DOUGHTY CENTRE FOR CORPORATE RESPONSIBILITY



SEVENTH ANNUAL REPORT 2013-14

The Doughty Centre for Corporate Responsibility is a practice-focused research centre within Cranfield School of Management, set up in 2007 with the support of the late Nigel Doughty - alumnus, successful businessman, and responsible citizen who was passionate about business being a positive force in society. We work to empower current and future managers and leaders with the knowledge, skill and desire to lead responsible, sustainably managed organisations. We ground our research, teaching and advice in sound management theory and insightful observation of corporate good practice.

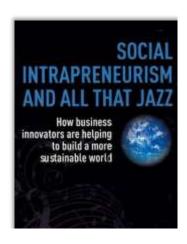
This short report provides a brief overview of our recent work. More detail can be found on the Centre's website (<u>www.doughtycentre.info</u>). For hard copies of our publications or to subscribe to our e-newsletter, contact Thea Hughes in the Doughty Centre (<u>thea.hughes@cranfield.ac.uk</u>).

You can also follow us on social media:

Twitter: https://twitter.com/doughtycentre and @doughtyDavidG

Facebook: https://www.facebook.com/DoughtyCentre

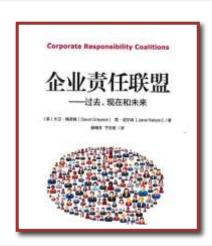
YouTube (Cranfield School of Management channel): http://www.youtube.com/user/





Our thanks to Accenture Development Partnerships and Business Fights Poverty for co-hosting a celebration of *Social Intrapreneurism and all that Jazz* at Toynbee Hall in London's East End. From left to right: social intrapreneur and Centre Visiting Fellow Gib Bulloch, Centre associate Melody McLaren, panel chairman Jon Sopel from the BBC, Centre director David Grayson and social intrapreneur Jo da Silva from Arup.





David Grayson striking a gong at the GoldenBee conference in Beijing to mark the publication of the Mandarin edition of his book *Corporate Responsibility Coalitions*. The Past, Present and Future of Alliances for Sustainable Capitalism, coauthored with Jane Nelson from the Kennedy School of Government, Harvard.

FOREWORD FROM THE CENTRE DIRECTOR: PROF. DAVID GRAYSON CBE

Helping companies transform sustainability challenges into business opportunities

A new report from Accenture, the UN Global Compact (UNGC) and the UN Principles of Responsible Investment (PRI) makes sobering reading. It describes the views of almost one hundred institutional investors working for PRI signatory companies, about corporate sustainability. It builds on the autumn 2013 Accenture/UNGC CEOs' survey. The latest report shows a major gap between how well corporate CEOs believe that they are doing in making the business case for sustainability versus the perceptions of the institutional investors. In a nutshell, the investors simply don't think that heads of Investor Relations, Finance Directors and CEOs of the companies in which they are investing, are making a compelling argument that sustainability matters for future business success.

The work of the Doughty Centre in recent years - and particularly this past year - is seeking to address some of the deficiencies identified by Accenture. Specifically, whilst Corporate Responsibility means taking responsibility for Social, Environmental and Economic (SEE) Impacts - and at a minimum, seeking progressively to mitigate risks by reducing the most significant, negative impacts, Corporate Sustainability also means maximising the opportunities by increasing positive SEE impacts. Our research agenda focuses especially on helping companies discover the business opportunities from embedding sustainability.

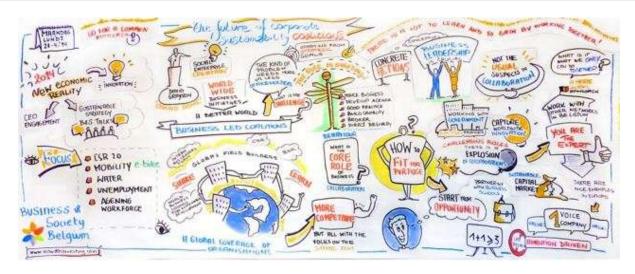
Dr Palie Smart, our Reader in Corporate Responsibility, is leading a research programme around responsible innovation, ably assisted by doctoral students Stefan Hemel and John Herniman.

In addition to her sterling work as Head of Business Development, Nadine Exter is researching how organisations create a sustainability culture which engages employees. Bridging both these themes, our continuing work on social intrapreneurism led this spring to publication of our book <u>Social Intrapreneurism and All That Jazz</u>, which I coauthored with Centre associate Melody McLaren and visiting fellow Heiko Spitzeck.

We are a very small core team but able to punch above our weight because of the enthusiasm, energy and commitment of our Visiting Faculty and Associates. We are especially grateful to them and to our Advisory Council, business partners and School of Management colleagues for helping us to realise this year's work programme. I would particularly like to thank Visiting Fellow Ron Ainsbury for his continuing work on *Corporate Responsibility Stages of Maturity* which this year produced our <u>Occasional Paper</u> on the topic; and Dr David Slattery for his continuing work on mapping the range of initiatives, organisations and time-limited projects concerned either entirely or in significant part with the <u>Renewal of Capitalism</u>.

As an integral part of the Cranfield School of Management and University, I have long believed that Cranfield, as a whole, has an under-exploited comparative advantage to be a learning partner on the sustainability journey, by combining the University's world-class expertise in science and technology and management for corporate sustainability. The appointment of a new University CEO/Vice-Chancellor and the articulation of a One University Vision and Corporate Plan creates the opportunity to develop and promote Cranfield's capacities to help companies embed sustainability - and by doing so, create the facts on the ground that could make future iterations of the Accenture / UN PRI Investors' Study more positive reading.

David Grayson, August 2014



Belgium Business and Society artistic visualisation of Coalitions presentation Belgium Business and Society and Axelle Vanquaillie@visualharvesting.com

HIGHLIGHTS FROM 2013-14 ACADEMIC YEAR

KNOWLEDGE CREATION AND RESEARCH

Responsible and sustainability-led innovation

- Literature review on Responsible Innovation
- · Literature review on Social Intrapreneurism
- Social Intrapreneurism and all that Jazz published by Greenleaf Publishing, with positive reviews in The Financial Times, Forbes
- · Quick Guide on Responsible Innovation

Creating an enabling environment for responsibility and sustainability

- Completion of first phase Sustainability culture diagnostic audit tool and successful use on three companies.
- Completion of paper on 'Harnessing organisational culture for sustainable success'
- Occasional Paper on Corporate Responsibility Stages of Maturity published in association with Legal & General
- Taxonomy, mapping and reflections paper on Renewing Capitalism published

TEACHING AND SHARING KNOWLEDGE

- New core course on the MBA programme Challenges of Leadership with classes on The Responsibility Challenge, The Sustainability Challenge, The Business & Human Rights Challenge, The Civil Society Challenge and The Renewing Capitalism Challenge - taught by David Grayson
- Course on Cranfield's new Masters in Management MSc on corporate sustainability led by Dr Palie Smart
- A class on change-management and creating a Sustainability culture developed and taught both at Cranfield and on the Cambridge Institute for Sustainability Leadership executive programme by Nadine Exter
- The Centre's Helica Gold stakeholder-engagement simulation game, based on a number of recent international incidents in the mining sector, was taught by Visting Fellow Edward Bickham and Centre partner Ed O'Keefe from Synergy Global for the entire Cranfield MBA cohort this year
- A new ITunes University course on embedding responsible business practices developed with the support of Lorraine Bell
- David Grayson and Dr Stephanie Hussels from the Bettany Centre led their seventh, annual MBA study tour to China with 35 full-time and executive MBAs. As FTMBA Stepan Galaev observed after the study tour, "I am now aware of the scale and scope of the pollution in China and CSR as a topic and will be actively seeking improvement in this area in my future career."

PROMOTING BEST PRACTICE

- We have continued to promote the results of previous research through, for example, our 2013 book Corporate Responsibility
 Coalitions: The Past, Present and Future of Alliances for Sustainable Capitalism published by Greenleaf and Stanford University
 Press, co-authored with Jane Nelson, director of the CSR Initiative, at Harvard University's Kennedy School of Government. The
 book is one of Greenleaf's top two best-sellers in 2013 and has now been published in a Mandarin edition in China with the support of
 Intel
- We have supported Cranfield University's Alumni Association: David Grayson was a key-note presenter for the 2013 alumni
 conference, speaking on corporate sustainability in the Information Age; presented an alumni webinar on boards and corporate
 sustainability; hosted a conversation with Santander UK CEO Ana Botin and spoke at alumni gatherings in Shanghai and Beijing
 during the MBA study tour to China
- The Centre co-hosted an evening on Family-Owned Businesses with the Bettany Centre, and a day-long conference on Marketing Sustainably with marketing faculty colleagues
- Centre administrator Thea Hughes has masterminded an update of www.doughtycentre.info within the School's website to make it more user-friendly and to ensure that more of the Centre's publications and details of other resources such as teaching notes and cases can be found more easily. New resources this year include a series of Points of View videos with Sir Eric Peacock, serial entrepreneur and non-executive director, linked to Cranfield's NED Executive Programme which David Grayson has run since 2011.

ADVISORY SERVICES

The Doughty Centre has worked during the year on projects for Coca Cola Enterprises, CSR Europe, EDF Energy and Luxottica. Advisory services are provided by Centre staff, visiting faculty and associates and draw on the expertise of other Cranfield faculty as appropriate. These projects can be used to enhance research and teaching and help to keep the Doughty Centre grounded in real-world business challenges.

IN THE MEDIA

- Centre director David Grayson has authored quarterly essays in *Ethical Corporation* magazine, including "Corporate responsibility with Chinese characteristics" (July 2013), "Sustainability a view from the crossroads" (September 2013), "Creating a tipping point for social intrapreneurism" with Melody McLaren and Heiko Spitzeck (February 2014), "New insight into how global business operates" (April 2014).
- Centre Associate Melody McLaren wrote with Lionel Bodin from Accenture in the Guardian Sustainable Business Blog on the <u>links between jazz and social</u> intrapreneurism.
- David Grayson was <u>interviewed by BBC business editor Kamal Ahmed</u> on Radio 4's *Today* programme on inclusive capitalism and wrote for the Guardian Sustainable Business blog on the same theme ("Rewiring capitalism: we need a narrative we can believe in", January 2014).

All Centre-authored blogs can now be accessed at http://www.som.cranfield.ac.uk/som/p22064/Research/Research-Centres/Doughty-Centre-Home/Centre-Blogs

SPEECHES AND PRESENTATIONS GIVEN BY THE DOUGHTY CENTRE TEAM

July 2013

Marks & Spencer suppliers, Cranfield

August 2013

Legal & General board, London

September 2013

- 27th BAM Conference, Liverpool
- 2nd EPSRC CIS Annual Conference, Cambridge
- CSRLondon
- UN Global Compact, Singapore.
- · Asian Institute of Management Annual CSR Forum, Bali

October 2013

- Cranfield Alumni Annual Conference
- Intrapreneurs' Lab: Said Business School, Oxford
- University of Surrey, Guildford.

November 2013

- Annual Congress of UPJ, Berlin
- UPJ Board and representatives from member companies, Berlin

December 2013

- Roundtable on social innovation, ABIS, Brussels
- International Intrapreneurism Conference, Barcelona

January 2014

Cranfield alumni webinar

February 2014

Sustainability Marketing Conference, Cranfield

March 2014

- CSR Europe Annual Conference ,Brussels
- BITC Northern Ireland, Belfast
- Cambridge University Masters for Sustainability Leadership, 2 module lectures 'Sustainability and Human Resource Management'
- Presentation on Exploring Institutional Logic in Collaborative Searches for Sustainability-led Innovations in Hybrid Organizations
- EPSRC CIS Mid-Term Review, Loughborough

April 2014

- BITC Responsible Business Summit, London
- Unipart U on SMEs and corporate responsibility, Oxford
- Audencia School of Management, Nantes
- A roundtable discussion on stages of corporate responsibility maturity at Cofunds hosted by Legal & General.
- Presentation on Systematic Literature Reviews: An Introduction. IFM Cambridge Online Training for MSc Students
- Hospital Club Sustain, 'Human behaviour and sustainability'

May 2014

- Judging at the Guardian Sustainable Business 2014 Awards, London
- Amsterdam Impact Hub
- Rotterdam Business School
- Guardian Sustainable Business Blog webinar
- Ethical Corporation Responsible Business Summit, London
- Swedish Jobs & Society, London
- Legal & General HQ for invited companies, London

June 2014

- WTO Tribune GoldenBee EU-China Annual CSR Conference, Beijing
- Business in the Community/Destria, London
- · CSRLondon, 'Engaging employees'
- Presentation on Searching for Sustainability-led Innovation: Reconciling the Unintended Consequences of Conflicting Organizational Logics. Schmidt-MacArthur Summer School, Cranfield

July 2014

- CSR Europe round-table, London
- Accenture Development Partnerships/Business Fights Poverty, London
- Camden Council Annual Green Alliance conference, 'Join the Club!'
- Workshop for IEMA/GACSO 'Professionalising the sustainability profession'
- Workshop for Responsible Leadership Group: Values and Behaviours

LOOKING AHEAD PLANS FOR 2014-15

Centre director David Grayson will be working halftime during the academic year to enable him to concentrate on his personal eldercare responsibilities and on his organisational responsibilities as chairman of the national charity *Carers UK* during its 50th anniversary year.

We are working on a new fundraising drive to raise funds to support an ambitious, business-opportunity focused research programme.

We continue to develop the Advisory Services, helping organisations to be more sustainable.

Planned research includes a series of new business school teaching cases (on Aviva Investors, China Mobile, iSoftStone and Vedanta); looking at SMEs and Circular Economy and Stages of CR Maturity, as well as further research on responsible innovation, sustainability culture and Renewing Capitalism.

We will be working hard to support Andy Angus and his team delivering Cranfield's new MSc in Management and Corporate Sustainability, leading a core course for the MSc and working with University colleagues on design of state of the art executive and Masters programmes on Mastering the Circular Economy.

The 2014 Capstone Conference, organised by Cranfield MBA students to mark the end of their course, included a session on Boldness in Business and Sustainability.



Doughty Centre core team, 2013-14: Nadine Exter, Prof David Grayson CBE, Thea Hughes, Dr Palie Smart

Doctoral Students: Gary Cunliffe, Stefan Hemel, John Herniman

Associates & visiting faculty: Ron Ainsbury, Dr Kenneth Amaeshi, Mattia Anesa, Edward Bickham, Gib Bulloch, Mandy Cormack, Patrick Dunne, John Elkington, Anita Hoffmann, Dr Sara Holmes, Sharon Jackson, Stephen Kimbell, Prof. Gilberrt Lenssen, David Logan, Chris Marsden OBE, Melody McLaren, Dr Lance Moir, Dr David Slattery, Prof Heiko Spitzeck, Ros Tennyson, Charlotte Turner, Gerry Wade, Hayley Warren

Doughty Centre Advisory Council: Richard Bowker, John Duggan, Peter Lacy, Lindsay Levin (retired 2014), Dr John Neill CBE, David Pitt-Watson, Lord Stevenson of Coddenham (Chairman), Sophia Tickell, Sir David Varney, Bob Wigley