

Hello and welcome to our Good Place Podcast is run by Good Place innovators, a team of researchers, educators and student fellows passionate about transforming communities with an extra sensitive eye for our place, local context and true community needs, our project focus is on the notion of entrepreneurial embeddedness The emotional connection to our places and Co. Creation of value with our communities. My name is Ratka Newton.

I'm a senior teaching fellow in strategy and innovation at Lancaster University Management School, Education service designer and elite of Good Place Innovators project. Funded by the Enterprise Educators UK.

In this podcast, we're exploring the concept of good. We have been exploring how to make places good and today we're joined by Professor Steve Kempster, lecturer in leadership in the management school.

Who has been exploring links between business value and social impact?

And we'll debate with us today how growth could be good in .

Steve Co edited a book called Good Dividends, Responsible Leadership of Business Purpose, and It's My Pleasure to bring the concept of good dividends to our podcast.

Steve welcome good to be here Steve.

Let's start with your perception of good.

So why not great, amazing or excellent.

So there were good. I think in one way.

Is that the idea of the good dividends is to link business value and social impact together so it's a different argument about what is business.

So in the first instance, if the business value is not greater, then that's problematic.

So if we were engaging in social impact and value was being lost, that's poor.

So we must see an argument that it's good.

The profits are getting bigger.

So then you could say bigger dividends.

Then you move to a notion that it should be continual and sustainable.

You should be able to keep creating those dividends that are greater.

So that's good rather than greater.

But the key reason is it's underscored in a moral way,

that the way the work is undertaken, the way that the business is pursued,

the way that social impact is generated is a good thing for society, and it's a good thing for the business. And I think finally, there's also a sort of Mars corporation pursued this and have pursued this for a number of decades now. What is the right level of profit? So if you are making an extraordinary dividend extraordinary profit, there's some exploitation going on there. Is that really sustainable? Is it morally good? Have we got the right balance to all stakeholders so good has a sort of more balanced, rounded way of seeing it. Yeah, and I think in our project we probably take the same approach. So good place. So for us it means get the basics right, you know get get get the good right and then maybe we can see better or. Amazing, but I think sometimes the getting the basics right is probably most challenging thing in business and I suppose in life as well I think so. You're sort of nudging towards good for who? So the the view of the good dividends is good for a whole range of stakeholders, so you would have the Community as good for the Community that the business is doing well. But if the business is doing well, is the community likewise doing well as a consequence are the employees who are often embedded in the Community doing well? Are they getting better and better and being enhanced? Are the suppliers who are typically are related to the community? Are they doing better and better and even the planet by what we do and how we do it? The planet has impact on all of our communities. So are we doing better? So I think a stakeholder view around good is an important orientation. So there's some stuff the wholesomeness around it isn't there and and this year you've launched a real popular workshop for our regional SME's, the good growth. So what? What is that about so you know can? Can growth be bought as well? Ohh, it's a bit like growth of cancer.

Can cancer be bad?

Not many people would say cancer is a really good thing, so the analogy there is to what extent.

If a company is doing exceptional and turns it profit, who's it exploiting?

Which stakeholders are not getting the best value?

So if we go to that original tenant that I was talking about, the greatest good for the greatest number that moral underpinning.

So we take a stakeholder view.

We're looking for growth in which all those stakeholders are enhanced collectively.

So you're not singling out one stakeholder.

Let's say the shareholder that would maximize its return at the expense of others.

So I think it's quite common, and I think many people listening would be at a point to many examples of where growth of a particular orientation has been very bad for society.

Bad for communities.

Why do we have plastics kicking around the oceans?

Here's the interesting thing around.

People in the Mediterranean eating fish down there.

I think at least / of every person eating fish down there has got microplastics inside them.

Well, scary,

so extraordinarily good growth by some companies shoving plastics out in the Mediterranean has created a real danger problem for others, and I suppose many people associate growth with financial growth as well.

So quite a narrow minded view.

Whilst I think you are providing us with much more holistic view from the company point of view, but like you said, from the stakeholder's point of view, yeah, so is growth.

And we often think growth is gross.

Domestic product GDP and so if a country is getting wealthy and wealth wealthier by GDP, yet we're seeing greater and greater povish people, poverty and housing, poverty and food, poverty and education.

Yet our GDP is getting greater and greater.

There's something that's wrong about that growth that isn't seeing

the distribution of those benefits
to all those stakeholders.
So when I attended your workshop,
what I really enjoyed that sort of concept.
You talk about the regenerative
and the degenerative continuum,
and I wonder whether for our listeners
whether you can help us understand
that that difference on that continuum.
So let me unpack it slightly
more nuanced way if I may.
So you, if you picture if anybody's
listening and they've got a whiteboard
next to them with a pen that can create
their little two by two model here.
So if you imagine on the one hand
we've got a market logic which
most businesses pursue day in,
day out, often referred to
as neoliberal self-centered.
Of interest orientation and that is
potentially growing well for the business.
One stakeholder that finance dividend.
But many other potential stakeholders
are being disadvantaged in that process.
So we've established that wouldn't
be good growth.
It's exceptional orientated for one
stakeholder. So that's market logic.
But it's doing pretty well in that respect.
Then you could have the social logic where
charities and social enterprises are
doing great good for their communities.
But their ability to scale up in
the same way as a business can
is dramatically limited.
Now, if you take either of those models,
the social logic or the market logic
those those enterprises in the market
logic or those charities in the social logic,
they could be wasting resource.
They could be, yes,
damaging the world,
damaging the planet,
damaging our communities place we live in.
But there can be damaging people they
employ and they could be wasting all
sorts of physical resources and the
potential. And therefore that's.
Generative growth of either.
The for profit business or the charity?
Let's flip that and say and let's
push the point.
Let's go beyond sustainability,
which is limiting the amount of
harm a business does.

And now let's flip it to regenerative because that business exists. So the world the various stakeholders are better because that business exists. Yes, the share owners are better, but so are the employees. So our communities. So is the planet. So our shareholders. So we get a nice virtuous notion of regenerative because a business is enhancing the world. It becomes regenerative so we can see the contrast between wasting resource and damaging things which is degenerative and a movement away from this market logic and the social logic. It's almost they always have to be separate and regenerative allows us to come back together and say what would happen if a charity is able to scale up in great scope to actually impact many, many more people, or if a business could scale up and create great impact on its local community, well that would be regenerative, but that takes a lot of commitment I suppose. From the business leader, even maybe to think like that. So I wonder whether maybe for smaller. Businesses in our region, whether they may be thinking well, you know this is. This is not for me. This is, you know, I'm just here. I just need to make the profit to start with. Maybe it's a bit of an after afterthought. Still, I'm I'm not sure it sounds very ambitious, you know, and maybe slightly intimidating for me. If I was to become an entrepreneur thinking oh gosh, you know there is a lot a lot to think about. A lot of to take into consideration, a lot of maybe consultation. Do you have any examples of of this practice? OK, yeah, let me give you an example of. I hope you won't mind, but Chris Mayne at Fallsburg. There he is down there Hesham port. They employ people. Great business. I would say that's a regenerative business. Now he and I have been exploring things and working together for three or four years now and in conversation with him he's begun to explore that it needs to be a purpose LED business. What are we here for?

For whom who are as stakeholders
who will benefit from our business
doing better and better and better,
and with that clarity?
What are the sets of issues that we
could get involved in that would add value?
To our place,
but equally would have value to the business,
and he's done two really interesting
things Rakka really interesting things.
One. He's formed a cluster.
An electronic technology cluster
around the LA.
The Morecambe Lancaster area and that
cluster with a group of owner managers
are exploring the sets of challenges
that they have in their place.
One of their big challenges as is in
many for many businesses is create is
getting employees and retaining employees.
And particularly around
electronic technology,
the number of new recruits they can
get hold of in our corner of the
world is restricted in comparison
to Cambridge or London or Slough.
Already.
Don't know why I said Slough,
Slough, or reading.
So what they did was they gathered
together and Chris was connected.
I think he'd done a talk at Lancaster,
Morecambe College,
and so he went into the college and said,
uh,
we would be very interested in helping you.
Our cluster create a new
apprenticeship scheme here in the
college will help you recruit for it.
And not only that,
we could recruit people from your
apprenticeship program into our businesses,
which would therefore solve
a business value problem.
They've set it up.
I think in the space of some .
By months have set all this up and
it's working well and I think Chris
has taken his first recruit from
the program as an apprenticeship.
Yeah,
so that's a really inspirational story
and I think probably from the point
of view of the business their their company,
they realize that maybe there is
an opportunity for a new business.

model in a way,
isn't it?

So it's more a networked cluster,
so they are not tackling that
challenge by themselves as
a company. They are looking for like
minded in their own area looking for light.
Minded colleagues who can
come together and help.

The second example, same business,
Chris again from a leadership point of view.
Because connections with with myself
and I think yourself as well Ranker
and others in the school has got to
know other folk in the university
in the engineering department
and his business model.

Problem is that they're winning good work,
but they have to test the new bits of
kit electronic kit that they develop
for the various clients and the
heading off down to London, Essex.
Those areas for test locations where
they can get that approved so they
can then give it to the client.

And so we went to a head of engineering
in the department just next door.
And put forward an idea that what
about a test center here in your
brand new building?

That's going up, and so he helped them bid.
If I think some other money in
the northwest to fund a test to
get the university to put a bid in
other funding to go put a bid in,
and there's now going to be a test
center in our building just next door.
And so this cluster are going to
bring work to the university not only
income stream for the university,
it saves an enormous amount of cost
for all those members of the cluster,
but also all the students.

That can work on that test centre
and enrich their studies.
So another really explicit example
of of a business problem that
creates social impact.

And just I mean he's doing
many of these things.

I'm just giving examples and that's one
company in Hisham port employing people.
Now if he can do it and that's
through his leadership,
think about the scope and the opportunity
right across the business sectors in

all of our locations in all of our towns and.
And cities to do the same.
It's a really inspiring story and you know,
like we said,
I think it's almost moving from being
a single company to creating some
sort of an ecosystem around you, isn't it?
And and you you said it yourself,
I think Chris's example is is
fascinating because of his leadership.
So and that, that's your area Steve as well.
So as a professor of leadership now,
can you help us maybe relate
to this debate specifically?
Leadership, so we talk about
that sort of moral obligation.
And in the book you also talk
about leadership as stewardship.
So and I know some of our guests
before some of our local entrepreneurs,
they they see themselves as stewards
of the place. So you know how?
How do you link the the good
dividends with the leadership?
And what is stewardship in
connection to leadership?
Great question.
So I think my answer is going to
be a strange one to begin with,
and I'm going to take us back to
to an album by Pink
Floyd called Dark Side.
And a great track called us and them.
In fact, there's an even better
track that goes before it called
money which captures neoliberal,
self-centered whole issues that went started
in the s and has taken over anyway,
go from money to us and them,
and the way our business models
work is typically US versus them.
And what we're trying to argue
with good growth is all those
stakeholders coming together now
and a recent bit of work I've done.
It's just been published, uh,
we take that us and them and
turn it into us with them.
And then we.
This is where the stewed bit
on getting to your question.
Now the steward bit comes in and we
offer the idea of us with future US.
So stewardship is taking a
responsible orientation to all the
stakeholders that are around us.

How do we create value for all the

greatest good for the greatest number?
That's a critical aspect.
Then we add on the notion that
future generations are connected
with our place need to be brought
into that same conversation.
So stewardship is holding those resources
holding all those stakeholders together,
moving forward,
keeping a real key eye on the future US.
So it's us today with future us.
And how can we and what we do every
day add greater and greater value
for us as a set of stakeholders and
also for those generations to come.
And it's actually only thinking it
through as a steward in location.
In place that gives the greatest,
I think clarity to what stewardship is about,
because if you're not anchored to place,
stewardship is a bit of a floating
signifier floating idea.
What does it matter these next generations?
But when it's in your town,
in your village, in your city?
It matters what we do today for
those to come so Pink Floyd,
who'd have thought Steve would
have answers for us.
So you are a bit of a music fan.
I think I am.
Yeah,
but I so I think we are perfectly
situated here as well as here.
And the future us are here with us
in the university, our students.
So if we were to take take your
concept back to the management
school is it now time to
influence our curriculum a little
bit and think about us and future
us instead of lecturer and student.
So I'm reminded I got this picture
which I've got on a slide.
So if you picture a father and
child walking along and there's
a sort of beach and horizon.
And the child says to the father,
dad, what's the purpose of business?
So I'm thinking here about business schools.
Child says what's the purpose of business?
So the father thinks a moment.
Says well, my son's like medicine is
to health and Laura is to justice
business is to human flourishing.

Right? Lancaster Management School is the centre of Business for human flourishing. That's where I go then.

What our mission statement Steve, is that enough? Absolutely, and I like it. You know, I think this stuff, the concept of flourishing has been explored academically as well, and I think that's what we are stewards for with the students. We are stewards of their path as well to help them flourish and we flourish with them at the same time, I really want to ask you, Steve, what is your personal good dividend? That's a toughy.

My personal good dividend. Well in my little. Quiet moments. My little quiet moments there's, I hope that the ideas of good dividends that layout the opportunities for a regenerative economy. Mean that we have the the the ideas and scope that we could address the grand challenges of the world and those grand challenges are ever present in our local challenges. So when we think about modern slavery it's around us. We think about poverty of education, poverty of housing, poverty of food. It's around us so those grand challenges that are out with us, we think they ain't. They're here.

And the idea that we could create business as human flourishing where everyday people go into work. Those who lead it. Those are part of following on their. They in a sense, they're rolling up their sleeves to address human flourishing through their everyday endeavours so. That's what I secretly quietly hope. And I can say a book coming up. Steve Human flourishing human flourishing. I like it.

Good title and so in these quiet moments. What is your place? Where are you then placed? Where do you feel happy and anchored when you have these flourishing thoughts? These flourishing thoughts? Well, the best thoughts I well there's two places one I'm not going to

mention where my best thoughts
come from because it wouldn't go
down well on the podcast.
But the second time my best
thoughts come is when I walk my dog.
Sadly,
my dog's in his last few weeks of life.
So clearly I need to get another dog
to carry those flourishing ideas,
but in part my place,
there's a certain irony,
so I'm slightly placeless because
I'm retiring in a few months time
and my place for the last years
has been here,
and so my whole set of relationships,
networks, people I know are here,
so I become a bit placeless.
So I think I need to re anchor myself
with a new dog in somewhere else.
I think Steve thank you.
You will always have a place here.
You're always welcome to my office
even when you are retired and it's
been fantastic talking to you.
So thank you so much.

It's been very inspiring.
Thank you for inspiring us.
Really to think more responsibly.
Thinking more purposefully as well,
and that regenerative debate,
I think,
is something that we really need
to bring much more
into the curriculum.
And it's not something that is far fetched.
It's it's right here like you said.
And it's right here in this place.
So that's all for today,
and I hope you enjoyed our debate.
Feel free to.
Propose a message, comment,
or recommendation of a resource,
initiative or idea for our project
and until next time take care.