

**DOUGHTY CENTRE FOR
CORPORATE RESPONSIBILITY**

EIGHTH ANNUAL REPORT 2014 -15

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 publication provides an overview of our work during the 2014-15 academic year. Further information can be found in our termly [e-newsletters](#) and on the [Centre pages of the Cranfield University School of Management website](#). You can also follow the Doughty Centre on Twitter. For factual information on Centre projects and publications and developments in the field of responsible business, see @DoughtyCentre; for Professor David Grayson's personal commentary and perspective, see @DoughtyDavidG. [Points of View](#) offers short film interviews and comments.

Information on the wider School of Management's commitment can be found in the School's latest [Communication on Progress 2013/14 to the UN Principles of Responsible Management Education](#).

Foreword by the Centre Director: Professor David Grayson CBE

Reflecting on the state of responsible business and corporate sustainability at the end of our 2014-15 academic year, three “Cs” stand out for me: Collaboration, Circularity and Complexity.

I am struck by how many business leaders now are emphasising the importance of collaboration in moving beyond the pilot-stage (what one Doughty Centre friend calls “pilot purgatory”) to achieve scale and impact. This may be businesses collaborating with other businesses and/or with NGOs, governments, international development agencies and academia. Mapping and understanding how, why and with what results business collaborates for sustainability has been an enduring theme of the Centre since we began. My 2013 book written with Jane Nelson from the Kennedy School of Government, Harvard: *Corporate Responsibility Coalitions: The Past, Present and Future of Alliances for Sustainable Capitalism* (Greenleaf Publishing and Stanford University Press) described the evolution of generalist coalitions at national and international level.

We are now looking at some of the increasing number of subject and industry-specific coalitions and at some of the multi-stakeholder initiatives, not least in the context of our Rethinking Prosperity / Renewing Capitalism work.

The second “C” is circularity. As I explained in the cover article for the Spring 2015 edition of [Management Forum](#), from hardly being on the radar screen five years ago, Circular Economy is now a defining business strategy for many firms. One of these is Desso. I am delighted that a Centre-led project to produce an interlinking series of teaching cases on Desso’s adoption of Cradle-to-Cradle/Circular Economy has been finalised. We supported the Cranfield University Alumni 2014 Conference on the theme of *Thriving in Circular Economy* and are supporting University exploration of an executive MSc in the technology and the management of Circular Economy. In the Autumn (November 4th), we will be welcoming Peter Lacy, a member of the Centre Advisory Council, who has just published his book *Waste to Wealth* about Circular Economy. Our Centre work programme on Responsible Innovation led by Dr Palie Smart, feeds into the circularity topic.

My final “C” is complexity. Embedding responsible business practices and corporate sustainability cannot be done with silo-thinking. Companies can be scoring well on some aspects of embedding sustainability yet be failing miserably elsewhere – as the recent VW scandal has again illustrated. Embedding requires fundamental change in business purpose, culture, strategy, business models, rewards and incentives and so forth. It is appropriate that the School of Management’s Complexity Centre director Dr Liz Varga is helping to lead Cranfield’s input to an EU-funded FP7 research project on sustainability and consumers. As the field of Corporate Responsibility and Sustainability matures and evolves, it is important that Cranfield School of Management’s own approach also matures and evolves. We are excited that a grant from The Garfield Weston Foundation for 2015-16 academic year will help the Doughty Centre to work more closely with faculty colleagues across the School further to embed responsible business practices and corporate sustainability.

On behalf of colleagues, I would like to thank the Doughty Centre Advisory Council, visiting faculty and supporters for continued commitment to our work. A particular word of thanks and praise to Thea Hughes, Doughty Centre team administrator since we began, who has now retired from Cranfield University to develop her French language teaching business. Thea’s commitment, loyalty, patience and hard work are greatly appreciated and we wish her and her husband Steve every happiness.

Doughty Centre Work 2014-2015

We continue to combine research, teaching and development of teaching resources, and advisory and dissemination work.

RESEARCH

Business with Purpose

Building on our Rethinking Prosperity/Renewing Capitalism project, we were commissioned by Coca-Cola Enterprises to explore the views of current CEOs and future business leaders across Western Europe about the purpose of business. Our report [Combining Profit and Purpose](#) was launched at a Coca-Cola Enterprises / Financial Times Sustainability Summit in London on Oct 1st 2014 and led to articles in the Financial Times and other media. Prof. David Grayson and Nadine Exter - two of the Centre authors of the report (along with Melody McLaren and Charlotte Turner) - were speakers at the Sustainability Summit.

Engaging Employees

Visiting Fellow Anita Hoffmann - founder/principal of executive search and coaching practice *Executiva* - is leading on a joint Executiva/Doughty Centre research project on careers with purpose. This builds on our previous work on engaging employees. The research explores the trend amongst executives in mid/late career wishing to leave classic corporations to pursue purpose-driven executive or non-executive careers in the Not-For-Profit (FP), Social Enterprise or companies that work for 'the greater good' in some form, in health care, education and other domains. Today they have only two options: either work in the NFP sector in their free time or retire/quit to pursue this direction. They cannot find routes inside their companies to express this wish and when leaving they find it difficult to create pathways or bridges to earn income while working for the greater good. If this continues, corporates will be losing substantial numbers of the age group that needs to mentor the next generation leaders. The aim of this research is to:

- Clarify / Quantify the trend for executives wanting to pursue purpose driven careers;
- Explore ways in which organisations can create more flexible structures to allow working for the greater good whilst inside a company;
- Explore the ways purpose driven careers can be pursued and created both inside and outside companies;
- Collect information on leadership competencies that enable purpose driven leadership as and when, building on Hoffman's previous study, [Sustainability – Leadership Competencies for Business Leaders](#).

The Sustainable Enterprise

Thanks to the generous support of a Cranfield alumnus, the Doughty Centre has been able to commence new work in partnership with our colleagues in the Bettany Centre for Entrepreneurship. This focuses on those entrepreneurial small and medium size businesses which are simultaneously high performers commercially and on responsible business practices. Following preparatory work including literature review over the last few months, the main interview stage will start early autumn. The goal is to understand what these high performers do, why and how they do it. The research team hopes to draw lessons for business support organisations, business representative organisations and academic entrepreneurial programmes. The project is led by David Grayson, Dr Muhammad Roomi from Bettany Centre and longstanding Doughty Centre Associate Melody McLaren.

Responsible Innovation

Dr Palie Smart continues to lead Centre research around Responsible Innovation. Building on Doughty Centre work since 2010 on social intrapreneurism, Palie is supervising Doctor of Business Administration student John Herniman who is researching “Tensions, paradoxes and reconciliation mechanisms in the role of the Social Intrapreneur in for-profit organizations.” Another of Palie’s doctoral students, Stefan Hemel, is investigating how businesses can benefit from partnerships with non-governmental organisations (NGOs) and other unconventional collaborators to innovate responsibly - and profitably.

Social Intrapreneurs: Tensions, paradoxes and reconciliation mechanisms in the role of the Social Intrapreneur in for-profit organisations

Social intrapreneurs, or individuals within for-profit organisations with an agenda to create commercial value and social impact, are attracting increasing business interest.

However, the role of the social intrapreneur is under-represented in management theory, organisational practice and other academic literatures. This leaves energetic and well-intentioned social intrapreneurs with no common tools or grounding with which to navigate the complexities of modern organisations.

Research by DBA (Doctorate of Business Administration) student John Herniman focuses on the paradoxes and tensions that social intrapreneurs experience when trying to reconcile differences in organisational logics (e.g. market logic and social logic). Through the use of empirical case studies, the research aims to identify the paradoxes and tensions, the coping and reconciliation strategies employed, and to identify the sense making processes in which social intrapreneurs are engaged within for-profit organisations.

John Herniman currently works for Amazon (USA) Lab 126, with prior experience at Apple, HP, British Telecom and Agilent. He has just completed his second year of DBA study at Cranfield School of Management. Having completed a systematic literature review of the tensions experienced by social intrapreneurs, John will now commence his empirical study.

Searching for sustainability-led innovations in collaboration with NGOs by Stefan Hemel

In early summer 2015, Stefan completed his second year review for his PhD. He had been interviewing multinational automotive companies to explore how organisations search for sustainability-led innovations in collaboration with NGOs. This work seeks to uncover the ways by which these unusual engagements with NGOs impact the process of searching for sustainability-led innovations. Stefan hopes this research will contribute to understanding how multinational firms can improve their search for sustainable products, processes, and technologies, particularly in hybrid organisational contexts where conflicting aims of different organisations make the search more challenging.

In October 2014 he presented his work at the Conference for Innovation and Sustainability in Berlin. In addition he submitted a paper to the Journal of International Operations and Production Management, which is currently under review. It is a literature review on industrial sustainability and focuses on the field’s future challenges. He was also involved in various EPSRC Centre activities and meetings, presenting his work to a wider audience in a number of poster sessions. He also gave lectures to Cranfield PhD and DBA students as well as teaching students how to conduct systematic reviews.

TEACHING AND NEW TEACHING RESOURCES

Teaching

The Doughty Centre team continue to teach on the compulsory core programme of the full-time and executive MBAs, several of the specialist Masters courses and also on the main Cranfield open executive programmes. During 2014-15 we also contributed to a Cranfield Customised Executive Development programme for Marks & Spencer food suppliers. Our major new commitment this year has been to the inaugural group of students for the Management & Corporate Sustainability MSc

Teaching Resources

The Centre has also added considerably to its collection of teaching cases during the year. Working with Prof Maya Herrera from the Asian Institute of Management, we have finalised a case on an innovative e-mining support service developed by the world's largest mobile phone company China Mobile. This is the second case that the Doughty Centre has been invited by China Mobile to research and write. Some of the initial work on the case involved Cranfield MBA students on their China International Business Experience study tour which Prof. Grayson has co-led for the last seven years. The Centre has also produced a case exploring the role of major companies working in collaboration to influence pro-sustainability public policy. This is based on Aviva Investors and the Corporate Sustainability Reporting Coalition. Additionally, the Centre has edited, co-written and organised corporate clearance for a suite of inter-linking teaching cases on how the Dutch-headquartered Desso carpet tiles business has introduced Circular Economy principles. Several of the individual Desso cases were also written by current and former Centre team members (Ron Ainsbury, Mattia Anesa, David Grayson, Palie Smart).

Sharing Expertise

The Centre has entered into an initial two-year capacity-building partnership with the Rotterdam Business School. This involves joint research, developing research proposals, writing and teaching

Management & Corporate Sustainability MSc

This new Cranfield MSc was developed and championed through university approvals by Dr Palie Smart, who continues to play a prominent role in the MSc. Apart from teaching on several of the modules and supervising a number of the students for their dissertations, Palie also conceived and led the students on a brief visit to MIT to participate in MIT's annual sustainability conference.

Other Centre team members, visiting faculty and friends of the Centre have also supported the new MSc lecturing, providing dissertation projects and/or supervising. We are particularly grateful to Adam Ellman (Marks & Spencer), Morice Mendoza (Mendoza Associates / Desso adviser), Darian Stibbe (The Partnership Initiative) and Solitaire Townsend (Futerra) who spoke to the MSc students.

Sustainability in Action

Students on the inaugural MSc in Management and Corporate Sustainability got their hands dirty in one of the new woodlands being planted to create the Forest of Marston Vale, the biggest environmental regeneration initiative in Bedfordshire.

As part of the course's links with the local community and environment, the students planted a variety of trees in Wood End Thrift near Cranfield on 18 March.

Course Director Dr Andrew Angus said: "The Forest of Marston Vale is a community forest, which aims to regenerate the area around Cranfield through recreating woodland that existed many centuries ago. This is achieved in partnership with the local community including local businesses.

“The MSc in Management and Corporate Sustainability is committed to this regeneration project. Each year, students will spend time planting trees and learning about how the community forest interacts with surrounding businesses. This way each student contributes to the regeneration of the community they lived in during their studies.” Eight students from the same programme travelled to Barcelona at the end of February for the Doing Good and Doing Well conference organised by students of the IESE MBA. Two received bursaries from the Doughty Centre for Corporate Responsibility to fund their trip.



Students with Dr Andrew Angus and Andy Lingard from the Forest of Marston Vale Trust.

Building a Special Relationship with MIT

The MSc students in Management and Corporate Sustainability also went stateside to the world-renowned MIT (Massachusetts Institute of Technology). They heard from world-leading sustainability academics, mixed with a variety of practitioners from large companies to start-ups, took part in interactive group sessions and had the chance to develop their international networks with host students at MIT’s 7th Annual Sustainability Summit at the end of April. The theme was ‘Farming, food, and the future’ with the focus on understanding, and offering solutions to, the complex problems facing local and global agriculture systems. These food and farming challenges were viewed through the lens of the circular economy. Dr Palie Smart, Reader in Corporate Sustainability, who was instrumental in arranging the visit, accompanied the Cranfield students.



Students with Dr Palie Smart at MIT sustainability summit

Advisory Services

David Grayson continues to serve on the Corporate Responsibility advisory board for the UK National Lottery operator Camelot; and also worked with Nominet – the UK domain name registry – to help their board and senior management team refine their business purpose. Nadine Exter, who has now left the Centre, worked with Guardian Media Group and separately with a group of major banks on how their corporate cultures help or hinder responsible business practice and the adoption of sustainability.

Dissemination

The Centre team have continued to disseminate ideas and learning about responsible business practices and corporate sustainability through speeches, media articles, blogs and book chapters. During 2014-15, these have included an article in The Financial Times on business collaboration for sustainability (June 2015); a Guardian Sustainable Business blog on employee carers (May 2015); acceptance for publication of a book chapter on Corporate Responsibility & International Human Resource Management (David Grayson with Todd Cardarelli and Prof. Michael Dickmann); and a chapter on BP & the Deepwater Horizon disaster for a book of executive education teaching cases.

We are delighted that *Corporate Responsibility Coalitions: The Past, Present & Future Of Alliances For Sustainable Capitalism* co-authored by David Grayson and Jane Nelson (director of the CSR Initiative, Kennedy School of Government, Harvard University) won the 2015 award for best book, Social Issues in Management at the Academy of Management in Vancouver. Dr Palie Smart collected the award on behalf of David Grayson, together with Jane Nelson.

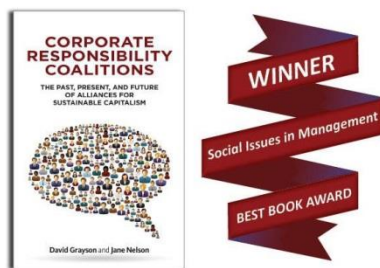


Photo given by kind permission by Professor Laura Spence, Royal Holloway University of London

Priorities for 2015-16

In the academic year 2015-16, we aim to:

- Produce a series of articles and papers on “Collaboration for Sustainability” in partnership with the CSR Initiative of the Kennedy School of Government, Harvard University;
- Continue our work on Responsible Innovation and The Sustainable Enterprise (and hopefully expand this with a collaborative investigation of how one global corporate sustainability leader is embedding);
- Support wider Cranfield University work on Circular Economy and embedding sustainability.

2015-16: An Invitation to Collaborate

Cranfield School of Management prides itself on being close to business and the Doughty Centre is no exception to this. From the outset, we have aimed to involve business and business leaders in the identification and exploration/development of our work.

During 2015-16, we particularly welcome inquiries about potential for collaboration around:

- Identifying a “menu” of potential student projects suitable for MBA independent student projects (equivalent of 2 weeks work per student); MSc student dissertations (2-3 months) and shorter group projects; and paid internships on different aspects of Corporate Responsibility & Sustainability;
- Supporting and participating in our 21st Challenges on-campus speaker series for current students and faculty, alumni and invited guests;
- Sponsorship for, and active engagement in, preparing a “how-to” guide to help companies choose when, how and with whom to collaborate for sustainability;
- Identifying entrepreneurs with businesses which are high-performing commercially and on responsible business practices for interview; and sponsoring a second phase of the Sustainable Enterprise research.

Doughty Centre core team: Prof David Grayson CBE, Dr Palie Smart, Claire Angus

Doctoral Students: Gary Cunliffe, Stefan Hemel, John Herniman

Associates & Visiting Faculty: Ron Ainsbury, Dr Kenneth Amaeshi, Edward Bickham, Gib Bulloch, Mandy Cormack, Patrick Dunne, John Elkington, Anita Hoffmann, Dr Sara Holmes, Sharon Jackson, Stephen Kimbell, Prof. Gilbert Lenssen, David Logan, Chris Marsden OBE, Melody McLaren, Dr Lance Moir, Dr David Slattery, Prof Heiko Spitzbeck, Charlotte Turner, Gerry Wade

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

Speeches delivered during 2014-15

Coca-Cola Enterprises Sustainability Summit - London
Intrapreneur Lab - Oxford
EMERGE Conference - Oxford
Lagos Business School, Nigeria
Cranfield University Alumni Conference
Credit Suisse - London
Good Deals Conference - London
ABIS Global Annual Colloquium - Cambridge
Cranfield University Alumni Webinar
Diversity & Higher Education Conference – Cambridge University
Rotterdam Business School, Netherlands