading to RW) rather than evil (based on one-sidedness) beyond the official legal obligation.

A working group with an interdisciplinary composition should prepare a draft strategy, and later on a special Agency for Promotion of SR might have to be established, e.g. in Slovenia and in EU, UNO, etc. Its tasks should include co-ordination of country-wide or EU-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 bases for draft legislation changes, where they are needed to cover SR everywhere per areas.
3. To prepare professional, requisitely holistic 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 promote SR.
5. To include topics on SR in primary, secondary and higher education, and to promote values of SR in daily mutual contacts of youngsters.
6. To create and implement a nation or EU or world/UN 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 crisis and to prevent long-term crises.
7. To establish a portal 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/RW and innovation based on SR rather than on one-sidedness, for the society to become, be and remain an RH/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 later on per areas, but in the style of a coordinated decentralization.

Ethic of interdependence expresses values enabling this strategy. This includes weighing andconcerting of solidarity and economic efficiency by RH/RW via SR, in order to provide to humans an equilibrium with no resulting need for too much solidarity or too much protesting against the one-sided decisions and actions of authorities all way to terrorism.

Making SR an Attainable Innovation – some Practical Preconditions

As ways to make such equilibrium attainable, one can use three essential recent findings in economic literature, in a new synergy with our own findings (see Table 5, phase 5):

- Florida (2002, 2005) found in a comparative analysis of US regions that the best development had been attained in regions with the highest 3T: it is tolerance for differences between habits of people that attracts talents and thus it makes sense to invest in technology there. Malačič et al. (2006) found equal situation in Slovenia. The creative class is growing beyond 35% and becoming essential, the working class is diminishing, and the service class only works on preconditions for the creative class to create for all. (In addition, this percentage does not include people who must be creative to survive with their poor incomes.)

- Porter (1990, 2006) pointed out that the basis of competitiveness evolves in four phases: from natural resources via investment to innovation and hence to affluence, which people have always wished to have (See Table 5, left column). But affluence has a crucial side-effect: affluent people have no motive any longer to work in order to have, which results in a growing need of many citizens for solidarity etc. In affluence sources are not scarce, but real needs, while marketing and advertisement try to persuade people to have wants and try to buy like wants would be needs. (See
also: James, 2007). Baumol et al. (2007) do not even mention or quote Porter, but they remind of this danger with a single quote (p. 288).

- The innovation of the traditional incentives for Total Quality as a way to innovation that are often taken in a too bureaucratic way to really work as incentives for contemporary excellent quality as an incentive for innovation and RH/RW to flourish (Pivka, Mulej, 2004; Škafar, 2006) and practice systemic thinking (SZK, 2007).

- The working hours per week and year can become shorter again, because technology replaces humans at work, and because the aging of population, growing affluence, etc. are making a new life cycle – the life cycle of needs reaching beyond the needs expressed as demand in market of products and services related to material needs (Mulej et al, 2009).

The problem lies in mentality very much – in humans’ thinking and worldview as well as other values/emotions. One-sidedness results in a lack of contemporary excellence, which requires more RH of behavior for the humankind’s future to exist by RW. Baumol et al (2007) fail to see this. Thus, it is the practice of interdependence that makes people aware of their need for each other due to their differences in specialization, and their mutual complementary relations on the same basis; this leads them tom using the briefed synergy.

Let us return to the interesting view of economic development phases that stresses the notions summarized above following Porter. See Table 5. Porter (1990, in Brglez, 1999: 23-24) speaks of competitiveness; we extend his idea to development and add our ideas about the related culture and phase 5. Obviously, the affluence phase in Table 5 is not the highest development phase so far, only; it is also the phase of growing problems of employment, supporting everybody, growing lack of ambition and related drug etc. abuse, etc. Conclusion: one must attain and keep capacity of RH/RW in order to enter the innovation phase quickly and remain in it as long as possible, and/or renew related values/culture/ethic/norms. The latter may make room for a 5th phase, which is needed: the 4th phase can hardly be avoided. (Mulej, Prosenak, 2007). Porter and Kramer (2006) do not mention phase 5 or culture.

<table>
<thead>
<tr>
<th>PHASE</th>
<th>ECONOMIC BASIS FOR DEVELOPMENT</th>
<th>RELATED CULTURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Natural factors</td>
<td>Natural resources and cheap labor, providing for a rather poor life for millennia</td>
<td>Scarcity and solidarity, collectivism, tradition rather than innovation</td>
</tr>
<tr>
<td>2. Investment in modern technology</td>
<td>Foreign investment into the area’s economic development; hardly/poor competitiveness in international markets</td>
<td>Growing differences, local competition, individualism, ambition to have more, be rich</td>
</tr>
<tr>
<td>3. Innovation based on local knowledge</td>
<td>Nation or region lives on its own progress and attains a better and better standard of living by international competitiveness</td>
<td>Growing differences and standard of living, global competition, ethic of interdependence, social responsibility, ambition to create</td>
</tr>
<tr>
<td>4. Affluence</td>
<td>People have finally become rich, which makes them happy in material well-being as a blind alley</td>
<td>Complacency, no more ambition, consumerism; what is quality, then?</td>
</tr>
<tr>
<td>5. Requisitely holistic creation and social responsibility (SR)</td>
<td>Material wealth suffices; effort aimed at spiritual wealth, healthy natural and social environment as requisitely holistic well-being</td>
<td>Ethic of interdependence and SR, ambition to create, diminish social differences to those caused by creation, including innovation</td>
</tr>
</tbody>
</table>

Table 5: From scarcity via complacency to the danger of a new scarcity or a new, 5th phase
In other words: (informal) systemic thinking/behavior based on interdisciplinary creative cooperation rather than over-specialization (Bertalanffy, 1968, ed. 1979, VII - XX) is the background of the creative class and innovative society. It causes difference, obviously, because not all people are equally capable of RH/RW and creation, including innovation, but no abuse, hopefully.

The affluence phase might be a dead alley, if people lose ambition for creation (so far they often did so, in history). People therefore need either a prolonged innovation phase based on RH idea-invention-innovation-diffusion rather than one-sided processes, or a new phase, a 5th one, of creative happiness based on ethics of interdependence and interdisciplinary creative co-operation with SR replacing the phase of affluence; for selfish reasons, people are less selfish, short-term thinking, and narrow-minded, and they apply more RH and thus attain more RW.

To make this innovation of culture and economy happen, a part of population must become the core of the creative class: Lester (2005) found authors detecting that about 15-20% of people are willing to take risk and cooperate, about the same many want to be (abusing) free-riders, and the majority just waits to see, what will the opinion makers undertake. But this majority includes many humans with creative potential. Leaders providing role-model of interdisciplinary creative co-operation can activate this potential rather than the commanding managers who do not. This would make humans happy and society prosperous. But it requires RH behavior. It is based on systemic thinking/behavior in line with the EU’s definition of it (quoted above).

This might lead to RH/RW society and economy by SR. Namely: SR is in the EU’s definition a concept for enterprises to integrate, on the basis of their free will, social and economic concerns into their business (including sustainability) and relations with stakeholders. IRDO reaches beyond enterprises (ibid.): SR of individuals, organizations of all kinds, professional groups, nations, peoples, unions (IRDO, 2006). Following several authors IRDO defines SR as the human obligation to realize shared objectives of the society and to do ‘good’ beyond legal obligation. (Hrast et al, 2006, 2007; Hrast, 2007; Knez-Riedl, Mulej, Ženko, 2001; Knez-Riedl, 2003a, b, c, d, 2006; Knez-Riedl et a, 2006). 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? Many influential persons made history by making their individual values a culture, shared by a group of their followers who then diffused this culture to make it a socially acceptable ethic, resulting in the social norms, and influential over individual values of other who had a dilemma to face: accept the novelty and be acceptable in the society or refuse it and be an outlaw. See Table 6.

| Individual values (interdependent with knowledge) | Culture = values shared by many, habits making them a rounded-off social group |
| Norms = prescribed values on right and wrong in a social group | Ethics = prevailing values about right and wrong in a social group |

Table 6: Interdependence of values, culture, ethics, and norms

**Technology Matters, but as a Human Tool**

Collins (2001) and Collins & Porras (1994) concluded from their large field research on the reasons for the long-term world-best companies to be so, and on their way of becoming and remaining so, among other crucial attributes, that technology matters, but as a human tool, not as an independent cause of economic success. Hence, one should better speak about the entrepreneurial revolution
than about the industrial revolution: the most entrepreneurial individuals have created all new technology and made it become innovation rather than invention/toy of weird persons only. Have these people attained RH in their monitoring, perception, thinking, emotional and spiritual life, decision making, and action for their influence to be beneficial, only, rather than detrimental, too? Not really (Bourg, interviewed by Sciama, 2007: 16; Božičnik, 2007; Ečimović, editor, 2008; Goerner et al, 2008; Hilton, 2008; Mulej et al, editors, 2008; Stern, interviewed by Stein, 2007, 14-15; etc.): the dangerous consequences of their lack of holism result from one-sidedness causing a too narrow view and resulting assessment what is essential in the current conditions.

All specialized knowledge is both beneficial and unavoidably narrow, but none is either self-sufficient or sufficient (Metcalf, 2008; Mulej, 1974, 1975, 1979, 2007 a, 2007 b; Potočan, Mulej, 2007). With a lack of RH it helps less than it is able to help in interdisciplinary creative co-operation. Perhaps, SR can show a new way out of the current world-wide economic crisis. It may matter, because the use of knowledge, including technology, depends a lot on users’ values.

Conclusions

The innovative society of today is not found successful, once criteria of sustainability are added to the one-sided economic criteria of so far, even if we do not concentrate of the current crisis showing up in 2008 alone. Even if the ‘West’ considers itself successful, research and public press report about increasing numbers of humans feeling unhappy and hence abusing drugs from alcohol to marihuana etc, and doing so at an increasingly young age. This is a sign that there is a lack of incentive for creation, for the Fromm’s transition from ‘owner to creator’, as the most human attribute (James, 2007). Such processes have been around before. The Roman and other empires have faced ruining, once their people entered affluence and became complacent. Hopefully, SR reaching beyond CSR to SR of all, and incentives, such as happiness based on creativity, can be a way out of the blind alley toward RH/RW. Technology alone does not make it. Innovation of values – culture – ethics – norms is necessary for technology to play a supportive rather than destroying role for human survival on the Planet Earth, at least in the form of the current civilization. The process of making the idea an innovation, called diffusion, needs consideration as well (Ženko et al, 2008). See Table 7 for our renewed summary of the diffusion process.

<table>
<thead>
<tr>
<th>VIEWPOINTS TO BE CONSIDERED</th>
<th>Phases of users’ decision making about a novelty</th>
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<tbody>
<tr>
<td></td>
<td>1 Awareness</td>
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<td>2 Persuasion</td>
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<td>3 Decision</td>
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<td></td>
<td>4 Application</td>
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<td>5 Reconfirmation</td>
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<tr>
<td>Novelty customers (potential)</td>
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<td>Customers – innovators</td>
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<td>Early customers</td>
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<td>Early majority</td>
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<td>Late majority</td>
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<td>Laggards</td>
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<td>Potential customers’ absorption capacity for the introduced novelty – to-be innovation</td>
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<td>--------------------------------------------------------------------------------------</td>
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<tr>
<td>Requisite holism of potential suppliers/ authors of novelty – to-be innovation</td>
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<tr>
<td>Requisite holism of potential customers of novelty – to-be innovation</td>
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<tr>
<td>Requisite holism of pressure of market, government and bosses concerning novelty – to-be innovation</td>
<td></td>
</tr>
<tr>
<td>Requisite holism of information system concerning novelty – to-be innovation, for suppliers and customers to know enough</td>
<td></td>
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<tr>
<td>Systemic quality of novelty – to-be innovation based on requisitely perfect products, processes, leadership and commitment, linked in a synergy by organization, and expressed in the system (= network) price, quality, range, uniqueness, and environmental care</td>
<td></td>
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<tr>
<td>Requisitely holistic vision, mission, policy, strategy, tactic, operation, and control of the entire process with suppliers (and users)</td>
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<tr>
<th>Opinion leaders</th>
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<td>Attributes of novelty</td>
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<td></td>
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<tr>
<td>Complexity</td>
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<td>Visibility</td>
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<td>Interpersonal</td>
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<th>Communication channels</th>
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<tr>
<td>Public</td>
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<tr>
<td>Interpersonal</td>
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<th>Nature of the culture of customers</th>
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<tr>
<td>Decision type about novelty</td>
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<tr>
<td>Optional</td>
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<tr>
<td>Group</td>
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<tr>
<td>Authority</td>
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<tr>
<th>Consequences of novelty</th>
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<tr>
<td>Desired</td>
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<td>Undesired</td>
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<tr>
<td>Indirect</td>
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<tr>
<td>Direct</td>
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<tr>
<td>Anticipated</td>
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<tr>
<td>Unanticipated</td>
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Legend: the darker the area, more change agents’ effort is needed

*Table 7: Matrix of Essential Attributes of Diffusion Process of a Novelty Supposed to become*
Innovation, from the Viewpoint of Change Agents

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