

Transcript of 'Good or Evil in Business'

Season 2, Episode 3, Transforming Tomorrow

[Theme music]

Paul: Hello and welcome to Transforming Tomorrow, the podcast from the Pentland Centre for Sustainability in Business here at Lancaster University Management School. I'm Paul Turner.

Jan: And I'm Professor Jan Bebbington.

Paul: Jan, I want to talk to you today about what the difference is between good and bad.

Jan: Well, I would like to know the answer to that.

Paul: Yeah. I'm not just talking about in life generally. I'd like to think, you know, you know when you're being good and when you're being bad. Santa Claus certainly does, if you don't.

Jan: [laughing] That's true. So, in what way are we gonna talk about good and bad then?

Paul: We're gonna talk about something called Good Dividends. And for a start, we're gonna learn what a Good Dividend is, because if we don't, then we'll be talking about something that we haven't got a clue necessarily what it means, first of all.

Our guest today is Professor Steve Kempster. He's an Emeritus Professor. What that essentially means is, he retired, but decided to keep on working, which strikes me as being particularly weird, but there you know that's it.

He's a, yes so he's an Emeritus Professor here in the Entrepreneurship and Strategy Department in Lancaster University Management School. He's an expert on leadership, and he will be talking to us all about Good Dividends, which is essentially something that Steve and his team have developed.

Welcome, Steve.

Steve: It's lovely to be here.

Jan: So let's just dive straight on in then because, um, as an accountant I think I know what a dividend is and from our world, a dividend is what somebody, a company pays to its owners out of its, um, accumulated profits.

But I think that you are talking about dividends in quite a different way. So tell me, what is the traditional idea of dividends, and what is the idea of Good Dividends, and are there different kinds of dividends?

Steve: Well, I guess they are different kinds of dividends, but first I've gotta say, as Paul introduced that I'm a leadership scholar, so why am I even talking about, uh, profit and dividends?

So I've had to travel quite a bit of a journey to learn, um, (a) what a dividend is, and then (b) what a Good Dividend might be. And so we'll get on to the difference, I guess, immediately. So a dividend, just as you've described, is the, uh, distribution of an amount of profit, just as I think you kicked off with Jan.

But a better way I think of understanding dividends, certainly for the way we look at Good Dividends, is to see it as a return or a flow. Something that comes out from, in this case, financial capital. So if you invest X amount of money, you anticipate getting a return or something to come from that.

And so you got financial capital, which we tend to always think of when we say dividends and uh, quite deliberately we wanted to sort of go with the grain of capitalism. So why don't we use Good Dividends to explore the whole of this topic.

But without distracting too much in your intro as you were talking about, what's the difference between good and bad? I think our friend Aristotle might have something to say to it. And in the original ideas that we were exploring, we started with virtuous dividends.

But one of my close colleagues took quite an offense to the word 'virtuous' for a whole different set of issues, which is not for this podcast. Uh, and so we then explored what really is going on, just like you did in the intro between good and bad, what would Good Dividends look like and therefore how does that in a sort of fundamental human good versus bad aspect flow out?

So anyway, to get back to the central argument, now I've addressed what's the difference between good and bad. A Good Dividend is that that flows from one aspect of capital to another, and so the idea of Good Dividends is instead of just seeing the purpose of business is to accumulate greater financial capital,

the idea being that the purpose of business is to have a set of interconnected capital.

So, financial capital, I think we probably broadly understand. Then we've got human capital often referred to as the most important asset of a business. That's the set of employees or their talent, skills, knowledge, aspirations, hopes. If we can get those talents and hopes and energy all fused together what dividend flows from that?

So now we've got human capital, financial capital in the room. So then we think, so we've got human capital now cooking on gas, everybody's engaged, what is the dividend? What is the flow that we get out from that capital?

So now we'd be looking at greater innovation, greater sense of ideas. We're gonna get greater productivity, so we're looking at operational capital. So operational capital simply is how or does an organisation do what it does? Some do it better, some do it worse. So we got operational capital in the room.

If we've got productivity and quality enhanced and customer service, typically research shows that reputational capital, the brand of an organisation is enhanced. The flow from operational capital goes into reputational capital.

If a organisation is deeply respected, customers deeply value what's been offered, then we see an incredibly strong correlation between greater productivity and quality and greater reputation and brand flows into financial capital, so we can reinvest.

So that's five capitals. The innovation, operation, human, financial, and reputation. The critical one for the whole Good Dividends argument is how does planet and community fit in? So the notion of natural capitals as the environment alongside community capital, how do those fuse together and fit into these other capitals?

And so the final point, it's turning into a sort of 101 lecture here [Paul laughs] my apologies. But the final point ...

Paul: ...take your notes, Jan. You've got your notes there, yeah...

Steve: ...I can see her just scribbling something down.

But the final point is, if planet and community can be embedded in the business model, as part of the system, how do the benefits of investing in the

community or investing at least not to harm the environment, but hopefully enhancing the environment, how does that flow throughout business value?

How do we connect social value to business value? And the research we've done and the work we've, now with over a hundred businesses is that there's a very, very explicit and obvious business value relationship of investing into the environment, investing into communities that flows into, for example, human capital, flows into reputational capital.

Things that we sort of know well about. But that gives you all these dividends. Glue 'em all together in what we broadly explore, which is a systems approach. So all of them provide value to each other. They flow around, they each are in, uh, enhancing the other, including planet and community, and we have a whole set of Good Dividends.

Jan: And I, I hesitate to use this phrase given what you've just said, but that sounds like a virtuous cycle in terms of, uh, that really reinforces with, with each other.

Does it always run as smoothly as that? Or is there on occasions that the, the idea that if you enhance all of these capitals, you in the long run enhance financial capital and it allows you to enhance the other.

Does that ever get sticky or not sort of run as smoothly as you'd like?

Steve: Hmm. I don't think any of it runs smoothly, but then again, most businesses don't run smoothly. They have all sorts of sticky problems attached. So on the one hand, we might think there's an ideal model, which is the current model, and what I'm suggesting is a, is a problem, sticky, tricky way of trying to adapt this.

I would say that the biggest challenge is not so much people understanding that that I've just described. In fact, my son he's a biologist, did his PhD here at our University in the Environment Centre. He said, what I'm outlining is surely obvious common sense. Bit like your virtuous cycle, why doesn't every business maximise its capitals? Why would it not purposefully pursue increasing value and connecting them all together?

He's a biologist, so he looks at ecosystems, he deeply understands that world, so that's his mental perspective. And I think it's that, if I can segue into the biggest challenge, is that it's a mindset shift we're talking about here. If the purpose of business is profit, it's all residual down to the bottom line. And in

fact, in the Management School, in most business schools, we're complicit in all the models we produce. That the whole purpose of business is profit and everything goes to that residual outline.

If you think about it in a different way, which is what we're trying to suggest in the Good Dividends, is seeing business as a systemic flow of capitals that all interconnect. You keep reinvesting and enhancing all of them, including planet, community, then we have a different perspective.

But I have to say over, I've been working on this for 4, 5, 6 years now, way over 100 businesses I've explored, probably more like 200-300 I've spoken to at different events. The biggest challenge is the mindset, is to shift to a different way of understanding business. It's not the ideas, the technical bits are really straightforward. Perhaps systems thinking is, is a slight stretch, but technically it's not difficult at all. The issue is a mindset shift.

Paul: So you've got this belief in responsible approach that's at the core of all of this. But you said that it does actually enhance financial returns 'cause you talked there about the importance regarding finances and financial returns. It does enhance financial returns, but in the long run.

So I guess that becomes the question of, how long is the long run that, that these companies might have to wait before they see the financial returns for these more responsible capital investments?

Steve: Yeah. Uh, I think the received wisdom, it takes the medium to long term for a purpose-led orientation. And it's something I haven't spoken yet about is the purpose led part. So we might come back to that, but lemme just address your direct question about the short, medium, and long term.

So, so I expected this whole argument just to, just to be persuading people to sacrifice in the short term for a greater medium to long term benefit. And I stuck with that in most conversations. And then I was, over the last three years I've been working with Cotswold Dairy based down in Tewkesbury.

I think they're the largest family dairy in the UK. I could have that completely wrong by the way, [everyone laughs] but they're pretty big, about 500 ish employees, family business. They've explored the Good Dividends ideas and have taken a significant mindset shift and have embedded it pretty comprehensively. Anyway, in chatting to the, uh, CEO and the Ops Director,

particularly the Ops Director Justin, they wanted to try out embedding community into the heart of their business.

So their, their purpose is to be at the heart of a responsible and regenerative dairy community. I mean, even just saying a dairy community is a challenge in itself. I mean, the methane that's being produced, it's one of the most critical issues, isn't it, that, that we have to deal with and deal with pretty quickly. So how on earth would a dairy and its related partners be able to do a regenerative approach to its community?

So what they've decided to tackle immediately was a business aspect. Their business challenge was churn, was uh, attrition, labour shortage and having major issues of having to go through agencies to recruit people to stay in. And if you've got big churn, you've got big productivity issues, you've got issues of, of people's motivation and understanding and commitment and all those flow through, and it's a pretty unproductive place if you've got high churn and attrition.

So exploring some of these ideas, they thought, well, let's take up a partnership with the local prison. So let's bring in some people who are about to be released from prison and how can we get them working alongside and getting work experience? Because it's enormous social benefit to society if you can create prisoners straight into the workforce rather than back onto the, uh, social cost of the state.

So if we could tackle that, would that have the impact that I was saying about flow around increasing, uh, issues in the workplace. The bottom line, so I'm gonna get to your point now. [Paul laughs]

You had that look on your eyebrows there...

Paul: ...no, no, not at all.

Steve: ...get, cut to the chase. So the bottom line was within a year and a half, they've increased employee engagement, they've increased productivity, they've been measuring this from the outset. They had explicit measures at the outset, and they followed it through.

Higher employee engagement, higher productivity. Less waste, significantly lower levels of attrition. Reduced their agency costs to in excess of quarter of a million in the space of 18 months.

Paul: Mm-hmm.

Steve: So, as one organisation, 500 plus employees, address some fundamental business issues by engaging with social value, they've gone straight to the bottom line, and they can demonstrate immediate return.

They've now grown that, they're now working with addiction charities and all sorts of other places to work with people inside the business. It's an even bigger story, but your eyebrows tell me we don't have the time.

Paul: [laughs] I didn't realise my eyebrows were so expressive! I'm not, I was just here looking at Steve, fascinated by what he was saying, but my eyebrows were obviously dancing a funny jig.

Jan: [laughing] They were indeed. And that, I mean, that's just a, you know, such a, an exciting example and, and huge build of social capital and, and, you know, people's lives transformed.

And I picked up, my ears pricked up because this, you said this was a family firm. In your experience, are the family-owned firms more likely to, to grasp this mindset change in the Good Dividends model, or could it be for any kind of firm?

Steve: I think it's a really, really good point. If I was to think of the organisations that have really grasped it quickly and readily, it is family firms.

There's a sense of generations being utterly committed, connected to space, to place. And a greater sense of purpose, not necessarily an explicit purpose, but an implicit purpose of wishing to be here for the next generations and the subsequent generations. We're gonna always be part, and we recruit from these communities. We are utterly, uh, engaged with it.

So I think there is something in that, Jan. That that does happen. But, equally there's a firm just down the road, Forsberg. Chris Main, he's been working on these ideas. And that's a, uh, a private business. Originally it was created by Mr Forsberg, the clue's I guess in the name, but now it's a standalone private business, and, uh, it has grown considerably.

He embraced his ideas because he travelled through a learning journey. He worked with a series of programmes here in the Management School, and I think he's opened his mind and eyes, everything to the possibilities of a different way business could be run, and the benefits that could flow.

Paul: Are there businesses in certain sectors that are more willing to consider the Good Dividends process? Are, are there areas of operations that it maybe is more applicable to that you found?

Steve: Not yet. So I would say the relatively deep relationships with a hundred plus, they're across all sectors.

Paul: Mm-hmm.

Steve: All sectors. We've got a tool called the SDG Configurator, Sustainable Development Goals Configurator.

Paul: Yeah.

Steve: So over, well I think it's been taken by 220-230, is the latest data. All SDGs are covered.

Paul: Mm-hmm.

Steve: All SDGs are covered by those businesses. The point of the tool is to align. So the critical bit about the Good Dividends, is how do you identify social value that resonates deeply with the business?

Paul: Mm-hmm.

Steve: So not just philanthropy of giftings to buy some more rugby shirts for the local rugby team, and then the next year you sponsor a hospice and then the third year you, you carry on throwing a bit of, philanthropy is good of course, but that's not what we're talking about here.

The idea of Good Dividends is what form of social value deeply resonates to our business. And so these, the stories I've given so far are ones where they've spent some time thinking that through. And what the Configurator does, the SDG Configurator, is it highlights particular SDGs, particularly SDG targets, that resonate.

Paul: Mm-hmm

Steve: That the organisation can see, our purpose is this. That SDG aligns with that purpose. We can create social value in these ways, and the tool sort of identifies it and gives them clarity on that.

Paul: I then go back to the idea of the six dividend areas. Are there particular parts of those, one of those dividends that maybe is more applicable to certain

types of business? Or again, is it, do they not really work if you try and separate them out?

Steve: They sort of don't work if you're separate it out. But everybody I've worked with sees it almost in a list basis.

Paul: Mm-hmm.

Steve: So financial, what we could do is we could start with human capital. And once we've sorted human capital out, we'll then look at operational capital. And once we've got operational capital out, now we're getting somewhere, perhaps we'll look at our reputational capital. And it's almost like, and then once we're really up to speed on this, let's have a look at planet and community and see how it fits. And I can totally get, get it.

Paul: Mm-hmm.

Steve: 'Cause it feels like the low hanging fruit is there to be grabbed.

Paul: Mm-hmm.

Steve: You know, how can we create employee engagement? 'Cause that will give us productivity, which would improve our product, uh, reputation and, boom, we've got more money in the bottom line. It's the same residual perspective.

And the difficulty I've had, to my failings, not, not these businesses, but my failings, is trying to communicate a systemic perspective. Um, and I've, I've, until the last year I'd say, I've been pretty poor at communicating that, and getting that message across.

And it's only when I started, I was travelling on a long journey up to, uh, Mallaig, up near the Isle of Skye. And I had about sort of 4-5 hours to think this through, 'cause I was being driven. And, uh, I came up with this idea of string theory, which has nothing to do with string theory, the physics, but actually as, instead of an intellectual idea of the Good Dividends, could I create an experiential moment? A felt sense of, ohhh, of course! That's what, that's what's going on!

Uh, and I, we probably don't have the time for me to explain how the game works, but it was just moving from intellectual to felt, a feeling, an emotional sense. That that's what a system is, that's what we're avoiding. That's the mistakes we've been making. I get it, as a feeling.

But I think it's been down to me not communicating it well.

Jan: And do you think that the kind of education that we, we offer, on average from business schools and, and we would, you know, we might put ourselves as being better than that. Do you think the kind of education that youngsters get when they come to learn about management, how to be managers, needs to also get that sense of 'aha' and personal enthusiasm? But also to see the, the world much more of a system, rather than different subject areas?

Steve: Yeah, I, I strongly connect with that, Jan. In a sense before they arrived, they're imbued with, with what business is, is to make profit. That in part the schools are doing that. But in part all their relationships are doing that, they're reinforced in all conversation, the purpose of business is profit.

And perhaps that feels like a sort of truism. Of course it is. And the, the argument we're trying to explore is, is profit is an enabler. It's something to reinvest in the whole system and it should grow, so you keep continually reinvesting.

And part of the issue is our British economies, we keep withdrawing. It's not reinvesting. So, so we're worried and fearful of the future. So we withdraw money out and so the economy shrinks. That's a different topic for a different day. But if we can create a systemic understanding of, of the flow. And how that can, can occur. It would make a big shift.

Let me just make a silly point. I think it's a good point actually. I dunno why I said a silly point, but a good point that it's not Adam Smith's fault. [Jan laughs]

Adam Smith here of, of The Wealth of Nations...

Jan: ...yeah, I, I agree. So let's redeem Adam Smith. Go for it, Steve...

Steve: Thank you! So, so when he was talking, and it is often spoken about the, it was the butcher, the baker, and I want to say the candlestick maker, [Jan laughs] but it was, it was the butcher, the baker, and the brewer I think.

And he said they do not do, run their businesses in the benevolence, so people have a nice, healthy meal on their plate. They do it for self-interest. That, I think it's something like that, is the quote.

And what, the bit that's missing is he wrote this other book, which was its companion, Theory of Moral Sentiments. And in The Theory of Moral

Sentiments, which was written literally both sides, so he started it and then finished it after The Wealth of Nations.

And he was basically saying people like to present themselves. People learn how to show of themselves to fit into a society, um, and be well received and well, well understood in order so they can live out their lives.

Now, at the time he was writing The Wealth of Nations, about 1850-ish, it was totally understandable that he would write a phrase in The Wealth of Nations. "It's not in the benevolence of those who want to have a nice meal. It's about the residual self-interest."

What he was talking about is the mores, the underlying assumptions and principles of a society at that time. And our society has sort of taken that and stuck with it that, that we are all about self-interest.

And if Adam was about now, hope his, his ancestors and et cetera, don't mind me calling him in this sort of first name basis. [Jan laughs]

But if Adam was in the room now on this podcast, I think, I'm not sure he'd give me a high five, but I think he would be on board. He would see the set of systemic challenges that the world faces, and understand the necessities of how our society needs to shift and change.

He would probably offer to me that it's 50, 60 years too soon. That the assumptions of society haven't changed. I can imagine a world wherein 30-40 years time, the systemic challenges of the world are so grave that every pub, every bar, every conversation, every student, is engaged in, how do we work our way outta this?

And I think that will lead to a society where businesses have to have a license in order to operate. And the license will be about, in what way do you enhance the planet, enhance society, or at least do not harm the planet at all? And those underlying assumptions will then pervade how we all understand business.

Business not about profit, but business is about enhancing humanity.

Jan: And what I like about that expression that, that you did there, I think it's very just to Adam Smith and, and reading that, all of his books, not just a wee snippet of one of them, is that it sort of brings us naturally to a bit of a conversation about the benefit corporation.

And so this is quite a, a new approach. I'd like to hear your view about the benefit corporation model, but also how that links to the ideas of Good Dividends.

Steve: So I think benefit corporation is the next step along the journey where businesses begin to understand themselves and about how they, their place in society, uh, about what they're seeking to achieve, but also for, for others, uh, customers, citizens, uh, even politicians and policy makers to begin to understand through what the benefit corporations are trying to do, or the B Corps are trying to do, about different ways business can be understood. So I think they could be an enormous lever.

Uh, a B Corp, or the original notion of benefit corporation, was established in the States. I'm forgetting Jan, can you remember which state it was in the United States that created the opportunity or passed a law that a business could have its fiduciary duty, its underlying *raison d'être*, why it exists, to be changed?

So instead of, it must maximise shareholder interest, it would be allowed to have a 50/50 balance. On the one hand, benefit shareholder interest, but the on the other hand, have a declared pro-social purpose, purpose-led reason why that business exists, and therefore have a joint issue on decision making that in what way, if we pursue this profit orientation, does it allow us to pursue our purpose?

So it was on that, my understanding, Jan, it was on that basis that the benefit corporations and B Corp movement was created. And the benefit corporation does encourage, um, people to change their articles of association to look at their fiduciary duty, which is wonderful. But part of our law in the UK hasn't changed to, to make that so solid. So I think there's, uh, a further policy movement that needs to happen there.

Now, also along with benefit corporations is there's an accreditation process where you get a badge that you are a B Corp and you've passed test. And it's a pretty rigorous process that takes many, many months and for some many years to get through.

And I think that's all important to, to push organisations. And it's, it's broadly about creating transparency, looking at governance. But it does lean, I think it's a journey along the way, but I don't think it goes all the way because it doesn't see it as a system. It's still working within the frame. Uh, 'cause when you're fill

it in, there's questionnaires and you get to columns and rows and, and you get to residual answers about what you are good at. And it's more about a compliance, uh, an obligation process.

Although nearly all the B Corps I've spoken to, uh, are so enthusiastic, they're so engaged in the principle underlying process that the system almost interrupts and gets in the way of it. Um, because it, it just sees this compliance orientation that you must do, it doesn't grab the spirit of, of value creation. Um, it's, it's quite the opposite.

So I think it's semi-caught in yesterday's world, but it's the most impressive opportunity and it overlaps in many, to many of the, uh, the assessment areas overlap many of the Good Dividends capitals. Not all of them, but, but many of them.

Paul: Let me ask you this, Steve. You talked a little while ago just about how in 60 years' time everyone's gonna be talking about it, it's all that everyone's gonna be discussing, these issues because there's gonna be such major problems there.

Can there be change without the major problems being there? Is it only when these businesses actually have the major problems right there on their doorstep that are, you know, forcing their way through, that some of them are actually going to take proper action?

Steve: So, so what runs through my mind is a sense that if we had a different society, so a different society, so a different way we understand taxation. So our taxations, feels high, but it's relatively low compared to Scandinavian, um countries.

So if you had that where there was significantly greater amount of funding going in to address the community challenges, would we need this argument?

Now I was out in Copenhagen just a couple of weeks ago, working with a group of managers, um, running their businesses. And even in that society where there was much greater finance to address social challenges, the ideas were a different way that they could understand what to do with their business.

Paul: Mm-hmm.

Steve: I think the opportunity to shift the business model, the theory of business to a way in which we maximise all our capitals, and therefore

including finance, but also our planet and, uh, our communities, should create outperforming businesses.

Paul: Mm-hmm.

Steve: I mean, there's old historic, uh, evidence that you can look back over the last 10-20 years that purpose led businesses outperformed the market. Uh, and there's various data, public, uh, published on that.

So there's a general theme that a neoliberal business, back to your very first question around short term versus long term, over the medium to long term, the data overwhelmingly shows that purpose led businesses outperform. So just that alone would be a reason to follow the argument we've been exploring.

So, so if we are in a different society, would we still need Good Dividends? I'm hoping, here's a ridiculous thought, I'm hoping that this is but one idea being thrown into the pot, and I'm hoping, and I've just written a paper going into leadership on this, uh, the Journal of Leadership, that maybe there would be another 5, 10, 20 ideas better...

Paul: ...mm-hmm.

Steve: ...than the Good Dividends.

And those ideas shift society. And society sees business. Here's, here's a point. Society sees business, like it sees medicine and law. So if, if medicine is to health, like law is to justice, I can hear fathers, mothers speaking to their children and saying, you know, the purpose of business is to enable human flourishing.

And we might be in an utterly, utterly different world where the sense of purpose permeates all that we do in our businesses rather than, um, just about self-interest.

Paul: So, so Steve, from all your work in Good Dividends, how optimistic are you and why?

Steve: So, I am optimistic. But I think it has to get worse before it gets better. I think the narrative, the understanding of how grave the issues are around us, that has to be much more understood, more generally. Particularly if it's to start shifting policy around, government and other people's expectations of

the purpose of business. I think that, so things have to get worse before they get better.

But I know it can be so different. And I know from the work I've done, there isn't one business, not one in any sector, that can't reframe its understanding of business and reinvest into all of these Good Dividend areas.

Let me give you a final example, if I may. And I'll keep it nameless, but it was a business, a landscaping business that was on our Good Growth programme. So all the folks who were on the Good Growth programme will be going, [whispers] I know exactly who this is.

She was on the programme, we got to the stage on the residential where we get into, so what is, what is the purpose of the business? And, uh, she was struggling. And so I sat down with her at a moment and said, um, well, what, what is it that you do?

Well, basically we throw turf down and it's a pretty competitive situation, so, you know, it's, it's the lowest price gets the result. Not quite the exact words, but that's the feeling, the sense of the story. And I said, okay, that's, that's really interesting. Are you familiar with biodiversity net gain? And she said no.

I said, well, here's an interesting thing, maybe an opportunity. Biodiversity net gain, new planning system right across the whole UK. It isn't actually, it's England and Wales. Where every site, every developer has to increase the biodiversity from the preexisting site, before they built, to the post, once they're finished building, it must be 110%. So there's 10% more biodiversity now on the site than there was before you even started building.

The issues then I, how do we create more biodiversity now that the client wants, 'cause they are committed to having to realise this, and how can they make that happen? So suddenly the opportunities now exist, that instead of just throwing turf down, we're thinking about the maximum ways as part of your everyday work to enhance biodiversity.

And so she sort of disappeared off and came back in about 20 minutes later and she said, it seems strikingly clear to me. The purpose of our business is to maximise, uh, and enhance all of our communities so they become flourishing. Both us, of the people who buy the houses, of the people who live in the neighbourhoods, of the environment we're all part of.

She has now invested in exploring about how to educate the employees about the whole variety of different plants, the different ways they can put pricing and tenders together to maximise biodiversity for their clients. She's inviting um, schools, school children to come onto the sites to look at what they're doing on biodiversity. She's now engaged with the local college to start exploring different ways they can partner to understand more about biodiversity, to educate the workforce more about biodiversity.

So she has shifted what they are doing. And the fundamental reason of why they exist in a business going from, it's simply profit, to enhancing and enabling flourishing communities. I mean that, that gives me great hope.

Jan: I've got goosebumps. [laughs] Great big goosebumps.

And then feel like a little bit, you know, sort of actually caught up in my chest at that story. That is so amazing. What a, what a privilege to get to see that and to enable that, Steve.

Steve: Yeah. It, it is a privilege. Uh, and there's, uh, if I may, a book that we're doing coming out called Realising Good Growth in the new year. It's a handbook for, for business owners particularly. A whole bunch of tools. So you buy the book, you get all these tools for a year, all for free, digital tools on a website, what's not to like? Um...

Jan: ...wow! Christmas is coming up...

Steve: ...but her story runs through the whole of the book. It's anonymised, it's turned into a little bit of fiction. So I've exaggerated it to bring in all the arguments of the whole book. But that story runs through the book.

Uh, and it is a deep privilege, uh, to work on these things with, with businesses. 'Cause, but let me, just before I sign off, make one point that I don't think I've made big time. That all of the stories I've given, all of the opportunities, all of the hope I've spoken to, rests on leadership.

If those folk in positions of power and influence wanna make this happen, it happens. It's, it's nothing more, nothing more complicated. It's a bit, it's a bit like the phrase, if not you, who? If not now, when? It is, it is that important that leadership, um, see what can happen, and it won't happen without it.

Paul: Thank you very much, Steve, for joining us. It's been really good having you here, and it's been really fascinating talking to you about all the stuff to do with Good Dividends and learning more about that whole concept. Thank you.

Steve: Oh, it's been a wonderful time talking about it and particularly watching your eyebrows going up and down.

[Jan laughs]

Paul: I'm gonna to tape my eyebrows for all future episodes.

[Theme music]

Jan: So, Paul. Even your cynical cold, dark heart may, must be lifted by that conversation.

Paul: Thank you, Jan. That's a lovely description of my cold, dark heart. Cynical, I fully accept, but cold, dark heart... My children would love to hear that description of me. Thank you very much.

Yeah, Steve does bring a lot of optimism to this conversation and even when he's being pessimistic about what may or may not happen in the future, he brings in the potential for optimism, saying how, if my idea isn't the one, there might be other ideas that are the ones that are just gonna help us, and make everything better.

Yeah, there there's a lot of potential optimism. And from the examples he's got of the companies he's worked with and how they get to rethink their purpose, and everything that goes on with them. Oh, it, yeah, there's, there's a whole lot that's positive there.

Jan: The other thing I really liked about how he described what they do is that, he's not just working with individual firms, but the firms working together to explore those different models of leadership together and to, through that partnership and that inspiration they get from each other coming to a very different place.

And in particular the mind shifts that his programme, um, obtains or takes people through on that journey. So I thought that was also really great to realise that learning is social, and this is, um, a really good example of how that works.

Paul: Something we should mention as well is that Steve actually takes a lead role in a programme called Good Growth that takes a lot of the aspects of Good Dividends, and there are Good Growth programmes being run here out of the Management School that businesses can take part in. I think there's even one starting in, um, later on at the end of this year.

So there are these programmes that Steve is able to talk to you, much as he described, talking to the lady from the landscape gardening company, and how he's able to sort of work with you and figure out how it all works with you. So there's, there's practical impact of this, he's not just sat in the classroom thinking about how it may work. He's going out there and making sure it does work, as is evidenced by all the hundreds of companies he's worked with.

Jan: And then the other thing I think he encapsulated so well is that, um, business is to enable flourishing.

If, if that were our predominant mode, then we'd be in quite a different place. And so I, I like that way of framing it as well.

Paul: And he's, he has left me with one question totally unrelated it to, you know, the, the heart of the topic is, would Adam Smith be the kind of person to give people a high five?

Jan: [laughs] Um, I, I really like that Adam came alive and sort of danced around the studio in the background.

He, he, I don't think in his time high fives were probably weren't there, but...

Paul: ...this is why I, we need to bring him into our time. [Jan laughs]

Would he, if he was alive now, have given you a high five, or anyone a high five? He might not have liked you, um, but you might have liked other people and wanted to give them a high five.

Jan: I, I can't see it, but, but I, I wouldn't, I wouldn't say it wouldn't happen.

Paul: Okay. Well, it sounds like he would've been dancing, so maybe, maybe he was more of a dancer. He, he'd been on the floors of the, the pubs and clubs, you know, strutting his stuff and showing off his moves, and whatever the kids say nowadays.

[Jan laughs]

Maybe he was a breaker. Maybe it was like Raygun and that was, uh, that's the kind of person Adam Smith was.

Jan: [laughing] I think, I think we, we, we need to stop this conversation, 'cause we're going crazy.

Paul: Well, I just wanted to mention that and, and now I've got in my mind Adam Smith as a breaker in the Olympics.

But we'll leave it there, Jan 'cause we, we need to start preparing for our next podcast.

And we did mention in this podcast about B Corp status. And next time we're gonna be talking to representatives from Pentland Brands about how B Corp affects one of their brands, Berghaus.

So we're gonna be joined by Kaeisha Gibson and it's gonna be a fascinating conversation, and we better be on our best behaviour because obviously funding for the Pentland Centre comes from an offshoot of Pentland Brands.

Jan: Yes. Yeah, so, and I know they will also be inspiring. So we will have two inspiring episodes in a row.

Paul: Very good. Well, I like to think we've had 50-something inspiring episodes in a row, but if you just want to make it two and, and write off everything that we've done before this. Fair enough.

[joking] You just say that, Jan, it makes my life feel dark and worthless like my heart, or whatever it was you described me as.

Jan: [laughing] Cold and dark.

Paul: [laughs] Cold and dark. Thank you. You've obviously made a note of it. Well, until next time thank you very much for listening, I'm Paul Turner.

Jan: And I'm Professor Jan Bebbington.

[Theme music]