Communication on progress report to the PRME Secretariat
Snapshot of Cranfield School of Management

- Established 1964 and has over 12,000 alumni in more than 120 countries
- The School of Management (SOM) is part of the UK’s only wholly postgraduate university
- Triple accreditation: AACSB International, EQUIS, AMBA
- Over 100 full time faculty and over 120 visiting faculty
- Over 200 students each year on MBA programmes, 280 on MSc programmes, and over 100 engaged in research
- Executive education reaches over 60 organisations each year

Rankings

- FT MBA in top 3 globally in 2009 (Wall Street Journal)
- 2nd in UK and 11th in Europe (Financial Times)
- 1st in the UK for executive education, 1st in the world for oversees programmes (Financial Times)
- In the top 3 of employees’ choice in the UK; in the top 11 of employees’ choice in Europe (The QS MBA Employers Choice survey)

A number of the research centres incorporate responsible management in their research agenda.
Introduction from Professor Frank Horwitz

Like over 300 other business and management schools across the world, the Cranfield SOM has signed the UN Principles of Responsible Management Education (PRME). This is because we fully appreciate the importance of contributing to a sustainable world. As a management school, we can enable this through our teaching of the next generation of business leaders, by researching and sharing tactics, and by leading by example through how we operate as an organisation, community member, and as individuals. To contribute to developing a sustainable business environment, we believe in the need to teach the next generation of executives to have four key attributes:

1. To be adaptive and self-aware and to practice ethical leadership, think independently, learn from events in the external environment, and promote responsible governance
2. To understand cutting-edge managerial practices and business acumen – to be able to align performance objectives, reward systems, and employee engagement with core values
3. To be entrepreneurial and to understand innovative approaches
4. To understand the wider environment of business – to know how to manage in times where the need for a sustainable mindset is critical, when we are experiencing rapid change, uncertainty and complexity in a globally diverse environment.

Learning from corporate experience, we have also explicitly incorporated a commitment to PRME and responsible management education within the SOM’s overall strategy, and we are encouraging faculty and students to explore what the global sustainability crisis means for them and for businesses. This is because we consider embedding PRME into the organisational culture, curriculum, policies and practices of the SOM to be of fundamental importance. I am personally chairing the SOM’s PRME taskforce. This brings together faculty and staff from across the SOM, including the director of the MBA Programme, the Director of Research and the Finance director.

We appreciate the codicil at the end of the six PRME Principles: “We understand that our own organisational practices should serve as example of the values and attitudes we convey to our students.” We are therefore examining our own workplace practices (for example, including a reference to PRME in the annual Performance and Development Review process), our purchasing policies and our criteria for working with clients. The SOM executive recently approved a code of practice for engaging with corporate clients and other stakeholders.

We have three immediate priorities for 2010:

1. Embedding sustainability into the second (elective) part of the MBA programme, where to date we have explicitly incorporated sustainability into our existing core MBA teachings, with the exception of one course.
2. Faculty continuing professional development is the second priority for 2010, especially as the essence of what Cranfield is about is the transformation of knowledge into practice, and of developing the whole person.
3. Integrating PRME within the SOM’s overall strategy – including the Sustainability Strategy. I am especially proud that members of the executive, led by the Finance Director, are championing our Sustainability Strategy, where we have some tough targets to meet.

By the end of 2010 we aspire to show significant progress in embedding – especially in research, FT MBA and through student engagement. By the end of the 2010-11 financial year, we want a critical mass of faculty to be able to articulate what the implications of sustainable development and responsible management are in their discipline; and to know just how their discipline can continue to improve the practice of responsible management. Business schools need to understand the increasing concerns of society, what is expected from our leaders, the governance of business, and the role of business in society. As a leading business school, we need to engage in this discourse today, which in turn will help us become a stronger and even more relevant institution tomorrow.

**Responsible Management Education at Cranfield SOM**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>Non-executive directors course on corporate governance started</td>
</tr>
<tr>
<td>1998</td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>International Centre for Women Leaders - Female FTSE launched</td>
</tr>
<tr>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>Cranfield as founding member of EABIS</td>
</tr>
<tr>
<td>2003</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>Doughty Centre for Corporate Responsibility started</td>
</tr>
<tr>
<td></td>
<td>Leading the Board: The Six Disciplines of World Class Chairmen – Andrew and Nada Kakabadse</td>
</tr>
<tr>
<td></td>
<td>Cranfield Corporate Responsibility Network started</td>
</tr>
<tr>
<td>2008</td>
<td>Sustainable Business elective for MBA started</td>
</tr>
<tr>
<td></td>
<td>Embedding Corporate Responsibility in the MBA – Doughty Centre Occasional Paper</td>
</tr>
<tr>
<td></td>
<td>CMA Alumni annual reunion – focused on Corporate Sustainability</td>
</tr>
<tr>
<td></td>
<td>Green Team of staff and faculty started and first Green Week</td>
</tr>
<tr>
<td></td>
<td>EABIS colloquium hosted at Cranfield SOM</td>
</tr>
<tr>
<td></td>
<td>Cranfield Lecture: Sir Stuart Rose on Marks and Spencer’s Plan A for Sustainability</td>
</tr>
<tr>
<td>2009</td>
<td>Citizenship: A Reality Far From Ideal by Andrew Kakabadse</td>
</tr>
<tr>
<td></td>
<td>PRME Implementation Taskforce established</td>
</tr>
<tr>
<td></td>
<td>Orientation week booklet on sustainability and responsibility for new MBAs launched</td>
</tr>
<tr>
<td></td>
<td>Sustainable Value – Cranfield, Bocconi, Vlerick research programme for EABIS - final report published</td>
</tr>
</tbody>
</table>
Cranfield School of Management and PRME

For more than 40 years, Cranfield School of Management, a world leader in management education and research, has been helping individuals and businesses learn and succeed by transforming knowledge into action.

The School brings together a range of management disciplines through a significant portfolio of activities that includes research and consultancy, postgraduate masters and doctoral programmes, executive development courses, customised programmes and conferences. Our MBA, executive education and doctoral programmes are all highly ranked in the major league tables.

A key strength is our faculty, amongst the largest and most diverse of any business school in Europe. Most have managerial experience, a strength reinforced by close links with outside organisations through consultancy and research. Many of our faculty are visiting professors at other international business schools. A combination of rigorous research and inspirational teaching is at the heart of everything we do.

We are dedicated to creating new management thinking, improving business performance and inspiring the next generation of business leaders. Our students will graduate into a work milieu which is increasingly complex, diverse and technologically inter-connected, and where emerging market economies have assumed more prominence in the global political economy. This offers exciting challenges but also presents the need for the next generation of business leaders to adopt an entirely new mindset. Today, the challenge for business schools and business itself is to implement, effectively, a new maxim: “the business of business is sustainable business.”

Sustainability and Responsibility on the Cranfield MBA
Our goal for PRME

Our overall goal, long-term, is to embed PRME within the SOM’s research, teaching, consulting and SOM’s own practice as a responsible organisation. In order to do this, the following steps are necessary:

- PRME is explicitly part of the new, overall SOM strategy to inspire and equip managers to manage responsibly and with a view to sustainability;
- Opportunities will be sought and provided for faculty to explore what PRME means for their own research, teaching, consulting and practice;
- SOM will provide regular progress reports on embedding PRME to faculty and staff, students and alumni (as well as to PRME) – and to create opportunities for feedback and suggestions for improvement;
- Embedding PRME will be aligned with the SOM’s own Sustainability Strategy implementation.

Our involvement in responsible management education did not start when we signed the PRME, as the timeline above shows. PRME has, however, ensured a school-wide commitment and focus. In achieving our PRME implementation plan, we have four “Guiding values” – The 4 Es:

- Embedding PRME in all SOM activities: research, teaching and practice
- Enterprising - creatively seizing opportunities to support implementation of PRME
- Empowering all SOM stakeholders (faculty, staff, students, clients, alumni, university) to make a positive difference
- Exchanging – learning from other institutions and simultaneously sharing our learning with other institutions

We have not written this report as a glossy, public relations exercise. We do not pretend that we have solved all the challenges of embedding PRME. We have not. We have made some positive progress, described in this report, but we are still at an early stage on the journey. We have identified a number of key challenges that we are continuing to grapple with. These challenges are:

- Defining precisely what responsible management education is
- Getting faculty familiar with the relevant concepts and being able to express what it means for their discipline and where they stand on sustainability and responsibility, without seeming to preach or to interfere with academic freedom
- Ensuring that these topics are made stimulating and relevant to students
- Harnessing the range of allies, both inside and beyond the university, that the SOM has that can help us to embed PRME.

We welcome advice and practical suggestions on addressing these challenges and, in turn, we are very pleased to share the learning and experiences that we have had, and which are described in the following pages.
Principle 1

**Purpose:** We will develop the capacity of future generations regarding sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

What does sustainable value for business and society mean for today’s business school student? Corporate responsibility (CR) and the tough ethical and governance choices managers have to grapple with, where there are no simple answers, reflect the need for business education to embrace the stakeholder model. Our next generation of business and organisational leaders need to be confident and aware of, and able to negotiate their way around, multiple perspectives and conflicting and common interests of stakeholders such as employees and managers, shareholders, trade unions, suppliers and civil society organisations which have an interest in the behaviour and decisions of an organisation. Business schools need to inculcate understanding and sensitivity to this new and changing world of work.

We want our students to leave the SOM having had the opportunity to reflect on how they define their own moral compass for decision-taking, and how they define a successful life. Our initial focus is the MBA programme. All core course directors have been asked to state how PRME are reflected in their course. Electives on Globalisation and Society and on Sustainable Business enable students who wish to do so to explore these issues in depth. Outside the classroom, we are encouraging students to explore these topics further with opportunities for independent projects, the Cranfield chapter of Net Impact, and by inviting visiting speakers such as Helen Alexander, President of the Confederation of British Industry, to debate with faculty, staff and students in the Cranfield Corporate Responsibility Network and in our Distinguished Speaker Series. All full-time and executive MBAs take part in the “International Business Experience” (IBE) – an intense week in an international market such as Brazil, China and South Africa. One of the underlying themes of the IBE is the challenge of sustainable development, and doing business ethically in different cultures and political systems.

We recognise that activities outside the classroom provide our students with further opportunities to explore what sustainability means to them. Below is a sample of such activities.
<table>
<thead>
<tr>
<th>Activity</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student trips to other universities and external conferences</td>
<td>The SOM has sponsored MBA and doctoral students to attend several international, student-run conferences on sustainability, social enterprise and responsible business.</td>
</tr>
<tr>
<td>Student clubs</td>
<td>Cranfield has a chapter of Net Impact, a global student organisation dedicated to embedding sustainability knowledge into business school teaching. Moreover, we have our own MBA Energy Club for students with an interest in renewable and sustainable energy.</td>
</tr>
<tr>
<td>Independent projects and theses on sustainability</td>
<td>MBA and MSc students are given the opportunity to consider sustainability-themed theses or independent projects.</td>
</tr>
<tr>
<td>Non-curricular student events</td>
<td>A range of sporting and social events are organised by students to raise money for charitable causes.</td>
</tr>
<tr>
<td>MBA Capstone Conference</td>
<td>At the end of each year, full-time MBA students organise a conference to consolidate their MBA learning. In recent years, sustainability has been one of the major themes.</td>
</tr>
</tbody>
</table>

As an alternative to the IBE, students can choose to work on a community project with a development NGO in Burkino Faso or Bolivia. An increasing number of students are choosing this option.

**MBA and MSc student projects and theses**

Students are encouraged to undertake a thesis or independent project on an issue that they deem important to their future and that will allow them to put into practice some of the things they have learned from their course. Each year we offer specific corporate sustainability-themed options, which are popular with the students.

Recent projects have included work with Oxfam to explore their partnership with Marks and Spencer, work with small businesses to help them in embedding sustainability and an assignment for the Global Peace Index on the costs to business of operating in less peaceful societies.
MBA Energy Club

The 2009-10 MBA cohort includes several enthusiastic students who have worked in the energy sector and recognise the importance of developing the renewable energy market. An Energy Club was set up for interested members who hold meetings to discuss topical issues, attend conferences such as the Global Energy Summit in November 2009 hosted by London Business School, and manage a series of lectures from key external practitioners, for example from EDF Energy, Solar Century and Shell CO2.

Our learning and advice

In general, we have found that there will always be a group from the student cohort who start their course already having an interest in sustainability and responsible business, and warmly engage with the network and projects/theses when they learn of the opportunities. A few proactive students will form their own clubs, and enabling them in this with logistical support and introductions can encourage further participation. Although each year the size of this group of students increases, the majority still need to be proactively engaged via other routes – both inside and outside the classroom.
**Principle 2**

Values: We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the UN Global Compact.

We recognise that many of our students are deeply interested in sustainable development and improving the practice of responsible management, and that it is vital we take a proactive role in educating students of the importance of responsible management as integral in best practice business behaviour. The goal is to ensure that sustainability and responsibility are built-in to the curriculum and not just a bolt-on.

Our MBA is, therefore, one of the early areas of focus. One of the SOM’s visiting fellows has examined each of the MBA course case-packs, in order to see where environmental, social and governance and ethical performance issues would logically fit within what is already being taught. Each course director has been encouraged to incorporate PRME within their course learning objectives, and to reflect this in recommended reading and the cases to be taught. In marketing, for example, what responsibilities do organisations now have for protecting vulnerable customers or for the misuse of their products and services? What does responsible marketing involve? For innovation, how do sustainability pressures create an added driver for innovation and an additional decision-making lens for evaluating new ideas? Elective choices such as “Globalisation and Society” and “Sustainable business” allow students the opportunity to drill down in more detail if they wish.

The MBA

We plan a similar process to that undertaken for the MBA for each of our eight specialist masters programmes. Issues of sustainability and corporate responsibility already feature on a number of our executive open programmes and we have been tracking the views of individual managers attending our General Management
Programme on these issues for the past decade. We encourage PhD and DBA students to examine the implications of sustainability for their research.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBA welcome leaflet</td>
<td>A short leaflet is provided for all incoming MBA students that sets out the approach Cranfield takes to sustainability and the role of CR within our teaching. It provides a “crib” sheet of issues to raise in each course about sustainability and CR.</td>
</tr>
<tr>
<td>MBA core teaching</td>
<td>Many of our faculty have already embraced our objective of embedding responsible management into their teaching. In the Economics of the Organisation, Organisational Behaviour, Personal &amp; Professional Development (OBPPD), Globalization, and Marketing programmes approx. 10% of time has been dedicated to sustainability issues. All but one of the core MBA courses have now explicitly embedded sustainability into their teaching.</td>
</tr>
<tr>
<td>MBA elective: Integrating Finance with Business Management</td>
<td>Sustainability and responsible finance considerations have been incorporated into this elective.</td>
</tr>
<tr>
<td>MBA electives: Leadership</td>
<td>The leadership elective for MBAs encourages students to understand that leadership and values are inter-connected.</td>
</tr>
</tbody>
</table>

**MBA elective course: Integrating Finance with Business Management**

This elective, run by Dr Ruth Bender and finance faculty colleagues, spent considerable time in 2009 integrating responsible management of finance in business into their teaching and teachers’ notes. The module aims to help students understand how to approach a series of ‘Finance FAQs’ in order that they may appreciate the opportunities available and evaluate the financial tools they might need in the light of business opportunities or challenges. It also takes some time to consider the ethical and governance implications of commonly-recommended financial practices.

- Valuing companies: Traditional valuing is taught, and then extended, to consider how taking a sustainability stance impacts on corporate value, the implications of taking a ‘shareholder value’ stance to valuations, and the potential impact on corporate valuations if principles of sustainability are widely incorporated into investor behaviour.

- The dynamics of the private equity industry and the current debate that is taking place regarding the ethical implications of private equity transactions are covered.
- Corporate governance, sustainability and financial strategy: set in the context of Shareholder Value as the main corporate driver, examining that assumption and how different corporate finance might look if other stakeholders’ interests were treated with the same priority. The attitudes of companies and investors to sustainability issues and how this impacts financial strategy are analysed. Students are challenged on how to balance responsibilities between the short- and long-term, between shareholders and stakeholders.

**MBA core course: Economics of the Organisation**

This course sets the groundwork for the strong economics teaching that the SOM provides throughout the MBA. A key case study based in China specifically addresses the dynamics of business growth and environmental resource scarcity, both of which affect the local economy’s ability to improve both economic and social sustainability. This course also includes a growth/environmental restriction question in its examination.

**Our learning and advice**

For some, the PRME statements can seem like “motherhood and apple-pie” and hard to operationalise. The variety of terms in use, such as sustainability, Corporate (Social) Responsibility, corporate citizenship and the accountable corporation, also prove a barrier for some to translating the issues into their own management discipline. However, having a formal request from the School director and the MBA director to incorporate PRME into each MBA core course helped to move this agenda forward. We have also provided an experienced teacher, well-versed in CR teaching himself, as a mentor/sounding-board for faculty interested in testing out their approach to incorporating issues of sustainability and CR in their particular discipline. This is a work in progress.
**Principle 3**

**Method:** We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

Ultimately, our aim is that every Cranfield SOM student (graduate and executive) will be exposed to debates about the practice of responsible (sustainable) management. In practice, the 2010 priority is the MBA – to ensure responsible management issues are incorporated in all core courses and that this is explicit in course case-packs and embedded within the core course OBPPD (see Principle 2).

In future years, we aim to repeat this process for each masters course, introducing specific frameworks and material that bring sustainability thought into the classroom, creating further opportunities for doctoral students to explore the implications of sustainability and CR for their own research questions and encouraging translation of this into our teaching, and equipping executive development consultants proactively with specific educational frameworks to raise sustainability with their clients. All this is in process at one of our specialist research centres, the Doughty Centre for Corporate Responsibility. We are also developing on-line materials to support faculty.

Cranfield SOM is an international leader in executive education, and we recognise the potential to expand input both to open programmes and to capacity-build customised (in-company) executive development staff to raise issues of sustainability and responsibility with clients in order to integrate these issues even further into executive teaching.

<table>
<thead>
<tr>
<th>Activity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing case studies</td>
<td>Cranfield SOM has entered into a partnership with the Pears Foundation to develop a series of case studies on different ways of contributing to the public good, which can be used on different MBA core courses. Marketing faculty have developed a teaching case study on the social enterprise Cafedirect. Cranfield faculty won EFMD case-writing awards in 2009 and in 2010 for sustainability-related cases.</td>
</tr>
<tr>
<td>Cranfield on Corporate Sustainability</td>
<td>A Cranfield book is being developed (due in 2011) detailing Cranfield’s take on corporate sustainability</td>
</tr>
<tr>
<td>50 Lessons: materials on leadership in corporate sustainability</td>
<td>Developed in collaboration with the company 50 Lessons, The Doughty Centre’s Fifty Lessons for Corporate Sustainability and Responsibility are a series of short film interviews with business leaders, opinion-formers and academics on corporate sustainability and responsibility. These are made available to both students and faculty, to give insight into how a responsible business environment and mindset operates and provide practical lessons on creating an environment where responsible management is seen as integral within successful management</td>
</tr>
<tr>
<td>Executive development</td>
<td>For several of the bespoke executive development courses created and run for clients, a half day teaching framework has been developed on social and environmental responsibility involving a series of interactive tools and techniques.</td>
</tr>
<tr>
<td>Sponsoring PhD research</td>
<td>As part of our efforts to build a dynamic environment which allows learning and exploration from all sectors with each other, the Centre of Business Performance, in association with the Cranfield Trust, are offering a scholarship from 2010 focusing on the Third Sector.</td>
</tr>
</tbody>
</table>
The Pears Business Schools Partnership is a unique partnership between three of the UK’s leading business schools aimed at promoting a culture of philanthropy and public service amongst the business leaders of the future.

Cranfield SOM, London Business School and the Said Business School have joined forces with the Pears Foundation to establish the Pears Business Schools Partnership, which will write case studies and host lectures to help business students develop an understanding of and commitment to public service and philanthropy.

Each partner is developing a series of nine materials, as case studies, for teaching. During 2009-10 we are focusing on developing case studies for teaching on:

1. The UBA Foundation in Nigeria
2. The work of Steve Killelea, a distinguished Australian social entrepreneur and venture philanthropist who founded the Global Peace Index
3. The philanthropic strategy of Stefan Schmidheiney and the Avina Foundation which he founded

In 2011, we will host the Pears Foundation Business School Partnership Lecture at Cranfield

Over the last three years, the Cranfield CR Network has hosted nearly thirty separate speaker events. The purpose of the network is to create a learning environment where responsible leadership can be seen through real-life examples. Speakers have included the environmental campaigner Sir Jonathon Porritt, the ethics champions Philippa Foster Back and Prof Kirk Hanson and corporate citizenship expert David Logan.

We have separately hosted or co-hosted ten specialist seminars on topics such as responsible lobbying; CR as a complement to regulation; the governance of responsibility; business and peace; and how improving environmental, social and governance performance can contribute to long-term value-creation for businesses.
Scholarships: The Cranfield Trust and School of Management

Cranfield SOM and The Cranfield Trust offer scholarship places on Cranfield’s prestigious MBA programmes as part of creating educational environments where a variety of voices and opinions are shared and learning is made more dynamic. For the seventh year running, new students have won scholarships on the Executive (part-time) and Modular MBA programmes, with many recipients coming from charities or NGOs.

Cranfield SOM and The Cranfield Trust are working together to support a major research programme on third sector performance measurement. Cranfield is offering funding for a student to study for a full-time PhD under the title ‘Performance Management in the Third Sector’, starting in September 2010.

The course of study will review and map existing practice, develop understanding of the processes and challenges of non-profit performance measurement, and develop tools and techniques for non-profits to embed performance management activities within their organisations.

The PhD will be supervised by Cranfield’s Centre for Business Performance, led by Professor Mike Bourne. The Centre for Business Performance specialises in the design, implementation, use and ongoing maintenance of performance measurement and management systems.

Our learning and advice

It is an ongoing journey that requires patience and we found helping faculty to come to a realisation themselves of the evolution in the business environment in relation to sustainability and corporate responsibility is proving to be a more successful, if longer term, route. This entails raising awareness of sustainability issues related to their field, publications relevant to them, opportunities for research topics, conferences they can attend and other such opportunities. This is done through internal communications, joint research projects, identifying funding opportunities, and providing good teaching case studies.
Principle 4

Research: We will engage in conceptual and empirical research that advances our understanding of the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

We are aiming to encourage faculty to consider the implications for their own research particularly by recruiting interested faculty to contribute to a publication on the CR and sustainability dimensions of their discipline (see Principle 3), for which we have been able to commit some dedicated funds. In addition to the specific research programme of the Doughty Centre for Corporate Responsibility, a number of other faculty across the SOM have an interest in sustainability and responsibility and what it means for their discipline. A snapshot of examples is provided below:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Published research 2009-10 (excludes research in process)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-department research</td>
<td>Responsible lobbying, executive remuneration using the BITC CR Index</td>
</tr>
<tr>
<td>Executive Development</td>
<td>Abstract: Ladkin D, <em>The language of leading for sustainability</em></td>
</tr>
</tbody>
</table>
| Marketing and Demand Chain Management | Papers: Davies I, *Alliance and networks*; Davies I, *CSR in SMEs*; Davies I, *The rise and stall of a fair trade pioneer*  
Abstracts: Amaeshi K, *Rethinking the link between CR and financial performance*; Ferguson D, *Moving mountains in practice*  
Practitioner papers: 3 occasional papers, 4 how-to guides  
Working paper: *EABIS lead research: Sustainable value* |
| Strategy and Leadership | Papers: Kakabadse A, *CSR leaders road map*; Mostovicz I, *CSR: the role of leadership in driving ethical outcomes* |
| Strategic Management | Abstract: Reinmoeller P, *Integrity and CSR reporting* |
| School of Applied Science | Paper: Holmes S, *Exploring open innovation practice in firm non-profit engagements* |

Moving forward, to increase the quality and quantity of Cranfield research related to corporate sustainability and responsibility, we will:

- Ask new faculty and doctoral students to consider the implications of sustainable development and debates about responsible business for their research and target some scholarships on sustainability and responsible management;
• Run a series of seminars on CR and sustainability with experts as part of the regular lunchtime research seminar series for faculty and students;

• Include a question in personal development reviews about whether and how faculty are embedding PRME in their own work.

**Examples**

*The rise and stall of a fair trade pioneer: the Cafedirect story*, by I Davies, B Doughty & S Knox

Faculty from the Marketing department undertook research on a fair-trade pioneer, Cafedirect, a significant company within Fairtrade as it pioneered the Fairtrade approach in the UK market. From this research in 2009 they produced a teaching case study, a conference abstract and an academic paper that was published in the Journal of Business Ethics.

The research is based on two longitudinal studies in 1999-2004 and 1999-2009 and on existing literature. The authors explore the growth of the company and develop strategic insights as to how Cafedirect attained its prominent position in the UK mainstream coffee industry based on its ethical positioning. The authors also examine the marketing, networks and communications channels of the brand which have led to rapid growth from niche player to a mainstream brand. However, the company is experiencing a slowdown in its meteoric rise and the authors question whether it is possible for the company to regain its former momentum with its current marketing strategy.

**2009 Academy of Management Annual Meeting: Dr Donna Ladkin: The language of leading for sustainability**

Research undertaken by Dr Donna Ladkin explores the communicative requirements of leaders engaged in sustainability-focused organisational change. It argues that mobilising organisations towards greater levels of environmental sustainability poses different challenges from those of other organisational change initiatives. Accordingly, leaders must take up the role in a distinct way, particularly in terms of how they engage and communicate with a range of stakeholders who may have both different understandings of ‘sustainability’ itself and, importantly, how such a concept might be translated into organisational policies and practices. Key to undertaking this successfully is enabling new understandings to be discovered between engaged organisational members.

The research examining these processes through the lens of hermeneutic philosophy, particularly Hans Georg Gadamer’s philosophy of understanding prejudice, the hermeneutic circle, and the fusion of horizons. Three implications of a hermeneutic appreciation of the role of leading in this arena are identified: where the leader is positioned in relation to those he or she might influence, the need for an orientation of open-ness, and the need
for leaders to create and maintain organisational and emotional spaces in which new meanings can be co-created through a process of discovery and dialogue.

**Student research**

**Sharon Jackson: Centre for Customised Executive Development**
MSc student Sharon Jackson focused her research on the relationship between managers’ sense-making and corporate social responsibility (CSR) outcomes. Her proposition is that the way managers interpret organisational CSR intentions can be distorted and lead to behaviours which are incongruent with the espoused intentions. This can go unnoticed because individuals’ meaning and sense-making processes give behaviour a legitimacy which is valid to them in their own reality, but which could be a cause of blind spots arising unnoticed. This can cause a distortion of congruence occurring between intent and actuality. The research showed that influences on managers’ sense-making processes can lead to distorted ‘scanning and interpretation’, which, combined with defensive routines, means that ‘no action’ and maintaining the status quo may be the outcome. The research also showed that where a ‘business case’ is the prime driver for CSR, there can be more failed initiatives and a sense of general cynicism towards espoused CSR intentions.

**David Ferguson, The Doughty Centre for Corporate Responsibility**
PhD student David Ferguson, who completed his viva in April 2010, focused his research on the performance and evaluation criteria relating to determining CR value. In May 2009, he wrote a paper summarising his research so far, for both academic and practitioner audiences. The paper categorises the components of CR in terms of decision-making levels and business case requirements, and then describes a methodology, and further practical advice for populating the methodology, for establishing CR issues with the prioritisation of stakeholders, before linking this relationship onto business benefits and shareholder value drivers. He also looks at the application of the CR Value-chain framework and key performance measure characteristics required to underpin the performance element of the framework, as well as decision-making support tools such as financial appraisals and risk evaluations, which also underpin the shareholder value approach.

**Our learning and advice**
Because we have a dedicated centre looking at sustainability and CR, we can allocate time and focus on research specific to the field. However, we found that an active group of faculty across the SOM had experience of sustainability research within their field, bringing a fresh perspective to specific topics and business challenges. Recognising this research from across departments and what it can give to those with a specific research focus in sustainability is important, not only for developing knowledge, but also for building appreciation of how different researchers across disciplines can contribute to furthering research in sustainability and CR.
**Principle 5**

**Partnership: We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.**

We aim to involve managers of business through SOM corporate clients, SOM research clubs, and executive education participants. The Doughty Centre for Corporate Responsibility also works in partnership with its corporate contacts regarding speaker meetings, seminars, advisory panels for input/critique to research and practitioner studies.

One of the SOM’s under-exploited competitive advantages is that we share our campus with a School of Engineering and a School of Applied Sciences, meaning we can tap world-class technical expertise on topics like bio-diversity, carbon sequestration, nano-technology, desertification, and water-management.

We have a thriving alumni organisation, the Cranfield Management Association (CMA), which has run events around sustainability. In the future, we want to harness the SOM’s Knowledge Interchange to support an on-line alumni community built around these issues, where we can simultaneously support and learn from alumni grappling with corporate sustainability in real-time.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing partnerships with business and government</td>
<td>A variety of faculty across the SOM work individually or in teams on various partnerships with business and governments to advise and engage on their speciality topics, from helping companies to embed sustainability (Demand Chain department), to advising companies on improving management skills.</td>
</tr>
<tr>
<td>Student community projects</td>
<td>Students on the MBA they can opt to do a specific community project, where they work in partnership with a community organisation. These are run during and after the course, offering students the opportunity to engage with our community partners and learn from practice.</td>
</tr>
<tr>
<td>Doughty Centre</td>
<td>In 2008-9, the Centre helped a major national organisation to develop their sustainability strategy, and close partnerships have been nurtured through collaborations with the business-led CR coalition Business in the Community: BITC. This has included design and delivery of a “CR, change management and Building champions networks” workshop.</td>
</tr>
<tr>
<td>Research Centre collaboration with business groups</td>
<td>The Bettany Centre for Entrepreneurship’s Business Growth programme has now worked with more than 1000 owner-managers with aspirations and the potential to grow. Revisions to the programme now ensure that it explicitly addresses sustainability and business growth issues. The programme is also being opened up to more social entrepreneurs.</td>
</tr>
</tbody>
</table>
Cranfield hosted the 2010 European Business Plan of the Year Competition, in which teams of MBA students from leading business schools across Europe compete to produce the best business plan. Cranfield introduced for the first time and sponsored a special prize for the best sustainability-themed business plan.
English Food and Farming Partnerships

Senior Lecturer in Business Economics and Director of the FT MBA programme, Sean Rickard is very active when it comes to engaging with and advising both government and businesses on sustainability in the food chain. As a government advisor, he is frequently called upon to work in partnerships to engage in issues and problems to find solutions to critical issues. The English Food and Farming Partnership has been running for 3 years. Specifically, Sean Rickard as been a member of the Minister of Agriculture’s Think Tank on future agricultural and rural policy and an employers’ representative on the Agricultural Wages Board.

Guest speakers on the MBA

Cranfield works closely with its extensive alumni database, where we have active members who forge long-term partnerships with the SOM to visit as guest lecturers. These lectures offer a strategic approach to connecting students with what they are learning about leadership, innovation, and operations management. For example, we engage senior leaders and alumni to visit Cranfield each year to engage students and three recent visitors are the Chairman of John Lewis (2009), the CEO of Asda (2009) and the Chairman of EasyJet (2009).

Our learning and advice

Many companies are well-advanced on their journey to embed sustainability and responsibility and business schools can learn a great deal from their experience. At the same time, there is an opportunity to apply existing disciplines such as strategy, change-management and leadership development more systematically to corporate responsibility and sustainability.
Principle 6

**Dialogue:** We will facilitate and support dialogue and debate among educators, business, government, consumers, media, civil society organisations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

We appreciate the importance of engaging with educators, business and other stakeholders to create dialogue around the role of business schools in responsible management, as well as using dialogue to facilitate further research, implementation of responsible management principles into our teaching, and developing closer relationships with stakeholders to understand further the issues they face in embedding corporate responsibility. In 2008, Cranfield University was proud to host the annual EABIS conference, as well as a seminar for the European Union CSR Alliance.

**The 2008 EABIS Colloquium at Cranfield**

A number of Cranfield faculty have authored thought-leadership publications, occasional papers and media articles, as well as undertaking interviews and speaking at, facilitating and participating in multi-stakeholder events concerning global social responsibility and sustainability.
<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Non-Executive Director Course</td>
<td>This seminar covers the following: the legal responsibilities of a NED; corporate governance (including the roles of the audit and remuneration committees); the dynamics of effective top teams; the characteristics of effective boards and NEDs; personal style in resolving boardroom disputes and finding NED positions; and the governance of responsibility and sustainability.</td>
</tr>
<tr>
<td>CMA Distinguished lecture series</td>
<td>The CMA runs a lecture series called the ‘Distinguished Lecture’ series, where eminent members of business or government are invited to speak at Cranfield. Three of these lectures are run each year, and most recently Vincent de Rivaz, CEO of EDF Energy, spoke on “Tone from the top: leading business sustainably and responsibly”.</td>
</tr>
<tr>
<td>Cranfield academic collaboration</td>
<td>The SOM connects with other schools specifically to discuss embedding PRME and corporate responsibility. In January 2010, for example, we were pleased to co-host a seminar with the Aspen Institute Centre for Business Education, with attendees from ten other schools in the UK, to share ideas and tactics for embedding PRME. Cranfield faculty have presented the Cranfield approach at the annual conferences of the Association of Business Schools and of EFMD MBA directors’ annual conference and participated in webinars with other organisations. The SOM’s PRME strategy was also one of the featured presentations to the EFMD New Deans Programme when they visited Cranfield in 2009.</td>
</tr>
<tr>
<td>Ongoing research</td>
<td>An example of ongoing research which encourages dialogue is &quot;Engaging tomorrow's humanitarian leaders today&quot;.</td>
</tr>
<tr>
<td>Knowledge Interchange</td>
<td>An exhibition on Corporate Responsibility and Sustainability ran from September 2008 to March 2009. The exhibition showed examples of corporate responsibility in practice.</td>
</tr>
</tbody>
</table>

Vincent de Rivaz
Engaging tomorrow’s humanitarian leaders today

Three researchers from Cranfield – Emma Parry, Michael Dickmann and Colin Pilbeam – are leading research being conducted within the Organisational Behaviour department on behalf of an organisation called ELRHA (Enhancing Learning and Research for Humanitarian Assistance), working in partnership with another organisation called People in Aid. The results of the research will be used to engage governments and business in dialogue on how to nurture and engage today the humanitarian leaders of tomorrow.

Knowledge Interchange Exhibition

Knowledge Interchange is an on-site learning space where academics, students, businesses attending conferences or workshops and staff can meet to discuss research, share ideas and access research. It hosted an exhibition on Corporate Responsibility and Sustainability that ran from September 2008 to March 2009 to engage business professionals with Cranfield research, showcasing examples of corporate responsibility in action, providing a ‘shop window’ of sustainable products and CR initiatives from leading companies. Key articles and a wide selection of books on sustainability were on display.

Female FTSE 100

For more than a decade, Professor Susan Vinnicombe OBE and colleagues in the Cranfield International Centre for Women Leaders have been heavily involved in national and international debates on gender diversity and corporate boards. The Centre’s leading-edge Female FTSE Index has been published annually since 1999 and tracks the number of women on UK corporate boards. The Female FTSE and other Centre activities has led to regular dialogue with leading politicians, business leaders and civil society, as well as regular features in the academic and business press and the general media.
Our learning and advice

Because we have a dedicated corporate responsibility centre, engaging businesses in dialogue with academia has proven to be rewarding. However, dialogue needs to be two-way and engaging faculty to contribute to the debate and generate opportunities for dialogue is a longer journey we are still travelling on.
We understand that our own organisational practices should serve as example of the values and attitudes we convey to our students.

We understand the importance of leading by example, and Cranfield University as a whole is developing its sustainability strategy, including a commitment to a 50% reduction in CO2 emissions by 2014 and seeking to expand our Carbon Brainprint (the positive impact the university has through research, teaching and practice to help others to reduce their carbon emissions). The SOM specifically has engaged with the Carbon Trust and the Selix Fund to reduce energy wastage by investing in new technology.

The SOM also has an active Green Team who have run two successful Green Weeks to raise awareness of our strategy and targets and the importance of sustainability. This model is being replicated in other schools across the university.

Link to YouTube Green Week report

One practical result of Green Week is that when our Electricity Consumption from Oct–Dec 2008 was compared with Oct–Dec 2009, it had reduced by 22% across all SOM buildings.

Example: Our Energy Policy

We have developed an Energy Policy stating our targets and principles for meeting these targets. To aid staff, faculty and students in this, the Sustainability Team have developed a Code of Conduct for Energy Use, which was launched Q1 2010.

The Cranfield campus is based in the English countryside; this helps to create a very positive work and social environment for students, with many living on campus and is regarded as a valuable part of the “Cranfield experience.” Rural bus services are, however, infrequent. Physically getting to and from the campus, therefore, involves driving for many staff, students and visitors. We want to do more to encourage car-pooling, cycling and towards promoting better public transport links. Similarly, many of our faculty travel regularly by air in order to
teach in different parts of the world. We can encourage carbon off-setting but we also need to learn how to harness the latest in communication technologies so that at least some of the face-to-face teaching can be replaced by virtual learning through video-conferencing, webinars and e-learning without harming the pedagogical experience. Our talented Knowledge-Interchange team is working on this.

In order continuously to improve SOM’s performance, we are:

- Continuing with our Beyond Grey Pinstripes rating, learning from the top Beyond Grey Pinstripes performers by examining their published reports and websites, as well as making use of their case studies and teaching notes.
- Encouraging faculty to feedback intelligence about embedding PRME which they gather when visiting other schools – including on the IBE and looking at how schools in emerging markets are embedding PRME.
- Learning from students’ visits to student-run sustainability conferences on our travel bursaries – Net Impact students have been particularly helpful in providing reports from their EFMD conference in Barcelona.
- Monitoring PRME reporting by other signatory schools.
- Learning from exemplar companies on embedding sustainability and corporate responsibility.

The Cranfield Trust

Founded in 1988, the Cranfield Trust is a charity that provides free consultancy advice to charities and social enterprise groups through the use of highly skilled Managers as Trust Volunteers. Cranfield SOM is proud to be a key partner with the Trust. Most volunteers for the Trust have an MBA, with many coming from the Cranfield MBA course. Each year, MBA students take part in fundraising for the Cranfield Trust, a partner that we actively encourage our students to engage with as part of the Cranfield experience. In April 2010, a group of MBA students ran the London Marathon to raise funds for the Trust.

PRME in our consulting

The SOM executive has adopted Principles of Engagement with clients and other stakeholders. The goal is that all work will be pursued consistent with the SOM Principles of Engagement. The Principles are published and briefed to all staff.

PRME in our own practice as an enterprise

We will follow PRME in our operations as an enterprise. In order to support this, we have:

- Published and consulted on our draft sustainability strategy and linked this to the University’s strategy.
- Empowered our staff, including our Green Team, to help implementation.

Engaging stakeholders and reporting

In order to build ownership and engagement, we are:

- Reporting to PRME on our progress and intentions (this document).
- Providing updates at “All-faculty” meetings and staff briefings.
Sustainability and Responsibility in our Practice

- Pears Foundation Business School Partnership
- School Foundation Business
- Reducing environmental impact of buildings
- MBAs for charities
- MIA scholarships for charities
- Student charity fundraising
- Independent student projects for NGOs and charities
- IBE community projects
- SAFAD voluntary service overseas
- Cranfield Trust pro-bono management help
- Help for local schools
- Helping local small businesses
- Faculty and staff pro-bono volunteering
- Fairtrade food in campus cafes
- Carbon reduction commitment