

# INNOVATIVE CO-THINKING OF SOCIALLY RESPONSIBLE BUSINESS IN CONDITIONS OF PERMANENT CHANGES

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## Abstract

*The paper deals with characteristics and linking innovative co-thinking with the concept of corporate social responsibility as a tool for purchasing sustainable development. The following sections outlined the importance of open innovations in conditions of permanent changes. The last part of the paper draws attention to promoting innovation activities and development of co-thinking. The main purpose of the article is pointing out the need to develop environment for co-thinking, as a prerequisite for sustainable development of socially responsible business in conditions of permanent changes.*

## Key words

*innovations, co-thinking, corporate social responsibility, sustainable development, permanent changes*

## Introduction

The historical development of society is characterized by continuously increasing pace of changes. While a few centuries ago, the conditions of human life almost did not change. With coming of the scientific - technological revolution, there is a rapid increase in changes in the world, not excluding the business environment. During the 20th century, there were created dozens of theories focusing on business management. Relatively closed concepts of managing are gradually improving, linking and draw attention to building and maintaining partnerships, collaborating with all stakeholders of a company and utilize still new opportunities. The transition from secrecy to sharing carries with it issues of common goals of humanity and the business benefits not only for the chosen subjects, but for all of the surrounding society.

Streamlining the management of the economic base becomes a prerequisite for achieving social and environmental well-being. By linking the concept of open innovation, focusing exclusively for business purposes, and the concept of corporate social responsibility, mostly

related to monitoring of business impact on society and the environment and the resulting economic benefits, it is possible to achieve a synergistic effect, when multiplies the business contribution in consensus of sustainable development.

### **The sphere of human thought**

The concept of the sphere of human thought, otherwise known as **noosphere**, is derived from the Greek word nous - mind and sphaira - sphere. The famous philosophers and teachers of noosphere were Pierre Teilhard de Chardin and Vladimir Ivanovich Vernadskij. According to **Vernadsky**, *noosphere is the third phase of the Earth's development after geosphere and biosphere*. Noosphere includes previous two phases and visibly affects them. **Teilhard** understood *noosphere as preparatory stage for the emergence of a new era in which humanity reach maximum level of complexity and consciousness* (14).

Teilhard considers the possibility of human development only within the collective reality as a higher organism, humanity, which is internally organized and man there is a cell of collective (9). Translated into actual conditions of a globalized society, it is obvious that the successful development of each individual is associated with the disposition to think, participate in team or think resourcefully as an individual or together, it means co-thing resourcefully. Tendencies in human behaviour leading to contradictory than useful view of development are seen as antisocial, deviant motives.

#### **Noosphere is thus based on three fundamental characteristics of humanity (9):**

- *Reflection, ability to think and self-awareness.*
- *Creative invention, imaginative thoughts.*
- *Ability to "conspiracy" within the meaning of co-thinking, co-reflection.*

Significant shift in the understanding of human thought is emphasis of dynamics of noosphere in Teilhard's work. By the influence of dynamics of noosphere different cultures are integrated in a multicultural society that respects diversity of cultural identities. Multicultural society in relation to the pooling of individual reflections connects individuals who are directly or indirectly involved in the process of achieving common goals. At present it is mainly based on economic, social and environmental issues of human development and the related sustainable development. While in terms of sustainable development are social and environmental well-being goals, economic prosperity is an integrated condition to achieve social and environmental well-being.

Common future of humanity with the features of sustainable development Teilhard describes already in the middle of last century. He argues that if we want to adapt to new horizons, new understanding of space-time, it is necessary to give close comfort outside and create balance between all internal and external. **All efforts must be irreversible and permanent** (9). The benefit is not to go back under the influence of restlessness and uncertainty, but to advance and develop.

#### **The essence of withdrawal restlessness and achievement of certainty is development of noosphere and related (9):**

- *Social development – the unification of mankind.*
- *Technical development – maximum knowledge with minimum effort.*
- *Intellectual development – the ability to see.*

**Among the conditions that must be provided for the development of noosphere include conditions of (9):**

- **Survival** – *environmental issues, which demonstrate the use of renewable energy sources.*
- **Health** – *issues of genetics, eugenics and the overpopulation.*
- **Synthesis** – *the creation of social union which should not come at the expense of creating personalities.*

Effective development of noosphere requires the existence of the mentioned conditions, which are also objectives of sustainable development of global society. Sustainable development becomes a support tool in the process of development of noosphere and noosphere long-term strategic vision of humanity. To achieve social and environmental objectives of sustainable development, it is necessary to develop the economic base of local, regional and global levels. Local economy is able to keep pace with new trends, changes that are now permanent and unstoppable, inventive thinking is necessary, as argued by Karl Heinz Brandenburg (1): "*Be ready to reveal unexpected answers to known issues*"; to think responsibly and in favour of development of society. The concept of corporate social responsibility meets the attributes and at the same time fulfils the idea of the concept of sustainable development.

Inventive thinking is beneficial only because of the generation of a large number of ideas, which themselves do not produce the desired positive effect, sustainable profit. It is therefore a prerequisite to really apply invention, or to innovate. In the context of noosphere, successful innovation depends on the characteristics of people, their ability to think, think creatively, to think together/co-think, and actually apply the results of co-thinking; and here it is an **innovative co-thinking**. In relation to socially responsible business, it is necessary to create space for innovative co-thinking and support the efforts of development activities, not only in the direct environment of business, but open business to opportunities of the regions and the world.

### **The paradigm of open innovation**

The hallmark of innovation activities of business units during the last century was concealing results of own research and development with the intention of protection company's internal resources from competitors. Now this closed system of innovation reduces the potential for sustainable development of enterprises. If potential of global market opportunities is not utilized, a business in the long run develops more slowly than the market and it leading to a gradual reduction of competitiveness and market value of the company.

The inefficiency of the closed innovation system led to a greater extent to the efforts of businesses to cooperate with external entities since 1980's. Gassmann, Enkel and Chesbrough called this phenomenon as anomaly (5). **The concept of cooperation with external business entities in the sphere of innovation**, otherwise called the concept of open innovation, **engages as the priority and a prerequisite for the competitiveness of enterprises**, as demonstrated by the claim of leaders NineSigma conference (12): "*Open innovation is not an option, but a competitive necessity*".

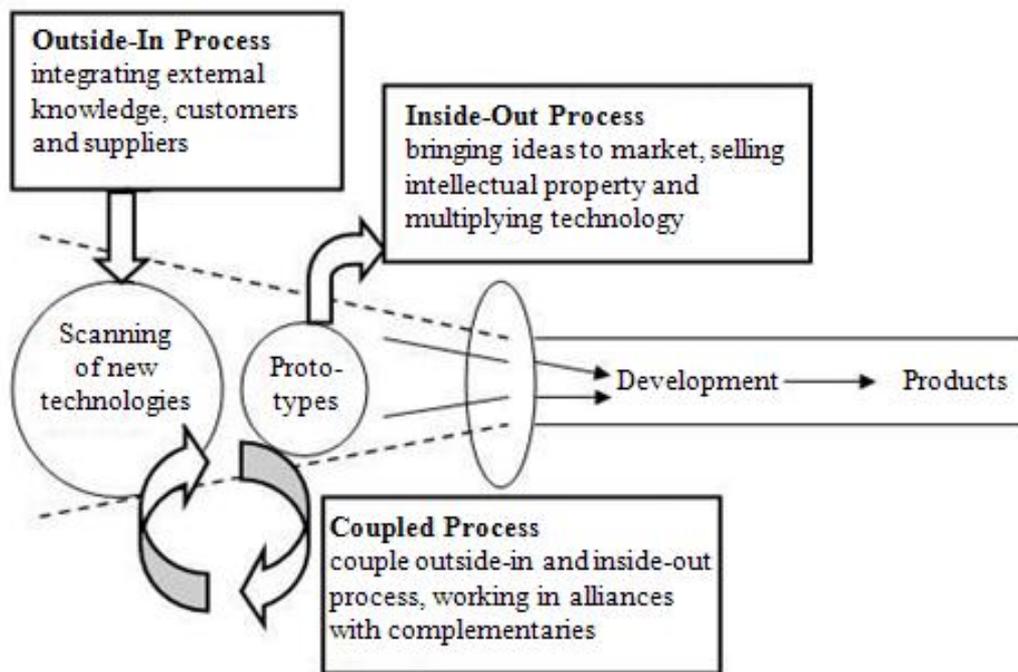
Chesbrough defines open innovation as (5): "*The use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation, respectively*". Cooperation of enterprise with external subjects is the potential for both, business and stakeholders, on the other hand, innovation play an important role in economic growth, and accelerating the effective allocation of available resources (7).

Between external entities that enter into a relationship with company in open innovation system are (7):

- *Customers providing incentives for innovation.*
- *Public research institutions and universities in the provision of research results.*
- *Enterprises of another sector which exchange new ideas, technologies or processes.*
- *Competitors in the field of Benchmarking.*

### **Key processes of open innovation**

Gassmann and Enkel in (6) identified three key processes of open innovation, not all three are equally important for every company. In any case, one process becomes strategic process and from other processes business takes only a few essential elements, figure 1. Selection of the key open innovation process entails a series of many actions, but critical success factor is the change of thinking of the most important asset in business, man.



**Fig. 1** Key processes of open innovation (6)

### **Key processes of open innovation are (6):**

1. **Outside – in process.** Enterprise focuses on the integration of customers and suppliers, listening posts on innovative clusters, intellectual property acquisition. *Condition of effectiveness of this process is the ability to absorb external thoughts, ideas, knowledge and innovations, and assign them a value corresponding to the processed signals received from around the world.*
2. **Inside – out process.** Businesses are focused on the externalization of their knowledge and innovations to bring ideas to market faster than would do through internal research. It leads to making profit by selling licenses, technology transfer or development of ideas towards other companies. *Condition of effectiveness is company's ability to impart the knowledge and collaborate with appropriate partners who are able to utilize technology. If company is able to codify and share knowledge with external subjects, then it will be successful commercialization of ideas.*

3. ***Coupled process.*** In this case, all involved companies cooperate and create a strategic network. Effectiveness of the process depends on the ability of the enterprise to build and maintain such relationships with partners, to enable joint development of strategic alliances. *These relations with other companies, companies in other industries and competitors can be a major asset and a necessary condition for linking parts of the process in an open innovation strategy.*

A key factor in the success of open innovation paradigm is its undoubted impact on business decisions. As a result of permanent changes it introduces the concept of open innovation; companies are forced to create new business models that increase the dynamics of the process and increase the value of the activities carried out. Open innovation is not a substitute for closed innovation. It is another alternative in the process of research and development.

The European Union also advises innovation as the key success factor for economic development. In the strategic document, Europe 2020, the mainstays became research, education and innovations. The aim is to achieve by 2020 research and development funding at 3% of GDP and to build Innovation Union, with emphasis on the diversity of regions. For the years 2007 - 2013 The European Parliament approved the "Competitiveness and Innovation Framework Programme" in order to catch up with global competitors and innovation activities, the USA, Japan and the BRIC countries. The goal is to support competitiveness, innovations and the related sustainable development.

In response to the actions of the European Parliament from the Slovak Republic was to approve the "Innovation Strategy of the years 2007 to 2013" and the adoption of innovation policy. In this context we can say that with the support of businesses should start the process of taking action in relation to innovation. Deciding which process of innovations is the company chooses its own choice. However, it is necessary to take account of its social responsibility and interest in sustainable development in terms of a global vision, noosphere.

### **Corporate social responsibility**

The concept of corporate social responsibility (CSR) is a concept focusing on increasing the competitiveness and attractiveness of the businesses. **The essence of the philosophy** CSR lies in moving from the perspective of the "profit-only", entrepreneurial efforts and the narrowness of achieving ever higher profits, to the level of "triple-bottom-line", business based on social, environmental and economic pillars in order to achieve sustainable, transparent and responsible development. **The sense of the philosophy** CSR is in keeping with statutory requirements and identifying and meeting the reasonable needs of all stakeholders, beyond the law.

**Economic area** of CSR relates to transparent business and good relationships with stakeholders. It assesses the impact on local, national and global economy. In the **social field**, the company focuses on access to staff and supports local communities, increasing living standards, security, health, education and cultural development of citizens. **Environmental area** is focused on awareness of the business impact on the environment. Company should carry out own activities in relation to living and inanimate nature in order to burden it as little as possible (13).

Negative fact is that the concept of CSR is still underused in terms of permanent changes. The main factor that discourages businesses from integration the concept in the strategy is the

initial increase in costs, lack of qualified workers in relation to the CSR, weak state support and lack of market knowledge about the concept.

Today, when the business gates are opening, it is beneficial for an enterprise search external subjects willing to cooperate in achieving common goals. Defining the areas in which they previously overlooked opportunities and the subsequent involvement of stakeholders in the network of innovative activities enables to capitalize on new opportunities.

As an enterprise needs change, the local community needs change too. Concurrent execution of changes represents a double benefit for the company. The first benefit is to change the part of the business, which will promote relations in trade cooperation. The second benefit results from changes in the local community, which in turn will promote business activities. A prerequisite to supporting socially responsible business is that local community notes that positive change is permanent and its implementation is linked with efforts of specific business to develop local community. In the case of permanent changes in the local community there are social innovations. Participating local community as an entity in the innovation process, the main organizer of the innovation process is specific business, therefore working directly or indirectly with the business. The company aim should be the integration of key players from the local community in its own innovation process. An example can be working with universities to develop new software product, collaboration with the centre of leisure to collect new thoughts, ideas; working with the media in pointing out problem areas of local community and participation in their solutions with an emphasis on finding new talent and below.

Choosing one of three key processes of open innovation company builds business cooperation. In the event of the coupled process of open innovation can be said about the most appropriate business cooperation in the CSR consensus. Developing a strategic network allows operators incorporate key stakeholders from the local community. They will work on social innovations, while the business can capitalize on their efforts to improve the quality of life. Significant contribution is integration stakeholders to the strategic business network in innovation activities other than social innovations. Given the fact we can say that the concepts of CSR and open innovation are a clear example when connecting two concepts can achieve the desired synergistic effect. Both concepts in philosophy conceal the opening of business to external environment, building and maintaining the collaboration that brings benefits. In compliance with the terms of the implementation of practices related concepts, cooperation in social innovations, and enable stakeholders to collaborate on innovative activities, this represents **innovative co-thinking of socially responsible business**.

### **Conditions of permanent changes**

The current trend of introducing new concepts into the enterprise brings with it many changes. The essence of the various changes is not permanent and comprehensive enterprise-wide transformation. Crucial decision is the specification of the core of the business, which remains constant, but everything else is subject to change. Gradual reshaping of individual parts of the company brings change of business essence and than there is a necessity to company management to change the core of business. Such adaptation is necessary for cooperation with external business entities in the process of achieving common objectives. They expect this positive tendentious behaviour.

Drucker says that any organization in conditions of permanent changes must deal with creation of new. Especially it applies to management, which should draw three systematic practices. The first one is the continuous improvement of everything the organization does.

Secondly, business must learn to use their knowledge. This means that the development of a new generation of applications has come from business success. The last practice is focused on the business need to learn to innovate, and innovation can and must be organized as a systematic process (4).

Responsibility for managing the changes take key managers at all levels of management. They become members of the team of changes. Their main responsibility is to prepare people in the business for process of changes in order to avoid unnecessary complications. Other team members should be external subjects that have experience with change management. The success of change management is compounded by support from senior management and especially business leader.

Implementation of changes requires courageous leadership. Schmitt stresses that characteristic features and signs of courageous leadership are self-confidence and determination, passion and perseverance, and called him "the big three of courageous thinking": courage, passion and perseverance (10). According to Kotter beginning efforts to implement each change requires a strong sense of urgency and small complacency (8).

Based on the ideas of Schmitt and Kotter, changes are mainly related to **people**, their *ability to change* and *understand that change is not a temporary departure from the established habits and living conditions, but a permanent shift*. *People filled with courage, passion and perseverance are able to forcefully enter the process of change and reshape changes on permanent move forward*. It is necessary to work constantly, make small changes and not to seek certainty and routine. In terms of permanent changes does not exist certainty and long-term stability. There is only man's ability to identify phenomena that are a signal to start the new changes.

## Conclusion

Current global common goals of humanity represent the plan to achieve social and environmental well-being. Effective variant of these objectives is to build and improve the economic base on local, national and global levels. It requires a lot of thoughts and ideas, otherwise known inventions and their practical application, namely innovation. Opening the gates of the company, the selection of key process of open innovation and working with all stakeholders in the strategic network of business enable company innovation co-thinking. But only involvement of stakeholders from the local community will open the way to solve many social and environmental issues. In cooperation at the local level with linking local community to business objectives may talk about the increasing dynamism of innovative co-thinking, in this case innovative co-thinking of socially responsible business.

Innovative co-thinking of socially responsible business is embedded in conditions of permanent changes. The success of this business requires an acceptance of responsibility on the individual level, work with courage, passion and perseverance. The enterprise must learn to continuously improve, innovate and use knowledge. All towards achieving global objectives of sustainable development within the meaning of a global vision noosphere.

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