



Doughty Centre



Corporate Responsibility

Cranfield
SCHOOL OF MANAGEMENT

sustainability at the heart of successful management

www.doughtycentre.info

Cranfield
UNIVERSITY
School of Management

The Doughty Centre for Corporate Responsibility
Cranfield School of Management, UK

ANNUAL REPORT

2011-2012

Our Vision | Mission | Values

Vision

Sustainability and responsibility at the heart of management.

Mission

To equip current and future managers with the skill, confidence and inspiration to place sustainability and responsibility at the heart of successful management.

VALUE

Be Collaborative

WHICH MEANS

We are team-players; we look out for leads for each other; we promote colleagues' work and we are ready to share our ideas and insights; we are "creative commons" not jealous defenders of our intellectual property.

Be Cutting Edge

We are close to business and its stakeholders; we ride the topical waves; we get ideas out fast; we make full use of social media and we experiment with new ways of doing research and teaching.

Be Candid

We are honest with each other, with our colleagues and with external stakeholders; we are critical friends rather than fawning "yes-people" to those we work with. But we will give our advice privately rather than with megaphones on the barricades.

Be Passionate

We believe in corporate responsibility and in the importance of sustainable development. We want to have a positive impact, and we think inspiration is better than bludgeoning.

Be Integrating

Corporate responsibility and sustainability cannot be silo-ed; the study and practice of corporate responsibility and sustainability needs to be multi-disciplinary. It needs to combine the best and latest management research with practical experience. We seek to spot and facilitate the connections to improve the quality of research, teaching & practice, and to optimize positive impacts.

Be Entrepreneurial

We aspire to be "academic social entrepreneurs" being opportunistic in the best sense of the word, pulling together resources from an eclectic variety of sources to produce optimal, long-term results for the field, our stakeholders and the School of Management.

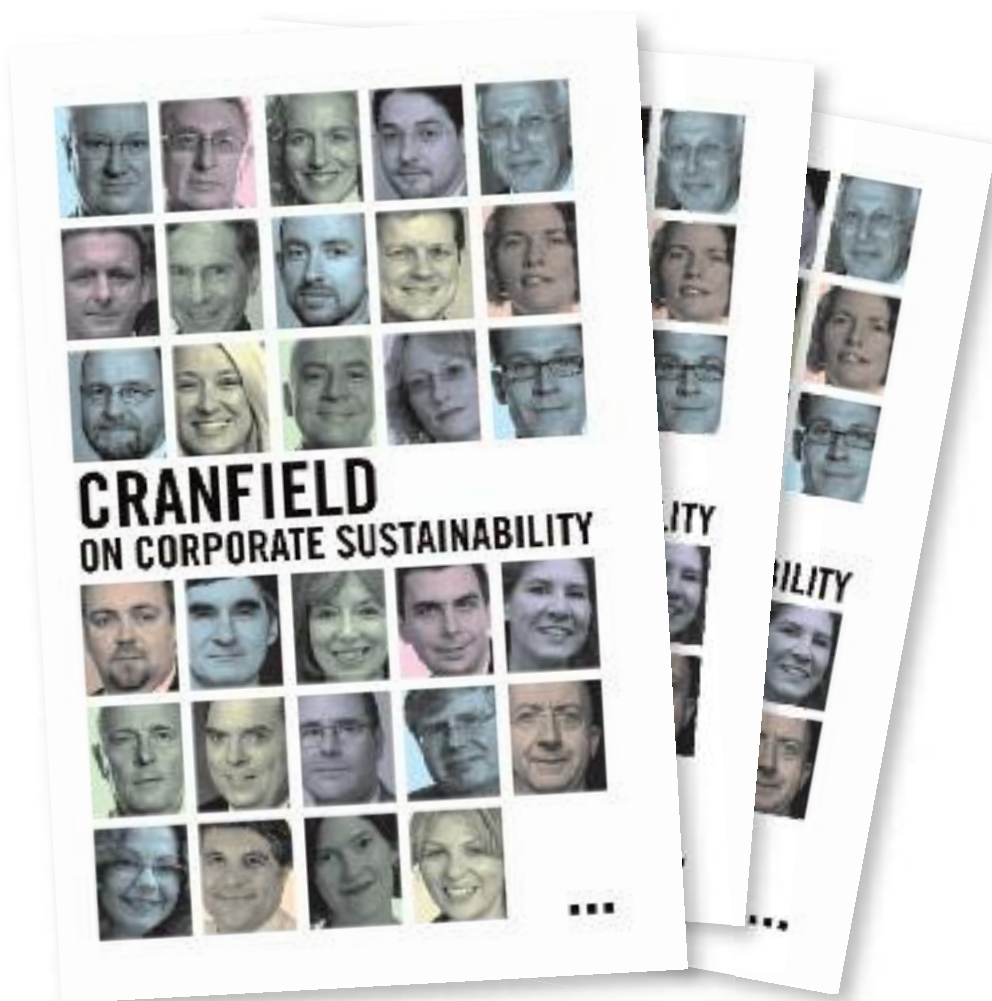
The dramatically receding Arctic polar ice cap highlights the urgency of global sustainability challenges and the need for large-scale collaboration between businesses and others around the world to address these.

Photo credit: NASA/Goddard Space Flight Center Scientific Visualization Studio.



During the first five years of our work (2007-12), and especially over this last year, a distinctive role has emerged for the Doughty Centre: bridging the gap between corporate and academic worlds to promote sustainable business management. Our team's close inter-connections with companies, academia as well as NGOs and other 'third sector' organisations have enabled us to create and develop a 'community of practice' in the field of corporate responsibility and sustainability in which we serve as researchers, mentors and educators. We support the ideas of the 50+20 Agenda (<http://50plus20.org/>) to transform management education, promoting collaborative engagement with business and society:

- Promoting 'open access between academia and practice' via our Visiting Fellows, How To Guides, Advisory Services and Resource Exchange;
- Encouraging our faculty to serve as 'public intellectuals', engaging with the dialogue on sustainability in the media, online, at conferences in and with companies, and other events;
- Serving as 'institutional role models' by promoting a holistic approach to sustainability at Cranfield School of Management in our research and teaching – as embodied in the School's new book, *Cranfield on Corporate Sustainability* – as well as through supporting our School management's commitment to UN PRME (Principles for Responsible Management Education).



From the Director



Dennis Stevenson, Chairman of the Doughty Centre Advisory Council, and I have just recorded our contribution to a film about the life and legacy of our founder Nigel Doughty, who died suddenly in February, aged 54. Like many others in a wide range of organisations - political, business, charitable and sporting - the Doughty Centre and Cranfield School of Management have lost both a good friend and a practical and committed supporter. It has been fascinating to talk to people in some of the charitable and community organisations with which Nigel was involved, to prepare my remarks for Nigel's Memorial Service. A few key ideas keep recurring: A big man in every sense; perceptive, insightful, decisive, compassionate, committed, tireless; someone who was always prepared to "muck in" and help. I couldn't help noticing how hard we all found it to speak in the past tense about Nigel. He leaves many positive legacies of which the Doughty Centre at Cranfield is one practical example.

From the outset, Nigel was very clear about what he wanted the Centre to be: To do accessible and rigorous research that would help companies and managers to embed sustainability; to teach today's and tomorrow's business leaders about sustainability; and to be an integral part of the Cranfield School of Management, working with our colleagues to embed sustainability and corporate responsibility in research, teaching and practice.

He was keen that we would share our experiences (positive and negative) with other business schools as well. And he always encouraged us to be active in the debates going on in business and society.

Going forward, the best way for us to honour Nigel's memory is by continuing to develop the work he initiated at Cranfield and to continue to share this work as widely as possible. The launch in July 2012 of *Cranfield on Corporate Sustainability* is an example of this.

The global sustainability challenges continue to grow, as we illustrate with our deliberately provocative cover illustration for this report, which shows the dramatic decline in the Arctic summer ice cap. More companies around the world are paying more attention to sustainability. As the MIT Sloan/BCG annual sustainability review made clear, "Sustainability nears a tipping point." However, there are very few companies that yet fully understand the extent of the changes they will have to make to their business models, in order to become truly sustainable. Peter Lacy, one of the stalwarts of our advisory council and Managing Director of Accenture's Global Sustainability Practice in Asia-Pacific, makes this point eloquently in his essay "True North":

“A cold hard look at the numbers in many industries on issues like carbon and natural resource use shows that while efficiency is improving and there are real pioneers, in most sectors growth continues to mean absolute emissions levels continue to rise. Social issues, such as human rights and labour standards, come up against even more obvious tensions against prevailing economic incentives (lacking the obvious direct ‘efficiency’ benefits of natural resource management), and show a similar questionable trend of improvement at an aggregate level.”

Our various research projects are designed to help develop the knowledge and insights that will help many more companies to find their “True North”. We have been heartened by the number of unsolicited testimonials we have received regarding the accessibility and usefulness of our publications, especially the “how-to” series. Whilst we will continue to develop this material, we believe we now have a critical mass of resources to share, much more proactively, with many more companies. We will do this through books, articles, speeches, films, our own publications, master-classes, executive education programmes and advisory services and we welcome proposals that will help us do so.

Nigel Doughty was particularly fond of a wonderful quotation from Theodore Roosevelt, The Man in the Arena:

“It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.”

Being in the arena may be an unusual and uncomfortable place for a centre, based in an academic institution. But it is where Nigel wanted us to be and where I hope we will remain.



Nigel Doughty 1957 - 2012

Research and Knowledge Exchange



OBJECTIVE: research: to deliver a robust programme of action research ourselves and also involving a cross-section of SOM faculty, which is accessible to practitioners and positively received, and which is also published in academic journals and cited.



Rajiv Maher
Doughty Doctoral Scholar
PhD student

In the past year I have completed the second review for my PhD and I have been interviewing multinational mining companies, their local communities, politicians, NGOs, trade union leaders, workers and other influential stakeholders in the Brazilian mid-west, Amazon and the Andes region of Chile. This ethnographic research hopes to uncover the deeper issues into why mining company – community relations are strained. I hope by understanding this I will be able to contribute towards recommending how mining company – community relations can improve.

I presented my findings at the SR Mining conference, Santiago, Chile (Oct 2011) and Nottingham University's ICCCR 10th annual conference in April 2012. In addition I have been working on writing a simulation based mining company – local community case study for the ECCH (European Case Clearing House). I was also involved in facilitating a version of this simulation game for Cranfield's MBA students in May 2012. In August and September 2012 I also gave guest lectures at UniSantos and FINOM universities in Brazil.

• Social intrapreneurs: understanding the enabling environment

In 2010, the Centre team began studying a form of innovation with an unusual twist - 'social intrapreneurism', the creation of products, services and processes that generate commercial value for companies and social and environmental value for the wider community. The team's initial findings – based on interview research with 25 social intrapreneurs around the world who pioneered social and commercial innovations in their companies - were published in a January 2011 Doughty Centre Occasional Paper. The team – which includes Prof. Heiko Spitzeck (Fundação Dom Cabral, Brazil) and doctoral student Elisa Alt (Universidad de Sevilla, Spain) - are now researching the features of the "enabling environment" that support social intrapreneurism in companies. This has involved a literature review and 11 interviews with heads of innovation, strategy, talent development and sustainability in Brazil, France, Germany, India, the Netherlands and the UK; as well as meeting more social intrapreneurs. Gib Bulloch (pictured right), Founder and Executive Director of Accenture Development Partnerships, has joined the Doughty Centre team as a Visiting Fellow to support this phase of the research. David Grayson moderated a panel discussion between several social intrapreneurs at the EMERGE conference at Oxford's Said Business School and presented emerging ideas at the Asian CSR Forum in Manila, at Nyenrode Business School and to an invited audience at The Hub in Amsterdam during 2011-12. The research is part of a wider Centre research agenda investigating the different types of employees and their engagement with sustainability. This includes research for a new book on the subject by Nadine Exter.



• The Business Case for being a Responsible Business

This was a successful joint research project with Business in the Community (BITC). In 2011 we launched the business report, the result of a 9-month research project led by Nadine Exter on the business benefits of being a responsible business, based on academic and practitioner literature, and reports by BITC member companies. We identified seven specific provable and tangible benefits and two emerging benefits being seen by market leaders, which are useful starting points for companies that need to build a business case for becoming a responsible business. The guide provides evidence for equating responsible business with sustainable business. This is one of the most successful guides BITC has launched, with coverage in the FT, The Guardian and numerous other outlets. The Doughty Centre team have since been working on an academic paper based on the research; and experiencing the practical challenges of producing research quickly enough to be credible and useful with business audiences whilst not compromising the ability to publish in academic journals which have longer lead-times. An Ethical Corporation essay by Prof. David Grayson, "Why companies must build the business case," was published in September 2011.

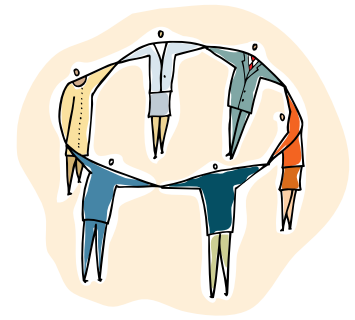


• Collaborative research with Business in the Community: How companies organise board oversight and governance of corporate responsibility

This research is being led by Professors Andrew Kakabadse and David Grayson in collaboration with Business in the Community. Different styles of CR integration into boards have been evaluated, including the presence of a dedicated CR committee as well as other models of governance. The desk-based phase of the research has been run on publicly available resources including BoardEx, CR/Annual reports and company websites. Individual board members have also been interviewed.

During 2012-13, we expect to complete the research with focus groups of FTSE 100 non-executive directors with responsibility for corporate responsibility and sustainability to help us validate our preliminary findings. We will produce both an academic article as well as a joint report with BITC containing recommendations for practical action by companies and individual board directors. Through the Doughty Centre's membership of the Global Network for Corporate Citizenship, we have encouraged parallel research by centres in Italy and Spain on how Italian and Spanish companies respectively organise their board oversight of corporate responsibility. The objective is to produce both a practitioner report and an academic article comparing the approaches of companies headquartered in the UK, Italy and Spain to governance of CR, with the hope that this might stimulate further studies in other EU countries.

Palie Smart joins the team to lead work on responsible innovation



Dr Palie Smart
Reader in Corporate Responsibility

Dr Palie Smart is a social scientist and joined the Doughty Centre in March 2012 as a Reader in Corporate Responsibility. Her general academic interests span a range of management research fields including corporate responsibility, strategic innovation and sustainable business growth. Recently completed academic work has focussed on the funding of climate change research projects, open innovation with not-for-profit sector; the role of innovation in delivering a 'responsible business' and the business benefits of corporate responsibility (CR) activity.

In April 2012 Palie received announcement of a £50K award approved for Responsible Innovation and Open Science Research, in collaboration with the Engineering and Physical Sciences Research Council (EPSRC) National Centre of Excellence in Industrial Sustainability.

Palie's academic and scholarly publications have been included in the following world leading and internationally excellent journals: Research Policy, British Journal of Management, R&D Management, International Journal of Operations and Production Management (Won Emerald Group Publishing 2008 'Top 10' Prize) and International Journal of Production Economics.

The EPSRC Research Team

Dr. Sara Holmes and Stefan Hemel are working with Palie on the EPSRC research projects

• Research Collaborations

In response to the growing challenges of sustainable development, the Doughty Centre has announced its collaboration with the EPSRC (Engineering & Physical Sciences Research Council) Centre for Innovative Manufacturing in Industrial Sustainability, a multi-year £7m initiative funded by UK Government, Engineering & Physical Science Research Council in 2011 and led by the universities of Cambridge, Cranfield (School of Applied Sciences & School of Management), Imperial College and Loughborough. Funding for the following two exploratory projects has been secured by the Doughty Centre.

• Responsible Innovation

This new 'explore' research project has been commissioned by the new EPSRC centre. It seeks to understand the relevant previous research and the key tenants of responsible innovation. There are considerable overlaps with our existing work on the business case and on social intrapreneurship and engaging employees more broadly.

• Open Science

A further 'explore' project has been commissioned by the new EPSRC centre to investigate changes in academic community practices, associated with the design and operation of research studies. This project discusses new modes of knowledge production in a more 'open science' environment where 'new knowledge' is an increasingly collaborative affair between different stakeholder groupings.



Dr Sara Holmes
Senior Research Fellow

"I began a project in March this year looking at how the way we create knowledge and do research is changing. The work is part of a wide-ranging, long term exploration into how the UK can develop world-leading manufacturing processes using less energy and fewer resources. Cranfield is one of four universities collaborating with businesses and industrial organisations on a range of sustainability projects co-ordinated by the recently formed Centre for Innovative Manufacturing for Industrial Sustainability.

"The message I came away with from their September meeting held in Cambridge was that the 21st century heralds a new industrial revolution rooted in sustainability, and that this revolution is coupled with the upheaval in the way knowledge is produced. Networked technology enables researchers to collaborate across the globe; the democratic and meritocratic nature the internet encourages 'citizen science' where any interested person can contribute to scientific discovery. My exploration into the characteristics of this new 'open science' era is due to end in October. It's been a fascinating project and I am now exploring avenues for further research."



Stefan Hemel
Cranfield PhD Candidate and
Research Assistant

"I attended the 11th Annual EABIS Colloquium in July 2012, hosted by IMD at Lausanne, Switzerland. The theme, "Strategic Innovation for Sustainability", was discussed through expert panels consisting of keynote speakers from theory and corporate practice. Many questions were raised at individual, organisational, and systemic levels, thereby seeking a better understanding of how organisations are currently managing their innovation efforts strategically, and how this could change in the future.

Despite the Rio 20+ Summit not having brought many tangible results for corporate sustainability, most board members and keynote speakers agreed that sustainability has tremendously increased in importance at the boardroom level, and that future challenges can be solved through more radical and strategic innovation. . . it was positive to see that organisations are taking this grand challenge seriously and that many systemic solutions are actively pursued to solve future environmental and social challenges better. All in all, this conference has been a great event equally for practitioners and scholars for advancing the debate on strategic innovation and sustainability."

As the result of Stefan's work as a EPSRC team researcher, he attended the EABIS Colloquium and has now joined the Cranfield PhD programme to conduct further research.

Teaching and Student Engagement

OBJECTIVE: to deliver well-rated teaching to graduate and executive programmes which is valued for presentation, content and relevance.

• Pears Foundation Business School Partnership

We have continued our involvement in the Pears Business School Partnership, hosting the 2012 Partnership lecture at Cranfield with Sir Andrew Witty, the CEO of GSK, who inspired an audience of more than 300 students, alumni, faculty and external stakeholders attending the event, and more MBA students from a number of international business schools who emailed and tweeted questions from around the world. We have also continued work to complete our contribution to the body of teaching cases that the Partnership is producing. Amongst our final year cases is one on China Mobile's mobile health initiatives, for which David Grayson and Mattia Anesa conducted field research in Guizhou, China's poorest province, and in Beijing in December 2011. Another notable case being developed in 2011 is the DESSO multi-disciplinary case, only the second case of its kind to be developed in SOM by a team of different faculty across the School spanning Innovation, Supply Chain and HR disciplines.



• Preparing new and would-be non-executive directors to be effective board members

Professors Kakabadse and Grayson again co-directed the School's open executive programme for new and aspiring board directors. This intensive two-day programme looks at the theory and practice of corporate governance, the legal obligations, the roles of boards in setting strategy, holding managements to account, determining senior executives compensation, and ensuring effective succession planning. The course also looks at working with executive-search firms on finding suitable board appointments, the differences between boards of publicly quoted companies, unlisted companies, charities, and public sector boards – and reflecting Doughty Centre research priorities, the growing involvement of boards in oversight and governance of commitments to corporate responsibility and sustainability. Andrew Kakabadse continues to undertake a substantial programme of teaching with the School's Centre for Customised Executive Development (CCED) and David Grayson has continued to teach about corporate responsibility and sustainability on the school's two main open programmes for senior management and leadership development.

• China International Business Experience

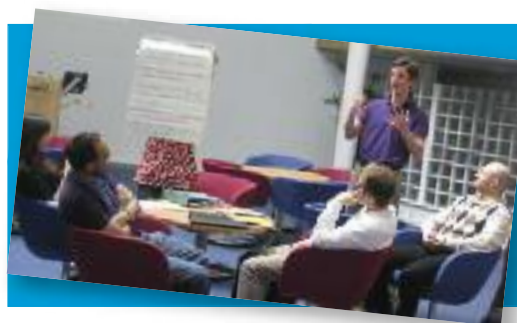
David Grayson and Dr Stephanie Hussels from the Bettany Centre for Entrepreneurship again led the ten-day International Business Experience study tour to China. This provided Cranfield MBA students with an opportunity to experience a very different business environment and to deepen their understanding of the impact of culture on business practice, as well as explore some of the challenges to achieving sustainable development.

• Helica Simulation Game challenges MBA thinking about stakeholder dialogue

As part of the Sustainable Business elective we have developed and run the Helica Gold Project in collaboration with the consultancy Synergy Global. This is a simulation game set in Helica - an imaginary country somewhere in South America or Africa which has emerged from a civil war and is run by an oligarchic elite under a democratic veneer. The game revolves around the discovery and proposed development of major gold reserves by an international gold mining company:

Beaumont Gold. MBA students play the roles of the senior management team of Beaumont Gold Company, the Sur Municipality and the Keta Sur tribe on whose ancestral lands the gold has been discovered.

With this exercise we have exposed future leaders to diverse values and perspectives with the objective of understanding how the implementation of local projects requires an effective and participative dialogue with stakeholders. The enthusiasm and positive feedback received from this half-day session have encouraged a further development of the game, including more interactive features which will be offered to the next MBA cohort.



The Helica simulation was a precious opportunity to see in practice the content of the module. In a small scale, the experience showed us the complexity of the relations with the different stakeholders involved. Therefore, it made clear the uncertainty typical in this type of situation and the high level of flexibility necessary to deal with it. Furthermore, it engaged us requiring that every of us would identify with him/her character. Substantially, it gave us a very useful insight without neglecting fun. - Gianluca Del Frate, MBA Student.

• New teaching module: What every business person needs to know about the impact of business on human rights

Doughty Centre Visiting Fellow Chris Marsden, a business and human rights expert who chairs the Trustees of the Business and Human Rights Resource Centre (www.business-humanrights.org), has developed a human rights teaching module for managers. The content is designed to help business people without specialist corporate responsibility backgrounds understand the importance of human rights as a business issue.

The UN 'Protect, Respect and Remedy' Framework, developed by UN Special Representative John Ruggie, established that, while it is the state's duty to "protect against human rights abuses by third parties, including business" it is the responsibility of business to "respect human rights" and the state to provide "greater access by victims to effective remedy, both judicial and non-judicial". Ruggie operationalised the Framework in the 2011 Guiding Principles on Business and Human Rights. The teaching module, Chris points out, helps managers understand that more than simply doing no harm, they need to learn how to understand, and manage, their impacts. This is a joint project between the Doughty Centre and the Institute for Human Rights and Business, of which Chris is also a board member.

• Case study: Formula 1 in Bahrain

The Formula One Grand Prix returned to Bahrain in 2012 for the first time after the 2011 race was cancelled due to ongoing anti-government protests about human rights violations. The Business & Human Rights Resource Centre wrote to firms that sponsored or ran teams in the race about human rights concerns but only 29% of companies responded. Working with Cranfield Professor of Business Strategy and Director of Research Mark Jenkins, Visiting Professor Chris Marsden has prepared a case study designed to help business people understand the Ruggie Principles on Business and Human Rights. Managers can explore how they would respond to the dilemma presented by the Bahrain Grand Prix and other human rights challenges in future.

The new teaching module, the Helica Gold simulation and the F1 case will be lodged with ecch- the international case clearing house - so that these important new resources are also available to faculty in business schools across the world.

• Student Engagement: SEE Conference 2012

Pankaj Arora coordinated the inaugural SEE Conference 2012 at Cranfield with his MBA colleagues. This conference, opened by Cranfield School of Management Director Professor Frank Horwitz, brought together MBA and other Masters students - including those from CASS, Imperial, Cambridge, and Leeds - to discuss Corporate Responsibility and Sustainability. A packed programme of speakers and workshops included Doughty Centre Visiting Professor John Elkington, Visiting Fellow Gib Bulloch and Dr. Palie Smart as well as a career workshop facilitated by Nadine Exter. The day was brought to a close by Professor David Grayson.

Overall, 2011 was a successful year for engaging students at SOM on the MBA, MSc, and PhD programmes. Efforts led by Nadine Exter and Mattia Anesa included supporting the Net Impact chapter; encouragement of specific students interested in sustainability through independent projects and conference trips and a well-received careers service by Nadine in the form of workshops and one-on-one career mentoring.



"Not only was the day interesting, it was also very stimulating for me to hear from other presenters on these subjects at this particular time. I was also able to connect with several new contacts with whom I have now connected via LinkedIn and direct email."
- Steve Hope, Toyota

"Thanks again for an excellent day" - Charles Perry, Second Nature

• Cranfield Corporate Responsibility Network

The Cranfield Corporate Responsibility Network (CCRN) - a club we run for students, faculty, alumni, and external practitioners and academics – continued hosting seminars with invited guest speakers from across academia and industry sharing their expertise and research.

In addition to the Pears Business School Partnership lecture by Sir Andrew Witty (January 2012), the programme included:

- Stefan Stern, Strategy director of the communications company Edelman and former Financial Times journalist speaking about "business as usual" and the need for business leaders to re-build trust in business.
- Clare Melford, CEO of the International Business Leaders Forum, speaking on "Beyond sustainability: how smart companies are redefining growth to ensure their future";
- Stef Kranendijk, CEO, Desso, speaking on "How going Cradle to Cradle boosted innovation and shaped a responsible business". A case study examining the integration of a "cradle-to-cradle" approach into Desso's value chain is in preparation, as part of a series of interlinked and multi-disciplinary cases on Desso for the Pears Business School Partnership case series.

Recordings of the lectures can be found on the Doughty Centre website. Stef Kranendijk also generously made time to record an interview discussing his personal and corporate journey on sustainability as part of the Doughty Centre 'Points of View' film series which can also be found on the centre website. This film will also become part of the audio-visual support material for the Desso teaching cases

• M&S Sustainable Retailing Challenge 2012

The M&S Sustainable Retailing Challenge, organised by Nadine Exter, Mattia Anesa and Climate Change Manager Carmel McQuaid at leading retailer Marks and Spencer invited MBA students from all over Europe to submit ideas on what sustainability means for the retailing industry. The goal of this competition was to spread the message that corporate responsibility is 'real business' and to offer a platform for conversations on sustainability. The Dragon's Den-style final – featuring five teams out of an initial field of 36 - was hosted at M&S London headquarters in April 2012. Teams were mentored by senior M&S staff for 48 hours of intensive work to create an idea for a sustainable product or service.



The judging panel, chaired by David Grayson (Doughty Centre), included Mike Barry (M&S), Mick Blowfield (London Business School), Kresse Wesling (Elvis and Kresse), Miranda Ballard (Muddybootsfood), Rebecca Smithers (The Guardian) and Dax Lovegrove (WWF). The first prize of £5000 went to team Earthonomics (Warwick) and the second prize of £1000 to team Sixth Wave Consultants (Lancaster).



"We have a sustainable journey that we will not complete without being radically innovative". - Mike Barry, Head of Sustainable Business, Marks & Spencer.

"The competition was a great opportunity for our team to participate in a hands-on approach to creating a sustainable product and concept. As a team we put a lot of work and were quite excited to win the final round and have the chance to offer M&S a service that we are proud of. Overall, it was a great experience." - Lyn Clinton, Team Earthonomics (Warwick)



Mattia Anesa

Research Assistant

"Right after being recruited, I was sent to China in support of David for field research. The years I spent working in international contexts, though western ones, hadn't prepared me for such an experience. Culture, traditions and business were pervasively interlinked but felt perfectly tuned – something hardly seen in the western capitalist system. Seeing at first-hand how a partnership between public sector, companies and local communities can enhance citizens' lives, gave me a reassurance that there is a role for business leaders in society beyond creating profits.

When back at Cranfield I started to engage students on sustainability issues while also managing the M&S Sustainable Retailing Challenge. This competition helped me to bridge more smoothly from my background in event management to this new role in academia. I knew this would have been challenging but I was very keen to make the transition. The DCCR team have been highly supportive in each project with which I have been involved, be that the latest How to Guide or my first co-authored output on Desso. This year at the Doughty Centre has seen me growing continuously and strengthened my will to pursue a PhD. I am now in the process of applying at universities with specific expertise in taxation where hopefully I will start research looking at how the organizational legitimacy of professional services firm is affected by the provision of tax planning services."



Becky Nuttal
Executive MBA

"I chose to go China on the IBE. My reasoning behind the visit to China was the trend in my industry for pharmaceutical companies to be closing their operations within the UK and relocating to areas within China and India.

We visited a variety of companies from Bao, the steel manufacturers, to L'Oreal. One common theme was that alongside a genuine business politeness and unassuming nature ran one of pride. Pride ran through a thread of experiences from the tour guide, to the gentlemen who showed us around Bao Steel.

One unexpected bonus to the IBE trip was the last minute meeting with Jamil Anderlini, the Beijing Bureau chief of the Financial Times since 2011. Jamil gave a very candid review of what is happening in China.

The time that we [the Cranfield cohort] spent together and the shared experiences we underwent allowed for stronger friendships and potential future collaboration to develop. The IBE experience has challenged my assumptions, confirmed some of my preconceptions and built my business confidence and acumen further."



Pankaj Aroja

"Before coming to Cranfield, I had a fair idea about what I wanted to do, which was in the area of giving something back to society because of my previous extensive volunteering experience. The Doughty Centre arranged a trip to Oxford for the Emerge 2011 conference, a social enterprise conference, and the rest is history. Since then sustainability has grown over me. Over time, I've come to see Sustainability as a topic that we can't ignore in the current business world and as a way of not only contributing to a bigger cause but also doing well personally. Sustainability seemed like an ideal way of doing business - so much so that I'll be making a career transition towards sustainability and social entrepreneurship. Looking back, I think I wouldn't have come so far on my 'sustainability journey' without the backing of knowledgeable, open and encouraging team of Doughty Centre for Corporate Responsibility: David Grayson, Nadine Exter, Palie Smart, Mattia Anesa and Thea Hughes."

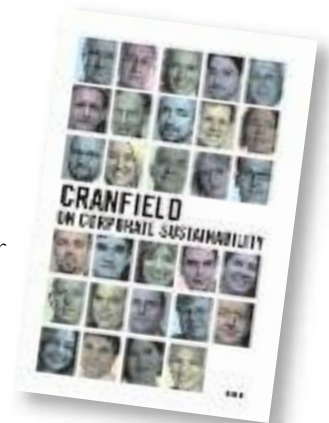
Supporting Good Business Practice

OBJECTIVE: Through our advisory services and mentoring activity, to work with companies wishing to embed sustainability and responsibility and to refine our embedding bulls-eye model in the process; and to support, and be supported by, a community of interested alumni.

In 2011-12 we continued to build profile with our key internal and external audiences, not only for the Doughty Centre but also for corporate responsibility and sustainability as a core business discipline. Key channels included academic and practitioner publications, press articles, and the Doughty Centre and SOM websites, building relationships directly with in-house sustainability teams, and as well as social media platforms.

• Cranfield on Corporate Sustainability

Cranfield on Corporate Sustainability brings together the perspectives of thirty Cranfield School of Management authors about what sustainability means for their management discipline. As far as we know this is the first-ever cross-disciplinary book by a single business school faculty on corporate sustainability. It was launched by Greenleaf Publishing in July. Co-edited by Doughty Centre Director Prof. David Grayson and Centre Manager Nadine Exter, this book has been designed to stimulate debate about what sustainable development means for business and also, therefore, what business schools around the world should research, teach and advise. The book is now available online from Greenleaf Publishing (<http://www.greenleaf-publishing.com/cranfield>).



• How To Guide #7: How To Identify a Company's Major Impacts – and Manage Them

Doughty Centre Visiting Fellow Mandy Cormack, who served as Vice President for Corporate Responsibility at Unilever and is now an independent advisor or international CR practice, developed the Centre's most recent How To Guide. Its aim is to provide practical guidance on social, economic and environmental impact identification and management. Mandy explains: "the management of corporate sustainability has come on in leaps and bounds in recent years, and is a dynamic and exciting area of management practice. While sustainability undoubtedly challenges established ways of operating, the scale of the SEE problems we face means it is critical we manage these impacts as professionally and successfully as any other area of business."



The guide was launched at a breakfast meeting at Unilever HQ in June with an invited audience of leading companies and corporate responsibility consultancies.

"This guide fills an important gap, not just in our own how-to advice to Masters students and for our executive education students - but also in the advice generally available about how to embed sustainability...the key message is that practice makes better, so just do it!" - Prof. David Grayson

• Engaging Employees with Sustainability

Following the publication of our Engaging Employees How To Guide (June 2011), a longer-term research programme looking at engaging employees and sustainability is underway. A forthcoming book from Nadine Exter and an Occasional Paper from Palie Smart and Nadine Exter are both planned for publication in 2013.



• Development of Advisory Services

We recognise the importance of influencing and helping operational practice, policy-makers and business. Through a variety of initiatives we offer advisory services to managers, business leaders and organisations. We support individuals and organisations with the necessary tools and inspiration to incorporate sustainability into the heart of their organisation. As well as training, research and development being available, there is also the opportunity to benefit from a team of experts on hand to support and guide management teams. We also engage in dialogue to help explore topical issues. For more information, contact Nadine Exter, Centre Manager (nadine.exter@cranfield.ac.uk) or check out our web page (<http://www.som.cranfield.ac.uk/som/doughtyadvisory>).

• Developing our social media presence

Following up on the online branding and marketing strategy agreed in early 2011, Doughty Centre Associate Melody McLaren has established a consistent presence for the Doughty Centre on Twitter (@DoughtyCentre), gaining nearly 650 Followers, including major players in the CR/sustainability field and colleagues within Cranfield School of Management. Highlights included live Tweeting from the Pears Business School Partnership Lecture, the M&S Sustainable Retailing Challenge and the launch of our How To Guide on Managing Impacts. A Facebook Page has also been established (www.facebook.com/DoughtyCentre) with contributions from Nadine Exter, Mattia Anesa and Palie Smart. Together with our Cranfield colleagues, we also launched our Corporate Responsibility and Sustainability Management Theme on the School of Management website in 2012.

Embedding Corporate Responsibility and Sustainability at Cranfield School of Management

OBJECTIVE: to embed sustainability within Cranfield School of Management (SOM) so that it is built-in to the overall strategy and mission of SOM and in SOM's research, teaching, practice and behaviour as a responsible and sustainable organization itself; and to share in real-time the Cranfield experience of doing this, including successes and challenges, with other schools.



The Academy of
Business in Society

PRME Principles for Responsible
Management Education



We continue to be active participants in the School's PRME Taskforce, chaired by Prof. Frank Horwitz, Director of the School of Management. This year significant effort has gone into developing closer ties within the School, to help where possible with operational sustainability and research and teaching. Nadine Exter has engaged closely with the School's Sustainability Taskforce as they develop commitments and targets, and represented the School at the annual PRME conference in Brussels. Cranfield features in a good practice handbook published by PRME in 2012 and in a HEFCE-sponsored review of how UK business schools are embedding sustainability. DCCR has also played an active part in the Global Network for Corporate Citizenship, encouraging partner centres in Italy and Spain to replicate our research into how boards of large companies organize their oversight of corporate responsibility. David Grayson discussed Cranfield's continuing journey to embed the principles of responsible management education at the 2011 GNCC annual gathering; and Nadine Exter presented a case study on Cranfield & PRME at a HEFCE-supported conference hosted by Nottingham Business School in December. This led to an invitation to submit an article for the Journal of Management Development about change-management at Cranfield to embed responsible management education. The subsequent article - by Nadine Exter, David Grayson and Rajiv Maher has been accepted and will appear in a special issue of the JMD in 2012-13.

David Grayson challenged both business schools and businesses to be more ambitious and radical in transforming business schools to address the challenges of sustainable development and corporate responsibility in a "By invitation" essay for The Ethical Corporation; and subsequently moderated part of an EABIS decennial conference also hosted by Nottingham Business School in January.

2011-12 Academic and practitioner articles and publications

Nadine Exter, Engaging employees in corporate responsibility: *A Doughty Centre How To Guide* (#6) (June 2011).

David Grayson, Essay: Why companies must build the business case, *Ethical Corporation*, August 2011.

El Mostovicz, Andrew Kakabadse, Nina Kakabadse. The four pillars of corporate responsibility: ethics, leadership, personal responsibility and trust. *Corporate Governance*, 11 (4) 489-500, August 2011.

Heiko Spitzbeck, Erik G. Hansen, David Grayson. Joint management-stakeholder committees – a new path to stakeholder governance? *Corporate Governance*, Vol. 11 (5), pp. 560 – 568, October 2011.

El Mostovicz, Andrew Kakabadse, Nina Kakabadse. Corporate governance: quo vadis? *Corporate Governance*, 11 (5) 613-626 October 2011.

David Grayson, Embedding corporate responsibility and sustainability: Marks & Spencer. *Journal of Management Development*, Vol. 30 (10), pp.1017 – 1026, October 2011.

David Grayson, Business schools: Keep the academic community engaged. *Ethical Corporation*, December 2011.

David Grayson, EU's new CSR report offers realistic initiatives to promote sustainability. *Guardian Sustainable Business*, 20 December 2011.

David Grayson with **Melody McLaren**, Re-booting capitalism: The action agenda for business, *Ethical Corporation*, March 2012

David Grayson and **Mandy Cormack**, Essay: Focus on corporate impact and improve business performance, *Ethical Corporation*, June 2012.

David Grayson and **Nadine Exter** (eds.), *Cranfield on Corporate Sustainability*, Greenleaf Publishing, June 2012.

Fiona Lettice, **Palie Smart**, **Yehuda Baruch**, **Mark Johnson**, Navigating the impact-innovation double hurdle: The case of a climate change research fund, *Research Policy*, Vol. 41 (6), July 2012, Pages 1048–1057, July 2012.

Isabel Sanchez-Hernandez, David Grayson, Internal marketing for engaging employees on the corporate responsibility journey, *Intangible Capital*, Vol 8 (2), 2012.

Jonathan T Scott with Guest Editors **Walter R Stahel**, **Hunter Lovins** & **David Grayson**, *The Sustainable Business* (2nd edition), January 2013

Kim, C. H., Amaeshi, K., Harris, S., and Suh, C. Corporate Social Responsibility and the National Institutional Context: The Case of South Korea, *Journal of Business Research*, 2012.

Adegbite, E., Amaeshi, K., and Nakajima, C., Multiple Influences on Corporate Governance Practice in Nigeria: Agents, Strategies and Implications, *International Business Review*, 2012.

Adegbite E., and Amaeshi, K., and Amao, O., The Politics of Shareholder Activism in Nigeria, *Journal of Business Ethics*, 105(3):389-402 (FT 40*), 2012.

Maher, R (2011) Chapter "Corporate Environmental and Social Responsibility Programs en Getting to Green"—A Sourcebook of Pollution Management Policy Tools for Growth and Competitiveness – World Bank.

Maher, R and **K, Webb** (2011) "Addressing divergent stakeholder interests in a developing country context: A CSR mining case

study from Chile" in Proceedings of the first seminar on Social Responsibility in Mining, Sheraton Hotel Santiago, Chile, October 22nd, 2011.

Additional media activity

Nadine Exter was quoted on role of business schools for sustainable catering in "How green was our galley?" *University Caterer*, February 2012.

Ruth Bender, Nadine Exter quoted in Executive Remuneration Briefing part 1, 2, 3: Ethical salaries, Boardroom pay, and Middle Management, by Ben Stiller. *Ethical Corporation*, March 2012.

David Grayson, Andrew Kakabadse, Palie Smart, Doughty Centre supported NED Awards 2011 Ceremony in association with Peel Hunt and sponsored by *Sunday Times*.

David Grayson chaired one of the judging panels for the 2012 Guardian Sustainable Business Awards which were announced in May.

Speaking engagements

Centre team members have continued to be active in sharing research and ideas, through speaking at business and academic conferences around the world.

Prof. David Grayson's speaking engagements included:

- The Asian CSR Forum in Manila which attracted more than 500 delegates
- The Russian Management Association in Moscow
- The second Lebanese CSR Forum, in Beirut, sponsored by the Governor of the Central Bank of Lebanon and involving several hundred Lebanese bankers and board members of banks
- L'Oreal's Global Conference for Communications staff held near Paris
- Corporate members of Business in the Community Ireland in Dublin and to a separate seminar for BITC Ireland staff
- Business in the Community UK's annual conference in London
- Israel College of Management (COLMAN) in Tel Aviv
- Ethical Corporation's Responsible Business Summit in London
- British Council Tokyo in London
- Convergence Social Entrepreneurs Network, London
- Exeter Business School
- Tomorrow's Company / Corporate Responsibility Group in London
- Supply Chain QE2, London
- The King's Fund, London
- Australian Centre for Corporate Public Affairs International Study Tour, in London
- Beijing Normal University, China.

Prof. Andrew Kakabadse's speaking engagements included:

- 05 January 2012, CIPFA, 'The Governance of Government'
- 16 January 2012, Guardian Media Group, addressing Top Management on governance, sustainability and leadership
- 27 April 2012, Department of the Environment, ITW Public Services Network Civil Service on sustainability, leadership and governance
- 23 May 2012, Barclays Bank, 'The future of Governance'

Moving forward

We have four specific objectives.

1. **Research:** to deliver a robust programme of action research – through the Doughty Centre as well as in collaboration with a cross-section of SOM faculty - which is accessible to practitioners and positively received, and which is also published in academic journals and cited by others.
2. **Teaching:** to deliver well-rated teaching to graduate and executive programmes which is valued for presentation and content and relevance.
3. **Consulting and practice:** to work with companies wishing to embed sustainability and responsibility and, in the process, to refine our embedding bulls-eye model; and to support and be supported by a community of interested alumni.
4. **Embedding Corporate Responsibility & Sustainability within the School of Management (SOM):** so that it is built-in to the overall SOM strategy and mission, manifested in research, teaching, practice and behaviour as a responsible and sustainable organisation; and sharing our learning about embedding within a business school, with other schools.

RESEARCH AND PUBLICATIONS

BOOKS

Support the dissemination of two books being published by team members in 2013 including appropriate master-classes and associated academic and practitioner articles:

Corporate Responsibility Coalitions: The Past, Present, and Future of Alliances for Sustainable Capitalism.- By David Grayson and Jane Nelson

Employee Engagement with Sustainable Business: How to Change the World Whilst Keeping Your Day Job - By Nadine Exter

Complete manuscript for a book on social intrapreneurs (Greenleaf)

RESEARCH PROJECTS

Complete or conclude the next phase of research projects, with DCCR publication, academic and practitioner article for each project, on:

- Engaging employees with sustainability
- Enabling environment for social Intrapreneurs
- Governance of CR: Boards and CR (with Business in the Community)
- Responsible innovation
- Stages of Corporate Responsibility Maturity

Publish all teaching cases for Pears Foundation Business School Partnership

TEACHING

Support current Doughty doctoral scholar on the completion of his PhD and supervise two new doctoral students in the field of corporate governance for corporate sustainability and responsible innovation.

Secure university approval for a corporate responsibility & sustainability core course for the School of Management's new Management MSc and develop proposal for MSc in Management of Sustainability.

Develop a new core course for the full-time MBA programme beginning 2013-14 on corporate responsibility and sustainability.

Pilot Masterclasses on themes of Engaging Employees, CR Governance in Boards, Managing Impacts, CR&S Business Case and Change Management needed.

CONSULTING AND PRACTICE

Quarterly essays in Ethical Corporation and Guardian monthly blogs

Regular website updates (DCCR and SOM CR&S Management Theme); co-ordinated social media activity on Twitter, Facebook and other platforms as appropriate

Occasional Papers on the enabling environment for Social Intrapreneurs; responsible business implications of demographic change; responsible lobbying; and the evolution of the corporate sustainability function

Develop advisory service assignments

Our People



David Grayson CBE
Professor of Corporate Responsibility and Director of the Doughty Centre for Corporate Responsibility



Andrew Kakabadse
Professor of International Management Development, Doughty Centre, Cranfield University School of Management



Palie Smart
Reader in Corporate Responsibility



Nadine Exter
Doughty Centre Manager and Lead Advisor



Melody McLaren
Social Media/Marketing and Research Associate



Mattia Anesa
Research Assistant



Thea Hughes
Doughty Centre Administrator



Rajiv Maher
PhD student

The centre is also privileged to have further experienced professionals working with us:

Visiting Professors

Gilbert Lensen, John Elkington and Lance Moir

After five years working full-time in business again, former faculty member Lance Moir has been made a Visiting Professor with DCCR. Lance has hit the ground running, taking the lead teaching ethics and CR on the Finance MSc, supervising independent projects and starting an academic article, provocatively titled "So what did I miss?" Good to have Lance back!

Visiting Fellows

Drs Kenneth Amaeshi, Heiko Spitzbeck, Sara Holmes, David Ferguson, Chris Marsden, David Logan, Ronald Endley Ainsbury, Gerry Wade, Edward Bickham, Ros Tennyson, Stephen Kimbell and David Slattery

Research and Executive Education Associate

Sharon Jackson

CENTRE PUBLICATIONS

The Doughty Centre For Corporate Responsibility Centre Publications Occasional Papers

Designed to stimulate debate on topical issues of Responsible Business and Sustainability.

- Small is sustainable (and Beautiful!). Encouraging European Smaller Enterprises to be Sustainable. David Grayson CBE and Tom Dodd (2008)
- The Business of Business is...? Unpicking the corporate responsibility debate. Chris Marsden OBE and David Grayson CBE (2008)
- Embedding Corporate Responsibility in the MBA Curriculum. Chris Marsden OBE (2008)
- Who should head up your sustainability function? Joint think-piece with David Grayson CBE and Stuart Morton of Odgers Berndtson (2009)
- CR and the media. David Grayson (2009)
- CR and the recession: learning from responsible business. Abiola Barnor and Nadine Exter (ed.) (2009)
- Mind the Gap: Making Sense of Sustainability from a Business Manager's Perspective. Sharon Jackson (2010)
- Social Intrapreneurs: An Extra Force for Sustainability. David Grayson, Melody McLaren, Heiko Spitzbeck (2011)
- Salvaging the Big Society: A ten-point plan. David Grayson, David Harrison (2011).

HOW TO GUIDES

Aim to provide busy managers with up-to-date and relevant advice to embed CR, based on the latest academic research and practitioner insights.

- CR Champions Networks. Nadine Exter (2009)
- Stakeholder engagement: A road map towards meaningful engagement. Neil Jeffery (2009)
- Guide to how-to guides. Nadine Exter (2009)
- Governance of corporate responsibility. Heiko Spitzbeck (2010)
- How to engage employees in CR. Nadine Exter (2011)
- How To Identify a Company's Major Impacts – and Manage Them. Mandy Cormack (2012).

WORKING PAPERS

Aim to provide a contemporary review of academic research and to identify opportunities for further research, informed by practitioner experience and needs.

- Non-Financial Performance Metrics for Corporate Responsibility Reporting Revisited. Malcolm Arnold (2008)
- Measuring Business Value and Sustainability Performance. David Ferguson. A joint research project with EABIS (2009)
- Using internal marketing to engage employees in CR. David Grayson, M Isabel Sanchez-Hernandez (2010)

OTHER PUBLICATIONS

- Sense and Sensibility – Professor David Grayson's Inaugural lecture (2007)
- The Doughty Centre Year One Report to Stakeholders (2008)
- Business-Led Corporate Responsibility Coalitions: Learning from the example of Business in the Community, by David Grayson jointly with CSR Initiative, Kennedy School of Government, Harvard (2008)
- Engaging Business in the Community - Not a Quick Fix, by Geoffrey Bush, David Grayson and Amanda Jordan with Jane Nelson. With the Smith Institute (2008)
- A New Mindset for Corporate Sustainability - a white paper on sustainability as a driver of commercial innovation, produced in partnership with academics from MIT, Beijing, Singapore and IESE in association with BT and CISCO (2008)
- The Doughty Centre Year Two Report to Stakeholders (2009)
- Communicating CR. A joint publication with Ogilvy Worldwide (2010)
- The Doughty Centre Year Three Report to Stakeholders (2010)
- Communicating CR. A joint publication with Ogilvy Worldwide (2010)
- The Doughty Centre Year Four Report to Stakeholders (2011)
- The business case for being a responsible business. A joint report to business with BITC (2011)
- Cranfield on Corporate Sustainability, with Cranfield School of Management (2012)

www.doughtycentre.info