# ZELENA PARADIGMA DRUŽBENE ODGOVORNOSTI V PRIHODNOSTI

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#### Povzetek

Strategija ohranitve sveta prinaša v naša razmišljanja o okolju vrsto zanimivosti in novosti, ki bodo za Slovenijo nemajhnega pomena, z vedenjem, da reševanje okolja ni samo problem s področja biologije, fizike, kemije itn., ampak predvsem vprašanje novih vrednot in etičnega opredeljevanja zanje. Varovanje okolja je tako sestavni del gospodarske, socialne in ekonomske politike, ki vključuje interdisciplinarni pristop. Bistveno na področju varstva človeških pravic je pravica bivanja v zdravem okolju in dolžnost varovanja tega okolja za doseganje trajnostnega razvoja. Zaradi tega je pomembno, da podjetje ohrani zmožnost stalnega spremljanja organizacijskega modela ravnanja z okoljem podjetja z namenom, da:

- ugotavljamo, kako odgovorno podjetje obvladuje in ravna z okoljem v primerjavi z njegovimi konkurenti, in
- analiziramo raven organizacijske učinkovitosti z vidika kriterijev poslovanja in ravnanja z okoljem.

Spremljanje stanja okolja in poročanje domači in mednarodni javnosti ter institucijam je v Sloveniji novo, pomembno področje iz evropske okoljske zakonodaje.

Ključne besede: družbena odgovornost, kultura, ravnanje z okoljem, zelena paradigma

# GREEN PARADIGM OF SOCIAL RESPONSIBILITY IN THE FUTURE

#### Abstract

The World Conservation Strategy is bringing various points of interest and novelties for our consideration concerning the environment. These novelties are going to be of great importance for Slovenia, which always thinks of its future goals and the path that will lead to them. They announce that environmental problems are not only a matter of biology, physics, chemistry, etc. but above all a matter of new ethical values and readiness to support them. Protecting the environment is an integral part of economic, social and economic policy, which includes interdisciplinary approach. Essential to the protection of human rights is the right of residence in a healthy environment and duty to protect the environment for achieving sustainable development. For that reason it is important that company retains its ability of ongoing monitoring of organizational model from viewpoints of environmental management in order to:

- Realize, how responsibly the company controls and operates its relations with environment compared with its competitors,
- Analyze the level of organizational efficiency of environmental management from the viewpoints of business and environmental criteria of funning business.

**Key words**: environment, organizational culture, environmental management, social responsibility, green paradigm

#### 1 Introduction

In most cases, manufacturers have the greatest ability, and therefore the greatest responsibility, to reduce the environmental impacts of their products. Companies that accept their challenge recognize, that product stewardship also offers a substantial business opportunity. By rethinking their products, their relationships within their supply chain, and the ultimate customer, some manufacturers dramatically increase their productivity, reduce costs, foster product and market innovation, and provide customers with more value at less environmental impact. Reducing use of toxic substances, designing for reuse and recyclability, and creating take back programs are just a few of the many opportunities for companies to become better environmental stewards of their products. In the 21st century, forward-thinking businesses have recognized that demonstrated corporate citizenship and maximum resource productivity are essential components to creating competitive advantage and increasing shareholder wealth. All products are designed with a consumer in mind. Ultimately, it is the consumer who makes the choice between competing products and who must use and dispose of products responsibly. Without consumer engagement in product stewardship, there is no closing of the loop. Consumers must make responsible buying choices which consider environmental impacts. They must use products safely and

efficiently. Finally, they must take the extra steps to recycle products that they no longer need. [1]. This means to detect trends at an early stage and put forward appropriate solutions. Integrated production processes innovation model, which promotes production processes innovation was derived from the model of managing company policy following the interest theory and business excellence. The successful development and implementation of processes innovation in an organizational system can produce a significant saving in the amount of business and environment resources and therefore a smaller environmental impact [4]. The heightened awareness of the importance of environmental protection, and the possible impacts associated with products manufactured and consumed, has increased the interest in the development of methods to better comprehend and reduce these impacts [3]. All the activities of e.g. the BMW Group are designed to increase the value of the company continuously and over the long term. In the view of the Group, long-term growth is generated by thinking long-term and acting in a sustainable manner. The central factors for success are concentrating on the premium segment, the skill and dedication of their employees, the maximum focus on what the customer wants, plus an ability to innovate, which is firmly rooted in the corporate culture [2].

#### 2 Research, Development, and Innovation

Because of importance of innovation and sustainable development for Slovenian future, the Ministry of Education and Sport supports and co-finances two research projects under the theme of the inclusion of the elements of sustainable development. Within the framework of Target research projects for 2006, the Ministry of Education and Sport co-finances two research projects under the theme of the inclusion of the elements of sustainable development in the school curriculum (Analysis and promotion of integration of education for sustainable development in primary schools; Integration of elements of consumption and sustainable development in school curricula) [4].

The Ministry of Higher Education, Science and Technology promotes research into sustainable development by applying the respective guidelines to its tenders for basic and applied programs and projects as well as for target research projects (TRP). The following basic research projects are thus currently co-financed: Sustainable development of urban ecosystems, Sustainable MINLP optimization of the life cycle of chemical processes; applied research projects Rational use of wood in the context of sustainable forest management, settlements and towns, Sustainable optimization of the production process for special chemicals; post-doctoral research project Monitoring sustainable competitiveness and development of monitoring in the fields of individual policies; as well as the TRPs Genetic improvement of qualitative and quantitative features of agricultural plants with economic significance for competitive and sustainable production in Slovenia, Intensification of wood production and use as the basis for developing sustainable forest management in Slovenia, Classification and valuation of forest structure adequacy for planning sustainable multifunctional and close-to-nature management, Processing and sustainable use of agricultural physical space in Slovenia, Integration of criteria and measures for achieving sustainable spatial development of towns and other settlements in the broader urban area, Sustainable development of protected areas – integrated approach and the active role of the state; sustainable management in protected areas from the point of view of achieving a well-balanced regional development.

Research, development and innovation belong to fundamental prerequisites for success in competitive market. The e.g. BMW Group is the most successful premium manufacturer in the automotive industry. One of the fundamental prerequisites for this success was and is ongoing leadership and innovation in the construction of cars perceived and acknowledged as leaders by the customer. Innovation upgrades the product in its substance, and only attractive product substance can secure the long-term success of a company in sales [2]. A further point is that innovation is the right tool to clearly differ from the competitors in an increasingly competitive premium market. Modern premium cars today have reached a comparably high level of technology in many respects, the customer taking features such as passive safety and quality for granted right from the start. Innovations in technology give the car maker an opportunity to differ clearly from the competitors and to express the features so typical of a BMW, MINI, or Rolls-Royce in and through the very substance of the product.

A further point is that innovative technologies enable the manufacturer to minimize or completely overcome conflicts in interest in the development of a car. But innovation, as seen by the BMW Group, does not mean developing new concepts and technologies simply because they happen to be new. Instead, new technologies must fulfill specific requirements in order to be acknowledged as genuine innovations [2]. The BMW Group supports the Kyoto targets and has been working intensively for years to reduce its fleet's fuel consumption. The energy strategy pursued by the BMW Group is sub-divided into three steps. In the short and medium term, the fuel consumption of vehicles will be reduced by new, highly efficient engine generations, active aerodynamics, the use of innovative lightweight materials and intelligent energy management within the vehicle. For the BMW Group, all of these activities fall under the concept of BMW EfficientDynamics [2].

### 3 Successful Creative Organization

Directions for future research include economic goals and performance. The economic goal for the period was to develop and implement the economic, environmental and social procurement policy. GRI does not yet have a formal policy about this, but is working toward formalizing the existing practices. This is a goal for the next period. Financial performance has improved. This is an economic goal for the GRI for next year [6]. A key aspect of improving GRI positive economic impacts would be the formalization and completion of a wide procurement policy to manage selection of suppliers, including environmental and social aspects, in a more consistent way. This will ensure that factors such as supplier suitability to sustainability criteria, quality and price are consistently taken into account in purchasing decisions and a minimum of 2 quotations are always obtained for financially significant purchases [6].

To add value, the organization must develop a mission statement incorporating a core value statement. A successful organization is characterized by trust and commitment to solutions, and not pursuing blame. The mission of the successful creative organization empowers individuals to undertake measured risks without penalization for failure. To take calculated risk means to:

- Learn from the failures as well as the successes of others within the organization.
- Capture value from mistakes of other organizations. This can be achieved by networking within the industry. Failures are not generally publicized. Only by extensive networking can we learn which routes not to take.
- Encourage to "fail quickly." People tend to fall in love with their "pet" projects. If one approach fails, taking a different approach should be encouraged [7].

There are major differences about how the companies view innovation programs.

- Core values and leadership: To create and add value, there should be a value system in the organization to begin with. High trust, people development, and commitment to learning and respect for individuals enable the organization to insist on high-performance. When individuals see that they are respected and valued, they will dedicate themselves to create true value to the organization. E.g., Enron had a fabulous innovation program but lacked core values. Lack of values led to one of the biggest bankruptcies in modern history. Thus, the innovation process cannot be dissociated with the overall core values of the company and its employees.
- Motivating the employees: In the survey conducted in spring of 2002 by InformationWeek National, one key question asked was: "What matters most to you about your job?" The survey results were based on results from more than 10,000 staff and managers. The most frequently chosen, among over 30 factors, were challenging job responsibility and job stability. Flexible schedule was also ranked very high [7].

# 4 New Green Policy

In efforts for the improvement of position on the purchaser's market, companies must also consider accordance of operation with valid environment protection rules concerning product consumer. The entrance of enterprises into the international market, the care for reputation, that the enterprise profit with their environment protection and permanent development, places the politics of environment protection to the base of the professional politics [10]. The environment protection and permanent development is so a basic component of the basic politics and it is confirmed by the highest administration agency. It is about the important decisions about the basic goals of operating and development. It is about the acceptance of the basic principles, values, and rules. More than constraint of the state, the order is important, that is founded on the volunteer offer and creative cooperation. In the contemporary circumstances, creating of teams is becoming the most important for the creative cooperation, because they search for their opportunities, solve the problems and in the end they take decisions.

The current position of an organization with regard to the environment can be established by means of an initial processes, innovative operations, and management review. The innovative operation is, according to the production and all other its components are founded on innovations. The initial review can cover the following:

- Identification of legislative and regulatory requirements;
- Identification of processes, innovative operations;
- Identification of environmental aspects of its activities, products or services so as to determine those that have or can have significant environmental impacts and liabilities;
- Evaluation of performance compared with relevant internal criteria, external standards, regulations, codes of practice and sets of principles and guidelines;
- Existing business, processes, innovations, environmental management practices and procedures;
- Identification of the existing policies and procedures dealing with procurement and contracting activities;
- Feedback from investigation of previous incidents of non-compliance;
- Opportunities for competitive advantage;
- The views of interested parties;

• Functions or activities of other organizational systems that can enable or impede environmental performance [9].

The process and results of the initial environmental review should be documented and opportunities for EMS development should be identified. Such a partial approach can lead to technically and economically inappropriate solutions. The new model which promotes production processes innovation was derived from the model of managing company policy following the interest theory and business excellence. It was conceived in the frame and interdependence of both objective and subjective starting points of initial change agents as well as from process knowledge of process managers. New dimensions such as business excellence, production processes innovation, companies' capacities and opportunities for continuous innovation, as well as values, knowledge, skills and feelings of change agents, will be added to the basic model [9].

Organizational practices need lean organization as a first step of processes innovation and environmental protection. Possible measures, which the lean organization can encompass, include the fields of organizational measures, reconstruction of existing processes and products, the use of modern equipment and techniques as well as the introduction of new technologies. The dimensions of business excellence, especially production excellence, of production processes renovation, a company's or other organization's capacity to innovate as well as the values, knowledge, skills and feelings of production processes innovation agents, are added to the basic model [8]. The renovation of production processes results from lean organization, which is based on up-to-date technological and organizational starting points. Market needs new consumers. Consumers need new products and services. Only innovative lean flexible organization could be the answer. Lean organization is market-driven; a buyer's market and innovation society prevails and acts as change generators in a company or other organization [9]. Figure 5 presents direct impacts of environmental issues on businesses.

#### 5 BMW Corporate Responsibility

The process of market globalization has led to many changes. Corporate responsibility now extends to encompass not only the needs of employees, but also the environment and society as a whole. As industry grows in strength and importance, it is also called upon to share the benefits of its growth with members of society. The global economic system needs to show a more human face. In this respect, companies must ensure that their traditional focus on corporate profits and shareholder value is accompanied by equal concern for the needs of society and the environment. The safeguarding and creation of jobs and commitment to the environment and society are just as important as innovative, problem-solving expertise and open dialogue. The principle of sustainable development is synonymous with this philosophy. It is based on the fundamental belief that no generation should live at the expense of the later generations. In recent years this economic principle has evolved into a key factor determining entrepreneurial management. Companies that are committed to sustainability place equal importance on economic, ecological and social concerns in the formulation of their business strategies. In the BMW Group, sustainable business management has been a reliable contributor to the success of the Group's corporate philosophy for many years. Figure 1 presents The BMW Group's End of life vehicle recycling process.

# 6 Green Paradigm of Social Responsibility in the Future

The Environmental revolution has been almost three decades in the making, and it has changed forever how companies do business. In the 1960s and 1970s, corporations denied their impact on the environment. Then a series of highly visible ecological problems created a groundswell of support for strict government regulation. In the United States, Lake Erie was dead. In Europe, the Rhine was on fire. In Japan, people were dying of mercury poisoning. Today many companies have accepted their responsibility to do no harm to the environment. Products and production processes are becoming cleaner; and where such change is under way, the environment is on the mend. In the industrialized nations, more and more companies are "going green" as they realize that they can reduce pollution and increase profits simultaneously [11]. In the coming years the relationship to the environmental management will be the key component of competitive ability. The role of leadership is so directed to the change of starting points of professional philosophy. One point of view of administrative measurement is substituted with many points of view by inter structural creative collaboration [12].

In the case of environment protection it is necessary that we are as much collaborative, creative and target directed as possible. The aims follow the basic and operative:

- The permanent preservation of vitality of nature, biological variety and autochthonism of biotic sorts, their habitats and ecological balance,
- Preservation of variety and quality of natural goods, natural genetic fund and ground fertility,
- Preservation and renovation of variety of culture and aesthetic value of region and natural valuable nesses,
- Decreasing of natural sources use, substances and energy,

- Gradual transition to the use of renovated natural sources,
- Prevention of danger and decreasing of charges on the environment,
- Abolition of environment harm and repeatedly
- Restoration of regenerated abilities.



Figure 1: End of life vehicle recycling process [5]

To the purpose of environment preserving development, the aims of environment protection are also:

- Changes in production and samples of use, that contribute to the minimization of natural sources use and creativeness of waste,
- Development and use of such technologies, that decrease and suppress environment charges,
- Use of harmless and decomposed chemicals and substances that have not been accumulated in alive organisms.

The dynamic creativeness of administration is important with the realization:

- Dynamic creativity management has its field of application as an approach for handling complex problems, i.e. as a supporting tool in the process of attain sustainability.
- The whole process of creative problem solving -logical-analytical procedures based on convergent thinking as well as creative intuitive procedures based on divergent thinking.
- The whole process of creative problem solving is a complex system in itself, dynamically changing over time, with permanently interacting system elements, it requires a systems thinking perspective in order to be understood and applied [13].

Creative collaboration was leading to a new perspective: rest and waste (construction) material is a raw (construction) material. Table 1 presents contrasts between "Old and "New" Rest and Waste Approach based on DST (Dialectial Systems Theory).

WAS	IS (DST)
Rest And Waste Material	Rest And Waste = RAW Material
Disposal	New product

Table 1: Contrasts between "Old" and "New" Rest and Waste Approach

The care for reputation, which enterprises gain with their environment protection and permanent development, places the reprocessing and recycling to the base of the organizational goals. The processes of recycling begin by product design and development in EMS. More organizations are coming to realize that there are substantial benefits in integrating environmental aspects into product design and development. Some of these benefits may include: lower costs, stimulation of innovation, new business opportunities, and improved product quality [12]. The goal of integrating environmental aspects into product design and development is the reduction of adverse environmental impacts of products throughout their entire life cycles. In striving for this goal, multiple benefits can be achieved for the organization, its competitiveness, customers and other stakeholders. Potential benefits may include:

- Lower costs by optimizing the use of materials and energy, more efficient processes, and reduced waste disposal;
- Stimulation of innovation and creativity,
- Identification of new products, e.g. from discarded materials,
- Meeting or surpassing customer expectations;
- Enhancement of organization image and/or brand;
- Improved customer loyalty;
- Attraction of financing and investment, particularly from environmentally conscious investors;
- Enhancement of employee motivation;
- Increased knowledge about the product;
- Reduction of risks;
- Improved relations with regulators;
- Improved internal and external communications [14].

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Figure 2: New Material

In my research I proposed a model of recycling isolating materials, made of hard polyurethane and lightweight concrete, with aggregates containing expanded glass, based on DST (Dialectical Systems Theory), EMS (Environmental Management System), LCA (Life Cycle Assessment), Recycling and Mulej's hierarchic chain. The scope of the aforementioned model is to plan production processes without waste and to improve energy efficiency in buildings. My model's proposed solution enables a process alternative to be enhanced in sustainable development with the Dialectical system approach.

## 7 Conclusion

Social responsibility, quality and development of Environmental Management System is constantly improving. The use of incremental and breakthrough management techniques, integrated with ethics of social responsibility, constantly improves processes, products, or services provided to internal and external customer, thus achieving higher levels of customer satisfaction [15]. In this paper social responsibility is presented as a part of green future and a tool for processes innovation. The importance of social responsibility is increasing within a broad range of industries. Therefore, what we should develop is an innovation management culture with social responsibility. Integrated social responsibility integrates the requirements of sustainable development and environmental management. Social responsibility begins with development of products that are environment-friendly with continual improvement cycles and with processes innovations to, even after their use, create the smallest possible environmental load.

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