

REPORT

RESPONSIBLE CAPITALISM AND BEHAVIOURAL CHANGE

EVALUATING THE
SOCIAL BUSINESS TRUST
AND PLANNING FOR
THE FUTURE

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POSITIVE IDEAS
for CHANGE

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INTRODUCTION

There has been growing public demand for a more socially responsible model of business over the last few decades, a demand that has grown louder still in the aftermath of the financial crisis of 2008.

This call has come in part from a sense that businesses have been too cavalier with the public interest. As Harvard Business School scholars Michael Porter and Mark Kramer put it, ‘companies are widely perceived to be prospering at the expense of the broader community’ (2011: 4). Questions relating to executive pay, environmental degradation, inappropriate selling, political lobbying and now, following recent scandals involving the banks, large-scale fraud, have done serious damage to the reputation of many individual businesses and to the business sector as a whole. Once trusted institutions are now subject to widespread scepticism, and ‘just doing business’ is becoming increasingly difficult for those operating in a number of settings.

The call for socially responsible business also has a more positive source. At the same time as many businesses face public scepticism, others have begun to acknowledge that there might be a comparative advantage to be found in placing themselves more directly in the service of the broader community than traditional business models allow. Such advantage resides in many areas. Companies with a deeper sense of social purpose may find it easier to recruit and retain exceptional talent; they might be able to motivate their employees more, drawing on incentives that go beyond financial remuneration; they might be able to innovate in products and services that reflect a public need not previously met by standard business models; and they might be able directly to reduce the costs levied on them by broader social failure. There are, in other words, multiple ways in which to demonstrate that ‘companies can create economic value by creating societal value’ (ibid: 7).

Whether motivated negatively or positively, there are opportunities for businesses in reshaping themselves in a more socially responsible direction. Firms just need to learn how to do it. However, this will not necessarily be easy. The transformation envisaged by the likes of Porter and Kramer requires overcoming the many obstacles – institutional, economic and cultural – that currently make such a combination more difficult. Obstacles often emphasised in the scholarly literature and in actual business experience include short-term financial incentives, a lack of relevant expertise and experience in the company and a ‘mindset’ that is set in relatively orthodox business practice.

Developing this last point in the *Harvard Business Review*, Dominic Barton (2011) reports that many ‘western executives find that nothing in their careers has prepared them for this new challenge’. Presenting a celebrated example, Barton continues that ‘Lee Scott, Walmart’s former CEO, has been refreshingly candid about arriving in the top job with a serious blind spot. He was plenty busy minding the store, he says, and had little feel for the need to engage as a statesman with groups that expected more from the world’s largest company’ (ibid: 7).

It is for precisely this reason that initiatives such as those conducted by the Social Business Trust (SBT) are potentially so important. The SBT is made up of a partnership of six major companies: Bain & Company, Clifford Chance, Credit Suisse, Ernst & Young, Permira and Thomson Reuters, which have come together to invest in developing social enterprises. They have a target of improving the lives of a million people in the UK, by committing to invest the equivalent of millions of pounds in cash or in-kind support. The in-kind support can be anything from conducting background analysis on new social enterprises to invest in, to discreet pieces of work for specific organisations, to extended team placements, working full-time for months at a time in the social enterprise’s offices.

While the primary focus of the SBT is what it can achieve for social enterprises and services users (to help grow sustainable social enterprises and increase their social impact), the companies involved believe there is mutual value for corporate participants, to step out of their 'comfort zone', engage with a different type of organisation and embed their corporations more into the local community. In this way, the SBT programme can clearly be understood as an experiment in shaping a more 'responsible capitalism' of the kind now increasingly widely called for: equipping the front rank of business leaders of today and tomorrow with the experience, outlook and skills required to develop a more sustainable and socially-aware business model.

Purpose of the IPPR study

IPPR worked with the SBT to explore the experience of members of the partnership organisations who had been involved with the SBT and its social enterprises. Our aim was to evaluate whether their involvement had shifted any attitudes towards business's role in society, improved their ability to work and develop relationships with a diverse range of people, cultivate personal goals or attributes, or challenge presuppositions. In addition to ascertaining the scale of the impact in the first instance, we were also interested in establishing whether such impacts had been maintained when participants returned to their more traditional corporate role. In other words, did their experience of working with a social enterprise turn them into ambassadors for a different way of doing business? By taking into account all of these experiences, we hoped to establish the benefits and best practice for companies which are looking to engage with their communities.

Believing that only an in-depth, qualitative methodology could properly assess this experience, IPPR recruited a cross-section of participants for face-to-face interviews. Our respondents covered a mix of corporate origins, types of involvement with the SBT programme and differing levels of seniority within their original firms. Where possible we also spoke to colleagues of participants, to see whether any effects had been visible when participants returned to the corporate environment. To maintain anonymity, respondents are only identified by letter. Quotations are verbatim, only occasionally paraphrased for sense or clarity. Full details of the interviews were maintained, in secure conditions, to enable later researchers to evaluate our work more fully if required.

Structure of the report

This report presents the outcomes of this investigation.

It begins with an overview of the leading research on responsible capitalism and the ways in which a programme such as the SBT might be able to contribute to ongoing efforts to generate a more socially responsible business model. This first chapter identifies *three* major areas in which the programme might be able to assist by enabling its participants: first, by enabling them to develop a deeper attachment to their immediate locality and the broader community in which their standard workplaces are rooted; second, by enabling participants to develop skills of relationship-building outside of their normal social experience; and, third, by deepening their sense of their own potential to make major changes to the world in which they live. These three skills, it is argued, provide the behavioural essentials of any significant effort to redirect business in a more socially responsible direction.

The second chapter analyses the data from our qualitative interviews to establish the extent to which this shift in behaviour and mindset was realised by the programme in participants' own experience. We find a generally favourable response, with participants

revealing multiple ways in which they believed that exposure to the social enterprise sector and engagement in different working environments enabled them to develop a different set of skills to those usually encouraged in the workplace. We find here a particular emphasis on the third of our three core skill-sets, those related to impact and effectiveness, with individuals widely reporting that they felt they were able to make a 'real difference' to the communities in which they were working through their experience on the programme. There were, of course, some participants who were more sceptical than others, especially with regard to issues of local attachment, and we report those findings in depth too.

The third chapter builds on this analysis by examining areas for improvement, especially those areas in which the programme appears to have failed to challenge the prevailing norms of the participating corporation. Here the emphasis is primarily on the limits to the depth of immersion within the programme and also to the ways in which participants were encouraged – and sometimes not encouraged – to process their learning and deepen their relationships. Our analysis enables us to provide some concrete recommendations for future initiatives companies may undertake; initiatives which we believe could be invaluable in the ongoing transformation of Britain's business environment.

The report concludes with the general lessons from the SBT experience and the way in which it contributes to the ongoing debate about responsible capitalism.

1. THE COMPONENTS OF A RESPONSIBLE BUSINESS

Although the aspiration to 'social responsibility' is now widely shared in the business community, significant obstacles remain that hinder the conversion of businesses from a standard model, premised on maximising shareholder value, to a newer ideal, closer to Porter and Kramer's description of a firm that 'takes the lead in bringing business and society back together' (2011: 4).

Chief among those obstacles is a sense that the time-frame of most modern businesses does not allow for the sort of commitment required, especially given the pressure from shareholders and investors for immediate, easily quantifiable returns. As Gurnek Bains and colleagues write, 'meaningful organizations are aggressive about both short-term and long-term goals ... they are able to show how more immediate initiatives connect with the long-term agenda that is being played out' (Bains et al 2007: 288). Such efforts are made difficult at present, however, by structures and cultures that reward the immediate rather than the longer-term. This makes it difficult for business people to reconnect with a broader social network where deeper bonds require time to develop and the importance of which are often difficult to quantify in a short time horizon.

The SBT initiative is an effort to put that right by taking participants out of their normal working environment and placing them directly in a social enterprise. The majority of participants spent some time working with social enterprise employees directly, physically within social enterprise organisations, although some supported their social enterprises 'virtually' by offering their expertise online.

The question is, of course, how such a scheme might be thought of contributing to the development of a more 'responsible' capitalism. As one of the scheme's participants asked, 'I strongly agree about the role of business to do good, and we should do it, but how?' (Respondent G).

Below we present an outline of three major areas that are reflected in the current debate in the specialist business literature on the development of responsible capitalism. Our aim will later be to assess the experience of participants in the SBT scheme in the light of the goals this literature outlines.

Attachment to locality

In the growing scholarly and practitioner literature, the critique of the standard business model often begins with the assumption that businesses have become increasingly separate from the places in which they are located and the environments in which their workers, suppliers and customers live. As Porter and Kramer put it, much contemporary 'business thinking has embraced the myth that location no longer matters' (2011: 11). On this account, leading figures in contemporary businesses conceive of themselves as 'free-floating': as concerned with abstract ends, such as shareholder value, rather than with concrete places and people, such as the immediate impact their working has on their employees, customers and other core stakeholders.

The alternative, more 'socially responsible', position is said to begin from an acknowledgment of the special demands that people should be able to place on an organisation based upon where it is located. Porter and Kramer describe such a position as the 'new locational thinking' and place it at the centre of their account of responsible business (ibid: 11). A properly responsible business, they argue, recognises somewhere specific as 'home' and makes particular commitments and develops deeper relationships with that place. 'At a very basic level,' they argue, 'the competitiveness of a company and the health of the communities around it are closely intertwined. A business needs

a successful community, not only to create demand for its products but also to provide critical public assets and a supportive environment' (ibid: 6). The CEO of GlaxoSmithKline, Andrew Witty, phrased this response particularly acutely in an interview with the Observer newspaper (Clark 2011), saying:

'Call me old-fashioned, but I think you have to be something. I don't buy that you can be this mid-Atlantic floating entity with no allegiance to anybody except the lowest tax rate. You're British, you're Swiss, you're American or you're Japanese. Whatever you are, you're something. And this company is a British company.'

There are three key elements to this new 'locational' thinking.

The *first* element is the most pragmatic. Businesses are said to depend much more on the specific locations in which they are situated than they often imagine. They depend on them partly because of the importance of the health and well-being of their workforce, partly because of the possibilities implicit in local supply chains and local markets and partly because of the need to maintain a keen eye on the local regulatory environment. A proper appreciation of the possibilities of location, it is therefore said, opens up new possibilities both for minimising costs and for opening up previously overlooked opportunities for growth. As Porter and Kramer put it, 'what has been missed ... is the profound effect that location can have on productivity and innovation. Companies have failed to grasp the importance of the broader business environment surrounding their major operations' (2011: 7).

The *second* element relates to reputation. It is widely acknowledged that public trust in businesses, in almost all sectors but especially in financial services, has been in sharp decline of late, as revealed in numerous polls by respectable organisations including the CBI. Poor reputation damages the possibilities of successful business in many ways, ranging from making it harder to recruit first-rate talent – especially to prominent positions – to making it harder to sell products to a sceptical customer base. Since the 1980s, it has been increasingly argued that a strong identification with a particular location is one way companies can overcome this reputational loss, which is why branding now makes frequent efforts to identify with particular local traditions. Companies, or brands, that are seen as 'coming from somewhere' are said to be more popular with the wider public than companies that free-float, or appear to acknowledge no loyalty other than to their own shareholders and to short-term financial gain.

The *third* element relates to the internal culture of the firm. Firms with a strong sense of place – of connection to their immediate community – are said to be more likely to abide by norms of good practice. Constrained by their sense of loyalty to their workforce and their environment, it is hypothesised that such companies will cease to take the kind of reckless risks with health and safety or with the long-term interests of the firm than companies which see no such connection. Loyalty to place, in this case, acts as a kind of informal compliance mechanism, enabling firms to bring out the best ethical practice in their employees not by directly monitoring their behaviour and insisting on the implementation of ever more complex codes of conduct, but by encouraging their workforces to understand the commitments they have to people with whom they interact on a daily basis. It is said that a CEO who is in direct, personal touch with local suppliers; with the people who service her offices; and with the firm's immediate customer base will be less likely to be tempted by the sharp practices that have done so much damage to the image of many British companies in the last few years.

Relational skills

This last advantage of the more 'locational' thinking said to be required clearly relates to the second overall theme in the literature on 'responsible capitalism', which concerns the capacity of businesses, and especially business leaders, to 'reconnect' with a vast array of different social interests (Geus 1997, Grayson and McLaren 2012).

Seen in this way, business has been undermined by an excessively cut-throat ethos of individualistic competition in the last few decades: an ethos that has worked to the disadvantage of more subtle forms of team-work within the firm itself and a more co-operative form of interaction with external organisations. Such an ethos, it is argued, has sometimes cut business leaders off from potential sources of support and innovation, driving them into a mindset that focuses on immediate and narrowly-conceived return rather than long-term, sustainable gain. A more 'collaborative ethos', it is argued, would enable businesses not only to regain lost reputation but release energies currently closed off to many firms.

If this is true, then it is further said to depend on a set of leadership capacities, as much as it depends on a more generalised or structural phenomenon. Put another way, the 'collaborative ethos' demanded requires a particular skill-set on the part of those who run our major organisations. That skill-set begins with a set of deep-seated attitudes, that overcome the 'pervading mindset' which gets in the way of developing the necessary alliances (Barton 2011: 7). As David Grayson and Melody McLaren put it, 'as part of this collaborative ethos, leaders of businesses, as well as other institutions, must be humble and pragmatic enough to recognise that each will have only a part of the picture and part of the answer' (2012: 4). The idea here, then, is to recognise that business currently provides a significant and important skill-set but does not necessarily have all of the answers. Business leaders can learn from others, as well as the other way around. But to develop that learning effectively, business leaders must first be ready to acknowledge it.

Beyond preparing themselves to interact with others on a more equal plane, though, those who make this argument often also insist that there are particular attitudes implicit in the non-corporate world that business leaders are often unaware of and which could enrich their performance. Seen this way, successful business leaders need experience in more than just a corporate environment. They need to understand government and the social sector too. Knowing how others think and feel, in other words, is a vital component to being able to do business with them, or to be otherwise in a relationship with them, more effectively.

Meaning, impact and commitment

According to the prevailing literature, the first two elements of a 'responsible capitalism' are a more 'locational' focus and a greater emphasis on 'connecting' with those outside the organisation with a collaborative, as well as a vigorously competitive, ethos. These first two elements leave the primary purpose of the organisation, though, largely untouched. The third element goes further and challenges the essence of the prevailing business model by claiming that businesses can only effectively flourish in the new order by *adding* a further, broader vision or set of commitments to their essential practices. Each business, in other words, is said to need a 'purpose beyond itself' (Geus 1997, Handy 2002).

The advantages of having such a 'purpose' are said to be multiple, extending far beyond the reputational gain generally associated with current endeavours which go under the banner of 'corporate social responsibility' (CSR). Like the focus on location and on developing skills of relationship, there is a clear sense that a deeper corporate purpose

can add immediate value to a core business proposition, partly by opening up new areas for innovation. Perhaps more importantly, however, a deeper social purpose is said to motivate employees more than simple material rewards can.

Charles Handy thus argues that on the classic model of business employment practice, employees at all levels are seen essentially as ‘mercenaries, on sale to the highest bidder, hired for projects, unwanted when not needed, loyal first to ourselves, then to our project and last and least to the hiring organization’ (2002). When they understand themselves in such a way, it is contended, employees are unlikely to give their very best. Rather, they are likely to engage in potentially disloyal practices such as seeking promotion elsewhere, or to commit themselves only half-heartedly to their working lives, while they seek more meaningful fulfilment in areas of their private lives, be it their religions or their hobby groups. ‘A larger and, if possible, a nobler cause is needed to keep the enthusiasm’ of the workforce at the requisite level, Handy insists, encouraging businesses to seek alliances with non-corporate actors in order to provide employees with an opportunity to express themselves outside of the normal business environment (ibid).

In addition to giving employees a deeper sense of meaning in their daily work, the idea of businesses developing this sense of purpose or relating with organisations that do, is also said to enable them – both collectively and individually – to make a *real impact* in the communities in which they live. This argument insists that individual employees can often feel disempowered in the large business organisations that make up so much of the successful corporate world today. Even when impressive human resources services are in place, it can be difficult for individual workers to assess the contribution they personally make to the overall mission of the firm. When they are able to detect a deeper purpose and to trace an individual impact on that purpose, however, they gain greater satisfaction and are likely to work more effectively and develop greater public esteem. This explains why many major corporations have begun recently to develop volunteering schemes in their local communities, enabling individual workers to feel as if they can make a measurable impact in relatively small-scale endeavours, while also developing a sense that business can make an immediate and perhaps even quantifiable difference to the places in which they are located.

Conclusion

The contemporary debate on ‘responsible capitalism’ is rich and complex. It marks an important moment in the development of major thinking on the nature of the firm and the way in which companies may restore their previously impressive position in national and international ratings of trustworthiness and public esteem.

Our review suggests that there are three essential pre-requisites for a new, more socially-responsible business model suggested in the leading literature. The first emphasises the ways in which businesses move away from a sense of themselves as ‘free-floating’ entities and locate themselves more specifically in individual locations. The second stresses the need for business leaders to develop the skills needed to relate more effectively to people from outside the business community, be they from the third sector or from the government. The third insists that businesses build alliances with organisations which have purposes other than those directed by profit, so that employees can develop a deeper sense of purpose and meaning in their work and, perhaps, so that they also have the ability to make a measurable impact outside of their immediate working environment.

Taken together, these three elements are said to pave the way for a model of business infused 'with the perspective that serving the interests of all major stakeholders – employees, suppliers, customers, creditors, communities, the environment – is not at odds with the goal of maximizing corporate value; on the contrary, it's essential to achieving its goal' (Barton 2011: 4). The next task of our report is to establish the extent to which the SBT programme enables those who participate in it to play their part in building this new model of capitalism.

2. EVALUATING THE SOCIAL BUSINESS TRUST EXPERIENCE

This chapter evaluates the impact of involvement with the Social Business Trust following the three components outlined in chapter one as elements of a ‘responsible’ business: attachment to locality; relational skills and meaning, impact and commitment. It presents, in detail, the results of a series of qualitative in-depth interviews conducted by one of the authors of this report in the spring of 2012 with participants in the SBT programme, all business people with leading firms seconded to work some of the time with emerging London social enterprises.

These interviews found evidence of shifts in mindset, behaviour and skill-set in each of the three areas outlined in our literature review, in particular the last two concerning relationship building and meaning and impact. There were some dissenting voices, of course, and a number of nuanced differences of opinion between participants, all of which are worth exploring. Most importantly, many participants reported that while there were shifts in attitude or behaviour *while they were taking part in the SBT programme*, these shifts were not always sustained *when they returned to the corporate environment*. This leads us to believe that programmes such as the SBT need to be located in a broader set of initiatives and have an ongoing commitment from the company if they are to have the profound impact that is hoped for them.

The chapter traces the responses within each of the three core elements of ‘responsible’ business. Before that detailed analysis begins though, we ask whether the participants revealed a general appetite or concern for making contemporary business more socially responsible.

Enthusiasm for responsible business

The qualitative research found real appetite from almost all of the participants for their business engaging with society in a new form. Almost all of them also shared a sense that the SBT programme was a significant improvement on standard approaches to corporate social responsibility.

While the participants reported that some form of corporate activity in support of third sector and community life has become commonplace of late, they felt the traditional ‘volunteer day’ model of corporate engagement found in many workplaces had real flaws. In its most negative summary, this standard type of engagement was criticised as restricted in scope, driven by PR and limited by failing to draw on the expertise, talents and motivations of the actors. As two reported:

‘You get the sense that ... they were going through the motions so they could write about it in their annual report. And the reality was when you went and did your day’s volunteering, painting a school building or whatever, it’s good and you’re glad you’re doing it, but the whole thing is more about appearance.’

Respondent C

‘People don’t want to go and plant trees, people want to use their skills and do something that’s genuinely useful where they can see an impact.’

Respondent F

For those most passionate about the potential role of business in engaging with society in a new way, the largest flaw of what they called 'CSR as usual' was that it sat outside what was the scope of 'normal business':

'One of the challenges with responsible capitalism in its current form is it's a case of "We've got your annual report done and it is 95 pages and we need another five pages of CSR to stick on the back." It's a bolt-on approach and it's all "what's the budget for it", rather than, to my mind, it should infiltrate everything you do.'

Respondent B

Almost all of those involved with the SBT had real enthusiasm for the potential of having a positive, tangible and personal impact in society by using their specialist business skills. And through the investment and placement scheme, companies were able to overcome many of the past barriers to working effectively and productivity with the not-for-profit sector. Whether they believed it was possible to make a positive contribution within the three domains identified as the core of a more responsible capitalism in our literature review is the subject for the remainder of this chapter.

Attachment to locality

Several of IPPR's respondents noted that re-embedding companies in local society is a huge challenge. Just as the literature on responsible capitalism has suggested, our participants believed that as companies have grown many have followed a model which creates structures that appear to supersede the communities in which they are located, encouraging employees to step out of local issues and focus on more 'global' and abstract concerns. Such firms have also made attempts to eradicate regional differences in order to increase productivity and several have also sought to transcend place through an increased reliance on virtual communication. Many participants in the SBT programme shared a sense that rebuilding attachment to local community life was critical for companies, for reputational, pragmatic and moral reasons, much along the lines discussed in the previous chapter. One reported:

'You cannot operate in a city [or a] financial or commercial environment and ignore the society around you. It's very easy to do, but you can't. It's much more valid and valuable to be embedded in your local community.'

Respondent B

Few, however, had a clear picture of what operating in a local community would really imply. For many respondents, it was easier to point to the dangers of *not* doing it – bankers were a frequent target – than to articulate how to do it, or even what a community-based multinational even looked like.

Respondent B had a considered concept of what a business operating in a more 'locational' fashion would require, throughout the conversation translating it as three interlocking elements. First, as carrying through a set of personal ethics in their day job, and having continuation in the way they thought about the world and the relationships and responsibilities they held, both in and out of work hours. Second, spending time and energy working in less advantaged corners of society both as individuals and as a company, rather than being cut off in a bubble of corporate affluence. And third, having a full understanding of the local social impacts of their

commercially-driven work, an aspect the social enterprise he worked with took very seriously:

‘This should infiltrate everything you do. You cannot have a meeting with me and expect me to not have [these types of issues] at the back of my mind. I’m not going to be backing a business that exploits young people in difficult family situations somehow in my day job. I’m sure there are businesses that would and it would be very profitable to do so. But you’re not going to get me doing that, and you’re not going to get anyone from our company doing that, because the way we think of our existence is more than just maximising financial return – it’s got to be sustainable.’

Respondent B

By working with locally-identified social enterprises, participants had to refocus their attention from wide-scale, high-level and sometimes abstract decisions (Ernst and Young has 152,000 employees across 140 countries), and grapple with the specifics of getting local women back into local jobs, expanding the provision of affordable childcare across five boroughs in London, or tackling financial exclusion regions in Wales and the north of England.

This shift in focus was reported to have affected almost all participants’ attitudes towards their relationship or involvement with community life, at least for the project they were working on. Those who worked mainly from their original offices – rather than within the social enterprise itself – and who were primarily focused on purely business components of the social enterprise reported the smallest difference. But even here, they still found it valuable to be reminded of ‘all the different organisations and roles that make up society [as] it does make you a bit more realistic – if you work in Canary Wharf or the City it’s good to remember that the rest of the world isn’t like that’ (Respondent D).

For those working for their social enterprise directly, being located in the organisation itself, the impact was reported to be significant. One respondent and her team worked at the head office of the London Early Years Foundation, a nursery group that provides care to all irrespective of their ability to pay. As well as discussions on local, community and social issues being a core component of the work, the head office was physically situated above one of the nurseries, really bringing home the tangible impact of their work: ‘every day you go in, you walk past the baby room and you walk past the toddlers ... and it makes your job feel really real, because you’re doing this for children’ (Respondent F).

For the majority of respondents, while they were working in local community projects they reported feeling a stronger relationship with that community. The nature of their home business structure and culture, however, made it a challenge for some to maintain a sense of being part of a community back in the office. Building a sense of locality or community into their companies can sit uncomfortably with business norms, they reported. Several participants, while agreeing that it was useful to remember the world isn’t like Canary Wharf, felt the fundamental nature of globalised industry was only community-based in so far as it was in a business community, or an international community. One individual was particularly concerned that any attempt at grounding their business in local society would be artificial, resulting in cherry-picking a ‘glamorous’ cause to work with which (because of its arbitrary nature) would fail in any essential way to ground the company in a community.

‘How do you make a French banker who has come here and does commodities trading feel like he’s is somehow part of a community? Not sure that’s going to happen by doing a talk to a bunch of disadvantaged kids ... I think people should still be tied to a community, but I don’t know how ... We’re part of international communities ... but I struggle to see whether going out to speak to people locally makes a huge amount of difference to them or to us.’

Respondent E

What was evident was that those participants who had worked more extensively with the social enterprises (particularly where it was possible to work in a placement) felt it had brought out more prominently their consideration of community or local issues. This was particularly the case for the few with direct interactions with service users.

Perhaps due to the emphasis placed on corporate employees contributing corporate skills (meaning individuals were able to contribute real and niche value, further than an extra pair of hands), some participants felt their contribution was business as usual (albeit on a smaller scale) without exposure to the community, local people or service users involved. In these instances there was a lack of the feeling that they had engaged with community life.

Relational skills

The development of a more collaborative ethos and richer relationships was felt by all participants to be a vital part of their SBT experience. They reported that working in a social enterprise elicited different types of communication skills and they raised the need to learn how to negotiate between different sectors, corporate and social. Across the interviews, respondents acknowledged the way in which their experience had highlighted the need ‘to bring people along’ with decisions, be sensitive to their motivations and opinions, respectful of their working hours and able to interact in a more discursive, collaborative fashion.

When asked why this was the case, respondents replied that it was in part because individuals were working in a less hierarchical organisation where the ‘tone’ of conversations was different. They reported a culture more open to debate, persuasion and mentoring than to managing, directing and formal delegation. Even those in a position of authority felt it was more important to ‘bring people along’ with change, as employees had a deep emotional investment in the social enterprise in a way that was unusual in the corporate environment. This was seen as a marked difference from a corporate environment where the primary motivation was financial, meaning relationships and requests could be more functional or demanding to individuals who were financially compensated for their consent. As one reported:

‘Corporates can be very decisive, make a decision and move on. Sometimes the human angle we have to deal with a bit, but at the end of the day you make the decision and that’s that. I’ve always worked in big corporations where everyone has that mindset. Whereas you can’t do that in a charity, it’s a different dynamic ... I found myself saying these are the three things [we have to get done] ... A, B and C, and let’s work on it and then it’s done. But it doesn’t work that way in a charity sector ... Here [in a corporate environment] we might decide we need to run a major programme and some people might not be omindn board with that and you give them a chance to understand what it is and the

direction you're taking it, but then that's it, and if they don't like it ... they may have to part ways. But in a charity they're there because they love what they're doing, and they may not be paid the largest amount of money but ... they feel passionately and you have to take account of that and take them with you. You have to be more respectful of people's reasons for being there.'

Respondent A

Alongside more rounded, less transactional interactions, there was more debate around decision-making, as decisions were more qualitative or multi-layered than 'what makes the numbers look best':

'It's not just a case of sitting there and saying "what makes the numbers look best?" It becomes a whole debate around what is the social impact and how can we measure it. And it's incredibly complicated ... and that was fascinating ... and a totally different dynamic ... In a purely business environment where there will be lots of different stakeholders involved ... but everyone is looking at the potential transaction and interaction in a purely business context ... it all comes back to the numbers ... does everyone believe in the numbers and can we get the confidence in them to sign off. And that makes it quite pure and easy to eventually agree or disagree on. But in an enterprise often the disagreement is not that you take a different view on a set of numbers, it's that there are conflicting aims or objectives from the social to the business ... and in business we're all quite logical, rational and numbers-based, whereas in enterprises there are completely amazing and inspirational characters. But they're not about the detail ... that's not their drive.'

Respondent C

The more junior participants also reported that working with the SBT allowed them to interact with very senior colleagues both at the social enterprise and across the other corporations involved in the scheme, something that was highlighted as a significant attraction of the opportunity (in fact across all levels of seniority there was appreciation of speaking to 'bright, motivated individuals'). More than access to senior people, what was praised in particular was the nature of the interactions: both non-hierarchical and more 'human', meaning individuals are appreciated less functionally and more fully.

'You meet people from other organisations much more freely. Whenever you meet business people there's always a strong hierarchy; the lawyer is the client of the banker, the banker is the client of a private equity fund etc. ... Whereas at SBT I'm sitting with three senior partners but you're all utterly at a level. And that's really rewarding because it broadens your experience and it makes you make connections and build your network and it enables you to appreciate them in a fuller way to how you normally do. Normally it's quite transactional. You tend to interact with people in business in a professional environment for a specific purpose: someone's trying to sue us so we speak to a lawyer, pick up the phone and ask them to fix it. And it's very process driven. They come back and give you an answer and you tick it off, and hand over the money. But what you don't get in that interaction is anything more than money or result. You don't tend to think that behind it there's

an intellect which could help me in a much broader range of situations than I would currently think ... [in a social enterprise context] you can see the advantages of each other. And that's quite an exciting place to be in.'

Respondent B

Interacting less functionally, and with individuals who weren't primarily profit-driven, meant that some felt they had to consider people's time more carefully, not making demands that would require late-night working, or over-time on a weekend. There was more consideration for the person, rather than the task.

'If I have a problem [in the company] someone has to work the weekend and that's what's expected and they're paid to do that. But you can't make those demands in a charity.'

Respondent A

For several participants, a relationship between individuals and the social enterprise had continued, past their placement, because of their emotional involvement in the work.

Having the space for a richer dialogue and fuller relationships was immensely rewarding for participants. It built relationships (some of which were sustained post-placement) across sectors, created a pleasant and stimulating environment and was agreed to dispel some myths about the nature of the private and third sector. Several participants cited the relationships they developed as the most rewarding aspect of the programme:

'The relationship we've developed with people is the most rewarding thing – it's a much more human relationship. They were saying "I can't believe none of your other clients throw you a leaving party", but we would never have had that with a corporate client. They'd just go "Leave the bill there and hand in your badge".'

Respondent F

Many participants also reported that the programme had created a step-change in attitudes to third sector and non-corporate actors. Those with little or no experience with the third sector were surprised by the similar demands faced by those in charities, social enterprises and corporate enterprises. Some reported being surprised that there is the same level of intellectual challenge outside the private sector.

'I thought [the social enterprise was] pretty switched on and the questions they asked were probably more sensible than the majority of corporate clients [which was a surprise].'

Respondent E

Similarly, participants agreed the relationships developed helped to dispel myths or assumptions as much from the social enterprise perspective as from the corporate:

'The charity had to get over the fact that we're not coming there with a monopoly on the truth or expertise ... both sides have to be flexible and adaptable.'

Respondent A

‘When we first approached a charity they were dreading the support in-kind because they thought it would be an awful corporate outreach programme where someone comes in and criticises or paints a fence every six months ... but the money has now become the least important element.’

Respondent B

‘I knew [the social enterprise was] concerned at the start – they said to us “please don’t come in in suits” and they were worried we would all march in in black with suitcases, which we wouldn’t obviously. So it was much more “please come in jeans and don’t scare people”.’

Respondent F

Crucially, in some areas where participants felt there was a difference of culture – communication and interaction, or more focus on the bigger picture or end motivation – it made some of them consider whether the ‘corporate’ stereotype was in fact necessary or always the best way of doing things. Some, particularly those who worked intensively in the social enterprise environment, claim to have shifted in approach now they have returned to their ‘day job’. The differences in being sensitive to people’s motivations, and understanding people more fully was acknowledged, and for some has shaped how they conduct corporate dealings, from placing more emphasis on the non-financial, to trusting more junior individuals to be able to interact with senior individuals on a level playing field

‘I hadn’t thought it before, but actually when you go back to a business there are more qualitative things about customer service and product quality [as opposed to purely financial discussions], and more parallels than you realise.’

Respondent C

‘It’s made me more sensitive to taking people along with you on issues, because [in a social enterprise] otherwise you’re not going to get anything done ... It reinforces the importance of understanding people’s motivations and why they’re doing things ... here you lose that connection a bit.’

Respondent A

‘It’s really valuable to get people to understand what people want out of things. There’s always this assumption that money is everything and people say it’s not like that in the third sector. But actually it’s not like that in the private sector either. It’s about people and culture and understanding culture. And when you’re working on the outsides of your culture [in a social enterprise] it really brings it into focus.’

Respondent B

That said, a few other respondents did voice some frustration at not being able to conduct their work at the social enterprise in a business-like fashion, seeing strengths and weakness in both norms.

One respondent felt that, as well as all the wider benefits, corporate engagement with the SBT would be able to translate into new business because of the credibility and understanding built up in the social enterprise sector. They felt that future business would

need to engage with social enterprises and non-corporate enterprises as different types of organisations became more prominent in the recession: 'We've built that bridge, and that's a really good position to build on, and links into something that's almost definitely going to grow, partly ... because it has to with the recession' (Respondent G).

Meaning, impact and purpose

Working with SBT provided each company with a 'purpose beyond itself' and a 'nobler cause' to drive company loyalty and pride. While much of the participants' pride was due to the social impact of their SBT work, individuals working in a placement had the opportunity to feel pride in their visible impact on a project due to the smaller scale of the organisation.

The large majority of respondents felt more positive about their workplace because of its engagement with SBT, because of its commitment to positive social impact, and the fact it facilitates a more diverse work experience.

'For the whole time we were working with them we were officially the happiest individuals in the company ... because people are fulfilled because they like the work. They have the opportunity to push themselves and do something, they had friendly, non-aggressive clients. And we absolutely didn't have a 9-to-5 lifestyle, sometimes we'd work until 10 or 11 so it's not an easy option, but all the bits add up to it being the kind of project people want to work on and want to stay late to do.'

Respondent F

'I'm happier about being somewhere where I'm allowed to do something like this. It's more of a diverse work experience. And it's really good for employee engagement.'

Respondent A

'It feels so good that you're making a difference and helping a cause that's real, a problem that a lot of people face, so it's ... not just ticking a CSR box.'

Respondent G

'It affects the way you think about your work. You think it does make a difference. Here we work with corporates and multinationals and that does have an impact but it doesn't have a direct impact on society in the same way. But at [this social enterprise] it does have an impact on society.'

Respondent A

The more senior participants valued the opportunity to work in a small organisation, allowing them to both see the impact of their decisions and input immediately, and to understand the process from end to end. Many felt they were often unable to see their personal impact in a large corporate environment, and this difference was rewarding.

'Having a strategy role but working on a small scale has helped me think about problems in my own business as well. Because it's the same issues but on a smaller scale, so you can see the whole picture ... It's easier to see the end-to-end processes in a smaller organisation.'

Because here we have such a vast company [a product cycle from start to end] spans vast numbers of people, whereas in a charity you can sit and see four people do it all. And it's made me think through all the end-points that aren't in my purview here ... It's a chance to step back and see the bigger picture.'

Respondent A

For the more junior participants there was value in the opportunity to work in a more senior capacity and have to think more strategically about their actions rather than focus on a specific component of a project.

'You get the chance to do a [more challenging] "stretch role" because it's a safer environment. It's not like going into a bank that's in the middle of failing. It's a more forgiving client team, and usually you have got time to learn and develop yourself as well as do the work.'

Respondent F

'Most of the businesses involved with the Social Business Trust as so huge that if you're with them for five years you're still not going to have any meaningful impact on any project ... the aim is having zero impact rather than a negative one. Whereas with the SBT you have to have an impact.'

Respondent B

'It's been fascinating ... I've taken on a more senior role and I'm sitting on the steering board, and I'm not the person doing the nitty-gritty analysis, I'm the person sitting there asking questions to the management team and making suggestions and reflecting on what I've learned and trying to apply them.'

Respondent C

Moving from working for a large, structured corporation with a clearly defined role to a small social enterprise was a challenging, but valuable experience for almost all participants involved. Financial and human capacity constraints meant that individuals had to be more flexible in their approach, lacking the processes and structure of a large-scale corporate business. Both parties had to be adaptive to each other's ways of working ('people on both sides had to adapt and not say "sorry we just don't operate in that way"' – Respondent A). In some instances this meant creative solutions were proposed, which had value to both:

'Small companies often have the same issues as us, but they try new ideas about how to approach things that we couldn't try here ... they've come about it in a really good way to try and reconcile a scenario ... and having seen how they did it, it worked well with them so I would try it here.'

Respondent A

Working on a different type of project was refreshing, and even very senior participants gained confidence by being reminded of what it was to be out of your comfort zone, and have to approach work from a new perspective:

‘It’s good for you professionally to get out of your everyday context because you’re in a new environment you have to stop and think about something new and consider different problems ... [And] I think you gain some confidence in knowing you can come in and have useful answers to questions in these situations. I think sometimes [when you’re advanced in your career] you don’t do that for a while, so it’s good to remember.’

Respondent D

‘It’s quite significant getting out of your comfort zone ... when you do that and come out of it it’s a really good learning experience. It shows you that you can cope and learn, and can do other things ... My working career has always been very processed and well-managed ... I didn’t appreciate how structured and formalised your company is until you come out of this, because there wasn’t any structure so I had the opportunity to shape some. At first it was daunting because I’ve never worked like that before but I enjoyed the freedom ... and having to think outside the box a bit, rather than going along with the structure that’s set in stone here, helped because when I returned to the team I was confident to take on new and different types of work.’

Respondent G

Having distance, being more flexible and experiencing a new way of working gave this participant the ability to challenge the status quo in her ‘home’ organisation, and her increased confidence was evident even to colleagues:

‘They came back noticeably more confident and more willing to put forward ideas. Coming back to this business where you’re one of a lot of people doing the same thing, doing this had allowed them to realise their potential and come up with new ideas.’

Respondent H

Spending time considering the impact with an overtly socially responsible project meant that on their return to work, the impact of their corporate work was coloured by their experience.

‘I’m more aware of the social impact of normal businesses we look at. We look at those anyway but it’s certainly enhanced my awareness of that. Every time I look at a new opportunity I’ve got that at the forefront in my head ... I’m definitely think about what impact it has to an extent I didn’t before.’

Respondent C

Conclusion

So does the SBT programme contribute to the development of a more ‘socially responsible’ capitalism?

Participants did recount changes in attitudes, behaviours as well as other benefits not elucidated here (gaining concrete skills, for example). In particular the third factor – meaning, impact and purpose – seemed to undergo the biggest change, and had perhaps the greatest emphasis outside the placement. In this respect the SBT seems a good

model for taking steps in the right direction for responsible capitalism. There is an appetite for something more than CSR, and this experience, for most, was valuable and provided the contexts for new and different ways of approaching and viewing work.

But the bigger and more challenging question still to explore is whether participants' ability to communicate more fully, consider social impacts more carefully, and be more grounded in their communities while involved with the SBT continued after they returned to their 'day jobs'. Our concern is that while the SBT seems to go far further than a traditional CSR volunteer day in creating value for participants, as a model it still separates social engagement, relational interactions and impact in a discreet project which sits outside 'business as usual'. Real change will come by trying to emulate or embed those practices back into participating corporations to mean that considering social impact is *part* of a conversation about profit; developing fuller relations is encouraged *within* a corporate hierarchy; and 'bringing people along with decisions' happens *as well as* financial compensation for their acquiescence.

In some instances this had occurred. One respondent described the process as not only valuable in itself, but also in creating a group of ambassadors for doing more pro bono work, because of their practical exposure to the positive impact businesses can have:

'I thought business could do good, but doing social enterprise has made it realer. It doesn't feel like we've just come up with something theoretical we can help with, we've actually done something practical.'

Respondent F

So at one end of the spectrum, there is evidence that thinking more about social impact is being treated as more integral in some businesses, and less of a box-ticking exercise.

'One thing I've really noticed is that the graduates that are coming though now are much more aware of social impact and enterprise than a decade or two ago. There's a big generational shift. There's appetite for this type of work.'

Respondent F

But there is a spectrum of views. At the other end of the scale, one respondent, after spending some time wrestling with the issue, argued capitalism should continue to do what it does, and morality and society should remain the domain of charities and the public sector.

'A new capitalism? I believe taxing people and redistributing wealth is the only way. I don't believe that business is going to fill the role of the state in a fair manner. Nor do I think business may provide useful services to people ... I doubt that the new altruism or charity work is going to fulfil the role that the state has or should have been doing for the last fifty years. The state allocates resources by a political process, which is theoretically democratic ... then you have the free market which is another way of allocating resources. And the way [markets] do it isn't fair ... I'm not sure [companies or individuals] should be allocating huge amounts of resources on concepts like fair, or virtuous or good. Because then you find it all goes to guide dogs, donkey sanctuaries, or the National Trust ... Which is probably worse than just leaving

the society to the market. Because you may or not like Tesco's, but it provides a solution – it gets jobs and cheap food to a lot of people and it works.'

Respondent E

While the evaluation of the programme indicates it provides a valuable opportunity for many to engage in these issues, there are areas where it must go further if it is to be successful in playing its part in shaping a different capitalism. We examine that in the next chapter.

3. RECOMMENDATIONS FOR THE FUTURE

This chapter builds on our analysis of this programme by developing recommendations to strengthen the role that the Social Business Trust, and other similar initiatives, can play in the transformation of Britain's business environment.

In particular, we identify aspects that could be improved or developed within the current framework, some trade-offs that needs to be considered and a larger overall challenge of how to take what this model achieves in the placements back into the workplace.

We begin by outlining the barriers to creating sustainable individual and corporate change. We then move to some concrete recommendations to overcome these challenges and deepen the impact it can have.

Challenges

The SBT experience was largely popular among its participants. Almost everyone IPPR spoke to felt they had benefitted by, as well as been of benefit through, participating.

Across the interviews, however, three features emerged which were felt to be a barrier for corporate businesses to get the maximum value from the SBT model, and create enduring impact:

- The remaining corporate work demands, especially on senior participants, caused logistical problems and curtailed participants' ability to be as fully involved in the social enterprise as they would have liked. The impact for those who conduct their work not as a full-time placement but 'virtually' from their own office was reported to be substantially lower than for other participants.
- Prioritising participants' expertise meant there was a sometimes a lack of visibility of the enterprise users or its social impact.
- Both the start and end of the placement was reported as abrupt with little chance to 'process' learning. There was a lack of integration or ongoing discussion of how to embed mindset shifts within the original corporate environment. Some reported that 'it was back to business as usual'.

Work demands

The SBT encourages the involvement of very senior figures with their home firm, a feature which was praised by several respondents, as giving the project internal credibility which was often lacking in other CSR or standard pro bono activities. As one participant reported:

'What stood out to me was all these senior people in corporates, they really wanted to help, and that's why you could get such seniority ... because when you hear them talk and work, it obviously touches something within them, more than it being "look at our CSR work we do, tick". I was sceptical before, I thought CSR is just something corporates do to ... put a tick there, rather than actually caring about it. But everybody I met ... [including] some very senior people ... genuinely wanted to try and make a success of it.'

Respondent G

'[The colleague who encouraged me to get involved with the SBT] was the most important person here, and he's hugely passionate and invests a huge amount of time in it and it's really important to him. So all the people that get involved ... are really excited to be doing it and really

passionate. And they spend time on it exactly as they would if it was a piece of project work they had to do.'

Respondent C

While engaging senior figures motivates involvement throughout the company, it does pose problems.

Several senior figures found it difficult to juggle their conflicting priorities, and felt less able to commit time than they would have liked. They acknowledged this was frustrating both for them and for the social enterprise involved. They could not, however, see an easy resolution to the clash. Because of the nature of their roles, it was not seen as feasible to take a considerable amount of time out to work full-time or to take up a placement within a social enterprise. Thus their involvement had less impact on them than those who were able to dedicate a continuous amount of time to the placement.

'It's challenging to get people from big companies to free up enough time to dedicate and I tend to drop in and out ... and we're not as effective as we could be. There's a guy [from another partner organisation] who's there full-time and I think that's worked better for him ... the only thing I disliked about the experience was the frustration of not being able to dedicate the time needed, and having to dip in and out of it.'

Respondent A

'Logistically, it's very difficult as we're trying to get together multiple people across teams and senior people in other corporations. So you had to work with everybody's calendars, so I haven't been able to attend every session. I've had to run out of meetings for other calls. And that's a challenge – but if you have to do a presentation for your management team, it's very hard to say "I'm sorry but I'm doing some social enterprise". There is a level of business things that have to take priority.'

Respondent D

All participants agreed that impact was or would have been greater if working full-time on the placement.

Those who did not have this opportunity struggled to make the mental shift between their day job and the enterprise, and felt it had less or no long-lasting impact on their attitude or behaviour. This is corroborated by those who had gone for a full-time placement.

'Having a complete break from my day job made all the difference. I couldn't have done it otherwise. Because it was a completely different working environment, in order to appreciate it you have to be cut off and throw yourself in.'

Respondent G

'If I'd gone away and worked there for three months and then I came back maybe [it would have had a real impact]. But because it's drip-fed through the middle of my day I don't think any colleagues would say it's changed my behaviour ... Being in a physical environment with the

people does mean it's a different mindset, but otherwise it's just another phone call.'

Respondent A

'In all honesty it hasn't had an impact on me, and hasn't changed my view on life ... because it's the occasional meeting it doesn't really have an impact ... if I was working with them a day a week for a year, maybe it would have more of an impact ... Doing 98 per cent of your work-life doing business, and 2 per cent doing "other", I don't think that 2 per cent is going to change anything.'

Respondent E

Visible social impact

All those involved would have been interested in getting a better understanding of the impact their work had on service users. There was generally a sense of impact during the work itself but there was little understanding of the long-term development of the enterprise or about the way in which individuals outside the enterprise, including service users, had been affected by the participants' role within the organisation.

Even the least engaged participants were disappointed not to hear more about the project after their task had finished.

'I've seen a demo video but I'd love to go out and see what they do in practice and in action, because I feel that I'm seeing the pipeline and processes and business side but I haven't seen the end product. I've not seen what the [users] got out from the programme first-hand ... I haven't seen the actual impact because I'm so caught up in the business end myself so I don't really see the social angle. I'd really like to see that.'

Respondent A

'My main complaint is that we did our work but haven't really seen anything since then of what's going on. So that would be a good thing to perhaps be informed about how it's progressed.'

Respondent E

Perhaps the focus on the contribution of business skills from participants, especially preparatory legal work, or background financial assessment, meant that some were entirely focused on the 'enterprise' rather than the 'social' part of their organisation. This could have led to them feeling distant from the distinctive aspects of the endeavour in which they were located.

It is also possible that companies could have committed to locate more SBT participants within the broader social environment of the enterprise. Enabling them to develop informal networks with the staff of the enterprise could have released fuller conversations about the meaning of their work, its challenges and its contributions. These informal networks are often the places within which practical wisdom is exchanged between staff members and may have been too closed-off to SBT participants. Future versions of this kind of initiative could pay closer attention to these informal networks, especially as they relate to the communication of the enterprise's concerns in the long run.

Embedding learning

Several respondents felt more consideration should be given to the start and end of the placement. Some felt slightly 'out of their depth' in their new environment and would have appreciated the opportunity to speak to past participants to get a better sense of what was expected of them, where the differences might lie, and any challenges to prepare for.

One respondent suggested more clarity around expectations would also have benefitted the social enterprise involved, so both parties could be more confident in how to get the best out of their relationship.

'I got parachuted into this, and I didn't know enough about how charities work and challenges in smaller businesses. There could be some sort of induction or training. Maybe even people who have worked with companies previously in SBT talking about it, so I could have been more sensitised to the challenges.'

Respondent A

'With the ramp up in particular I think it would be really helpful for the Social Business Trust [participants] that have been through the process to brief each other beforehand. Give some warning of how it's going to feel – really fast and intense. But that's the way you get the most out of it – so encourage the enterprise to not be afraid to focus on what they're not used to and challenge people. I suppose encourage them to behave like a corporate client.'

Respondent F

Similarly for those in full-time placements, many felt the end of their involvement was slightly abrupt, which was not ideal either for them (who now had vested interest in the outcome of the project) or the enterprise taking their work forwards.

'[And then at the end] smooth the ramp down – not a hard stop but tailored to allow plans to be integrated after [the social enterprise] is by themselves again. Ease them in.'

Respondent F

Most importantly, where respondents saw a shift in their attitudes towards the potential role of business in society, or different cultures of interaction, they did not always feel able to maintain their behavioural practices, or act on their values back in their home company, either because they believed it would not be appropriate or expected of them or because the space was not given to do so or because they did not know how to do so.

'More and more we are being asked about sustainability as part of the work, but if somebody asked you to go to a bank to help work out the risk profile, they're not really interested in the bank's impact on the community, and they're not interested in what you think about it. And in that sense it might be quite inappropriate, because they've defined quite a tight scope and they've paying very specifically for a piece of work ... It's a very different conversation.'

Respondent F

There was long-lasting impact in the skills developed – in particular in the confidence, hard and soft skills and experience of participants – which led to changes in career path and promotions for some. But there was less certainty that a fundamental mindset shift had occurred that would be able to sustain itself given the return to the demands of a corporate environment.

IPPR recommendations

Based on our review of the leading work in responsible capitalism and our analysis of participants' interviews, IPPR has the following recommendations for companies who are looking to engage with programmes like the SBT in the future.

1. Reinforcing locational thinking

The participants interviewed appeared to struggle with knowing how to connect their work with the communities in which they were located. Their experience in the SBT programme highlighted the need to consider this issue but did little to resolve it. We therefore **recommend** that companies make actual exposure to diverse members of the local community a key part of future programmes. This could come in the form of engaging with **forums of service users** or **communicating social enterprise efforts** to local community groups. Participants in programmes such as these should be led directly to consider the impact of their efforts on people outside the enterprise. We realise this would place an extra demand on participants but believe that the opportunity to talk face-to-face with those people who interact with the social enterprise would enable them to develop a richer appreciation for the nature of the broader community and the impact of the enterprise's work.

2. Deepening informal networks

The participants had a wide range of experiences in interacting with the staff of the social enterprises they were associated with. Those who felt most closely connected enjoyed the most fulfilling experiences and were more likely to transfer their learning back to their original environment. We believe that this has much to do with the exposure of some participants and not others to the informal social networks within the enterprise. It is within those networks that much 'practical wisdom' is stored and transferred. We therefore **recommend** that **all participants** on programmes such as this **are encouraged to interact informally** with members of the social enterprise's staff as part of the programme's structure. Such informal interaction could take a number of forms and different efforts will be appropriate in different settings. But as a rule companies should commit that no participants should be able to go through programmes without being enabled to develop thorough informal relationships with key members of the social enterprise's staff.

3. Embedding learning

Although participants reported positively on the SBT programme, too many also commented that they found it difficult to transfer their learning from the social enterprise back to their original corporate environment. The goal of the programme though should be not only to engage business in the community in the short term but to facilitate wider conversations and increase motivation through social impact and to move these concerns back into corporate culture. Conscious time and effort should be dedicated to working out how to use lessons learned in social enterprises within a normal business matrix. We thus **recommend** that participants in programme **first, be provided with details of the underlying ideals of 'responsible capitalism' as set out in the first chapter here** prior to their engagement in the programme so that they know more precisely how to derive

lessons for the future from their work. This could be in the form of a booklet produced by the organisation or in an induction programme. And **second, be encouraged to process their learning through specially organised de-briefing sessions.** These sessions should bring together participants from different organisations and be facilitated by expert staff. We firmly believe that participants would deepen their learning through proper deliberation about their experience and this would alert them to the need to maintain a focus on key aspects in the future working lives.

Conclusion

The debate about responsible capitalism will grow, not diminish, over the coming years. There are many powerful supporters urging a move away from a short-term, narrowly competitive, socially destructive business model to one where business plays – and is widely seen to play – an active part in social improvement. Those supporters may differ on their emphases. Many will believe that structural reform of the economy is the prerequisite for change. Others will contend that cultural and behavioural change within the firm should come first. Whichever view prevails, however, programmes which attempt to shape the ethics and outlooks of leading business men and women will be a necessary component of the development of a new outlook. We hope that this report, on the basis of one notable experiment, will encourage others to innovate in this area as successfully and as swiftly as possible.

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