

## INNOVATION OF ENTERPRISE VISION TOWARD SOCIAL RESPONSIBILITY

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### **Abstract:**

*Businesses need new bases and methods taking in account new values, culture, ethics, and norms (VCEN) of humans, leading both humans and businesses to their own requisite holism. This covers also enterprise governance and management and their predisposition to (responsible) enterprise vision (and resulting enterprise policy) we studied. Thus we are researching the formation and development of enterprise vision, the period and wholeness of which are relative. In our discussion we originated in different definitions of vision and we showed a possible development path for it, in order to direct vision towards social responsibility (SR) in enterprise behaviour.*

**Keywords:** *enterprise vision, enterprise values, enterprise culture, enterprise ethics, strategic management.*

### **1. Introduction**

Every responsible organization, as an institution of interest linking people and property (Belak, Ja. 2002) defines its basic, general and long-term characteristics in its policy as its important management instrument influencing development and operation. Enterprise policy includes its mission, purpose and basic goals that results from vision – starting point for start-up and developmental enterprise planning – and also incorporates vision. To overcome the crisis the planet Earth faces, enterprises vision should include social responsibility (SR), exposing interdependence and holism, to motivate enterprise stakeholders toward a modern, requisitely holistic, ethics and behaviour, for long-term survival of their enterprises (ISO, 2010; EUCSR, 2011). The information for properly oriented enterprise vision and policy arises from enterprise (stakeholder) values, culture, ethics, and norms (VCEN; about VCEN see Potočan, Mulej 2007). We will show the importance of their SR orientation, its influence on enterprise vision, its policy, and thus enterprise long-term survival. We tried to draft a planning methodology for enterprise vision, in order to direct it towards SR in enterprise behaviour. VCEN provide crucial business information.

### **2. One-sidedness – the cause of crises**

The 2008- crisis was not caused in 2008; it only surfaced then, as a consequence of the neo-liberal fictitious rather realistic model of omnipotent market (Mulej et al. 2009d:229), causing also one-sided and fictitious innovations by banks and finance people and the break of the fictitiously working real estate market in USA. This crisis is obviously much deeper: the market cannot be relied upon, because it does not work as predefined by A. Smith. Neither can governments be reliable, if they are rather biased and one-sided than requisitely or even totally holistic in their approach (Mulej and Kajzer, 1998; Mulej, Zore, Ženko, 2012). Many researches show that the most successful enterprises have radically innovated their management processes and style toward holism (Collins, 2001; Collins, Porras, 1994; Štrukelj, Mulej, 2008; etc.). This results from innovation of VCEN and expresses itself as an innovation of enterprise vision and policy; only then the VCEN will be the information leading to requisite holism/wholeness. The 2008 saw the start of the worst global recession since the 1930s (if the World War is left aside). Yet, after dealing with the initial shock, companies went to work to prepare for the inevitable recovery. Senior leaders began wondering how the competitive landscape of their markets would change, and which actions would best prepare their organizations to compete in a new and changing world (Chowdhry 2010:29). For many stakeholders (Mulej et al. 2010:309–310) the Dialectical Systems Theory requires innovation of their VCEN to replace their one-sidedness (Potočan, Mulej, 2007) and their un-realistic hope that an ‘invisible hand’ might solve problems instead of them. But this hand does not exist outside them-selves and their respect for interdependence and holism. Therefore they must innovate themselves to be able to solve the 2008- crisis (and other crises, too, of course). Along this basic thought as the background of interdependence of the current crisis and enterprise VCEN’s innovation, it is worth thinking about the enterprise vision and resulting policy.

### 3. Enterprise vision Innovation toward SR

According to Zimmerer and Scarborough (2005: 71) the greatest political and business leaders have been visionaries. Empirically, Collins (2001) and Collins and Porras (1994) found the same. The purpose is the same: to focus everyone's attention to the same target and to inspire them to reach it as a long-term sense-making goal. The vision expresses what the owners stand for and believe in. Highly successful entrepreneurs are able to communicate their vision and their enthusiasm about that vision to those around them. An organizational vision (Coulter 2005: 47) is a broad comprehensive picture of what a leader wants an organization to become. It's a statement of what the organization stands for, what it believes in, and why it exists. The vision presents a view beyond what the organization "is" to what the organization "could be". Enterprises strive to achieve their vision in the long term. Wheelen and Hunger (2006: 13) see a vision statement describing what the organization wants to become: a strategic vision (ibid: 49) is a description of what the company is able to become. According to Hinterhuber (1992: 43 in Belak, Ja. 2002: 74) three factors of the vision are reality feeling, openness and spontaneity. Filion distinguishes the beginning, central, and secondary visions (1993: 51 in Belak, Ja. 2002: 73); the central vision should express realistic, credible, and possible view on the products' market position, desired by the entrepreneur, and on the type of an organization he/she has to develop to reach that position. A vision is a picture of the better world (Wickham 2004: 225) the entrepreneur wishes to create. It inspires the entrepreneur and gives him/her direction. The shared vision communicates the organization's necessary direction. Key ideas about vision summarised by Wickham (2004: 275) include: (a) A vision is a picture of the new and better world that the entrepreneur wishes to create; (b) Vision can be refined and articulated as a management tool; (c) Vision can be used as the basis of a powerful leadership strategy; (d) Visionary leadership demands communication of the vision in a way, which draws stakeholders towards the venture and motivates them to work for its success. Organizational vision provides an overall picture of where the organization would like to be in the future... It should also reflect the organization's commitment to SR and ethical decision making (Coulter 2005: 48). A clearly defined vision helps a company in three ways (Zimmerer, Scarborough 2005: 71): (a) *Vision provides direction*. Entrepreneurs who spell out the vision for their company focus everyone's attention on the future and determine the path to attain it. (b) *Vision determines decisions*. It influences business decisions, be them big or small, that owners, managers, and employees make every day. This influence can be either positive or negative, depending on how well [i.e. requisitely holistically] defined is the vision [while, to us, an enterprise purpose statement is such an important part of the business policy that it should be written in an independent note, separated from vision]. (c) *Vision motivates people*. A clear vision excites and ignites people to action. People want to work for a company that sets its sights high.

On the said empirical and theoretical basis we believe that efficiency, effectiveness and ethical behaviour (SR) influence enterprise performance and long-term survival. The latter must be included into the enterprise vision that must be oriented toward more SR and requisite holism. A new benefit for the current and coming generations should be provided through innovations (see Mulej et al., 2009c). Our economies need radical changes to get out of the current 2008- (VCEN) crisis, also through the governance and management process innovation (see Štrukelj, Mulej, 2009). In the concept of SR (Wheelen, Hunger 2006: 56) a private corporation has responsibilities to society beyond making its profit. Strategic decisions often affect more than just the corporation. Managers (ibid: 57) must be able to ethically deal with many conflicting interests to formulate a viable strategic plan [originating in the enterprise vision]. Among many world-wide acknowledged models of integral management that stress the governance and management process let us expose authors considering the above systems connection, e.g. Belak, Ja., Duh (2012), Bleicher (1995), David (2005), Hinterhuber (1992), and Wheelen and Hunger (2006). But we must be aware (see Štrukelj, Mulej 2008: 178–179) that also all these models presented only a partial (although rather integrative) view of organizational development and business, depending on subjective viewpoints of cooperating authors and schools. Thus, models are only frameworks for precise organizational investigation. About the need for SR of enterprise governance and management (process innovation) read (Štrukelj, Mulej, 2008, 2009, Štrukelj et al., 2010).

Many entrepreneurs practice the modern VCEN with clear business benefits; their criteria of benefit are often not short-term and narrow-minded (Mulej et al. 2009d: 240). Still, not all of them do it, which may mean that many do not really behave with SR in their vision and practice. This may be a crucial cause of the 2008- crisis, including the dangerous data saying that the world-wide humankind now emits – every hour – four million tons of carbon dioxide in our atmosphere, cuts 1.500 hectares of woods, and puts 1.7 million tons of nitrites in our soil (see: Kajfež Bogataj, 2009; see also Hrast et al., ed., 2012). This is a very dangerous lack of requisite holism in practice. Thus the lack of suitable VCEN, based on SR seemed to be one of important (economic) factors that caused the (economic, social, environmental, financial) global crises of

2008-. And just now, if not earlier, the necessity of enterprise's SRs hence more urgent and needed than otherwise. This need has to be included into the enterprise vision. We took this into consideration in chapter 4.

#### 4 Enterprise vision development

Vision (David 2005: 55; 2008) is “a possible and desirable future state of an organization” that includes specific goals. Many organizations today (ibid: 9) develop a vision statement to answer the question: “What do we want to become?” Developing a vision statement is often considered the first step in strategic planning [enterprise development planning]. Four components matter for organizational vision (Silvers 1994–1995 in Coulter 2005: 47–48). First (ibid: 47), the vision should *be built on the foundation of the organization's core values and beliefs*. These values and beliefs address what is fundamentally important to the organization, whether it's conducting business with requisite holism, i.e. ethically and responsibly, satisfying the customer, emphasizing quality and all aspects, or being a leader in technology. And, the vision should stress whatever those core values might be. Second, the vision should *elaborate a purpose for the organization*. Every organization – profit or not-for-profit, large or small, local or global – has a purpose, and that purpose should be specified in organization's vision. In that way, all organizational stakeholders are explicitly aware of why this organization exists. The third component of organizational vision is that it should *include a brief summary of what the organization does*. While the vision shouldn't provide explicit details of what the organization does..., it should explain what it's doing to fulfil its purpose. The last component of organizational vision (ibid: 48) is that it should *specify broad goals* to provide a target for all organizational members to work toward and to unify organizational members toward a common end. An organization's vision can and should be a guiding force in every decision [we agree, but would like to stress that also the enterprise basic goals, like its purpose, should be written separately as a part of an enterprise policy statement, and communicated widely].

Many vision statements include a single sentence. Even a long vision statement should motivate all enterprise stakeholders. An excellent vision statement should contain answers to the following questions “what do we want to become”: (a) Why does this organization exist, what are its major products or services (which needs do we satisfy with them; quality/price/newness/customer satisfaction potential)? (b) Which is our desired product market position (where – on which markets – does the enterprise compete; who are its customers; how to improve this position)? (c) What are the basic/core values, beliefs, enterprise culture, ethical (socially responsible) priorities, and norms of the enterprise? (d) What type of the enterprise do we have to develop to reach the defined attributes (this answer should indicate the importance of creative individuals/teams and declare the importance of all viewpoints of innovation)? All of these questions should be included; but in the vision they should not be recognised as a question-answer path. All of them must be realistic, feasible, requisitely open, credible, attractive, and include spontaneity. Enterprises can attain such a vision. David (2005: 50) argues that as many managers as possible should contribute to developing the vision statement. If employees and managers together shape the vision statement for their enterprise (ibid: 54), it can reflect their personal visions about their own futures. A shared vision creates a commonality of interests that can lift workers out of the monotony of the daily work and put them into a new world of opportunity and challenge. We agree, and believe, that this is possible only when owners'/shareholders'/stakeholders' interests coincide with such a way and make a synergy of interest requisitely holistic and clear.

#### 5. Some conclusions

Enterprise vision is based on the enterprise's values. They reflect in organizational culture, ethics, norms, and interests. When values are oriented toward enterprise's SR, enterprises (and humans) have more possibilities for their long-term survival and this offers success to all of them. So businesses need new bases and methods (Mulej et al. 2009d: 235) taking in account new VCEN of humans, including their personal and personality's development, leading both humans and businesses to their own requisite holism. This covers also enterprise governance and management and their predisposition to (responsible) enterprise vision (and policy) we studied, because they are able to show the way out from the current crisis. Thus only “the best prepared, i.e. the most holistic” enterprises will survive the current crisis: creative, able to learn, innovate, and prepared to change them-selves in many respects if necessary (Hrast et al., ed., 2012; Mulej et al., 2009c; Mulej et al., 2010; Štrukelj, Mulej, 2009). Informal systemic thinking/behaviour (Potočan, Mulej 2009: 219) has been applied for millennia by successful persons attaining requisite holism/wholeness without existence of systems theory. Narrow specialists tend to neglect it rather than to practice interdisciplinary creative cooperation to attain it. The current crisis results from it and from the related lack of requisite wholeness of information as a basis of behaviour. Prevention of errors in information systems is therefore crucial. (Corporate) SR that requires honest behaviour of influential people and organizations toward their co-workers, other business partners, broader community/society, and natural preconditions of survival of the

current civilization of humankind, can support information processes to attain requisite holism/wholeness. It can also receive support from them. This possibility originates in VCEN of influential people affecting their enterprise vision and (SR of) enterprise policy.

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