

The Doughty Centre for Corporate Responsibility, Cranfield School of Management

Annual Report 2008-09

Cranfield
UNIVERSITY
School of Management



This report provides an overview of the work of the Doughty Centre for Corporate Responsibility during our second year of operation. In the first report (covering April 2007 – April 2008), we described the process of setting up the centre:

- Scoping the terrain
- Identifying a way of working
- Recruiting an embryonic team and initiating collaborations with a number of partners.

This year, we show how we are starting to build on some of these initial foundations, to further:

OUR VISION

Sustainability and Responsibility at the heart of successful management.

OUR MISSION

To inspire future and current managers with the passion for, and to equip them with the skills for and outlook to put sustainability and responsibility at the heart of successful organisations.

We have continued to focus on:

- **1. knowledge creation:** rigorous and relevant research into how companies can embed responsible business into the way they do business;
- **2. knowledge dissemination:** through our speaking engagements and by introducing Corporate Responsibility more systemically into existing graduate and executive education (both in relevant open programmes and customised, in-company programmes); and
- **3. knowledge application:** working with alumni, corporate partners and others to implement our knowledge and learning in practice; and seeking to ensure that each of these three legs of our work is informed by and informs the other two.

THE VIRTUOUS CIRCLE



Introduction from The Centre Director David Grayson CBE

When our advisory council met for its inaugural meeting on April 30th 2008, there was much discussion about the deteriorating global financial and economic outlook, and the likelihood that this would lead to a loss of trust in business, and create more debate about the roles and responsibilities of business in society. I doubt as we sat around the table at that advisory council meeting, whether there was an appreciation of just how bad things were going to get. The 2009 Edelman Trust Barometer – published at this year's Davos World Economic Forum, shows that 62% of respondents (77% in the USA) trust business less than a year ago:

*"Business has had a disastrous year, well beyond the evident destruction in shareholder value and the need for emergency government funding. Whereas the problems of corporate trust were limited largely to New Economy enterprises like Enron and Global Crossing in 2001-2003, companies at the center of the global economy are in serious trouble in 2008-2009. And in a further blow to corporate authority, confidence in CEOs as a reliable source of information about their companies has hit a new low globally."*¹

We face multiple global crises: the financial crisis which has morphed into a broader, economic crisis which in turn is creating social and in some countries, political crises. Potentially more dangerous in the longer term is the worsening sustainability crisis: Climate change, resource depletion, loss of biodiversity, pollution and a growing but ageing population. We discuss some of the potential implications of these crises for Corporate Responsibility in a new Doughty Centre Occasional Paper. What is likely to happen to Corporate Responsibility *during* the recession is the subject of articles we have written for The

Guardian newspaper and for the political magazine *Parliamentary Brief*, as well as for a film interview for the Cranfield Knowledge-Interchange series on the recession, available on the School's website. In the coming year, we will co-publish a book on some of the banks which continue to thrive – and will ask whether their ethical approach and responsible practices is the cause of their success.

As a newcomer to the School of Management and to academia, it has been fascinating personally to follow the international debates about whether management and business schools share any responsibility for the financial crisis. Critics have argued that business schools have relentlessly promoted shareholder-value to MBAs and other masters students for the past two decades. Business school defenders reject the idea that there is a single business school "line" and that as academic institutions, there is a plurality of views. In practice, whilst certainly not the only perspective, shareholder-value as the purpose of business, has surely been a dominant paradigm. Jack Welch – former CEO of



TEAM MEMBERS

Director:	Prof David Grayson CBE
Lecturers:	Dr Kenneth Amaeshi Dr Heiko Spitzeck
Team Co-ordinator:	Thea Hughes
Visiting Professors:	John Elkington Gilbert Lenssen
Visiting Fellows:	Ron Ainsbury David Logan Chris Marsden OBE
Associates:	Ron Evans Nadine Exter Sharon Jackson

¹ <http://www.edelman.co.uk/files/trust-barometer-2009.pdf>

Visiting Fellow Chris Marsden is teaching about business and human rights on the Sustainable Business Elective which he helped to design. His Doughty Centre Occasional Paper on embedding CR and Sustainability through the MBA curriculum, was launched at the EABIS Colloquium. Chris's case study on the disaster at BP's Texas Oil Refinery is now available upon request from thea.hughes@cranfield.ac.uk.



GE – and widely credited as the inspiration of the shareholder-value movement, has recently described it as the “dumbest idea.” Is it the dumbest idea – or is it that the concept has been massively distorted in the Anglo-Saxon variety of capitalism with its damaging preoccupation with quarterly earnings? Just what should be the purpose of business, if the global market economy needs to develop sustainably in future? What influences the drivers of long-term, sustainable business success? How do companies profitably embed sustainability and ethical decision-making? What place should such questions have in the business school curriculum and research agenda? These are all crucial questions for research and teaching.

One of the Doughty Centre's Visiting Fellows Chris Marsden OBE explored how sustainability and corporate responsibility might fit into the MBA, in an occasional paper we published last autumn. This has become a more live issue following Cranfield's EQUIS (business school) re-accreditation earlier in 2009. The EQUIS panel explicitly singled out Corporate Responsibility as one of the development opportunities for improvement for Cranfield. This adds urgency to faculty discussions about how to implement the UN Principles of Responsible Management Education, which Cranfield was one of the first schools in the world to sign up for. One of our Doughty Centre key goals for the next 2-3 years, is, therefore, to work with colleagues across the school and university to explore opportunities to incorporate issues of sustainability, responsibility and ethical performance within research, teaching and practice. We aim to share relevant information, broker introductions for potential collaboration, and provoke debate. This has already extended outside Cranfield with speeches to the annual deans' conference of the Association of Business Schools, and (forthcoming) to the annual conference of HR professionals working in higher education across the UK.

We are clear that students should not just learn about sustainability and ethical performance in the classroom. It should be integral throughout their entire Cranfield experience. Heiko Spitzbeck and I discuss what this might mean for the MBAs in a short film on the MBA part of the school website. We will be able to expand work on the MBA experience, as partners with Said (Oxford) and London Business Schools, in a new, three-year partnership with The Pears Foundation, to run a series of lectures and produce new case studies to help MBA students to explore how through the rest of their lives they can contribute to social good – whether through philanthropy, venture philanthropy, personal service, being social entrepreneurs (or social intrapreneurs) or by running environmentally & socially responsible businesses.

Hence also, the importance of links to university-wide initiatives like Cranfield Green, to make the campus more environmentally friendly; and the fascinating, pan-university discussions about a “carbon brainprint” – i.e. how the university's research, teaching and consulting contributes to CO₂ reductions in other organisations.

Despite the gloomy economic news, we have had a productive second year in the Doughty Centre. I am pleased to report that during this past 12 months, we were able to double the core cash funding provided by our founder sponsor Nigel Doughty for the year, with a similar amount in cash and kind from consulting contracts, research grants, and from services provided to us free or at substantially reduced cost.

Amongst the year's highlights:

- Recruited an initial team of academics, associates and visiting faculty;
- Successfully ran our new Sustainable Business elective for the MBA course;

- Developed the Cranfield Corporate Responsibility Network with a range of speakers including Jonathan Porritt from Forum for the Future and Philippa Foster Back from the Institute of Business Ethics;
- Led a research consortium together with Bocconi and Vlerick Business Schools, sponsored by IBM, Johnson & Johnson, Lloyds TSB, Microsoft, Shell, Telecom Italia and Unilever, on measuring non-financial performance of business;
- Produced a think-piece on "Collaborative Commitments" for the Prime Minister's Council on Social Action, launched at a conference addressed by the Prime Minister;
- Organised and chaired the annual colloquium of the European Academy for Business in Society, held for the first time ever in the UK – bringing 300+ business school academics and business people from across the world to Cranfield for 3 days in September. The event opened with a personal video message from HRH The Prince of Wales;
- Led 50 MBA students on a week's trip to Shanghai and Beijing to explore corporate responsibility and sustainability in China;
- Responded to our advisory council challenge to ensure our work is relevant to public and voluntary sectors as well as business, by undertaking a major project for The Crown Estate to advise them on the renewal of their Corporate Responsibility strategy;
- Had 8 Academic journal articles / book chapters accepted or published; and completed three new case studies for business schools on innocent (fruit smoothies), Marks & Spencer Plan A, and the BP Texas Refinery disaster.

Whilst I am proud of the foundations we have started to lay in this start-up phase, I am also acutely aware of the false starts and mistakes – and of the need to improve and speed up. We have to fuse together a diverse team from different backgrounds and experiences. Like other management and business schools, we face the competing pressures for rigorous academic research which can simultaneously be relevant and accessible to business – and available on a time-horizon that makes it useful. Like others, we have to reconcile a range of stakeholders with different wants and needs – and different expectations and success criteria.

In many respects, global prospects look bleak; but I profoundly believe that the multiple crises also create many opportunities to move to a more sustainable world – as a new book by Peter Senge and others, makes clear.

Our task is to work with like-minded colleagues in the School of Management and across the Cranfield campus and beyond, to improve the practice of responsible management and to help create this "necessary revolution."

David Grayson
April 2009

THANK YOU

Our thanks go to our visiting faculty, associates, advisory council, CR Network speakers, partners and Cranfield colleagues. A particular thanks to Professor Michael Osbaldeston OBE who retired as School director in April, for his encouragement and enthusiastic championing of the Doughty Centre. We all look forward to working closely with the new School director Professor Frank Horwitz.

The organisations that truly lead in the profound changes starting now to unfold around the world, who do not get stranded in just being 'less bad,' will be those who convert sustainability challenges into compelling strategic opportunities. They will be the ones that create the truly new products, the new businesses, the new energy infrastructures, and the management practices and organisational structures. Operating consistently in a creative orientation is neither magical nor mystical. It is simply people working at their best, passionate and personally committed yet selflessly being stewards for a future, many aspects of which they will never see.

Peter Senge et al: The Necessary Revolution – How individuals and organisations are working together to create a sustainable world – 2008

Knowledge-Creation: Research

During the year, Cranfield's Centre for Customised Executive Development launched "Knowledge Interchange - KI - On-line." This aims to provide a quick and easy route to relevant and respected management information resources:

<http://www.cranfieldknowledgeinterchange.com/default.aspx>

KI On-line includes film interviews with Cranfield faculty talking about their books and their work generally. One of the latest tools is "Talking papers" where faculty summarise their new academic journal articles for busy managers.

Kenneth Amaeshi from the Doughty Centre was one of the first authors to produce a Talking Paper - based on his 2008 article in the *Journal of Business Ethics: Corporate Social Responsibility in Supply Chains of Global Brands*.



Kenneth has also been appointed as a visiting professor at the Lagos Business School, Nigeria.

VALUING BUSINESS

Our main research project this past year has been Valuing Business: Corporate Responsibility and Measuring the Financial and Non-Financial Performance of the Firm. The Doughty Centre is co-ordinating an international research team from Lille, Vlerick (Belgium), SDA-Bocconi (Milan) and Cranfield itself.

The research project continues an earlier study co-ordinated by the Cranfield School of Management before the Doughty Centre began: see "Measuring Corporate Responsibility - Linking Financial and Social Values" - part of the European Academy for Business in Society (EABIS) Corporate Partners Funded Knowledge and Learning Programme.

This new project has been designed as an EABIS research project which can run in parallel with, and support the work of, one of the European CSR Alliance Laboratories: "Market Valuation of Non-financial performance."

http://www.csreurope.org/pages/en/market_valuation.html

The Doughty Centre's own contribution to this joint research project, includes a meta-analysis of more than 80 recent reports and studies from think-tanks, accounting bodies, investor organisations and CR coalitions on measuring and utilising extra-financial performance data. This meta-analysis has been co-ordinated by Dr Kenneth Amaeshi.

Emerging findings of the Valuing Business Project include that:

- Relatively few companies have integrated sustainability into core strategy.
- Existing corporate responsibility and sustainability reports (which are now widely published by companies) are not generally, therefore, able to demonstrate credibly to non-Socially Responsible Investment investors and analysts, what the links to long-term business performance are.

- Previous academic and practitioner studies have attempted to show generic links between corporate social performance and corporate financial performance.
- It may be better to focus attention on how a range of specific aspects of corporate social performance can impact on the drivers of long-term financial performance.
- This is particularly important given the multiple crises (financial, economic, sustainability) now affecting the global economy, the consequential commercial and sustainability challenges facing business and the need for more robust data to improve business and investor decision making.
- The requirements for content and presentation of this data for business and investors may be different to that desired by external stakeholders of business such as Civil Society.

Several interim academic and practitioner working papers have been produced by the research team, and there have been a series of seminars and focus groups, drawing in both academics and practitioners from business and the investment community, as well as external stakeholders of business, and campaigning organisations. The final report will be published in September with a dissemination event around the 2009 EABIS Colloquium in Barcelona.

The Valuing Business Project is one aspect of the Centre's major research focus on embedding CR and sustainability. Embedding was the theme of the 2008 colloquium of EABIS – held at Cranfield in September 2008: see box on page 15.

The research focus has gradually refined over the year. The Centre team presented some initial ideas for a research strategy to the School's Research Committee in May 2008 and to an open forum of the Cranfield Management Research Institute last June. We have now published our Research strategy, as a basis for exploring with Cranfield colleagues and other institutions the potential for collaborative research. This will become even more important as the Cranfield School of Management seeks to embed the UN Principles of Responsible Management Education within its research, teaching and practice.

Meantime, we have been examining the potential of some of the research themes highlighted in the Strategy document through publishing academic journal articles (see pages 8-9); hosting seminars; and by supporting students, associates and others to gather data and scope out potential research questions.

This has included:

- a pilot on drilling down into Business in the Community's Corporate Responsibility Index (on how companies' governance and oversight of their CR commitment has evolved) which we believe can be repeated for other Corporate Responsibility Index (CRI) questions.
- looking at the enabling environment for CR: regulation, self-regulation and ideas of partnered or collaborative governance through a joint seminar with the ICAEW organised by Dr Heiko Spitzbeck; & a CR and regulation seminar at Anglo-American, organised with Prof David Parker.
- European Business Ethics Network: Heiko Spitzbeck presented two papers at the European Business Ethics Network's Annual conference October 2008 in Antalya, Turkey; and co-organised an all Academy event on "The questions we ask - escaping the economic paradigm - a humanistic alternative" at the Academy of Management Meeting 2008 in Anaheim. The event brought together leading researchers from Cranfield, Harvard, IESE, Michigan and other Schools.

We are delighted to have been chosen, along with the Said Business School and London Business School for a new, joint project with the Pears Foundation on introducing more ideas about how to contribute to the social good, to MBA students.

During 2009-10, we plan to:

- Complete the Valuing Business Project;
- Start to implement the Research Strategy through producing joint articles and securing research grants with interested SOM faculty.

Centre associate Sharon Jackson organised and ran a one-day workshop for owner-managers of small and medium-sized businesses who wanted to explore how



to grow their business through sustainability. The workshop is part of a scoping exercise to see how the Doughty Centre and the Bettany Centre for Entrepreneurship can help smaller businesses interested in CR and sustainability.

Visiting Fellow Ron Ainsbury is working on a case study for MBA students to capture his experience of developing a series of responsible drinking initiatives for global drinks



business Diageo. His case study explores the themes of responsible lobbying, industry collaboration and cross-sectoral partnerships between business, governments and NGOs.

Knowledge-Creation: Research

Research Output of the Doughty Centre in 2008-2009



"Dr Heiko Spitzeck celebrated the launch of his first book - *Humanism in Business* (Cambridge University Press, ISBN 978-0-521-72762-4) with a party at the Cafe bookshop on campus, attended by both the School's outgoing and incoming directors - Prof Michael Osbaldeston and Prof Frank Horwitz. Heiko's book includes chapters from two Nobel laureates: Amartya Sen and Muhammad Yunus. It is the first in a series planned and executed by Heiko and friends whilst they prepared their PhDs."

Books

Spitzeck, H., Pirson, M., Amann, W., Khan, S. and von Kimakowitz, E. (Eds.) (2009), *Humanism in Business - Perspectives on Responsible Business in Society*, Cambridge University Press, Cambridge.

Spitzeck H. (2008): *Moralische Organisationsentwicklung - Was lernen Unternehmen durch die Kritik von Nichtregierungsorganisationen?* [Moral organizational development - What do corporations learn from NGO critique?], Haupt, Bern.

Weis M. and Spitzeck H. (eds.) (2008): *Der Geldkomplex - Kritische Reflexion unseres Geldsystems und mögliche Zukunftsszenarien* [The money complex – A critical reflection on our monetary system and potential future scenarios], Haupt, Bern. With contributions of Hans-Christoph Binswanger, Bernard Lietaer and others.

Book Chapters

Amaeshi, K. (2009). Stakeholder Management: A multi-level theorisation and implications for practice. In: E. Chinyio and P. Olomolaiye (Eds.) *Construction Stakeholder Management*, Oxford: Blackwell Publishers

Pirson, M., Von Kimakowitz, E., Spitzeck, H., Amann, W. and Khan, S. (2009): Introduction – Humanism in Business, in: Spitzeck H., Pirson M., Amann W., Khan S. and v. Kimakowitz E. (eds.): *Humanism in Business – Perspectives on the development of responsible business in society*, Cambridge University Press, Cambridge.

Von Kimakowitz, E., Pirson, M., Spitzeck, H., Amann, W. and Khan, S. (2009): Concluding observations, in: Spitzeck H., Pirson M., Amann W., Khan S. and v. Kimakowitz E. (eds.): *Humanism in Business – Perspectives on the development of responsible business in society*, Cambridge University Press, Cambridge.

Journal Articles

Amaeshi, K., & Amao, O. (2009). Corporate Social Responsibility in Transnational Spaces: Exploring the influences of varieties of capitalism on expressions of corporate codes of conduct in Nigeria, *Journal of Business Ethics* (accepted)

Amao, O. & Amaeshi, K. 2008, 'Galvanising Shareholder Activism: A Prerequisite for Effective Corporate Governance and Accountability in Nigeria', *Journal of Business Ethics*, vol. 82, no. 1, pp. 119-130.

Jackson, T., Amaeshi, K. & Yavuz, S. 2008, 'Untangling African indigenous management: Multiple influences on the success of SMEs in Kenya', *Journal of World Business*, vol. 43, no. 4, pp. 400-416.

Ezeoha, A. E. and Amaeshi, K. (forthcoming). Banking System Development, Small Businesses and Minority Lending in Nigeria, *International Journal of Financial Services Management*

Amaeshi, K., Osuji, O. & Nnodim, P. 2008, 'Corporate Social Responsibility in Supply Chains of Global Brands: A Boundaryless Responsibility? Clarifications, Exceptions and Implications', *Journal of Business Ethics*, vol. 81, no. 1, pp. 223-234.

Brown R. and Grayson D. (2008): innocent: Values and Value, in: *Journal of Business Ethics Education* 5 (1): 115-136.

Spitzeck, H. (2009): The development of governance structures for corporate responsibility, in: *Corporate Governance – The International Journal of Business in Society* (forthcoming).

Spitzeck, H. (2008): *Moralische Organisationsentwicklung* [Moral Organizational Development], in: *forum Wirtschaftsethik* 16 (4): 62-63.

Doughty Centre Publications

Marsden, C. (2008): Embedding corporate responsibility in the MBA curriculum, Doughty Centre Occasional Paper.

Grayson D. and Todd, T. (2008): Small is sustainable (and beautiful!) - encouraging European smaller enterprises to be sustainable, Doughty Centre Occasional Paper.

Case studies:

Spitzeck, H. (2009): Marks & Spencer – The Business Case for Plan A.

Other publications:

Grayson D 2008, Collaborative Commitments, Prime Minister's Council on Social Action

Amaeshi, K., Ezeoha, A. E., Adi, B. and Nwafor, M. (2008) Financial Exclusion and Strategic Corporate Social Responsibility: A missing link in sustainable finance discourse? ICCSR Research Paper Series - ISSN 1479-5124

<http://www.nottingham.ac.uk/business/ICCSR/research.php?action=single&id=30>

Amaeshi, K. & Grayson, D. 2008, 'Count me out: The challenges of environmental, social and governance risks in making investment decisions', in EABIS 2008 Colloquium: Corporate Responsibility & Sustainability, Cranfield.

Amaeshi, K. (2008). "Who cares wins": IFC and promotion of sustainable project finance ideals – any implications for CSR discourse? PhD Workshop of the Annual World Bank Conference on Development Economics, Cape Town, South Africa, June 7-11, 2008

Amaeshi, K. (2008). Neither National Boundaries nor Transnational Social Spaces: Accounting for Variations in Valuation of ESG Risks in Varieties of Capitalism. Presented at a workshop on Financial Markets and Environmental Governance, at the Oxford University Centre for the Environment (May 29, 2008)

http://www.geog.ox.ac.uk/news/events/080529/amaeshi_figueira_presentation.pdf

Spitzeck H. and Weis M. (2009): Bis zur nächsten Krise? [Until the next crisis?] in: Nachhaltigkeit.org – Forum für nachhaltige Wirtschaft und Politik. Available at:

<http://www.nachhaltigkeit.org/mensch-gesellschaft/beitrage/bis-zur-naechsten-krise?>



Accountability CEO Dr Simon Zadek and Prof Atle Midttun from the Norwegian School of Management were the keynote speakers at a Doughty Centre seminar on CR and Regulation: Partnered or Collaborative Governance. This was hosted by Anglo-American at their global HQ in London in March. Prof David Parker, Cranfield's chair of Regulation and Privatisation was co-chair of the event. Seminar presentations and report are posted at www.doughtycentre.info/events

Knowledge-Dissemination: Teaching

Visiting Fellow David Logan, co-chair of The Citizenship Company has delivered a Doughty lecture series on seminal moments in the history of Corporate Responsibility.



1. Standalone courses in different programmes (MBA, New Marketing MSc)
2. Integrated teaching (Input in other courses)
3. Other forms of dissemination: EABIS, 50 Lessons, CR network, case studies, etc.

Our most direct dissemination is through teaching on Cranfield graduate and executive education programmes. In 2008-09, for the MBA course, these included a series of lectures on the Globalisation & Society course; creating and piloting a new Sustainable Business Elective; leading an IBE (International Business Experience week) to China for 46 students; and lectures on the economics core course and in the Entrepreneurship MBA on "Social Entrepreneurship" and "Venture Philanthropy". Teaching on specialist masters programmes has included lectures on the Finance MSc, International Human Resources MSc. and the Learning and Change MSc. Across the university, we have continued to provide a guest lecture on the Air Transport Management MSc and the MSc in Environmental Management for Business. The practical experience and contacts from these various courses has enabled us to identify a range of immediate and longer-term opportunities to expand inputs to graduate and executive programmes – either ourselves or through partnering with / equipping others to do so. The feedback from the EQUIS accreditation and the School's commitment to the Principles of Responsible Management Education are important spurs to achieve a greater teaching presence.

The EABIS colloquium was also a significant dissemination opportunity. Alongside the colloquium, we launched a CR and Sustainability exhibition in the Cranfield Management Development Centre, in co-operation with the Knowledge Interchange.

Additionally, the Doughty Centre has been disseminating ideas through external speaking engagements and chairing conferences. During 2008-09, these included the ECHO Summit; CMA Annual reunion; Business in the Community / Legal and General HQ on the launch of new research on the link between CR and business performance; Ethical Corporation's Responsible Business Summit; the Social Marketing Network at Investec's London HQ; the EU Multi-stakeholder Forum in Brussels; and a Leaders Quest evening with Niall Fitzgerald, chairman of Reuters.

Our input to Cranfield executive education has included in-company courses for Coutts, EDF and L'Oreal; and open programmes including the Non-executive directors' course, the Advanced Development Programme (ADP), and the General Management Programme (GMP).

The Centre has been developing new teaching resources including:

- a series of case studies: on the business case for Marks and Spencer's Plan A (Heiko Spitzack); innocent (Robert Brown and David Grayson), Axis Europe (Robert Brown and David Grayson), Diageo Australia and Responsible Drinking (Ron Ainsbury), & BP's Texas Oil Refinery disaster (Chris Marsden)
- Doughty Centre Fifty Lessons on Corporate Responsibility and Sustainability – see box on page 13.



- Doughty Centre “Points of View” – short film interviews with business, academic and thought-leaders on topical issues of corporate responsibility, ethical performance and sustainability, recorded in the SOM Media Centre. The first of these interviews includes Jane Nelson from Harvard, Frank Brown from INSEAD and Prof Nigel Roome from the Solvay Business School (Brussels).

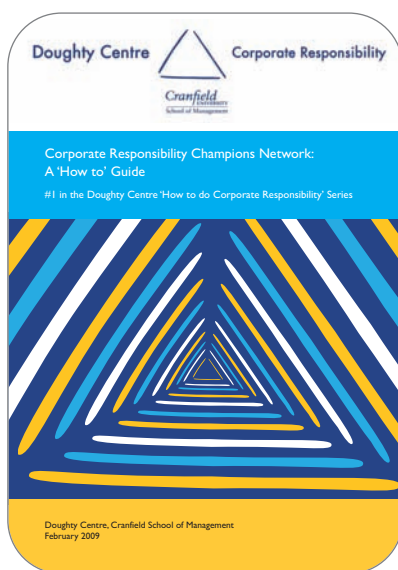
To help live the Cranfield School of Management motto of “knowledge into action,” the Doughty Centre seeks to make full use of the new media. Apart from Fifty Lessons and Points of View, we have also produced film interviews for the Cranfield Knowledge Interchange and for other parts of the School; and have participated in external webinars including one for BT’s Small Business Week.

We have also contributed to thought-leadership with a paper for the Prime Minister’s Council on Social Action on Collaborative Commitments, and practitioner articles in the CR media, management magazines and newspapers, including on how to overcome the middle management CR black hole and on business opportunities from sustainability. Additionally, we participated – together with Prof Steve Evans from the School of Applied Sciences – in a taskforce established by the Leader of the Opposition: Rt.Hon David Cameron MP, and chaired by Archie Norman – the former CEO of Asda, to explore waste from supermarkets and the potential of “responsibility deals” to reduce waste.

During 2009-10, we plan to:

- deliver a new core course on Sustainable Marketing Masters
- provide input about sustainability, ethical performance and responsibility to more of the School of Management MSc programmes
- Support the Head of Faculty Learning (Prof Kim Turnbull James) and the SOM executive sponsor of the UN Principles of Responsible Management Education (Prof Susan Vinnicombe) to work with each faculty community and individual faculty members to explore the implications of PRME for individuals and SOM collectively, and support faculty wishing to embed sustainability, ethical performance and responsibility into their own research and/ or teaching

Knowledge Application: Consulting and Practice



In 2008-09, we undertook a major project with The Crown Estate to help renew and embed their sustainability strategy. The Crown Estate manages a wide range of land and properties across the UK. In line with the principles first established in 1760 by George III and the Government of the day, the surplus revenue from The Crown Estate goes to the Treasury for the benefit of all UK taxpayers. In return the monarch receives a fixed annual payment, the Civil List.

In collaboration with the new University Risk Centre, we were successful in a bid to benchmark the new Responsible Nano-Technology Code – thus fulfilling a challenge from one of the Doughty Centre visiting professors: Gilbert Lenssen, to play to Cranfield University's technology base and include consideration of the CR aspects of rapid technological innovation, in our Doughty Centre work programme.

Our approach is to work with organisations which are genuinely committed to improving their ethical and sustainability performance as a responsible enterprise.

We believe that the most effective interventions are not to do things to or for an organisation; but rather, to work closely with the organisation, to identify its material environmental, social and governance risks and opportunities; to help the leadership of the organisation to review its strategy in order to embed sustainability and responsibility; and then to support the organisation to clarify the programme and project plans to implement the strategy.

We, therefore, expect that a client will identify a number of senior staff and talented, high-flyers who will be able to work with the Doughty Centre to complete the consulting assignment together.

Particular areas where we are looking for consulting assignments to help advance knowledge of how to embed corporate responsibility and sustainability:

- Work with a company board, to help board members and the board collectively to increase their understanding of the risks and opportunities associated with material environmental, social and governance (ESG) issues;
- Help a strategic business unit (SBU) of a multinational company to translate the company's global commitment to CR into a strategy for the SBU; and then to develop a plan to operationalise this; (for example, working with multinational firms to translate their corporate CR strategies in particular contexts/locations)
- Facilitate dialogue between Investor Relations, CR and Corporate Communications functions within a FTSE100 company to improve the presentation of their ESG data to mainstream investors and analysts;
- Work with a small group of companies wishing to share good practice of how to continue their embedding of CR through the recession;
- Help companies to identify, create and sustain collaborations with competitors and / or non-governmental organisations to tackle environmental and social challenges in commercially attractive ways;
- Developing and delivering with a corporate university/ in-house senior management development team, an experiential, action-learning programme for high-flyers within the company on sustainability;

During 2009-10, we plan to:

- Publish and promote our own How-to guides and a "guide to the guides"
- Complete further consulting assignments that help us to achieve the virtuous circle research, teaching

The next three guides cover:

- Engaging community and NGO stakeholders;
- Equipping operational (middle) managers who want to improve sustainability and CR in their own spheres of influence;
- Establishing and sustaining CR / Sustainability advisory panels to advise corporate boards and CEOs.

- Work with the CR, IT, training and internal communications staff of a company, to establish and promote use of a CR and Sustainability Knowledge-Management function.

In some cases, there may be opportunities to create synergies between a consulting assignment and an existing or new research programme. This might, for example, be a PhD student or a research club (where a small group of non-competitor companies contribute modest membership fees which enable Cranfield to access research funding for knowledge transfer; and participating companies are able to contribute to the choice and design of the research, and obtain early access to the results).

In support of our knowledge-application leg, we have started to produce Doughty Centre "How to" guides. Our "How to" guides are aimed at busy managers who want up-to-date, practical advice to operationalise a commitment to Corporate Responsibility. They are based on the experience of leading companies.

Each guide tackles a practical aspect of putting CR into practice. Informed by the latest in management theory and based on interviews with managers from companies which have successfully embedded that particular aspect of CR, the How-to guides seek to provide concrete advice in a timely and accessible format.

The first of the How-to guides – on CR champions – researched and written by Cranfield alumnus and Centre associate Nadine Exter – has been well received and has had considerable publicity in the UK and overseas.

www.som.cranfield.ac.uk/som/dynamiccontent/research/doughty/CRChampions.pdf

Virtuous Circle in action

Discussions with Cranfield corporate governance experts Professor Andrew Kakabadse and Murray Steele identified that oversight of a company's commitment to corporate responsibility is an interesting and relevant aspect of embedding responsible business practice.

MBA student Ashok Kumar wanted to do an independent project about Corporate Responsibility as part of his MBA. Through David Grayson's involvement with Business in the Community, access was negotiated for Ashok to interrogate the database of BITC's benchmarking CR Index. Under the supervision of Dr Heiko Spitzack, Ashok decided to concentrate on companies which have completed the CRI every year from 2002-07. He found that there were 51 such companies. Amongst these, he found that the percentage of firms using a CR Committee as a form of board oversight had risen from 13% in 2002 to 60% by 2007.

Heiko Spitzack used the raw data from the MBA student project to produce papers which he refined by presenting intermediate results at the EABIS Colloquium, at the CSR Governance conference in Berlin and at the European Business Ethics Network conference in Turkey.

The final paper has been accepted for publication by the journal Corporate Governance. He is now using this material as the starting point of a practitioner's How-to guide in the Centre's How-to guide series on the governance of corporate responsibility. We have already used the insights in a consulting assignment. We aim to complete the virtuous circle this coming year, by presenting the results of the material in Cranfield's executive programmes for non-executive directors and senior managers.

LES50NS

Cranfield alumnus
Andy Wood -
Managing Director of
Adnams



is one of sixteen
business and thought-
leaders who have
contributed to the Doughty Centre
50 Lessons on Corporate
Responsibility and Sustainability,
launched April 2009.

In this collection, interviewees talk about their experience working in leading organisations such as Accenture, The Body Shop, Cookson Group, Pearson, innocent drinks, Lloyds TSB, Business in the Community and Unipart.

This collection is ideal for individuals, corporations, or academic institutions interested in learning the tried-and-tested advice from proven CR&S leaders who have faced the challenges of running a responsible business.
<http://www.50lessons.com/collections.asp?c=492>

Our year at a glance 2008-09



David Grayson and David Simmons (the School's International director) led 46 MBA students to Shanghai and Beijing in June 2008 as part of the International Business Experience Week when all full and part-time MBA students spend a week in a different part of the world, to explore globalisation and sustainable development. The China-bound students had a specially prepared Doughty Centre brief on CR and Sustainability in China, prepared by Dr Tina Xu. David Grayson and Dr Stephanie Hussels from the Bettany Centre for Entrepreneurship will be taking another MBA group to China in June 2009.

April

- No quick fix seminar at Corporate Citizenship
- Cranfield CR Network (CCRN) Prof Andy Neeley on measuring Corporate Responsibility
- Journalist and broadcaster Rob Gifford from PBS (USA) talks to more than 130 students and faculty on his book "China Road" as part of preparation for our China Study Tour
- David Grayson speaks to UBS diversity networks
- First meeting of Doughty Centre Advisory Council

May

- Presentation to Cranfield's private equity seminar
- Co-chair The Ethical Corporation's Responsible Business summit
- Presentation to first of a series of Bettany Centre courses for Coutts private bankers

June

- China study tour
- CCRN Dr Iain Davies on "Is fair trade, fair?"
- Lunchtime seminar on Centre research plan
- School of Management and School of Applied Sciences joint forum on collaboration around sustainability

July

- Mark Goyder (Tomorrow's Company), Sir David Bell (Pearson) and Truett Tate (Lloyds Group) are amongst 12 business and thought-leaders filmed for the Doughty Centre Fifty Lessons on Corporate Responsibility and Sustainability series
- BITC awards for excellence dinner
- Dr Oliver Sparrow presents future scenarios to the MBA
- Launch of Force for Good at BT Tower

August

- MBA students' Capstone Conference
- Dr Heiko Spitzeck and Dr Kenneth Amaeshi present at the prestigious annual Academy of Management conference

September

- Valuing Business one-day workshop at Cranfield to engage stakeholders on Centre research with Bocconi and Vlerick Business Schools
- EABIS colloquium at Cranfield
- Annual Cranfield Lecture – Sir Stuart Rose – on embedding Plan A in Marks and Spencer
- Publication of Centre Occasional Paper: Embedding Corporate Responsibility in the MBA Curriculum by Visiting Fellow: Chris Marsden OBE

October

- Growth through Sustainability workshop hosted by Doughty Centre and the Bedfordshire Green Business Network and regional business links for owner-managers wishing to accelerate their sustainability performance
- David Grayson opens annual ECHO conference for Corporate Communications Directors
- Heiko Spitzeck presents research results in Berlin and Antalya
- Centre joins Global Education and Research Network meeting in Berlin
- EDF course for operational managers, Paris
- David Grayson speaks to the annual conference of the Association of Business Schools on embedding sustainability and corporate responsibility
- Jonathan Porritt opens the 2008-09 season of the Cranfield CR Network

- David Grayson chairs a conference for investors and companies at Legal & General HQ to launch an Ipsos Mori /Business in the Community report on CR and share price performance

November

- Presentation to Cranfield Non-executive directors' course
- CCRN Philippa Foster Back
- Chain Reaction conference and launch of Centre think-piece for the Prime Minister's Council on Social Action
- David Grayson lectures at the Social Marketing Network at Investec London HQ on CR and the Ageing Society
- David Logan: co-chairman of Corporate Citizenship delivers the first of four Doughty Lecture series of talks on the evolution of Corporate Responsibility: "From Babylon to Bhopal"
- Further day filming 50 Lessons

December

- European CSR Alliance – Presentation of results of laboratories - Brussels
- David Grayson chairs Leaders Quest seminar, London with Niall Fitzgerald
- Doughty Centre seminar with the Institute of Chartered Accountants of England and Wales on CR and Regulation
- CCRN: Judy Greevy CR & Diversity Director for Her Majesty's Revenue and Customs
- Prince of Wales Accounting for Sustainability summit at Clarence House
- Annual presentation to School of Management Executive on Centre's work-plan

January

- Doughty Lecture 2 – David Logan
- Supper debate at Doughty Hanson with CR thought-leaders and advisory council members on Corporate Responsibility through the crisis
- Valuing business international research team review meeting Brussels

February

- David Grayson co-chairs European Union's Multi-stakeholder Forum, Brussels
- Crown Estate board approves new sustainability strategy based on the recommendations of working group supported by the Doughty Centre
- First of Centre's new "How-to" series of practical guides for busy managers – on creating CR champions' networks
- Publication of "Humanism in Business" by Cambridge University Press.

March

- Centre seminar at Anglo-American HQ on CR and regulation: partnered or collaborative governance?
- Sustainability lecture by Dennis Pamlin WWF



Doughty Centre visiting professors John Elkington and Gilbert Lenssen were amongst more than 70 speakers from around the world, at the 2008 EABIS Colloquium held at Cranfield Sept 10-13th 2008. HRH The Prince of Wales sent a video message urging greater engagement by business schools with sustainability and climate change challenges. His message and other resources from the Colloquium can be found at www.eabis2008.info

As usual, the Colloquium had a mix of business, business-stakeholder and academic speakers. We maintained successful features of previous years such as the marketplace solutions exchange on the afternoon of the first day; and the parallel tracks where academics and practitioners presented their papers on the second morning.

But we also took into account the evaluations from previous colloquia attendees. They asked for more networking opportunities - especially for newcomers to EABIS events. So, there was a "speed networking" event on the opening evening led by a young entrepreneur Oli Barratt; and a chance to join named "table hosts" from Cranfield and EABIS at the gala dinner held in the historic Woburn Abbey. We had inter-active plenary sessions, and opportunities to "drill down" on key topics of particular interest, with a choice of six interactive seminars on the Thursday afternoon, each led by experts from business and academia.

DOUGHTY CENTRE PUBLICATIONS



"Small is sustainable (and beautiful!) – encouraging European smaller enterprises to be sustainable" – An Occasional Paper by David Grayson & Tom Dodd

Embedding Corporate Responsibility in the MBA Curriculum – An Occasional paper by Chris Marsden

"The Business of Business is...? Unpicking the corporate responsibility debate" – A Doughty Centre Occasional paper by Chris Marsden and David Grayson

"Non-Financial Performance Metrics for Corporate Responsibility Reporting Revisited" – A Working Paper by Malcolm Arnold

The Doughty Centre has published the first "How to guide: "Corporate Champions Networks: a How to guide." This guide aims to show the what, why, and how to establish a CR champions network. CR champions are emerging as a powerful tool to help embed CR into an organisation. A CR champions network takes time and effort to build but the use of champions, has several potential advantages: by working directly with staff on initiatives, champions can engage staff and become themselves more committed; champions can connect different parts of a business, thus finding and propagating best CR practices and ideas; and they allow for a credible two-way interface between the global and local in international companies.

"Should companies do good things?" – Chris Marsden & David Grayson

Stakeholder- engagement – Neil Jeffery

BUSINESS-LED CORPORATE RESPONSIBILITY COALITIONS:

Learning from the example of Business in the Community in the UK – An Insider's Perspective – David Grayson

A New Mindset for Corporate Sustainability – with BT & Cisco and academics from MIT, IESE, Beijing and Singapore

Engaging business in the community – not a quick fix – Geoffrey Bush, David Grayson and Amanda Jordan, with Jane Nelson – Smith Institute

"Sense and Sustainability" Professor David Grayson's inaugural lecture given on Monday 15th October at Cranfield Management Research Institute and on Tuesday 16th October at the Merrill Lynch European headquarters in London.

The Centre's 'Collaborative Commitments' think-piece, prepared for the Prime Minister's Council on Social Action argues the case for agreements made voluntarily between individuals and organisations from business, public sector and civil society, to achieve positive social impacts which would not be possible for one sector acting alone to obtain.

All publications can be downloaded from the publications page of the Doughty Centre website:
www.doughtycentre.info

Can We Help?

The Doughty Centre aims to combine rigorous research and leading-edge practice. The Centre welcomes enquiries for collaborations including:

- speaking and/or chairing conferences and in-company events
- facilitating organisations in the public, private or voluntary sectors who wish to produce their own think pieces/ "white papers" on Corporate Responsibility, sustainability or public-private-community partnerships
- practical projects to embed CR in an organisation
- scenario-development and presentations to help organisations envision a more responsible and sustainable future
- co-creation and joint publication of research, think-pieces and practical "how-to" guides
- design and delivery of organisation-customised and open learning programmes around CR, sustainability or public-private-community partnerships

Doughty Centre for Corporate Responsibility

Keep in contact

If you would like to receive brief, termly email updates on developments in the Doughty Centre, please just complete the simple registration form on the centre website:

<http://www.som.cranfield.ac.uk/som/p9357/Research/Research-Centres/Doughty-Centre-for-Corporate-Responsibility/Join-our-mailing-list>