Systemic Behavior by Social Responsibility → Transformation

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The selected problem

- Hawaii, spring 2013, CO2 like 3 million years ago \rightarrow
- Neoliberal economics → detrimental monopolies by ,market fundamentalism' & only 15% with +6\$/day → new international documents against neoliberal economics & for way out from the crisis:
- E.g. UNO around 2000; CSR Europe; EU 2011; ISO 26000 (2010) → systemic behavior by:
- (1) interdependence, and (2) Holistic approach

HUMAN PROSPERITY VS. GDP GROWTH?

Growth, crisis, and prosperity

Cassiers (2011):

cultural, political, financial, economic, alimentary, ecological, and social crises

Being – having

Growth ≠ prosperity (6 rich countries; world misery)

Human well-being = sign of prosperity ← VCEN, not knowledge only ← systemic = requisitely holistic approach = <u>all crucial</u> viewpoints/professions & attributes in synergy

Definition of social responsibility (SR) - 1

CSR = responsibility of co-s for impacts on society (EU, 2011)

SR Principles:

- (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,
- (7) Respect for human rights. (ISO 26000, 2010)

Definition of social responsibility (SR) - 2

(3) Ethical behavior =
values of
honesty,
equity and
integrity =

- concern for people, and the environment and
- commitment to address the impact of one's activities and decisions on stakeholders' interests.

Definition of social responsibility (SR) – 3 ISO 26000

7 contents:

- 1. Governance, management, organization
- 2. Labor practices
- 4. Fair business practices
- 6. Human rights

2 linking concepts:

- 1) Interdependence
- 2) <u>Holism</u>

- 3. Environment
- 5. Customers

 \rightarrow

7. Broader community

Social responsibility – innovation process against problems caused by one-sidedness; precondition for sense-making = thriving life/society/economy

Lack of SR = lack of requisite holism \rightarrow oversights \rightarrow failuresIIDP and innovation, as its outcome, need a broader definitionBusiness programTechnologyOrganizationManagement StyleMethodsManagement ProcessesVCENBusiness styleOur habitsOthers' habits

Innovation – dialectical system of preconditions (SR and systemic behavior included)

Innovation = (invention X entrepreneurship and entrepreneurial spirit X requisite holism X management X coworkers X innovation-friendly culture X customers X competitors X suppliers X natural environment X socioeconomic environment and other outer, i.e. ,objective' conditions X random factors, such as luck).

Ideas – inventions – suggestions – potential innovations – innovations – diffusion – authors' benefit & new ideas

Social responsibility – potential innovation that reduces troubles/cost by systemic behavior

SR = innovation of VCEN and management/governance – RH Market and government – <u>not reliable, one-sidedness, no RH</u>

Costs of systemic, e.g. honest behavior < cost due to mistrust, one-sidedness, etc. = strikes, poor work/creativity, lost partners/markets, dangerous natural environment, illnesses, misery etc.

SR \rightarrow ownership = right of <u>use without abuse</u>;

SR \rightarrow less problems of (1) extreme division and (2) affluence

Strategy of Promotion of Social Responsibility - 1

SR <u>Mission</u> = promote global VCEN of SR \rightarrow survival of the current civilization (by RH behavior) \rightarrow <u>strategy</u>, e.g.

- 1. Research on SR
- 2. Law supporting SR
- 3. Professional SR programs
- 4. Cooperation promoting SR
- 5. SR in education programs
- 6. Public Relations on SR
- 7. Portal on SR

- 8. Examples
- 9. Collect info/cases etc.
- 10. Support SR initiatives
- (not accepted so far in

Slovenia)

Strategy of Promotion of Social Responsibility - 2

Humans as:

- Consumers less/no greed, just real needs press for SR &
- Organizations: (1) suppliers, (2) customers, (3) public awareness makers and users &
- Governments: support competition and fight monopolies
 & world-wide democracy

- Educators, scientists, media, opinion makers: models and methods \rightarrow VCEN & knowledge \rightarrow transformation

Everybody can trigger the process for SR - VCEN

No more ,Bubble Economy'

From over-consuming to saving society, adding sufficiency to efficiency

Ownership right without abuse (,process owners')

Awareness – paradigm shift \rightarrow VCEN innovation

Available, but un(der)-used technologies

Interdisciplinary creative cooperation; methods OK

Bottom line: Freedom & Equality & Brotherhood Real rather than fictitious/monopolized market

Well-being of many, not only owners 1% / 15%

Humans' interdependent needs: for survival, joy, power, freedom, and belonging;

Human inner motivation!!! Multilayered entities

Democracy = requisite holism by systemic behavior

Related human attributes \rightarrow innovation of VCEN \rightarrow more RH/SR/systemic behavior

Consideration of very new conditions, not just a ,business-asusual' crisis, but crisis of affluence based on one-sidedness

Bubble Economy no longer possible $\leftarrow \rightarrow$ Earth

85% of humans = saving society

Life cycle of needs - Non-material needs \rightarrow wellbeing beyond welfare

Awareness building:

- RH through SR \rightarrow survival by SR principles = systemic
- SR pays off also in short term and locally
- SR = seven areas, linked by <u>interdependence and holism</u>
- SR = human attribute, not only companies (tools)
- Decisions need innovation process (IIDP) to succeed by becoming innovations, incl. SR = systemic behavior

- SR – fights all monopolies and abuses

- SR diminishes and prevents costs, resulting from dissatisfaction

- SR 'opportunity cost and benefit' add in accountancy
- Neoliberal: 'reduce cost at any cost' = not RH/SR
- <u>Suppliers to public sector</u>: RH/SR, innovative, business excellence, TQ

- SR supports competitiveness ← customers value SR & are less shopping-addicted
- Monopolistic behavior = lack of RH/SR → trouble due to reaction by riots etc. = costly, detrimental
- \rightarrow Need to innovate VCEN & knowledge
- → Need for capacity of interdisciplinary creative cooperation
 → RH/SR by given methods

Concluding remarks

In the contemporary conditions we humans are condemned to RH, SR and related IIDP,

- to thrive and
- improve our quality of business and personal lives,
- solve the pilled-up problems of environmental preconditions of our survival

<u>Non-technological IIDP</u>, especially about management style and VCEN and resulting habits, is unavoidable.

SR is unavoidable, also as a component of business ethics.

Some conclusions

Survival of humankind ← requisite holism ← involvement of many in interdisciplinary cooperation based on ethics of interdependence ← businesses and politicians alone = not enough, *considered areas included*

SR = New initiative = the way out from the blind alley →
 ecosystems approach = requisite holism → survival – by
 (C)SR = requisite holism = systemic thinking/behavior

THANK YOU FOR WORRY & ACTION!