



**2<sup>nd</sup> POMS Fellows Panel**  
**Socially Responsible Operations**  
**Sunday, April 22, 2012,**  
**9:45 am to 11:15 am Ballrooms D and E (5<sup>th</sup> Floor)**

***Theme: Ideas, knowledge and experiences that POMS Fellows can contribute to the success of the field.***

This panel discussion is the second in an on-going series in which POMS Fellows discuss with meeting participants the status and future of the field. The basic idea is simple: POMS Fellows have been recognized as successful and influential scholars and it is only natural that they would share their experience with other members of the Society. The purpose of the POMS Fellows sessions is to have open discussion on important topics related to the Society and our field. This second panel session is meant to share views on the Socially Responsible Operations.

Introductory Remarks by POMS President: Suresh Sethi, Inducted as a Fellow in 2005, University of Texas, Dallas, USA.

Panel Moderator: Martin K. Starr, Inducted as a Fellow in 2004, Rollins College, USA.

POMS Fellows Panel:

***Title:*** History and the Socially Responsible Operation

***Speaker:*** Roger W. Schmenner, Visiting Professor, Judge School of Business, University of Cambridge, UK and Professor Emeritus of Operations Management and the former Randall L. Tobias Chair at Indiana University's Kelley School of Business in the United States. Inducted as a POMS Fellow in 2004.

***Abstract:*** This presentation argues that what is considered socially responsible or socially irresponsible operations has changed over the course of the centuries. Our tolerance for the externalities of various operations and our understanding of what is ethical or unethical behaviour has evolved with advances in our per capita income and in our scientific knowledge. That tolerance and understanding has changed most when society has been confronted with major advances in operations themselves, such as the factory system, moving assembly/disassembly lines, continuous flow processes, and international outsourcing.

***Title:*** Socially Responsible and Profitable: Is it Achievable?

***Speaker:*** Christopher S. Tang, University Distinguished Professor, and Edward W. Carter Professor of Business Administration, UCLA. Inducted as a Fellow in 2011.

***Abstract:*** As companies seek new revenue streams in emerging markets, there is need to examine how socially and/or environmentally responsible business models can generate 'profits' in addition to meeting 'people' and 'planet' goals. Looking at existing social enterprises and social businesses in emerging markets, we first note four operational mechanisms social enterprises use to create value: *aggregation*, *disintermediation*, *info-mediation* and *last mile delivery*. Then we develop stylized analytical models to formalize our understanding of the value created with these operational mechanisms. We find that these operational mechanisms can help companies to achieve both the "profit" and "people" goals. We conclude with areas for future research in this rich, largely untapped field of social business.

**Title:** Socially Responsible Operations as a Key Research Focus for our Discipline

**Speaker:** Luk Van Wassenhove, Henry Ford Chair in Manufacturing, Founder and Academic Director of Social Innovation Centre, INSEAD, France. Inducted as a Fellow in 2005.

**Abstract:** Socially Responsible Operations are far from being a new concern. However, globalization, emerging markets, population growth, climate change, urbanization, and other phenomena have put the topic high on the agenda of CEOs and politicians. It is important to recognize that there is a scale of issues ranging from the Company (Corporate Responsibility and Ethics) to Society at large (poverty, health). For companies a key question is what constitutes the license to operate in the 21<sup>st</sup> century. The responses obviously range from social inclusion to sustainable products and services. For Society the key question is how to use business knowledge to help solve major challenges around poverty, health and education in developing countries (which obviously includes social entrepreneurship).

It is largely the recent explosion of the middle class in emerging economies that has created a squeeze on resources (food, water, energy, rare metals) rarely experienced in the past. Solutions to the complex problems arising in a globally networked but heavily constrained world require the smart combination of technology, innovative business models and systems thinking. To me this sounds like a good definition of 21<sup>st</sup> Century Operations Management. If our discipline and our Society are not able to play a central role in this debate then we are simply not worth the money we are being paid or the resources allocated to us.

Social Responsible Operations are the future of our discipline and they require new developments to replace or supplement our basic traditional tool kits. The fascinating part is that many of the new challenges lead to exciting research issues with potentially large impacts on business and society. But do they also provide great publication opportunities, i.e. are our top journals ready to publish papers dealing with these issues? Well, POM certainly is. The Journal has a Sustainable Operations Department and the Society has a College on Sustainable Operations and one on Humanitarian Operations and Crisis Management. POMS and POM played a pioneering role in welcoming Socially Responsible Operations well before other Societies and Journals.

I shall use a few examples from my own research for the simple reason that it is what I know best. First, I was at the start of the closed-loop supply chains research stream some 20 years ago. So I have a good view on how it evolved from a practitioner thing no academic journal was interested in, to one of the largest streams at our Annual Conference, and multiple special issues in top journals, with contributions by many of our very best researchers. The second example is my work on humanitarian logistics started a decade ago with some pro bono consulting for the Red Cross. The field simply did not exist then. Now it is quickly exploding in terms of special issues, new journals, and papers in top journals. In short, it takes a longer term perspective to push the boundaries of our field but it is both necessary and rewarding.