

ISO 26000 on social responsibility supports systemic/cybernetic behavior

(Some provocations for a workshop)

Dr. Dr. Matjaz Mulej, Prof. Emeritus

(Systems and Innovation Theory)

University of Maribor, Slovenia,

International Academy for Systems and Cybernetic Sciences (Vienna, Austria), President,

IRDO Institute for Development of Social Responsibility, Maribor, Slovenia

Key words: climate change, innovation, neo-liberalism, requisite holism, social responsibility

Due to the lack of systemic/cybernetic behavior the practical decision making has a one-sided and therefore misinforming basis. This has lasted for the entire industrial and information society periods. The dangerous climate change, over-population, lack of natural resources, and destruction of nature, including waste - all result from this absence, or lack, of requisite holism. The recent decade has seen official awareness of this dangerous absence of holism: United Nations and European Union launched documents supportive of social responsibility. In 2010 the ISO 26000 went a crucial step further: it calls (1) holistic approach and (2) interdependence the two common denominators of social responsibility.

Thus, these documents are asking for innovation of habits for humankind to overcome its dangerous economic theory of so far – the neo-liberalistic abuse of Adam Smith's liberalism. Seven topics are addressed: (1) governance, management and organization, (2) human rights, (3) labor practices, (4) natural environment, (5) fair business practices, (6) customers, and (7) involvement and development of community.

Social responsibility is offering a replacement for neo-liberalism of so far in socio-economic relations, although only organizations, but no governments and individuals, are mentioned explicitly.

ISO 26000 is not meant for certification, but for self-assessment and self-innovation reaching beyond technology to crucial non-technological topics.

In the current trends, innovation may not be reduced to IIDP of products and services; it must rather cover the non-technological issues, too, or even first of all. Technology is an important tool, but only a tool of humans. See Table 1.

The 2008- crisis was not caused in 2008; it only surfaced then, as a consequence of the neo-liberal fictitious, rather than realistic, model of omnipotent market, causing also fictitious innovations by bank- and finance- people and the break of the fictitiously working real-estate market in USA (e.g.: ..Rop, 2011: in only 12 years the percentage of wealth owned by one single percent of Americans has grown from 37% to 70%, after 1995). This crisis is obviously much deeper: the market cannot be relied upon, because the 'limited competition', i.e. monopolistic market, does not work as the market's invisible hand predefined by A. Smith (Smith, 2010). It does not prevent abuse of those with less bargaining power. It does not make the three notions of the French revolution – freedom, equality, and brotherhood – survive. Neither can governments be reliable, if they are biased and onesided due to one-sided monopolisation and outvoting by the winning parties rather than requisitely or even totally

holistic approach of parliaments. Thus, they can hardly attain the requisite wholeness of their insights and other outcomes. See Figure 2.

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

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

←----->		
Fictitious holism/realism (inside a single (subjectively selected) viewpoint)	<i>Requisite holism/realism (a dialectical system of all (subjectively selected) essential viewpoints)</i>	Total = real holism/realism (a system of all (objective rather than selected) viewpoints)

Table 2: The selected level of holism and realism of consideration of the selected topic between the fictitious, requisite, and total holism and realism

Four basic lines of measures to be undertaken are suggested:

1. Individuals: to understand and practice, as consumers, to prefer real need over greed, and to prefer suppliers having a well-grounded image of social responsibility. Both has started happening in USA before the 2008 crisis (Gerzema, 2010; Zgonik, 2011).
2. Organizations, both enterprises of all sizes and other: to understand and practice social responsibility as a human attribute and business strategy that prevents or diminishes, at least, cost resulting from dissatisfaction of people (e.g. in the form of visible and white strikes, cancelling and unreliability concerning contracts and resulting expensive search for new suppliers and customers, social riots all way to international terrorism, wars, etc.) and from unhealthy natural environment (e.g. in the need for eco-remediation and medication of humans and other nature; etc.).
3. Country/government: to understand and practice that the public sector, as a whole, is the biggest customer and can therefore include in its procurement preconditions the demand and unavoidable precondition, which says that any organization from the public sector (from kindergarten to government offices and army, etc.) may be supplied only by suppliers that can prove to be the very top in the combination of (1) social responsibility, (2) innovation visible in the top business excellence and total quality of its supplies and its internal and external business practice, all way to its 'systemic quality' as a systemic

synergy of suitable prices, pay-role, development funds, technical and commercial quality, innovativeness all way to uniqueness of its supplies, suitable range offered, sustainable care for its natural environment and other contents of social responsibility, (3) attainment of the same attributes with its own suppliers and their care for the same attributes of their suppliers.

4. International community: understand and practice efforts to add to the international law, which is not obligatory and can therefore not be enforced except by agreement, especially concerning the multinational corporations, world peace, and the basic human rights, while only these three topics may be the role of the world-democracy including the world government made of very honest and socially responsible persons with no abuse of their influence.

Among other consequences, the economic and social theory should stop seeing the only dilemma in either market or central planning, and the engineering and natural sciences should stop seeing the only important factor in the technological innovation.

Quoted references

Gerzema, J. (2010): The Power of the Post-recession Consumer: *strategy + business*. <http://www.strategy-business.com/article/00054?pg=all&tid=27782251>. Downloaded on 10 January 2011.

..ISO 26000;See: http://www.iso.org/iso/discovering_iso_26000.pdf

Mulej, M., Hrast, A. editors (2010): *Eseji o družbeni odgovornosti*. [Zbirka Družbena odgovornost]. IRDO Inštitut za razvoj družbene odgovornosti, Maribor, ECPD Slovenija, Ljubljana, Ypsilon, Ljubljana

.. (2011): Rop – zločin našega časa. *TV Slovenia I*, 08 March (Emission of the documentary 'Robbery – The Crime of our Time', created in USA in 2009)

Smith, A. (2010): *Bogastvo narodov. Raziskava o naravi in vzrokih bogastva narodov*. Studia humanitatis, Ljubljana

Zgonik, A. (2011b): Odvisnost od nakupovanja. *Delo*, 25 January: 19.

ISO 26000 on social responsibility supports systemic/cybernetic behavior

Dr. Dr. Matjaz Mulej, Prof. Emeritus

(Systems and Innovation Theory)

University of Maribor, Slovenia,

International Academy for Systems and Cybernetic Sciences (Vienna, Austria), President,

IRDO Institute for Development of Social Responsibility, Maribor, Slovenia

Key words: climate change, innovation, neo-liberalism, requisite holism, social responsibility

The dangerous climate change, over-population, lack of natural resources, and destruction of nature, including waste - all result from the lack of requisite holism. The recent decade has seen official awareness of this dangerous absence of holism: United Nations and European Union launched documents supportive of social responsibility (SR). In 2010 the ISO 26000 went a crucial step further: it calls for (1) holistic approach and (2) interdependence as the two common denominators of SR. Seven topics are linked by them: (1) governance, management and organization, (2) human rights, (3) labor practices, (4) natural environment, (5) fair business practices, (6) customers, and (7) involvement and development of community. SR is offering a replacement for neo-liberalism of so far in socio-economic relations. Thus, informal systems behavior shows the way from the current global crisis.

Social responsibility: **7** core subjects

