

# FROM THE INNOVATIVE TO THE SUSTAINABLE DEVELOPMENT

## OD INOVATIVNOG DO ODRŽIVOG RAZVOJA

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**Abstract:** *Humankind is facing a very serious global crisis in 2008 and later. The most innovative parts of the world became the richest over the recent century, but the crisis surfaced in their areas first; thus, a lot of their invention-innovation-diffusion processes yields fictitious rather than real innovation. Messages from press say that the most influential persons and organizations of the world keep trying to solve the problem with means that have caused the problem to surface. We belong to others who deem a new solution needed – sustainable enterprise based on creativity, and ethics of interdependence.*

**Key words:** *crisis, innovation, (neo)liberalism, systemic thinking, values / culture / ethic / norms*

**Sažetak:** *Čovječanstvo se suočava s globalnom krizom koja je započela 2008. godine. Najinovativniji dijelovi svijeta postali su i najbogatiji u prošlom stoljeću, ali kriza se prvo pojavila na tim prostorima i tako su njihovi brojni procesi izum – inovacija – širenje postali fikcija umjesto inovacije. Mediji ukazuju na to da najutjecajnije osobe i organizacije u svijetu nastoje riješiti problem sredstvima koja su ih izazvala. Mi pripadamo onima koji smatraju da su potrebna nova rješenja – održiva poduzeća zasnovana na kreativnosti i etici neovisnosti.*

**Ključne riječi:** *kriza, inovacija, (neo)liberalizam, vrijednosti*



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## **1. Introduction**

The crisis of 2008 - can be viewed as a visible end of the 2 - generation cycle marked with the neo-liberal rather than real liberal values, culture, ethics, and norms (VCEN) and resulting economy and society taking one-sidedness to its extreme rather than promoting VCEN of interdependence of specialists – both as humans and as professionals [1][2]. Application of the holism in the form of sustainable future and social responsibility (SR) under leadership of sustainable and SR enterprises may pave the current civilization of humans' way to the 5<sup>th</sup> phase of development rather than to destruction [3][4][5]. Using the measures visible in early 2010 denotes that using means that have caused the current crisis. Technological innovation alone is not enough; innovation of VCEN is crucial [6][7][8].

## **2. Innovative enterprise**

Humans, who are living now, are living in the time in which innovation has become as frequent and unavoidable as never before. They are condemned to innovation rather than blessed with it, only. The most advanced areas of the world comprise the 20% of humankind who are living on innovation; others are subordinated to them [8][9][10][11].

The innovative society and economy require humans to master much more entanglement than ever before [12][5][1]:

- There are no longer local markets hidden from the global market;
- There are no longer chances for many humans to live with no permanent renewal of their skills in order to create innovation, be competitive and survive in the global market;
- There are no longer markets in which supply is not bigger than demand, except for the least advanced areas in which close to a billion people are hungry, while in the other areas about a billion people are too fat to be healthy;
- There are no longer many areas in which humans can live with no innovation and therefore with no demands for requisitely holistic thinking, called systems thinking in systems theory.

The current humankind is moving from routine - via knowledge - to creative/innovative society. This is based on a new economy – instead of the one of physical labour productivity – and requires new VCEN – self-interest realized by socially responsible (SR) and therefore requisitely holistic behavior. It is more entangled, but unavoidable. The crisis of 2009 - shows that technology is insufficient. What phases must be passed or even overcome on this path?

## **3. Preconditions of the Way to Sustainable Future and Social Responsibility**

In the most long-term view the development of market included next phases of (i.e. basic types of market): random market, sellers' / producers' prevailing power =

producers' market, buyers'/customers' prevailing power = buyers' market, state / government supported buyers' market, governance and market using social responsibility / requisite holism and wholeness [13][3][14][2].

On the base of different types of market, social requirements and possible ways how enterprises meet environment/s requirements we can defined the process of development of enterprises from supplying to a socially responsible holistic enterprise as an entity of phases (i.e. basic types): Supplying Enterprise, Efficient Enterprise, Quality Enterprise, Flexible Enterprise, Innovative Enterprise, Sustainable Enterprise, Socially responsible holistic enterprise [13][15][12][4][2].

How can enterprises and other organizations of so far become sustainable and then SR and requisitely holistic enterprises? Bosses and other members of modern enterprises are, hence, facing a basic question: How should they define their new development and future business? - By SD principles and by SR principles. However, in both theory and practice, we detected no holistic model of business that provides a requisite wholeness in a harmonized and goal-oriented development. The SD and/or SR concept offers a possible solution, at least, to achieve a sustainable orientation of human activities.

On the basis of theoretical cognitions and our own experiences in business practice, one can define sustainable enterprise, in the most general sense, as an enterprise attaining a synergetic whole of economic, ecological, social, and ethical dimensions (e.g. goals) of its business, along with the requirements from sustainable enterprise and socially responsible holistic enterprise [6][7][3][16][10][5].

A sustainable enterprise tries to conceive and run its working and behavior in a way that meets both human and environmental needs and requirements [7][12][14][1][2]. Humans namely live on four basic levels to be considered in SD, i.e. Individual level; Enterprise (e.g. corporate) level; Closer environment (e.g. natural, social, and ethical) level; and broader (i.e. global) environmental level. On all level we can consider basic aspects/viewpoints, i.e.: e. Economic, Ecological, Social imperative and Ethical aspect [12][5][2].

These needs require sustainable enterprises to conceive, formulate, and use requisitely holistic criteria, and to evaluate their business critically [12; 5; 2]. Table 1 summarizes some basic criteria to evaluate sustainable enterprises' business from some critical aspects/viewpoints.

A sustainable enterprise does not only command with the most modern and comprehensive knowledge, but uses VCEN such as sustainable VCEN resulting from SD principles that allow sustainable enterprises to do no / to do the least harm. SD is mostly understood as a relation to natural environment, which is not enough. SR adds the VCEN - interest of enterprises to do more than the law requires officially because it helps them out-compete the others by more requisite holism of their approach and wholeness of their outcomes [3][5][6][12].

Criteria	Individual Performance Criterion	Corporate Performance Criterion	Societal Performance Criterion	Global Performance Criterion
Aspects				
Economic Imperative	Individual prosperity	Corporate profitability	Societal wealth	Global wealth
Ecological Imperative	Individual eco-efficiency	Corporate eco-efficiency	Societal eco-efficiency	Global eco-efficiency
Social Imperative	Individual quality of life	Corporate reputation	Societal quality of life	Global quality of life
Ethical Imperative	Individual values	Corporate values	Societal values	Humankind values
All aspects in synergy	Individual sustain-able life index	Corporate sustain-able behavior index	Societal sustainable development index	Global sustainable development index

Table 1: Basic criteria for evaluation of sustainable enterprise – a suggestion

SR 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. SR supports innovation also by upgrading criteria of business excellence, by supporting requisitely holistic behavior; thus it means also a form of innovation of human VCEN and knowledge, resulting in a requisitely holistic behavior. In a most optimistic scenario, SR 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 VCEN 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, SR 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.

Tolerance is a relation making room for differences between humans to complement each other, thus to help them to avoid oversights and to attain more holism. Talents make the basis for creativity, including innovation, which in turn can best result from co-operation of specialists different from each other. Investment in technology supports them, and receives support from them: if various and different talents work hand in hand, results of their creativity have more chance to attain requisite wholeness and therefore to succeed.

## 4. Conclusion

All above mentioned cognitions and business practice may lead us to an additional finding: the decade of 2010 is coming rapidly. It may well be marked by new efforts for informal systems thinking aimed at holism in order to solve the current problems of humankind. These efforts may be seen in the concepts of SR, and in total responsibility management.

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