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Toward a holistic perception of socially responsible ethics
W kierunku holistycznej percepacji społecznie odpowiedzialnej etyki

Abstract: Purpose – To offer a new requisite holistic definition of socially responsible ethics (SRE) of Business systems (BSs). The contribution considers a basic problem: How do stakeholders understand and think about SRE? Therefore business should be investigated from the viewpoint of modern ethics. Requisite holism of perceiving SRE in business reality is unavoidable; it can result from findings and considerations of the interdependence between business practice, general ethics, and SRE. Design/methodology/approach – In this paper qualitative research is performed based on Ethics, Business Ethics, Business, and Dialectical Systems Theories. Findings – Ethics can be viewed as the subjective part of the starting points for any human process, including business. Business ethics (BE) are equally crucial as knowledge and outer/objective conditions are, because humans are both rational and emotional and spiritual beings, and are so in synergy. To clarify and beneficially use SRE, one must understand relations between globalization and characteristics of BSs, new and prevailing development concepts of BSs, and SRE and prevailing BE in BSs. Research limitation/implications – Research is limited to hypotheses and qualitative analysis by means of desk research. Practical experience is considered implicitly. Postulated hypotheses are tested by employees’ feedback about their perception of selected factors regarding SRE in Slovenian organizations. For case investigation we used factorial analysis, elements of descriptive statistics, and graphical representation of results. Practical implications – This is a step toward development of business with a requisite holistic approach founded on requisite wholeness of insight. We suggest a more specifically created and target-oriented approach to understanding and research of SRE of BSs in the current environment. Originality/value – We offer a fresh approach for more holistic understanding and consideration of BE, rarely found in main-stream literature. A new perception and definition of SRE is offered.

Key words: Ethics, Business ethics, Socially responsible ethics, Environmental concern, Economic concern

Streszczenie: Cel – propozycja holistycznej definicji społecznie odpowiedzialnej etyki biznesu rozumianej jako system. W artykule rozwiązany jest podstawowy problem: Jak interesariusze rozumiają społecznie odpowiedzialną etykę? Z tego punktu widzenia biznes powinien być badany pod kątem współczesnej etyki. Holizm w percepции społecznie odpowiedzialnej etyki w biznesie jest nieunikniony; może on wynikać z badań dotyczących wzajemnych zależności pomiędzy praktyką biznesową, ogólną etyką i etyką społecznie odpowiedzialną. Projekt/metodologia
A SELECTED PROBLEM, VIEWPOINT AND THESIS

1.1. A Selected Problem and Viewpoint

In the global competitive environment, business systems (BSs) – as the most powerful institutions in modern society – are more likely to survive in the long term by permanently improving their business (Daft, 2009; Schermerhorn, 2009; Potocan et al. 2011). Usually, BSs have limited resources and face demanding conditions; but they can significantly improve their business results, if they manage their style of working better (Lerner, 2009; Martin, 2009; Whittaker, 2009; Mullins, 2010). The new challenges require from the managers a thorough innovation of management, including its system of values-culture-ethics-norms (VCEN).

We attempt to report on a part of our research on ethics and business ethics (BE) (representing VCEN) for business of BSs. Ethics is a crucial emotional part of human attributes. With other subjective components (e.g. work, knowledge, emotional and spiritual resources) and objective components (e.g. material, financial resources) BE hopefully makes the requisite holistically and synergetic base for modern working and behaviour of BSs.

Ethical behaviour of organizations itself and of their stakeholders are preconditions of organizational success, especially in the longer term and under severe competition (Bennett, 2010; Brenkert and Beauchamp, 2010; Ferrell et al. 2010). But neither theory nor practice offer a solution for attempting to holistically consider BE, and this also applies to the consideration of socially responsible ethics (SRE) as the most developed and holistic BE.
Our work on BE (Potocan, 2006; Potocan and Mulej, 2007; Potocan, 2008; Nedelko, 2009; Potocan, 2009; Potocan and Mulej, 2009; etc.) led us to discover that researchers tend to divorce dealing with material resources from dealing with knowledge and from dealing with ethics, especially BE. For that reason, we try to discuss selected dilemmas concerning the SRE as a central component of the modern working and behaviour of BSs. Clarification of these dilemmas might help us create a proper synergy and to improve the holism of their working and behaviour - i.e. monitoring, perception, thinking, emotional and spiritual life, decision making, and action, of humans as business people/BSs.

1.2. Thesis

Our current research, based on cognitions from our previous contributions (i.e. Potocan and Mulej, 2007; Potocan, 2008; Potocan, 2009; Potocan and Mulej, 2009), and cognitions from relevant literature (e.g.; see Cooper and Argyris, 2000; Stanwick and Stanwick, 2008; Buchanan and Huczyski, 2010; Crane and Matten, 2010; etc.), have merged with our present thesis which reads:

- H1: Ethics, especially business ethics, are an important precondition for the understanding and consideration of working and behaviour of BSs in the current environment (See chapters 3.1, 3.2, and 4.1).
- H2: The holism of discussion of contemporary BE can be increased by considering and researching SRE, as the most holistic and developed type of contemporary BE (See chapters 4.1, 4.2, and 4.3).
- H3: Business practice provides guidance on how broadly the requisite holism should be defined in any given real situation/case, and what levels of complexity of understanding and consideration of socially responsible business ethics are needed for employees of organizations to attain a requisite holism of behaviour and to attain the requisite wholeness of their insight (see chapter 2.1, and 2.2).
- H 4: Modern organizations try to follow the general tendency of accepting the increasing importance of SRE (See chapters 2.2, and 2.3). In that framework we can presuppose H4a and H4b.
  - H 4a: In Slovenian organizations employees’ perception about environmental concern has the tendency to increase (see chapter 5).
  - H 4b: In Slovenian organizations employees’ perceptions about giving priority to the economic results has the tendency to decrease (see chapter 5).
2. How are we to more holistically understand human behaviour in business systems?

2.1. Requisite holism as a base for understanding human behaviour

Modern business conditions have changed dramatically. There are too many changes around BSs, and too little time and inadequate data to respond to them with the knowledge currently available. Hopefully, selection of knowledge is not one-sided, but the selected knowledge does conform to the law of requisite holism (Mulej and Kajzer, 1998; Mulej, 2000; Mulej, 2007; Mulej, 2010). In Table 1 see the basic characteristics of the Law of requisite holism.

Table 1. The selected level of holism and realism of consideration of the selected topic from among a range of fictitious, requisite, and total holism and realism

<table>
<thead>
<tr>
<th>Fictitious holism/realism (inside a single viewpoint)</th>
<th>Requisite holism/realism (a dialectical system of essential viewpoints)</th>
<th>Total = real holism/realism (a system of all viewpoints)</th>
</tr>
</thead>
</table>

We focus our consideration on the requisite holism on human behaviour. The basic characteristics of a requisite holistic approach for research of behaviour in BSs include:

- approach to dealing with an object as a topic of thinking - requisite holism by co-operation of all essential professionals (and only them)
- type of approach - requisite simplicity
- type of system - dialectical system
- attributes of object included in system - all those essential
- result of approach - requisite holism/wholeness (good outcome in most cases)
- focus made possible – a requisite holistic focus
- number of professions - requisite many
- type of work - a mixed team of requisite and different experts
- consequences - no problematic consequences since there are no crucial oversights
- applicability - possible to apply in real life

The traditional market-related ethics that allowed for one-sided selfishness had to be innovated in order for BSs to become more sustainable and hence competitive over the longer term. Market requirements include a shift in innovation of ethics toward ethics of interdependence. Neo-liberal economics, as we know, speaks of ‘limited competition’ that disables the market’s control over one-sidedness in the direction of ethics of interdependence, although it presupposes a free market.
Short-term decisions with dangerous long-term consequences are typical of BSs that do not always meet the expectations of their modern environments including natural, social, and ethical concerns/aspects. BSs such as Enron and Royal Ahold, are classic cases in which the potential to serve as a holistic role model had been supplanted by one-sided behaviour: influential people misused their impact (e.g. Beauchamp and Bowie, 2004; Jennings, 2005; Lawrence and Weber, 2007; Potocan, 2008; Ferrell et al. 2010).

Data show that only the most modern BSs tend to be socially responsible (Potocan and Mulej, 2007; Potocan, 2009; Hrast and Mulej, 2010; Brooks and Dunn, 2011), i.e. to requisitely holistically satisfy the legal, market, stakeholders’, and environmental requirements in their internal and external actions (e.g. UN, 1992; Goerner et al. 2008; Esposito, 2009; Potocan and Mulej, 2009). Otherwise, the ISO 26000 would not have been necessary (ISO, 2010).

Why are there so many dramatic differences between the desired (as well as possible) behaviour and results of many BSs that lack requisite holism and social responsibility? Two types of human impact on them will be investigated in this contribution:

- Corporate governance and management directly influence the control of BSs, bosses provide the structures through which the BSs’ objectives are set; they create means to attain those objectives, and the same humans monitor performance.
- The functioning of BSs also depends on the impact of other participants or stakeholders including their external and internal members that directly and/or indirectly participate in their working.

If both human subsystems of BSs are traditional and biased rather than innovative and systemic in their values and knowledge, their BSs may be obsolete. In contrast innovation is obligatory and requires requisite holism.

The common background of the problem under investigation reads: people lack systemic thinking due to their narrow specialization and lack of capacity of interdisciplinary co-operation which action requires having broader horizons. Effort to attain more/requisite holism can receive support from ethics contained in Sustainable Development (SD) before the official launching of Social Responsibility (SR) principles, making business more holistic and hence acceptable in society - i.e. suitable by economic, social, environmental and ethical criteria, presenting a requisitely holistic system of values (Darwall et al. 1997; Potocan and Mulej, 2007; Goerner et al. 2008; Esposito, 2009; Potocan and Mulej, 2009; etc.).

2.2. SR as requisitely holistic precondition of BSs survival

The older international documents about SR speak of six main areas to which SR applies in BSs: honest consideration of co-workers, (business) partners – market, broader society, and natural environment, contribution to business excellence, and to peace in the modern World (Campbell, 2007;
Davis et al. 2008; Epstein et al. 2008; Hopkins, 2008; Matten and Moon, 2008; Esposito, 2009; Velasquez, 2011; etc.). In business reality, SRE covers (1) governance, management and organization, (2) human rights, (3) labor relations, (4) the natural environment, (5) fair business practices, (6) consumer issues, (7) community involvement and development.

It links all of them with consideration of (1) interdependence as the basis, and (2) holism as the top intentionachievement (ISO, 2010). All of them are considered a cost that might be postponed, if possible, because SR is deemed to create no profit, by short-term and narrow thinkers.

Globalization now demands market relations for working and behaviour of modern BSs. The contemporary prevailing type of market is the State/Government supported buyers’ market, where governance and the market depend on social responsibility (Potocan, 2009; Potocan and Mulej, 2009).

Bases of its operations include:

- Basic relation/s of production and consumption: Further increase in customer impact introduces more and more honesty and requisite holism because monopolistic abuse becomes too expensive.
- Impact of humans on the natural environment – sustainability/survival: Application of awareness of the negative/expensive consequences of one-sidedness in economic action and investment to innovate the natural preconditions for humans to survive.
- Humankind’s interdependence with the natural environment: Humans’ poor care for the natural preconditions of their survival is old history and must now be replaced by requisite holism in both business and governmental behaviour, based on VCEN of interdependence.

New conditions demand the changing of working and behaviour of BSs, if they wish to survive in the new environment and adapt their development into socially responsible requisite holistic BSs. Their working and behaviour must then be focused on:

- Selected market and social requirements – BSs target is oriented to working and behaviour aimed at the achievement of synergetic relations between all entities involved (Suitable price X quality X range X uniqueness X contribution to SD (as judged by customers) X SR), and
- Possible ways to meet the selected important requirements - Through achievement of the synergetic entity of implementation (Efficiency X technical & commercial quality X flexibility X innovativeness X SD X honesty reaching requisite holism and wholeness beyond legal demands, thus establishing a sustainable future).

How can BSs and other organizations established in the past and still operating in the present time become SR and requisite holistic BSs? According to present development (especially in the last decade), humans, as consumers, buyers, citizens, and competitors need and require BSs to adopt a new, more/requisite holistic and future-anticipatory, criterion of their own long-term viability (Edwards and Orr, 2005; Quinn, 2006; Gerzema, 2010; etc.).
2.3. How can existing BSs become Socially Responsible?

Humans—as consumers, citizens, and competitors—need and require BSs to take a new, more/requisitely holistic and future-anticipatory business, and look at their own long-term viability. Consequences of one-sidedness in BSs’ decisions are clear: the economic crises and fictitious socio-economic development of recent decades, which has given rise to the high cost of SR. It is much easier to make standard decisions with limited impact than to think requisitely holistically. More attention must be paid to a requisitely holistic preparation, definition and realization of goals including long-term sustainable development and SR in order for humankind to overcome the repeated, persistent and costly economic crises and to survive (Blackburn, 2007; Mulej, 2007; Davis et al. 2008; Senge et al. 2008; Potocan, 2009).

Bosses and other members of modern BSs are, hence, facing a basic question: How should they define their SR business? By SR principles: the most probable alternative of requisite holism is one-sidedness including crucial oversights and resulting in new crises due to which very few new BSs survive more than a few years (Campbell, 2007; Davis et al. 2008; Epstein et al. 2008; Goerner et al. 2008). BSs exist and develop best, if their actions are requisitely holistic. However, in both theory and practice, we detected no holistic model of business that provides for requisitely holistic, harmonized, and goal-oriented development. The SR concept offers a (possible) solution, at least, to achieve common goals with a sustainable orientation of activities, including appropriate BE – i.e. SRE.

On the basis of theoretical cognitions and our own experiences in business practice, one can define SR BS, in the most general sense, as a BS attaining a synergistic entity of economic, ecological, social, and ethical dimensions (e.g. goals) of its business (Beauchamp and Bowie, 2004; Potocan, 2006; Campbell, 2007; Davis et al. 2008; Goerner et al. 2008; Certo and Certo, 2009).

Table 2 shows the basic aspects and resulting criteria of what are SR BSs, and possible means of implementing market and social requirements as imperatives in the decades after 2000.

Table 2. SR BS’s basic aspects and main criteria of its quality level

<table>
<thead>
<tr>
<th>Aspect</th>
<th>General Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic imperative</td>
<td>Competitiveness</td>
</tr>
<tr>
<td>Ecological imperative</td>
<td>Habitability</td>
</tr>
<tr>
<td>Social imperative</td>
<td>Community</td>
</tr>
<tr>
<td>Ethical imperative</td>
<td>Ethical Legitimacy</td>
</tr>
<tr>
<td>All aspects in synergy</td>
<td>Combined criteria</td>
</tr>
</tbody>
</table>

A SRE tries to conceive and run its working and behaviour in a way that meets both human and environmental needs and requirements (Edwards and Orr, 2005; Quinn, 2006; Blackburn, 2007; Davis et al. 2008; Senge et al. 2008; Potocan and Mulej, 2009; Wilby, 2009; Hrast and Mulej, 2010).
Humans namely live on four basic levels to be considered in SR: a) Individual level, b) BS (e.g. corporate) level, c) Narrower environment (e.g. natural, social, ethical) level, and d) Broader (i.e. global) environmental level. These needs require SREs to conceive, formulate, and use requisite holistic criteria, and to evaluate their business critically against those criteria.

We will now outline the selected bases and attributes of general modern ethical principles to create and define socially responsible ethics of BSs.

3 MODERN BUSINESS ETHICS OF BUSINESS SYSTEMS

3.1 Starting points for development of modern BE

The possible solutions for requisite holistic understanding of BE (in general) and especially for SRE lies in the creation and implementation of holistic, dialectically systemic consideration of a synergetic entity made of norms, values, culture and ethics (Mulej, 1979; Mulej, 2000; Potocan, 2006; Potocan and Mulej, 2007; Potocan, 2008; Potocan and Mulej, 2009). Table 3 presents the circular interdependence of values, culture, ethics, and norms.

Table 3. Synergetic entity of values, culture, ethics, and norms

<table>
<thead>
<tr>
<th>Individual values (interdependent with knowledge)</th>
<th>←→</th>
<th>Culture = values shared by many, habits making them a rounded-off social group</th>
</tr>
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<tbody>
<tr>
<td>↓</td>
<td>X</td>
<td>↓</td>
</tr>
<tr>
<td>Norms = prescribed values on right and wrong in a social group</td>
<td>←→</td>
<td>Ethics = prevailing values on right and wrong in a social group</td>
</tr>
</tbody>
</table>

The present theory considers and offers solutions to most issues of BE in BSs. But application of the known theoretical principles does not lead to the desired outcomes in all cases. BSs’ experiences also prove that various BEs lead to desired outcomes, while such good practice cannot be entirely explained with the known theories (Singer, 1999; Bowie, 2001; Jennings, 2005; Shaw, 2007; Stanwick and Stanwick, 2008; Crane and Matten, 2010; Ferrell et al. 2010; etc.).

Very often problems arise when using the traditional understanding of BE in a new environment. Some important presumptions of the traditional understanding of BE, which are also causes for ethical dilemmas of modern BSs (Cooper and Argyris, 2000; Boatright, 2006; Daft, 2007; Potocan, 2008; Potocan and Mulej, 2009; Buchanan and Huczynski, 2010; Trevino and Nelson, 2011), include the following:

- BE is primarily applied ethics. It takes ethical concepts and applies them in specific business situations. Like political economy, but unlike the philosophy of business, BE is a mainly normative discipline. In some cases normative understanding alone is not enough for the more/requisite holistic understanding of BE.
BE can be applied at three levels: the individual employee, the organization, and the society. But different viewpoints are used for consideration of the same reality and therefore expose different parts of all the given attributes as the crucial ones. This makes the same reality look different, if the requisite holism is not fully harnessed.

Many companies draft their policies regarding ethics, and formalize them in different forms, like statements of ethics, ethics codes, and other organizational regulations. Simply having these publications (about ethics) may or may not raise the level of behaviour, depending on the ethical standards of individual employees related to the new codified standards.

There is often a dissonance between ethical code and ethical practice. But frequently the code will say one thing, while the established practice in the organization is something quite different. This puts employees and customers and other business partners as well as the broader society in an untenable situation.

The current situations cannot be solved with BE of one-sided and short-term mentality of the industrial and neo-liberal economics, which has caused the ‘Bubble Economy’ spanning several recent decades (Senge et al. 2008; Chesbrough, 2009; Potocan, 2009; Mullins, 2010; Trevino and Nelson, 2011; Velasquez, 2011). Neither the market nor the government alone have been able to ensure a common benefit of all humans so far, as they were supposed to do in the so-called capitalistic or other-economic order over recent centuries. Nor has the pre-industrial mentality been able to assure a common benefit that should result from the ‘invisible hand’ or the ‘visible hand’ of power-holders (Potocan and Mulej, 2007; Potocan, 2009; Potocan and Mulej, 2009).

The decisions/actions have always been made and taken by humans, establishing or heading organizations, be it families, enterprises, non-governmental organizations, public institutions, or government bodies. The role of organizations is to provide for synergetic co-operation of specialists toward holism as the basis for attaining a common benefit. These facts turn our thoughts to humans, their responsibility, values, culture, ethic, and norms (VCEN), with a focus on BSs. They make us strive towards an innovative change in mentality (both as a process of beneficial change and its outcome).

Thus, we consider creating a combination of the following to yield synergy: 1) SRE (as a type of BE), 2) innovation, and 3) the Dialectical Systems Theory. This means that we do not see SRE as Simple a charity or as the integrity of owners and managers in their relations with their coworkers, business partners, broader society and nature, but as a new or the new socio-economic order to take over after neo-liberalism and its ‘Bubble Economy’. Without SRE, the current civilization hardly has a chance to survive.
3.2. How do we foster a more holistic consideration of modern SRE?

Our attempt to attain a requisitely holistic and unified consideration of SRE leads us to a problem – there are many and different definitions of SRE in theory and practice.

More unification in consideration of SRE can result from cognition, definition, and application of general, methodological and content framework for consideration of SRE. For our work we briefly present models of all frameworks of selected holistic considerations (Potocan and Mulej, 2007; Potocan, 2008; Potocan, 2009; Potocan and Mulej, 2009). Detailed research of these framework models exceed our scope of discussion in this contribution.

All the above-mentioned frameworks must be used as a synergetic entity for the formulation of a requisitely holistic definition and understanding of SRE, and hence, for supporting a more unified consideration of any aspect of SRE. The method and holism of taking the framework into account depends also on considering the people involved.

Understanding and consideration of BE/SRE depends on ethical cognitions, which are used as a basis for one’s dealing with the chosen target field. It is done from a VCEN viewpoint. If we wish to define and implement an appropriate general framework we must define two things – the basic theoretical framework within which to consider BE/SRE, and the basic process of employing for consideration the theoretical framework of BE/SRE.

The contributions of many authors of ethics theories, which provide for the necessary general ethical content framework for the need of the targeted discussion about BE/SRE, are presented in Figure 1 (see Potocan and Mulej, 2007; and Potocan and Mulej, 2009). The model attempts to study the selected BE/SRE issues from the viewpoint of the organizational work and behaviour more holistically (Adapted from Potocan and Mulej, 2007).

In addition, we face the question of how to – inside the definition of a theoretical framework for consideration of BE/SRE – clarify differences between many different insights and/or approaches for its implementation – i.e. how to create the process of its implementation in BSs. This clarification can result from understanding and defining the theoretical differences of BE/SRE in consequence of many objective and subjective factors and reasons behind them.

Figure 2 presents our model of a general framework for process consideration of the theoretical basis of BE/SRE.
Figure 1. General framework of Ethics theory for consideration of BE/SRE

Figure 2. Model of general framework for process consideration of BE
The next question tackles methodological approaches to BE/SRE research. Most of these approaches have dealt with complicated rather than complex BE/SRE constructs; they tried only recently to stress relations between parts of reality, which earlier used to be considered separately and, hence, one-sidedly, rather than holistically and with synergies (see Potocan and Mulej, 2007; and Potocan and Mulej, 2009).

Our understanding of possible ways for methodological consideration of BE/SRE is presented in Figure 3 (Adapted from Potocan and Mulej, 2009).

The above mentioned cognitions ask the question: “What important factors of BE/SRE should be monitored, perceived, captured, understood, clarified, and researched?” Cognitions of management, organization and BE/SRE theories let us define factors bearing an important influence on the consideration of content of BE/SRE as a synergetic entity composed of general and specific factors.

Figure 4 presents factors with important influence on consideration of BE/SRE content.
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Considered Specific Factors of BE/SRE

Considered general factors of BE/SRE
- Organizational
- Historical and cultural

General framework for consideration of BE/SRE

Specific factors of BE/SRE
- Content on selected level of consideration (i.e. “individual”, group, organization, “environment”):
  - Factors of working,
  - Factors of working conditions,
  - Factors of behavior,
  - Factors of behavior conditions,
  - Values, culture, ethics, norms,
  - BE/SRE of level under investigation + BE/SRE of other influential areas/levels

Methodological basis for consideration

Content-related basis for consideration

Values-related basis for consideration

Economic

Industrial

Figure 4. Model of factors with influence on the consideration of BE/SRE content

The above-mentioned cognitions present essential knowledge for consideration when creating SRE of BSs.

4. how business systems create socially responsible ethics

4.1. How general ethical principles support SRE of BSs

SRE covers the ethical practice included in BS’s business strategy (Edwards and Orr, 2005; Campbell, 2007; Hopkins, 2008; Matten and Moon, 2008; Esposito, 2009; Potocan and Mulej, 2009; Crane and Matten, 2010; Hartman and DesJardins, 2010; Velasquez, 2011). The basis for SRE lies in general modern ethical principles. From a given set of principles, we selected those crucial ethical principles that are needed for a requisite holistic definition of SRE, and leading to requisite holistic behaviour of BSs.

In order to comprehend SRE better, we can use the United Nations (UN) definition of SR as an ethical principle as applied in the case of SD (UN, 1992; see also Potocan and Mulej, 2007; Blackburn, 2007; Davis et al. 2008):

- Economic development and sustainability are interdependent in order to provide requisite holistic care for humankind’s natural environment and future; and
- Humans must behave as citizens of the entire world rather than of single countries. The colloquialism “Think globally, act locally” expresses this fact well.
Thus, SRE means that one must consider the ethics and allow for the perception, creation, and implementation of interdependent linking of selected important viewpoints covered in SR into a requisite holistic concept. As such, SRE is necessarily a basis of modern management of individuals, organizations, and nations. Similarly, according to Bertalanffy (Bertalanffy, 1968, p. VII), SRE requires a holistic way of thinking to replace over-specialization. SRE can result from adding to specialization the requisite holism attainable by interdisciplinary cooperation. All influential members and/or contributors to business can help both the market and the government, as the two most influential macro forces, in order to turn the practice of SRE principles into reality.

For SRE to replace over-specialization and one-sidedness – by making use of cooperating specialists – and thus to introduce the requisite holism in practice (for synergy to be considered and attained), a crucial innovation of the traditional management style is required: similar innovations have often occurred in economic history (e.g. Cypher and Dietz, 2008). It is corporate governance, management, and societal governance, which can bring about this innovation (e.g. Mulej and Kajzer, 1996; Mulej, 2000; Epstein et al. 2008; Chesbrough, 2009; Lerner, 2009; Potocan, 2009; Mulej, 2010; Mullins, 2010).

SRE is based on ethics of interdependence and provides for a better way of working than a narrower concentration on the ethics of dependence and independence. Independence is a necessary legal relation for the prevention of abuses, but an impossible economic relation, due to modern narrow specialization of all humans, businesses, and countries, which require all units to cooperate: one needs the other to make particular contributions. They need them because of their differences (different specialties/abilities).

4.2. Approaches for applying SRE in BSs

A requisite holistic/dialectically/systemic understanding and consideration of SRE can only partly result from the action of legal institutions, although they are essential. Humans create them and use them based on a more or less holistic perception of right and wrong. Therefore, there is also a domain of free choice in addition to a domain of law, and a domain of ethics such as SRE for social standards of right and wrong (Brooks, 2006; Potocan, 2008; Stanwick and Stanwick, 2008; Linstead et al. 2009; Potocan and Mulej, 2009; Crane and Matten, 2010; Brenkert and Beauchamp, 2010; Ferrell et al. 2010; Trevino and Nelson, 2011).

Ethical dilemmas always show up because situations in human life can neither be fully captured holistically by the framework of existing law (since they could not have been fully foreseen), nor are humans able to live by Bertalanfian principles of total holism/wholeness (Bertalanffy, 1968; Mulej, 2000; Mulej, 2007; Hrast and Mulej, 2010; Mulej, 2010). Therefore, criteria for SRE-based decision-making and socio-economic development-changes in circumstances are hard to establish and maintain; for that rea-
son, suitability of an accepted ethical system changes. Even today, there are several approaches to defining, what is acceptable ethics, such as:

- The utilitarian approach was foreseen to be a holistic one, but its practical simplification / narrowing to financial criteria made it one-sided (e.g. Kohlberg, 1976; Kekes, 1998; Stanwick and Stanwick, 2008; Quick and Nelson, 2009).
- The individualist approach stressed the long-term interest of individuals, but many have a hard time making accommodations for the longer-term rather than just for the short-term (e.g. Kekes, 1988; White, 2005; Potocan and Mulej, 2007; Mullins, 2010).
- The moral-rights approach stresses the decision-makers’ obligation to maintain the rights of people affected by their decisions (e.g. Shaw, 2007; Daft, 2009; Crane and Matten, 2010).
- The justice approach is another good concept, in principle. It requires moral decisions to be based on standards of equity, fairness, and impartiality (e.g. Kekes, 1988; Singer, 1999; Jennings, 2005; Ferrell et al. 2011).

Therefore, it is interesting to see which factors affect ethical choices. Several authors speak of three levels of the personal moral development scale and discuss factors impacting moral development. The three levels are however not the only ones (Kohlberg, 1976; Gensler et al. 1998; Singer, 1999; Cooper and Argyris, 2000; Jennings, 2005; Ferrell et al. 2010; Hartman and DesJardins, 2010):

- On the first level, the pre-conventional one, individuals face external rewards and punishments and obey authority to avoid detrimental personal consequences
- On the second level, the conventional one, people learn to conform to the expectations of good behaviour as defined by colleagues, family, friends, and society.
- On the third level, one follows self-chosen principles of justice and righteousness. One is aware that people hold different values and seek unique creative solutions to ethical dilemmas.

As long as company owners and their governors/managers, with all their major impact over the countries’ governments and international relations in the global economy, do not accept SRE as a modern version of BE, prospects are rather grave. For that reason, different researchers quite rightly require a redesign of society (Bowie, 2001; Blackburn, 2007; Goerner et al. 2008; Potocan, 2008; Mulej, 2010; Quock and Nelson, 2009; Hartman and DesJardins, 2010). In parallel, others are suggesting in which direction development of the SRE principles should go to benefit humankind:

- From the stage of the legal approach satisfying legal requirements, via
- The stage of market approach responding to customers, and via
- The stakeholder approach addressing the multiple stakeholders concerns, to
- The activist approach actively concerned with the BS’s internal, business, social, and natural environments - making for a true SRE.
One could call this an important growth of the requisite holism - it displays a currently visible interdependence of the economic, legal, ethical, and discretionary responsibilities in the corporate and countries’ social responsibility resulting from BE development.

4.3. Criteria for evaluating SR/SRE’ business

The above-mentioned cognitions about SR/SRE also lead to the finding that we need a requisitely holistic system of criteria for evaluation – to conceive, formulate, and use SR/SRE. Table 4 states basic criteria for evaluating SR/SRE’ business from important selected viewpoints.

Table 4. Basic criteria for evaluation of SR/SRE

<table>
<thead>
<tr>
<th>Criteria Aspects</th>
<th>Individual Performance Criterion</th>
<th>Corporate Performance Criterion</th>
<th>Societal Performance Criterion</th>
<th>Global Performance Criterion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Imperative</td>
<td>Individual prosperity</td>
<td>Corporate profitability</td>
<td>Societal wealth</td>
<td>Global wealth</td>
</tr>
<tr>
<td>Social Imperative</td>
<td>Individual quality of life</td>
<td>Corporate reputation</td>
<td>Societal quality of life</td>
<td>Global quality of life</td>
</tr>
<tr>
<td>Ethical Imperative</td>
<td>Individual values</td>
<td>Corporate values</td>
<td>Societal values</td>
<td>Humankind values</td>
</tr>
<tr>
<td>All aspects in synergy</td>
<td>Individual sustainable/SR life index</td>
<td>Corporate sustainable/SR working/behaviour index</td>
<td>Societal sustainable/SR development index</td>
<td>Global sustainable/SR development index</td>
</tr>
</tbody>
</table>

SR/SRE do not only command with the most modern and comprehensive knowledge, but use ethics that allow SR/SRE either to do or not to do the least harm, such as SRE resulting from SR principles.

From the presented entity incorporating all of the requisite criteria we select for presentation of further consideration (i.e. consideration of the statement that modern organizations try to follow the general tendency of the increasing importance of SRE) just two criteria: employees’ perception about concern for SR, and employees’ perception about concern for economic results in Slovenian organizations. Selected criteria:

- Influence (directly and/or indirectly) exerted on all aspects of SR/SRE and almost all criteria presented in Table 4 at all presented levels of human-kind activities, and
- Make part of content the basis for further discussion (and calculation) of almost all single criteria presented in Table 4.
Detailed research about their role, importance and use of for evaluation of all single factors fall outside our scope of discussion in this contribution.

We selected those criteria because they also present suitable general criteria for measuring employees’ perception about SR/SRE. Their dynamic consideration over a period of time can also provide us with cognitions about the basic trends of the working behaviour of employees in Slovenian organizations.

5. Case: employee’s perception about selected factors regarding SRE in Slovenian organizations

5.1. Research design

In our examination we try to find the most reliable and suitable items to measure someone’s orientation towards environmental welfare and economic performance. For that purpose we adopted a selection of 25 items for measuring corporate responsibility (Ralston et al. 1993). A 9-point scale is used, ranging from 1 – strongly agree, to 9 – strongly disagree. For the purpose of our work we focused on items that can measure concern for the environment and economic results. In literature different sources report about the multidimensional structure of both constructs (Dunlap et al. 1993; Schultz and Zelezny, 1999; Mulej, 2007; Davis et al. 2008; Matten and Moon, 2008; Nedelko, 2009; Potocan and Mulej, 2009). We used a factor analysis (in SPSS for Windows) to discover relationships among the considered two factors.

Factor analysis of 25 items offers us an initial six-factor solution. Reducing the number of factors does not significantly impact the loadings of 25 items on our two factors. Examination of construct reliability, outlined in rotated component matrix, gives us the following Cronbach’s $\alpha$ value for our two constructs: (1) concern for the environment ($\alpha = 0.711$), and (2) concern for economic results ($\alpha = 0.581$).

Based on the results of factor analysis the concern for the environment is reliably presented by the following items (Dunlap et al. 1993; Thompson and Barton, 1994; Fransson and Garling, 1999; Cordano et al. 2010), namely:

- Prevent environmental degradation caused by the pollution and depletion of natural resources (EN 1);
- Adopt formal programmes to minimize the harmful impact of organizational activities on the environment (EN 2);
- Minimize the environmental impact of all organizational activities (EN3);
- Devote resources to environmental protection even when economic profits are threatened (EN 4); and
- Voluntarily exceed government’s environmental regulations (EN 5).
On the other hand giving priority to economic results is reliably presented by the following items (Friedman and Friedman, 2002; Kemmeimeier et al. 2002; Blackburn, 2007; Cypher and Dietz, 2008; Mullins, 2010):

- Worry first and foremost about maximizing profits (EC 1);
- Uncommitted to ethical principles (EC 2);
- Ignore environmental issues when jobs are at stake (EC 3);
- Agree that ethical responsibilities may negatively affect economic performance (EC 4); and
- Always be concerned first about economic performance (EC 5).

Comparable research about the level of environmental concern – i.e. Alibeli and Johnson, (2009) shows Cronbach’s α between 0.539 and 0.572, for three constructs concerning the environment. Schultz and Zelezny (1999) in their study reported Cronbach’s α coefficient between 0.47 and 0.80. Nordlund and Garvill (2002) (with the lowest α = 0.52), and Oreg and Katz-Gerro (2006) report similar values of Cronbach’s α (with the lowest α = 0.50). On the other hand economic literature states that the selected items reliably represent someone’s orientation towards economic results (Friedman and Friedman, 2002; Daft, 2007; Schermerhorn, 2009; Mullins, 2010). Based on the exploratory nature of our research we can conclude that items in both constructs are sufficiently reliable as measurement indicators.

In our investigation of trends about environmental concerns and economic results among employees in Slovenian organizations we used factorial analysis, elements of descriptive statistics, and graphical representation of results.

Our sample consists of data collected at five different time periods every second year, from 2002 until 2010. The addressed Slovenian organizations, and their employees, make a representative sample of all organizations in Slovenia (i.e., a relatively representative regional coverage; the basic-activity structure of organizations in that country, with a good compatibility to the industry-based structure of the national economy).

In 2002 we obtained 200 employees’ answers, in 2004 199 answers, in 2006 200 answers, in 2008 176 answers, and in 2010 132 answers. Altogether we have 907 usable employee’s answers obtained in Slovenian organizations. An average response rate during these years was a little below 20%, since we sent altogether 5 000 questionnaires or contacted via telephone or used an online web survey tool; 1 000 in each period.

5.2. Results from survey

In this section results about environmental concern and the economic orientation of Slovenian employees between the years 2002 and 2010 are outlined. In that frame, mean values of all items are presented and their trend is outlined.
We begin with a presentation of employee concerns about the environment. In Table 5 mean values for items representing concern for the environment are presented. Figure 5 present trends of a single item.

Table 5. Mean values for environmental concern between the years 2002 and 2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Item</th>
<th>2002</th>
<th>2004</th>
<th>2006</th>
<th>2008</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN 1</td>
<td>2.19</td>
<td>2.57</td>
<td>2.47</td>
<td>2.48</td>
<td>2.43</td>
<td></td>
</tr>
<tr>
<td>EN 2</td>
<td>2.49</td>
<td>2.34</td>
<td>2.37</td>
<td>2.30</td>
<td>2.22</td>
<td></td>
</tr>
<tr>
<td>EN 3</td>
<td>3.67</td>
<td>3.57</td>
<td>3.76</td>
<td>2.66</td>
<td>2.69</td>
<td></td>
</tr>
<tr>
<td>EN 4</td>
<td>4.35</td>
<td>4.18</td>
<td>4.51</td>
<td>4.25</td>
<td>3.77</td>
<td></td>
</tr>
<tr>
<td>EN 5</td>
<td>3.49</td>
<td>3.64</td>
<td>3.76</td>
<td>3.57</td>
<td>3.32</td>
<td></td>
</tr>
</tbody>
</table>

* The horizontal axis represents years, while vertical axis the level of agreeing/disagreeing with a single item (1 – strongly agree, 9 – strongly disagree).

Based on the above outlined results about environmental concern we can summarize that in the most general sense the importance of concern for environment has grown for employees in Slovenian organizations, in the considered period. While on the other hand it is evident that during these years the most important duty of organizations, by the perception of employees, is adoption of a formal programme to minimize the harmful impact of organizational activities on the environment.

A more detailed look reveals that adopting formal programmes to minimize the harmful impact of organizational activities on the environment and preventing environmental degradation caused by the pollution and depletion of natural resources belong to the most important duties of present-day or-
organizations; they should act responsibly, in the opinions of employees. Both items have a slight tendency of becoming more important to employees over the years.

It is also evident that the other three duties of organizations are perceived as less important by employees, in comparison to adopting formal programs and preventing degradation (EN 1 and EN 2). Therefore it is evident that the activities that go beyond government environmental regulation are less important for employees and consequently for their organizations. This includes devoting resources to environmental protection, even when economic profits are threatened, voluntarily exceeding the government environmental regulations, and minimizing the environmental impact of all organizational activities.

Especially the lower importance attached to activities that concern the environment beyond environmental regulations, indicate that employee’s preferences about concern for the environment are mostly directed towards acting in the way that is prescribed by the law (i.e. government environmental orientation); the importance of activities expressing pro-environmental behaviour is significantly lower than the other two, expressing minimal concern for the environment, as prescribed by the law.

From the viewpoint of environmentally responsible behaviour of organizations in Slovenia, the most important cognition is that there is a tendency that lately people are becoming more concerned about the environment —more so than in previous years. It is particularly evident that the importance of pro-environmental activities has increased in the last four years. In that frame employees’ perception about minimizing the environmental impact of all organizational activities has become more important. This trend gives a clear sign that employees in organizations are beginning to realize that the environmentally responsible behaviour of an organization must include pro-environment activities that go beyond environmental regulations.

Next we present results relating to employees’ perception about concern for economic results. Table 6 present mean values for concern for economic results, while Figure 6 presents trends of single items.

<table>
<thead>
<tr>
<th>Item</th>
<th>Year</th>
<th>2002</th>
<th>2004</th>
<th>2006</th>
<th>2008</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>EC 1</td>
<td>2.97</td>
<td>3.33</td>
<td>3.31</td>
<td>3.82</td>
<td>3.95</td>
<td></td>
</tr>
<tr>
<td>EC 2</td>
<td>5.59</td>
<td>5.62</td>
<td>5.62</td>
<td>5.90</td>
<td>5.89</td>
<td></td>
</tr>
<tr>
<td>EC 3</td>
<td>2.77</td>
<td>3.24</td>
<td>2.82</td>
<td>2.83</td>
<td>2.69</td>
<td></td>
</tr>
<tr>
<td>EC 4</td>
<td>5.70</td>
<td>5.44</td>
<td>5.73</td>
<td>5.86</td>
<td>5.81</td>
<td></td>
</tr>
<tr>
<td>EC 5</td>
<td>3.94</td>
<td>4.06</td>
<td>3.89</td>
<td>4.26</td>
<td>4.78</td>
<td></td>
</tr>
</tbody>
</table>
Based on the above results about economic orientation it is evident that worrying first and foremost about maximizing profits has become slightly less important over time for employees in Slovenian organizations. Among items expressing concern for economic results first, employees still perceive worrying first and foremost about maximizing profits as the most important duty of organizations, even though its importance has declined recently. But when also taking environmental issues into consideration, it is evident that employees think that environmental issues must be taken into consideration when doing business. Further it is evident that employees do not assign great importance to the organizational commitment of well-defined ethical principles; nor do they strongly agree that ethical responsibilities may negatively affect economic performance.

Further steps in our analysis was to calculate two constructs, namely environmental concern and economic orientation and examine their trends and the correlation between them. In table 7 are presented mean values for both constructs. Figure 7 outlines the trends.

Table 7. Mean values for constructs environmental concern and economic orientation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td>3.2390</td>
<td>3.2603</td>
<td>3.3700</td>
<td>3.0909</td>
<td>2.8955</td>
</tr>
<tr>
<td>concern</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic</td>
<td>4.1940</td>
<td>4.3364</td>
<td>4.2576</td>
<td>4.5314</td>
<td>4.6224</td>
</tr>
<tr>
<td>orientation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Based on the above trends it is evident that on average employees consider single items about environmental concern slightly higher than those of economic orientation. Both trends were quite steady in the first three observations, while the last two observations show a diverging tendency. In that frame environmental concern has become more important for employees in Slovenian organizations, while the importance of striving only for maximizing profits has been declining.

Complimentary to the above outlined trends, a weak negative and statistically significant correlation also exists between concern for the environment and the economic orientation ($r = -0.269$, $p < 0.001$). We can predict that as concern for the environment grows, the concern for economic orientation will decrease, and vice versa.

Summarizing the findings about concern for the environment and economic results only allowed us to conclude that in the selected period employees in Slovenian organizations have assigned increasing importance to environmental issues. At the same time, employees assign slightly less importance to concern solely and foremost about maximizing profits. In that frame we can conclude that employees think that taking into consideration environmental concern when doing business is very important. Trends about environmental concern also enable us to conclude that there is a great potential for future support of pro-environmental organizations.
6. Some conclusions

Modern BSs can improve their chances to assure their existence and long-term development if they permanently change/innovate and adapt their working to their rapidly changing environment. They also face rapidly changing demands and needs of their environment, while their available resources for working in their internal environment are limited.

Therefore, BSs must try to requisite holistically understand the complexity of business, behaviour of BSs, and explore new ways for innovating their business in order to overcome the limited availability of their resources. To investigate the BSs we can use numerous approaches, which can help us achieve different levels of holism and realism of consideration for the selected topic. For our research of behaviour in BS we use the Law of requisite holism, which enables us to detect and create the desired behaviour within BSs. By using such an approach we can avoid the people’s lack of systemic thinking that results from their narrow specialization and lack of capacity for interdisciplinary co-operation including dealing with broader horizons and the creation of a holistic definition and implementation of socially responsible business in modern BSs. With new approaches we can make business more holistic and hence acceptable in society - i.e. suitable by economic, social, environmental and ethical criteria, establishing a requisite holistic system of values.

The possible solutions for the requisite holistic understanding of BE (in general) and especially for SR of BSs lies in the creation and implementation of a holistic, dialectically systemic consideration of a synergetic entity made of VCEN. BE is a crucial emotional part of human attributes; with other subjective and objective components it offers a necessary base for requisite holism and synergy of working and behaviour of BSs. A more holistic definition and consideration of BE (and especially SRE) can result from cognition, definition and application of the general framework of an ethics theory, general framework for process consideration of theoretically backed methodological framework for understanding BE/SRE and a framework of content-related factors for consideration of BE/SRE. Implementation of the above mentioned cognitions about different frameworks for consideration of BE/SRE in BSs and their use for creation of the systems of basic criteria for evaluating SR/SRE is also supported by the selected general ethical principles and appropriate ethics approaches.

Our postulated hypotheses are tested by determining employees' perception of the selected factors regarding SRE in Slovenian organizations. Summarizing the findings we can conclude that employees think that taking into consideration the environmental concern in business practice is very important. Trends about environmental concern also enable us to conclude that there is a great potential to achieve pro-environmental/sustainable organizations.
Reference

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Toward a holiscical perceptron of socially responsible ithics
