

PLANIRANJE INOVIRANJA POLITIKE PODJETJA – INFORMACIJE POTREBNE ZA DRUŽBENO ODGOVOREN RAZVOJ IN PRAKSO

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Povzetek: V članku poročamo o raziskavi o inoviranju politike podjetja na področju družbene odgovornosti: predstavimo nove tržne in družbene zahteve v smeri k več družbene odgovornosti, za trajnostna in družbeno odgovorna podjetja; pojasnimo ohranjanje konkurenčnih prednosti podjetja z inoviranjem upravljanja podjetja, ki se izraža v politiki podjetja, menedžmentu in poslovanju podjetja. Trdimo, da lahko podjetje z inoviranjem politike podjetja v smeri k več družbene odgovornosti doseže konkurenčne prednosti. To inoviranje je potrebno za rast, razvoj in dolgoročno preživetje podjetja ter zagotavlja njegove konkurenčne prednosti.

Ključne besede: politika podjetja, informacije, strateški management, inovacije, družbena odgovornost.

PLANNING AN ENTERPRISE POLICY INNOVATION – INFORMATION NEEDED FOR MORE SOCIALLY RESPONSIBLE DEVELOPMENT AND PRACTICE

Abstract: In this paper we report on research about the enterprise policy innovation in the field of social responsibility. We present new market and social requirements towards sustainable/socially responsible enterprises and explain persistence of competitive advantages through enterprise governance innovation which results in enterprise policy, management and practice innovation. We argue that enterprise's competitiveness can be provided through enterprise's policy innovation towards more social responsibility. This innovation is needed for enterprise's growth, development and long-term survival and leads also towards better enterprise's competitiveness.

Keywords: enterprise policy, information, strategic management, innovation, social responsibility.

1 Introduction

Enterprises do not operate in a vacuum. In an innovative business environment operation under different economic frameworks enterprises should, according to the new requisitely holistic, socially responsible and sustainable way of thinking, innovate their enterprise governance. Therefore the innovation of planning and management criteria must be oriented towards greater social responsibility (SR) and requisite holism (Mulej & Kajzer, 1998; Mulej et al., 2013). If owners and managers decide so and know how to do it, enterprises can gain important competitiveness advantages, survive competitive struggle and grow. Research makes us believe that all the changes we are facing today take place within a framework of global economic environment. The changes are caused by increasingly important inventions, suggestions, potential innovations, and (technological and non-technological) innovations resulting from crucially needed creativeness and innovativeness, new ideas, and constructive thinking, because we are living in the era of different viewpoints and each of them originate from different knowledge and experiences. This is why also the enterprise's market-competitiveness and the way of its achievement are continuously changing.

One way of reaching enterprise competitiveness can therefore be provided by enterprise governance innovation whose importance we will try to introduce in this article. So we set the hypothesis that for the strategy of any kind (thus also for market-competitiveness and/or survival strategy) one needs enterprise governance innovation. The enterprise governance and resulting enterprise policy, management and practice innovation must lead towards socially responsible enterprise, including taking into account the current problem of the humankind's natural environment/sustainable future as the central preconditions and a global need for humankind to survive (See: Ećimović & Haw et al., 2012; Štrukelj et al., 2012; Štrukelj & Mulej, 2009; and references in them). This raises also the need for requisitely holistic ethics planning that is a pre-condition for enterprise ethical behavior (Belak, Je., 2013; Belak, Je. et al., 2010) and sustainable future.

New market and social requirements towards sustainable/socially responsible enterprises are described in Chapter 2, persistence of competitive advantages through enterprise governance innovation for enterprise's survival and growth in Chapter 3, and some concluding remarks in Chapter 4.

2 Path towards sustainable/socially responsible enterprises

The modern global economy business conditions dramatically changed in the direction of more competitiveness and innovativeness. Economies, enterprises and humans must innovate toward a holistic approach/implementation of sustainable development that expresses the interdependence of natural environment and economy as the two significant bases of life. According to Ećimović & Haw et al. (2012) sustainable development must lead to sustainable future; humans should not become self-sufficient or even local only. Thus the sustainable future needs support from human behavior (Šarotar Žižek & Mulej, 2013). The process must lead towards socially responsible enterprise policy, management, and practice (Dankova et al., 2014). Rapid changes from a supplying to a sustainable social responsible (global) enterprise are shown in Table 1.

Table 1: From a supplying to a sustainable/socially responsible enterprise – and a new definition of the concrete contents of requisite holism of enterprises' behavior

De- cade	Market & Social Requirements	Enterprise's Ways To Meet Requirements (Thus To Succeed*)	Type of Enterprise
1945-	Covering of post-war conditions of scarcity, rebuilding, etc.	Supply anything; supply does not yet exceed demand	Supplying (Export*) Enterprise
1960-	Suitable price (as judged by customers)	Internal efficiency, i.e. cost management	Efficient (Export*) Enterprise
1970-	Suitable price X ¹ quality (as judged by customers)	Efficiency X technical & commercial quality management	Quality (Export*) Enterprise
1980-	Suitable price X quality X range (as judged by customers)	Efficiency X technical & commercial quality X flexibility management	Flexible (Global*) Enterprise
1990-	Suitable price X quality X range X uniqueness (as judged by customers)	Efficiency X technical & commercial quality X flexibility X innovativeness management	Innovative (Global*) Enterprise
2000-	Suitable price X quality X range X uniqueness X contribution to sustainable development (as judged by customers)	Efficiency X technical & commercial quality X flexibility X innovativeness X sustainable development	Sustainable (Global*) Enterprise
2010-	Suitable price X quality X range X uniqueness X contribution to sustainable development/future X (corporate) social responsibility (as judged by customers)	Efficiency X technical & commercial quality X flexibility X innovativeness X sustainable development X honest behavior toward co-workers, other business partners, broader community/society (thus all stakeholder*) and natural preconditions of survival of the current civilization of humans	Socially Responsible (Global*) Enterprise

¹ X denotes interdependence. No attribute is avoidable any longer for a longer-term success/requisite holism. The original table (Bolwijn & Kumpe, 1990) did not contain X, but +. The sign + denotes no interdependencies and resulting synergies; elements are only summed up in a set, not a system. Summation only is an oversimplification. The original did not contain the decades of 1945, 2000, and 2010 either.

* Legend: Authors' addition

Source: Štrukelj & Mulej, 2009.

Path towards sustainable/social responsible enterprises may be paved with the use of enterprise resource planning (ERP) solutions, because ERP solutions became standard of information systems in today's enterprises. ERP solutions support business processes on operation level (basic realisation process); they not only provide real-time information for employees, but also improve business operations flow in organizations (Sternad et al., 2009), for realisation of enterprise governance and management developmental guidance. They consist of a suite of integrated applications, that enterprises can use to collect, store, manage and interpret data from almost all business activities (Monk and Wagner, 2006). We are entering an era where enterprise social responsibility is of central concern to executives of almost every enterprise. An ERP solution can currently address some elements of ISO 26000 (ISO, 2010), which is standard for enterprise social responsibility (Leedale, 2010). New role for ERP was outlined – how it could be used to help track key business information and metrics to improve social responsibility (SR) policies (Jeffrey, 2014). Because ERP systems already act as central information depositories for so many important processes and roles in businesses, it is a perfect place to add additional tracking capabilities for social responsibility programs. That would include things like human relations, labor relations, the environment and corruption etc., which are all being addressed under the ISO 26000 standard.

Social responsibility should be a way of systemic behavior and innovation leading out of the 2008–socio-economic crisis, and it is one of the prerequisites for achieving enterprise competitive advantages. ISO 26000 (2010) defines SR as responsibility of an enterprise (or other organization) for the impacts of its decisions and activities on society and the environment (activities include products, services, and processes) through transparent and ethical behavior that (1) contributes to the sustainable development (including health and the welfare of society), (2) takes into account the expectations of stakeholders, (3) is integrated through the enterprise and practiced in its relationships (that refer to an enterprise's activities within its sphere of influence), and (4) is in compliance with law and consistent with international norms of behavior. Experience made us to believe that everybody, not only enterprises, should behave as a reliable person. We all must expand our viewpoints beyond social community requirements that are defined e.g. in legislation and considered good morality and transparency, which is the basis for the proper, ethical behavior of each individual and enterprises, and contributes to the welfare of the society. From our viewpoint social responsibility is a novelty aimed to become innovation, i.e. a novelty experienced as benefit by its users. This route includes enterprises and their governance/management (Chapter 3).

3 Competitive advantages through enterprise governance innovation for enterprise's survival and growth

Innovating enterprise governance is a part of very important starting points for enterprises survival, existence, and development, because enterprises' management and business activities result from enterprise vision and enterprise governance (which results in enterprise policy). According to integral management approach (See Belak, Ja. & Duh, 2012 for MER Model of integral management) enterprise policy results from enterprise vision and presents broad starting points for enterprise (with its' mission, purpose, and basic goals/long-term objectives determination and with global determination of enterprises' resources, processes and outcomes). Strategies are only means to realize enterprises' mission and purpose, and to achieve its basic goals/long-term objectives. This is why for the strategy of any kind we have to establish vision and enterprise policy first (Štrukelj & Šuligoj, 2014) and find appropriate strategies for achieving the planned enterprise policy. This includes efforts for sustainable future (Ećimović & Haw et al., 2012), but much more can be attained with requisite holism (Dankova et al., 2014) than with one-sidedness of monitoring, perception, thinking, emotional and spiritual life, decision making, communication, and action. The requisitely holistic behavior and management success can be achieved on the basis of dialectical and other soft-systems theories (See: Mulej, 1974 and onwards; Mulej et al., 2013).

For achieving long-term success and sustain competitive advantages enterprises must practice requisitely holistic behavior concerning innovation (Duh & Štrukelj, 2011), also concerning enterprise governance innovation (Štrukelj et al., 2012). Barney and Hesterly (2010, p. 12) researched from their selected viewpoint important studies concerning about how long enterprises are able to sustain competitive advantages. They compared the difference between the traditional economic research and strategic management research and established that in many ways the difference between them reads: the former attempts to explain why the competitive advantages should not persist, while the latter attempts to explain when they can. Thus far (ibid), most empirical research suggests, that enterprises, in at least some settings, can sustain competitive advantages. According to our findings this can be achieved through enterprise governance innovation. Their work is used here as a basis for further discussion.

We will discuss the persistence of the competitive advantages through some examinations of sustainability/persistence of competitive advantages and some still open questions concerning them (based on Barney & Hesterly 2010, p. 12; author's expose, supplemented; Legend: * Authors' addition):

(1) Dennis Mueller (1977) examined the impact of an enterprise's initial performance on its subsequent performance.

Traditional economic hypothesis: "all of 472 enterprises would converge on an average level of performance" did not occur. Indeed, enterprises that were performing well (poorly) in an earlier time period tended to perform well (poorly) in later time periods.

Open questions*: the reason for the impact of an enterprise's initial performance on its subsequent performance? Was it overcome with an enterprise governance innovation? How do the size of an enterprise and its inclination towards globalization influence enterprise performance? Are there any particularities in the transitional countries?

(2) Geoffrey Waring (1996) explained why competitive advantages seem to persist longer in some industries than others.

Findings: enterprises that operate in industries with some attributes² (among other factors) are more likely to have sustained competitive advantages compared to enterprises that operate in industries without these attributes.

Open questions*: does an enterprise governance innovation within particular industry significantly influence its competitive advantages? The impact of the size, transitional phase, and global economy cooperation of these enterprises are also still open issues.

(3) Peter Roberts (1999) studied the persistence of profitability in the U.S. pharmaceutical industry.

Findings: if pharmaceutical industry enterprises can sustain competitive advantages and their ability to do so, this is almost entirely attributable to the enterprises' capacity to innovate by bringing out new and powerful drugs.

Open questions*: are the innovations within the management and basic – realization process even possible without a requisitely holistic view on the enterprise governance innovation? Could these findings hold also for other industries, and which ones; what is the impact of the size/transition/globalization of enterprises in those industries?

Experiences show that the enterprises may be ascribed the great impact over the global social, economic, cultural, natural, and political situation. We argue that their type of impact depends on their enterprise governance and (primarily strategic) management and their requisite holism. Mulej/Kajzer law of requisite holism (1998) reminds people of their need to reach beyond a single viewpoint towards including all essential viewpoints, their interdependences, interactions and synergies, i.e. their dialectical system (See: Mulej, 1974 and onwards; Mulej et al., 2013), although they have no real chance to attain total holism. Thus enterprises' governance and management must include request for enterprise innovativeness that may well support the requisite holism (Štrukelj et al., 2012) and help the humankind to pave our way towards sustainable, competitive future of Planet earth and all living beings.

4 Some concluding remarks

The economic, financial, and social (values) crises which emerged in 2008 in the most developed countries of the world show that a new benefit for the current and coming generations should be provided through innovations. Experiences show that the innovation of planning and management criteria must be oriented towards greater social responsibility (SR) and requisite holism, we believe, through enterprise governance innovation that results in enterprise policy, management and basic realization process innovation. As more industries become global, enterprise governance and (strategic) management are becoming an increasingly important way to keep track of enterprises' development and positioning of the enterprise for long-term competitive advantage (See: Štrukelj et al., 2012). ISO 26000 standard (ISO, 2010) also confirms this with its seven core subjects and seven principles showing the essence of social responsibility, requiring two crucial concepts that link all core subjects and principles in ISO 26000: a holistic approach and interdependence (which are central in Mulej's Dialectical Systems Theory (DST); Mulej, 1974 and onwards; Mulej et al., 2013), and therefore indicates the important role of strategic management. Also innovations are significant factors of enterprises' market-competitiveness within the new challenges of innovating our understanding of economics. We indicate their importance within the enterprise governance innovation that is a needed condition for the positive enterprise (requisitely holistic) development. We have to take into consideration that enterprise governance innovation depends on subjective viewpoints of shareholders and top managers, above all (Duh & Štrukelj, 2011), and their ability of adaptation toward requisite holism of approach (Mulej et al., 2013) for

² Waring found out: Industries' attributes for longer, sustained competitive advantages include: (1) industries are informationally complex; (2) require customers to know a great deal in order to use the industry's products; (3) require a great deal of research and development; and (4) have significant economies of scale.

requisite wholeness of outcomes. The lack of ethics, social responsibility (Dankova et al., 2014), systemic behavior and sustainable future seemed to belong to important (economic) factors that caused the (economic, social, environmental, financial, values) global crises 2008–. And just now, if not earlier, the necessity of enterprise's social responsibility is hence more urgently needed than otherwise. This need has to be included into the enterprise vision, enterprise policy, its management (strategies, tactics), and daily practice (Štrukelj & Šuligoj, 2014). To reach business excellence, responsible enterprise policy, its management (strategies, tactics), and daily practice should be regularly innovated and innovation-oriented.

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