

The Bath *Perspective*

THE MAGAZINE OF THE UNIVERSITY OF BATH SCHOOL OF MANAGEMENT

IN THIS ISSUE

The challenge of
sustainability

Business accountability
and the environment

Regulation in the age
of multipolarity



UNIVERSITY OF
BATH
SCHOOL OF MANAGEMENT

THE UNIVERSITY OF BATH

School of Management

With over forty years' experience of delivering high quality management programmes, the School of Management is one of the oldest established business schools in the UK. The School is research-led, with a faculty and staff unique in the diversity of cultures and interests represented.



Our rating of 5A for research and 'excellent' for teaching in the Higher Education Funding Council for England (HEFCE) assessments and our accreditation by EQUIS, the international gold-standard for business schools, are testament to the quality of operations in the School. The School is also consistently ranked amongst the top business schools in the UK by the key media rankings: The Times Good University Guide positions Bath 4th in the UK in their 2008 Business Studies ranking; The Bath MBA is ranked in the top 100 in the world by the Economist Intelligence Unit's Which MBA? Guide; and the Financial Times' ranking of European Masters in Management programmes places the Bath MSc in Management at 7th in the UK and 27th in Europe.

These credentials stem from our world-class teaching faculty who use their leading-edge research to inform their teaching. The School's taught programmes benefit greatly from this interaction of research and teaching, perhaps none more so than the School's tailored programmes for executives, which are designed to provide customised solutions to organisational challenges. Our corporate connections and expertise extend across a wide range of industry sectors as we work with organisations on a global, national and local scale. We take the time to get to know our clients, understand their business and appreciate their wider context. We build long lasting relationships based on a collaborative approach which seeks to inspire higher individual performance and organisational transformation.





We offer a stimulating environment with an excellent reputation for business education and international research. We believe in helping organisations to thrive through the provision of cutting-edge thinking and supported personal development. We pride ourselves on providing practical solutions to real business problems.



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DEAN'S MESSAGE

Welcome to the new-look Bath Perspective. This publication is one of the tangible manifestations of the era of growth and regeneration the School of Management has experienced in recent times. We are now seeing the results of a period of rapid development in which we have introduced a number of very successful new degree programmes and we have seen record growth in our faculty numbers. With 40% growth in income we have been able to increase the number of exceptional academic and professional staff, including the unprecedented appointment of 13 new professors.

All around me I see an inspirational level of energy, talent and commitment from my colleagues and this is reflected in the levels of ability and ambition our students display. External recognition of this has also been visible: our success in the key business school rankings and the conferment of the gold-standard EQUIS accreditation as well as re-accreditation for our revitalised MBA programme by the Association of MBAs. The seal of excellence for all UK business schools is the rating given by the Research Assessment Exercise (RAE); we attained a 5A in the last RAE in 2001 and this put us amongst the top schools in the UK. The next RAE is due in 2008 and with 84% (a 32% increase on 2001) of our faculty now publishing in the top management journals in the world – the main criterion for success in this rating – we are hopeful of more good news to come.

We are not complacent in our successes, we know that we have a duty to provide the best learning and working environment possible and to this end we have declared 2008 the 'year of quality'. We are looking carefully at how to manage the challenges of growth; to lead this work we have appointed Dr Nick Kinnie as our first Head of Learning, Teaching and Quality.

We have also recognised the important role we can play in engaging more closely with the world of business, this rapidly developing area of activity is being led by our recently appointed Director of Corporate Relations, Stephen Rangecroft and our new Alumni Officer, Diana Braddock. Gurprite Lehal and her team on undergraduate placements and projects are also having significant impact



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via their exceptional levels of engagement with our corporate partners across the world. With funding from the Chartered Institute of Management Accountants (CIMA) we have just established our latest research centre, the CIMA Centre for Excellence, and with this and other such initiatives our impact and visibility in the corporate world is set to increase.

We have designed The Bath Perspective with our corporate and public sector contacts in mind and we have themed this issue under the heading 'Business, Organisations and Society'. This is a key theme for management today and it is an area in which the School has substantial strengths in its new Centre for Business, Organisations and Society and its internationally renowned MSc in Responsibility and Business Practice, the influence of the latter having permeated through to all of the School's teaching programmes. Whilst focusing on this area, the School is also prioritising its efforts in a number of other key areas: Operations, Supply and Innovation Management; International Business Strategy; Strategic HRM; and Consumer Marketing. With new academic appointments and renewed vigour in these areas we are pushing the School forward to the very highest levels of excellence.

I hope that you will enjoy reading this issue – it is intended to provide an insight into some of the work that we and our alumni are doing. I hope you find it thought-provoking and applicable to your own business situation. Please get in touch with the authors of the articles or with the corporate relations team (see page 33 for details) if you would like to find out more about how we could work with you and your organisation.

A handwritten signature in black ink that reads "A. M. Pettigrew".

Professor Andrew Pettigrew
B.A., DIA., Ph.D, FBA, Hon.Ph.D; AcSS; FAM; FBAM; FSMS
Dean, School of Management
University of Bath

New Academics' profiles



PROFESSOR ANIA ZALEWSKA

Ania is one of the new tranche of academic staff who have added to the strength of our Accounting and Finance capabilities. She holds two PhDs, one in Mathematics from the Institute of Mathematics, Polish Academy of Sciences and one in Finance from London Business School. She has joined the School from the Limburg Institute of Financial Economics, Maastricht University, is currently a Research Associate of the ESRC's Centre for Market and Public Organisation, University of Bristol, and has just received a two-year Leverhulme Trust research grant to study development of stock markets. She has published extensively on issues related to privatisation (e.g. stock market valuation, post-privatisation regulation), governance and incentives (e.g. profitability measures and managerial compensation) and emerging markets. She has also advised government bodies (is currently engaged in research projects for the Competition Commission and HM Revenue and Customs) and leading international companies on financial issues. Her international experience and her intellectual rigour epitomise the quality of the research and teaching capability in our Accounting and Finance group. Ania can be contacted at A.Zalewska@bath.ac.uk



PROFESSOR BRETT MARTIN

Brett is the convenor of the School's marketing group. Along with his lecturing commitments he is an active researcher in consumer behaviour and marketing communications. He specialises in research surrounding advertising and psychology. Recent research topics include how to use celebrities in advertising, understanding female responses to larger-sized models in ads and how people mentally represent ad information. As well as having his work published in high quality peer-reviewed journals such as the Journal of Consumer Research, Journal of Advertising, Marketing Letters, Journal of Advertising Research, Psychology & Marketing and European Journal of Marketing he is also often quoted in the mainstream media, including international publications in USA, Europe, Canada, India and Australasia, where there is a significant demand for his expertise. He can be contacted at B.A.S.Martin@bath.ac.uk



PROFESSOR DAVID LEPAK

One of the most recent recruits to the School, David is a scholar of international distinction in the field of human resource management. He received his PhD from Pennsylvania State University and has subsequently held appointments at the University of Maryland and Rutgers University. His work focuses on the strategic management of human capital as well as managing contingent labour for competitive advantage. He is frequently asked to give presentations at international conferences and his work is published in major academic peer-reviewed journals. He is associate editor of the British Journal of Management and he sits on the editorial boards of a number of other prestigious journals. David will be teaching not just on our degree programmes but also on our Executive Development programmes which are open to all and offer opportunities to share issues and explore solutions via one-day to one-week knowledge update sessions. He can be contacted at D.P.Lepak@bath.ac.uk

New Academics' profiles



PROFESSOR EDMUND THOMPSON

Edmund joined the School in April 2007 and has brought with him a wealth of international experience. He has held previous appointments at LSE, Fudan University in Shanghai, University of Hong Kong and the National University of Singapore and most recently was Professor of International Management at the Ritsumeikan University, Kyoto, Japan. His research and teaching strengths are in the area of International Management, with particular reference to Japan and China. His research and teaching interests also bridge into the field of strategic management. Edmund can be contacted at E.R.Thompson@bath.ac.uk



PROFESSOR KLAUS MEYER

Klaus joined the School as Professor of Strategy and International Business on September 1st, 2007. Klaus started his scholarly career studying business and economics in Germany. He then did a PhD at London Business School and served on the faculty of Copenhagen Business School for eight years. His most recent appointment has been as a Professor at the University of Reading. He has also held two, half year visiting appointments in Taiwan and Hong Kong.

Klaus' research focuses on multi-national enterprises in emerging economies. His earlier work focused on Eastern Europe; latterly his research has been in Asia. Klaus has an outstanding publishing record with several publications in the Journal of International Business Studies, Journal of Management Studies and the Journal of World Business. Klaus has joined the School's Business Economics and Strategy group and the majority of his teaching will be in the strategy area. Klaus can be contacted at K.Mayer@bath.ac.uk www.klausmeyer.co.uk



PROFESSOR RICHARD ELLIOTT

Richard joined the School in January 2007 as Professor of Marketing and Consumer Research and he has recently taken on the role of Director of MBA programmes. He is also a Fellow of St. Anne's College, Oxford and is a visiting professor at Université Paris II, Thammasat University Bangkok, Hong Kong Polytechnic University and Helsinki University of Technology.

Richard has carried out consultancy work in ethnography, consumer insight and consumer psychology for BT, Diageo, Unilever, Asda, Orange, NTL, Virgin Atlantic, P&O Cruises, Coors, Sun Alliance, Mars, Nokia and Barclays Bank; and management development work with Bass, British Airways, United Biscuits, and Royal & Sun Alliance. He has also carried out pro-bono consultancy work for the British Council in Tanzania and VSO in Ghana.

He is European Editor of the Journal of Product and Brand Management and is on the Editorial Boards of a number of key academic marketing journals. His research focuses on the symbolic meaning of brands, consumer culture and identity, and the dynamics of brand ecology and he currently has an ESRC award for a study of The Evolution of Brand Consciousness: Retail Change and Intergenerational Factors. Richard can be contacted at R.Elliott@bath.ac.uk

Professional Staff profiles



STEPHEN RANGECROFT

Stephen recently joined the School as Director of Corporate Relations, having previously worked as the Marketing Director for Executive Education at London Business School. This role provided excellent experience in understanding client needs and managing effective relationships to drive organisational performance. Before working within the higher education sector, Stephen held several senior direct marketing posts with a number of leading UK publishing companies including Pearson Education and EMAP. Stephen has taken over the leadership of the External Relations team and is mobilising talent across the School to bring together the varied corporate relations activities that are currently being undertaken. His role is to drive forward the School's work in this area and to ensure we are offering our corporate partners the very best levels of access both to cutting-edge thinking via our academics, and to our pool of highly talented students.

For more information about the School's Corporate Relations work please contact Stephen on:
s.rangecroft@bath.ac.uk 01225 386643



DIANA BRADDOCK

Diana is the School's newly appointed Management Alumni Officer, taking over from Vanessa Herring who retired earlier this year. She is working closely with the new Director of Corporate Relations, Stephen Rangecroft; together their focus is on bringing new vigour to the School's links with our corporate stakeholders - our alumni being a key constituent of this group. Diana has a strong background in finance and marketing having worked at: Guinness plc, Business Intelligence Services Ltd; British Shipbuilders; and since 1990 Goldman Sachs, where she was Vice-President & Chief Financial Officer, European Telecom, Media & Technology. Her experience in the commercial sector gives her an excellent grounding for her alumni relations role.


For more information about alumni relations please contact Diana on:
alumni@management.bath.ac.uk 01225 384591



GURPRITE LEHAL

Gurprite joined the School in March 2005 taking on the role of Placements Officer for our undergraduate Business Administration programme. Her background as a Business Studies Lecturer and latterly Recruitment and Projects Marketing Manager at De Montfort University gave her an instinctive understanding of how to manage the student/employer interface. Since she has been in the School she has pursued a pro-active strategy to gain the best possible UK and international placements with blue chip employers. Unlike other business studies programmes our students engage in two, six-month placements giving them more exposure to different business environments. With Gurprite spearheading a client-care programme that ensures all employers are dealt with professionally and efficiently, the School's links with top City employers have never been stronger. In June 2006 she was appointed Placements, Projects and International Manager and is now tying in the placements work with the wider corporate relations efforts of the School.

For more information about undergraduate placements and projects please contact Gurprite on:
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How should we think
about the challenge of
sustainability?

Professor Peter Reason

For those of us who have been profoundly concerned about the state of the planetary ecology for many years the period late 2006 and early 2007 has been extraordinary. The Intergovernmental Panel on Climate Change[1] confirmed the science of anthropogenic climate change beyond reasonable doubt. The Stern Review[2] argued that climate change had been brought about by “the greatest market failure the world has ever seen”. Al Gore has demonstrated the challenge in everyday language in his film *An Inconvenient Truth*. The UK Chief Government Scientist has described climate change as a far greater danger to humanity than terrorism. And we have seen the CEOs of Tesco, Marks and Spencer and Wal-Mart competing to be seen in the forefront of change toward a lower carbon economy. All this is good news, not a day passes without a mention of climate change somewhere in the media, although it is still easily displaced from the front pages by the latest piece of political or social scandal.



It is now generally accepted that we must keep temperature rises below 2°C – even that will cause major disruption and discomfort to our lives – and that in order to do this we need to keep carbon dioxide equivalents in the atmosphere below 500-550ppm. This means that we in the West must reduce carbon dioxide emissions by something like 90% by mid-century. We can argue about the precise figures, but essentially we have to decarbonize our economy by mid-century.

While we worry about climate change, we should not let it overshadow the other environmental challenges that confront us: We are living through the sixth major extinction spasm in the history of life on earth, some 1000 times the background level[3, 4]; we lose topsoil through erosion and desalination at some 25 million tons a year; fresh water is increasingly scarce; population increases continue to exert enormous pressures on ecosystems; and so on. As Lester Brown points out, “the economic policies that have yielded extraordinary growth in the world economy are the same ones that are destroying its support systems” [5].

My experience is that one of the great difficulties in addressing issues of such magnitude – we are talking about the serious degradation or even loss of a habitat suitable for humans on planet earth – is that we don’t have language to talk about it very effectively. Or maybe more accurately, there are so many different ways of talking about it that this in itself causes problems. Different discourses start from different premises, draw on different data, have different internal logics, are informed by different value systems, reach for different end goals. In order to grasp the magnitude of the problem and make sensible choices for action we need to be able to understand these different discourses—otherwise we will keep talking past each other.

The political theorist John Dryzek[6] offers a helpful way of thinking about this: environmental discourses, he argues, are on the one hand either reformist or radical, and on the other hand either prosaic or imaginative (see figure) – offering us a way of seeing four different kinds of discourse.

- The prosaic and reformist sees the challenge within the current economic and social worldview and argues that

what is needed is problem solving to make current policies and practices more effective and efficient. Markets and technology, properly applied, will solve the problem.

- The prosaic and radical perspective argues that there are practical limits to what the planetary ecology can contain. This is the neo-Malthusian limits to growth argument, and leads to an attitude of survivalism: we must limit the damage by cutting back on economic activity.
- The reformist and imaginative perspective accepts many of the objectives of current capitalist society but argues that we need to be much more creative about how we attain them. This perspective sees that the industrial process of extraction-production-consumption often involves digging up stuff on one side of the world, expensively transforming it, carrying it to the other side of the world, using it briefly, and dumping it back in a hole in the ground. There must be smarter ways of doing business.
- The imaginative and radical perspective seeks to change the way we experience ourselves and the planet. This is the Deep Green perspective which argues that all life on earth has intrinsic value, not just value as a resource to humans; for some this leads to a spiritual perspective, seeing the earth as a sacred unity and the divine is immanent in the ecology of life.

We might see these different discourses as overlapping somewhat but as essentially in competition: What is the relevance of Green Radicalism for management? How can the Deep Green activist tolerate what they will see as the superficiality and materialism of the prosaic reformist? But my argument is that if we are to fully address the challenge of developing an ecologically sustainable society we will need to draw on all four kinds of discourse and be able to appreciate the different perspectives they offer. Let me attempt to show how this might work.

I want to look first at the prosaic-radical discourse because in some senses this is the sparsest argument, easiest to express but maybe the most difficult to grasp. It was first introduced in 1972 by the Club of Rome publication *Limits to Growth*[7]. At that time, as now, economic growth was the holy grail and the



suggestion that there might be limits was seen as ridiculous. However, as modern ecological footprinting approaches demonstrate, if everyone in the world lived as we do in the UK we would need nearly three planets to support us: humanity as a whole surpasses the carrying capacity of the planet around October each year. There are necessarily limits to growth on a finite planet, and it is arguably self evident that there are too many of us doing too much and consuming too much. The modelling in the Limits to Growth book (which has recently been updated and republished[8]) shows (as does Stern) that business as usual will lead to overshoot and collapse: collapse of living standards, of economic output, and of the ecology which supports us. While notional incomes have continued to rise, measures of total wellbeing seem to peak in the late 1970s and have been declining every since. This is not an argument for hairshirts and ashes; it is an argument for dethroning the imperative of economic growth (which arguably distorts social relations[9]) and replacing it with broader qualitative measures of well-being; it is an argument for living more lightly on the planet, for thinking more carefully about how and what we consume, for knowing our own footprints and taking action to reduce them; it is an argument for dethroning homo economicus and for taking joy in the conviviality of human relationships and delight in the beauty of the more than human world.

If we turn to look at the Stern Review we could argue that this falls squarely into the prosaic reformist discourse. Stern and his team use scientific data and economic modelling to reach their conclusions, providing an impressive and thorough exploration of the economic consequences of climate change and the benefits of early action to mitigate it. What is important and significant about Stern is precisely that he reaches his seriously challenging conclusion by arguing within the accepted economic and scientific discourses of our time. Look at the language:

“This Review has assessed a wide range of evidence on the impacts of climate change and on the economic costs, and has used a number of different techniques to assess costs and risks. From all of these perspectives, the evidence gathered by the Review leads to a simple conclusion: the benefits of strong and early action far outweigh the economic costs of not acting.”

So, you might argue, is the Stern review sufficient? If he is able to reach these conclusions drawing on economic modelling, why do we need the other discourses at all? Well, first of all, Stern is actually in some ways more radical than he seems. In choosing a low discount rate for the impact of current choices on future generations he values them much more highly than is usual in economic arguments, saying “if you don’t care much about the future, you won’t care much about climate change”. He also uses sophisticated arguments about the catastrophic risks inherent in climate change. By explicitly (and controversially) bringing value and moral judgements into the picture he vastly widens the discourse away from what we might describe as ‘problem solving’ and drawing into the debate fundamental questions that are explored in the imaginative radical discourses.

But in contrast, Stern’s solutions are distinctly unimaginative. He argues that three elements of policy are required for an effective global response:

- the pricing of carbon, implemented through tax, trading or regulation;
- support for innovation and the deployment of low-carbon technologies;
- action to remove barriers to energy efficiency, and to inform, educate and persuade individuals about what they can do to respond to climate change.

Well yes, one might say, nothing wrong with that! But how are we going to inspire ourselves and each other to grasp and respond to this enormous challenge to humanity if we can only talk about tax, regulation, technology and efficiency? How will you or I or the family down the street be able to see ourselves as part of this enormous human endeavour if we can only think in terms of a co-ordinated global response? Surely some deeper transformation of attitudes and values is needed, surely some greater call on human ingenuity?

So if we turn now to the imaginative-reformist discourses we can find a whole range of exciting ways that people are reconceptualizing the processes of economic and social life. Fundamentally the arguments here are that the design of our economy is grossly inefficient, that the products and service we produce at such great cost to our ecology often don’t really do what we want. So, for example, the perspective of ‘natural capitalism’ builds on Fritz Schumacher’s original observation[10] that humans treat the irreplaceable resources and ecosystem services of the planet as if they are income, when they are better seen as capital. A capitalism ‘as if living systems mattered’ would see that the limiting factor to future economic development is the availability and functionality of natural capital, in particular, life-supporting services that have no substitutes and currently have no market value. The loss of natural capital is caused by misconceived or badly designed business systems, population growth, and wasteful patterns of

consumption. Thus natural capitalism[11] seeks to remodel economic system in four ways

- Radical Resource Productivity: fundamental changes in both production design and technology mean that we can make natural resources of all kinds stretch five, ten, even 100 times further than they do today[12, 13]. This is the argument for 'dematerializing' our economy.
- Biomimicry: natural capitalism seeks not merely to reduce waste but to eliminate the very concept of waste. In closed-loop production systems, modelled on nature's designs, every output either is returned harmlessly to the ecosystem as a nutrient, like compost, or becomes an input for another manufacturing process[14].
- Service and Flow Economy: in place of the traditional business model resting on the sale of goods, value is delivered as a continuous flow of services – such as providing illumination rather than selling light bulbs. This aligns the interests of providers and customers in ways that reward them for resource productivity.
- Investing in Natural Capital: natural capitalism seeks wherever possible to actively restore ecosystems to a healthy state where they can thrive and supply the many ecosystem services on which we rely

So for example:

A self-sustaining community in Colombia creates a new form of sustainability that regenerates biodiversity, produces drinking water and sustainably-farmed biodiesel, reduces national foreign debt and much more. It is the renaissance of the tropical and could change the face of sustainable development for decades to come.[13]

Oscar's hydrogen car project proposes the technological innovation of a super light construction which reduces power requirements and capacitors to provide acceleration and regenerative braking. But as important is the revised business model - open source design to encourage wider dissemination and collaborative design, sale of service business model, distributed manufacture and recyclable components to encourage reduced lifecycle footprint, leasing and a service based business model. Thus

"Instead of being rewarded for maximising cost, complexity, and maintenance, and minimising the ownership cycle and product life, an enterprise that leases instead of selling cars has a financial interest in reducing cost, complexity, and maintenance. It also has an interest in maximising not only the ownership cycle and product life, but also fuel efficiency (because all fuel would be billed to the manufacturer)". [15]

In Kalundborg, Denmark, six companies: a Power Station, a plasterboard factory, a pharmaceutical plant, an enzyme producer, an oil refinery, a waste disposal company and

Kalundborg Municipality exploit each other's residual or by-products on a commercial basis. This leads to an elegant set of interrelationships which turn waste products into raw materials elsewhere.

As Sam Manly, one of our undergraduates, points out[16], in this way the "good intentions of present day sustainability advocates have been combined with corporate profit motivation to form an elegant cyclical production function and an industrial symbiosis; even within the same economic system which motivates waste and environmental degradation elsewhere".

The creative challenge of this approach is articulated by McDonough and Braungart in their classic text 'cradle to cradle' in which they call for a design revolution. They ask, if a community of ants can:

- Safely and effectively handle their own material wastes and those of other species
- Grow and harvest their own food while nurturing the ecosystem of which they are a part
- Construct houses, farms, dumps, cemeteries, living quarters, food storage facilities from materials that can be truly recycled
- Create disinfectants and medicines that are truly healthy safe and biodegradable
- Maintain soil health for the entire planet

... why cannot humans? This is a profoundly challenging question and one to which management needs to rise.

The last of the four discourses is both imaginative and radical: it seeks to re-vision the relationship between the human and the more than human world. We humans in the Western world are profoundly separated from the natural ecology within which we evolved: we rarely hear an owl call or see the stars; we don't know where our water comes from or where our waste goes; we utterly dominate the space we occupy. This is a strange and dangerous predicament for how can we attend appropriately to that from which we are radically separated?

The field of Deep Ecology[17] is based on the scientific insight into the interrelatedness of all systems of life on Earth (as for



example by Lovelock's Gaia theory[18, 19]); and second on a realization that our profound anthropocentrism – human centredness – is a misguided way of seeing things. If we focus on narrow human purposes, and especially if we have developed technologies, we destroy the systemic qualities, the balancing feedback loops, which preserve the integrity of ecosystems[20]. We end up with degraded farmland, fished out seas, polluted aquifers. So the deep ecology perspective argues that we have to place ourselves back in the context of the ecology of which we are a part, see that we are part of, rather than apart from, the community of beings on the planet. This leads us to see, with Aldo Leopold[21] (who was one of the founders of this perspective) that “A thing is right when it tends to preserve the integrity, stability and beauty of the biotic community, it is wrong when it tends otherwise”.



Thomas Berry[22-24], a priest, monk and cultural historian, sees the roots of our alienation from our planet as going back to the Black Death in Europe. He argues that at that point, when nearly 2/3 of the population died, Christendom was so shaken that it lost its trust in the natural world. The religious and cultural emphasis moved from the earth as a revelation of the divine to the imperative to transcend this fallen world and aim for a perfect heaven. This is one of the core roots, he argues, which led to the desecralization of the phenomenal world and changed perceptions so that rather than being a manifestation of the divine earth could be seen as a resource to be exploited. The Renaissance built on this in seeing ‘man as the measure of all things’; the Enlightenment by placing total faith in human reason; and the Industrial Revolution provided the physical means to fully exploit the planet.

To restore the balance between the human and the planet, we have to see the earth again as sacred community. For Berry, the universe itself and every being in the universe has both psychic/spiritual and physical/material dimensions, an intangible inner form as well as a tangible physical structure, and that these two aspects must always go together and be understood together. Thus for him (and for many others) the devastation of the earth is the consequence of a deep cultural pathology which separates these two, seeing the world as purely material. He sees the ‘Great Work’ of our time as that of “moving modern industrial civilization from its present

devastating influence on the Earth to a more benign mode of presence” and argues that a fundamental condition for doing this is that we learn to see the whole universe as a ‘communion of subjects’ rather than a ‘collection of objects’. He challenges us to see that the “devastation of the planet can be seen as a direct consequence of the loss of this capacity for human presence to and reciprocity with the nonhuman world”. We need to move from a human-centred to an earth-centred norm of reality and value, and that is the only way we can be truly human and play our proper part in life on earth.

Each one of these four discourses has something important to offer us and a trap into which we can fall. We need the challenge of seeing there are necessary limits to growth, that we are going beyond these, and this must inevitably lead to overshoot and collapse. We need this as a terrible warning to change the path we are on, but we don't need to fall into a nihilism which would lead us to feel that nothing can be done or that we must return to a primitive existence. We need the kind of thorough and detailed examination of our predicament that Stern offers, cast in the language of policy and economics, and drawing on the best scientific and economic data available. It shows that, within our current assumptions and perspectives, we are on an unsustainable path. The pitfall of Stern's approach is that he suggests that we can resolve the problem with relatively conventional policy instruments alone and by describing the issues in familiar terms takes some of the sting out of it. After all, he claims that “Tackling climate change is the pro-growth strategy for the longer term, and it can be done in a way that does not cap the aspirations for growth of rich or poor countries”. Of course there are all kinds of important opportunities and economic benefits in tackling climate change, but limitless growth of the kind we have seen since the Industrial Revolution is not one of them.

In response to the relative conventionality of Stern, we desperately need the visionary perspectives of thinkers and entrepreneurs who are reinventing our ways of providing the goods we need and creating a service based economy: “the tools, models and ideas for building a better future lie all around us... another world is not just possible, it's here” [25]; but we need to be more actively creative in making it happen.

	Prosaic	Reformist Problem Solving: rationality and efficiency	Radical Survivalism: Limits to Growth within industrial structure
	Imaginative	Sustainability: Natural Capitalism	Green Radicalism: Green Politics, Deep Ecology, Gaia

And we need the deep ecology perspective because ultimately the ecological crisis is not about economics or technology, although these matter, it is a profound challenge to our understanding of the nature of the human, a spiritual challenge in the widest sense of the word. Until we stop seeing ourselves as separate from the rest of the universe, until we stop seeing only humans as intelligent and the rest of the planet as brute matter, until we see ourselves as a mode of being of the universe, with all other beings as sacred participants in an unfolding universe, we just won't find the necessary energy or ability to make the radical changes we need to make.



Unlocking Low Carbon Potential

Prof Reason has been leading this £800,000 project which is funded by the Engineering and Physical Sciences Research Council and the Economic and Social Research Council as part of the larger Carbon Vision research programme. It has brought together some of the UK's leading academics and industrialists to help reduce the amount of climate-changing carbon dioxide released by the food industry.

The UK government's target of a 60 per cent reduction in carbon use by 2050 is a tough challenge for energy-intensive industries such as food production. This project seeks to find out why the tools available to meet the carbon reduction challenge are often left unused. Prof Reason has identified that the low-carbon technologies which are available, are not being used because of social, organisational and psychological reasons.

The multi-disciplinary project is one of the biggest investigations ever undertaken into the understanding of how to achieve changes in carbon emissions. Using action research strategies, the consortium is exploring systematically how 'stalled' solutions can be used not only at the local level, but how they can be rolled out more widely as part of an overall business strategy and into industrial sector and national policy levels.

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We have brought together a selection of alumni profiles, more feature throughout the rest of the magazine, to show what kind of work our former students have gone on to do in the area of business, organisations and society.

Rev Fr Kevin O'Hara

MSc Responsibility and Business Practice
Centre for Social and Corporate Responsibility (CSCR)

As the Executive Director of CSCR, a registered Non-Governmental Organisation working to promote best practice, respect for human rights and the environment among the multinational oil companies operating in Nigeria's Niger Delta, Kevin has, in his words, been 'waging peace through development'.

In 1994, during the Ogoni crisis with Shell Nigeria, the UK's Ecumenical Council for Corporate Responsibility - formed in 1989 to raise the profile of corporate responsibility within churches and companies - engaged Shell London as a concerned shareholders' investors group. The use of shareholders' leverage - a model of company engagement that utilizes the power of shareholding to effect changes in the policies and practices of a company - became an innovative and powerful tool to bring about change in corporate practice. CSCR was established in 2001 to optimize the use of shareholders' leverage.

Kevin explains that the shareholders' leverage model has been the secret behind the success of CSCR's operations in the Niger Delta. He comments: 'Whereas other NGOs are protesting at the doorstep of Shell and some communities are wielding violence, CSCR engages the company in their board rooms. The engagement by shareholders' leverage provides a platform for sincere, integrated and constructive assessment of the behaviours of the company. It is integrated in the sense that it addresses the company's practice of CSR by their own standards.'

Kevin has utilised what he learned at Bath to ensure his organisation uses all the tools they can to bring about change. His ambition is to convert Africa's oil wealth into improving the standards of living of the poor; especially by tackling widespread poverty. Through monitoring the activities of the oil companies the aim is to ensure that global standards are upheld and through ensuring communities gain meaningful benefit from oil operations they hope to mitigate the frequent high-scale conflicts between the two groups.

For more information about CSCR's activities please see www.cscronline.org

Tim Cunningham

MSc Responsibility and Business Practice 2005-2007

EcoAmps: The Ecological Amplifier Project



Tim Cunningham is on the quest for the ultimate tone. As a musician he knows that this is the holy grail of the music industry and during his studies at Bath he realised that the ultimate tone had, for him, to mean one that had been created through a sustainable amplifier. This may seem like a very narrow focus for sustainability but Tim sees this small and simple idea as a metaphor for wider ideas that can 'amplify' awareness of sustainability issues in his industry and beyond.

The aim of Tim's new EcoAmps venture is to enhance ecological awareness through music, and to enhance music through an understanding of ecology. As he says: 'Musicians are often outspoken about issues concerning society and the environment, yet the basic tools of their trade do not often complement these strong ideals. For example, exotic timbers for guitar manufacture have traditionally been extracted from rapidly declining rainforest resources and amplifiers contain components that are not safe when let loose into the environment. As I was seeking a way to resolve this tension I was inspired to develop an idea that would be able to combine my passions for both music and the environment - The Ecological Amplifier Project was born.'

During his MSc, Tim was inspired by the book *Cradle to Cradle* by William McDonough and Prof Dr Michael Braungart which calls for the transformation of human industry through ecologically intelligent design - redesigning the world to bring it into harmony with ecology and the environment. Tim has been fortunate to receive direct assistance from Prof Braungart with his project and is keen to develop the concept of not just making a difference through reducing the negative impact we have on the environment but going the step further to actually increase our positive footprint. The thinking is that it is not enough to reduce the bad things we do; we have to look for ways to tip the balance in the right direction.

A Cradle to Cradle (C2C) Design venture, the EcoAmps project is being developed to communicate its message in two ways - firstly, through the production of eco-effective guitar amplifiers which sound as good, if not better, than the leading amplifier brands and secondly, as a platform for musicians to collaborate as a prominent voice for collective change.

Tim has just completed his first prototype EcoAmp and in researching the lifecycles of traditional amplifier components, in order to assess their suitability for a responsibly-built unit, he discovered that amplifiers have many different components that are not just restricted to guitar amplifiers; they have much broader usage in other products and sectors. So the work they are doing with EcoAmps could have a much wider application. He is now looking to form collaborative partnerships to develop new technology for use in his amps and is working on his second prototype. With this he will start to look for backing from high profile musicians, as well as those at the grass roots level, who wish to highlight their ecological concerns by supporting the EcoAmp project.

For more information please contact Tim on: timcunningham@ecoamps.com

Beyond the Balance Sheet – Business Accountability and the Environment

Dr Philip Cooper



THE notions of corporate social responsibility, especially towards the environment, and the need to provide an account of corporate behaviour beyond that of a financial reckoning to shareholders have become increasingly influential over the past twenty five years. However, the pressure for accountability looks set to grow still further with a broad political consensus in many countries, including the UK, around a “pro-business; pro-environment” agenda. Indeed, the new UK Companies Act 2006 requires directors to consider the environmental effects of their company’s operations and that quoted companies must report on such impacts as part of the new business review regime.

Although the UK may thus provide a marker for developments in other countries, it has continued a tradition of avoiding prescription – the content and format of reporting are very much left to the company. For example while the department charged with environmental affairs (DEFRA) offers guidance on indicators of environmental performance there is no compunction to use them. Consequently, businesses in the UK and elsewhere face the questions of what to report and how.

These are not trivial matters as businesses seek to be internationally competitive in their environmental actions and reporting, as in other areas, while having to balance benefit against cost. We are aiming to inform such decision-making through an international investigation of environmental reporting. As part of her PhD research, Fatimah Zainudin is comparing the reporting of companies from countries around the world and operating in different business sectors to identify common themes and differentiating factors so that we can better understand what motivates reporting practices and provide a benchmark for reporting in each sector. Another of our research students, Eraya Eathikipisankit, is investigating the quality of reporting using the standards of financial reporting as a baseline and taking account of the relationship between reporting and performance. Again, this work will contribute to elucidating standards against which companies can assess their practices.

To understand the cost-benefit balance in non-financial reporting, we must also consider the users of this information, the beneficiaries, as well as the provider who bears the costs, potentially for little reward. Renfred Wong, another of our PhD students, is drawing on the concept of decision-usefulness to analyse the needs of users and identify the nature of and channels for communicating information on the environmental and social impacts of



companies. This work will help map out the nature and form of information that users find helpful to their decision-making; both in terms of what companies do and what they report.

The use of environmental reporting information is also the thrust of Jeong Yeom's PhD research. Her work is concerned with how information on environmental performance is applied in making decisions about companies' share values. Previous evidence has been mixed on this score but her research will benefit from the availability of a greater amount of data on companies' share prices as environmental reporting has developed, the increasing availability of data on environmental performance, and the emergence of standards such as those associated with stock indices.

Other projects at earlier stages of development are concerned with emission permit accounting, and modelling the nexus between environmental, financial and share performance.

Inasmuch as society cares about the actions of individual companies, it is also concerned with the effects of companies in aggregate. Our work has also extended to this level, analysing the accountability of business sectors for environmental impacts rather than just at the individual company level. In the last three years we have been part of a European Commission project (ELME, European Lifestyles and Marine Ecosystems) involving a consortium of researchers, predominantly natural scientists, assessing the impact of socio-economic development on European seas. As well as developing an accounting framework for the various types of economic and ecological information used in the project, our role was to lead a work package tasked with an investigation of relevant socio-economic drivers of environmental change and the elucidation of scenarios for how these drivers could develop over the next three decades.

We found that for each business sector the signs of current development point towards increasing pressure on the marine environment. The problems associated with over-fishing and its effects on fish populations, as well as the destruction of marine habitats, are well known but more subtle connections with the energy, transport and tourism sectors are set to increase their impact on European seas as business activity grows – issues of direct relevance to policy makers as they develop the European Marine Strategy Directive and the UK's Marine Bill. Such new policies will undoubtedly have ramifications for some businesses but highlight another potential facet to accountability for all.

SXC



Dr Philip Cooper

MA (Oxon), MSc, MBA, PhD, FCA, CTA

Director, Chartered Institute of Management Accountants (CIMA) Centre of Excellence at the University of Bath School of Management

Dr Cooper is a Senior Lecturer in Accounting and Finance; his research is concerned with environmental valuation and accounting. He is interested in extended perspectives on the accounting entity, considering aggregates such as economic sectors and countries, as well as the corporate entity and its component activities. He is currently investigating the measurement of social and economic forces that contribute to particular pressures on the marine environment, and how these can be used in scenario analysis, as part of a pan-European EC Framework VI project.

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Interest in the social and political environment in which firms operate is booming. The School of Management's international business courses are among the most popular options taken by BBAs and IMMLs. Our redesigned MBA has also enhanced its coverage of the role of government and civil society through the introduction of the opening module, Managing Emerging Contexts. The University too has seen soaring demand for international relations courses, to which it is responding. Around the world, universities report much greater student interest in international business, international affairs and area studies courses.

Regulation in the age of multipolarity

Dr Steven McGuire

Management academics have picked up on this trend. The Academy of International Business (AIB) conference in June 2007 was organised around the theme, 'Bringing the Country Back In' to international business research. The conference programme looked to encourage work that examined how local governments, customs and economies shape international business. Readers are entitled to ask where the concept of country 'went' in international business studies in the first place, such that the AIB had to refocus efforts. Surely, if international business research is about anything, it is about operations in foreign countries, right? Well, not exactly. International business research had become rather preoccupied with issues of the internal organization of the firm across the globe, to the detriment of work that considered how the external environment shaped modern multinational behaviour. The conference theme was tacit admission that this operational focus may have gone far enough.

Why the renewed interest in politics? I'll start by suggesting that the 1990s will come to be viewed as an



aberration, a time where firms, academic and students momentarily lost perspective on the role of public realm in structuring and nurturing economic growth. It was commonplace to argue that the state was becoming an obsolete organizational form, eclipsed by free market capitalism as the main organizing agent of society. The twin agents of the state's demise were 'deregulation' and 'innovation'. Deregulation saw the erosion of the state's functions as regulator, provider of public goods and distributor of wealth. In the 1980s, the US and the UK led the way; the former with massively reduced taxes for the wealthy; the latter with the privatisation of state-owned firms, simplification of the tax system, and reform of labour laws. All this was designed to get the government out of the way of the market, and allow individuals and firms to get on with creating wealth. The second agent, innovation, came along in the 1990s, with the revolution in information technology. The emergence of the internet symbolised the new technological era: borderless and fast-moving. What hope, the pioneers of the internet suggested, would governments have faced with such technology? The internet would transform the world, and states would be powerless to stop it. Government wasn't just powerless in this digital age; it was positively dysfunctional. How could anti-trust laws developed in the industrial age cope with the fast-moving e-commerce market? How could taxes be collected in cyberspace? Many management gurus, business people and academics looked forward to a world of much diminished state power.

Such views seriously underestimated the role of the state in catalysing market activity. Harvard Business School's Debora Spar, when analysing the dot.com bubble of the late 1990s, argued that, in time, even these government-hating pioneers of the Net would come to see the value of regulation. History is rich in examples. Consider the experience of the American West in the 1800s; yes, originally people loved the freedom, but eventually settlers found that the government performed useful functions, like providing police forces and courts. It was no use having tracts of farmland if you could be illegally evicted from it in a minute, or never receive payment for the crops grown on it. The untamed frontier was a lousy place to do business. As in the Wild West, serious money was made on the internet once governments and firms had agreed on a governance structure for cyberspace. My own work with Tom Lawton of Tanaka Business School looked at this more closely. Firms were instrumental in helping US and EU authorities develop dispute resolution systems for e-commerce. Governments, particularly in America, saw the internet's potential, but corporate actors were key to this process, as they understood the market to

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be regulated far more deeply than government officials. Internet commerce has grown magnificently in recent years, in no small part because of successful regulation. A rule-free market is an unstable and unattractive market. Firms actually understand this better than anyone, and a great deal of lobbying involves information sharing among business and government officials.

Fast-forwarding to today, why do I think politics and issues of governance will continue to have salience for international business? First, because there is already a considerable amount of international economic governance in place – a process of constitutionalisation – and this is ongoing. Second, as more economies participate in the international economy, governance is at once more challenging – and more necessary.

Constitutionalisation

The constitutionalisation of the global economy is a process where national governments and their societies come to accept a series of norms and practices about governing a modern economy. Strange as it may sound, we have more rules at the international level than ever before; it is just that they are market-friendly rules, designed to facilitate economic exchange. These rules are not just market-friendly, they are also part of a nested system of governance. Nested systems refer to situations where multiple levels of institutions interrelate and influence each others' operations. European businesses have been used to working in nested regulatory systems for many years, thanks to the existence of the European Union. However, even European firms must catch up with the implications of nested governance at the international level, where global-level regulations have an uncertain impact on national policies. The global regulatory environment is composed of 'hard' institutions, like the WTO, and 'soft' networks of actors exchanging information and practice, like the International Competition Network (ICN) in the area of competition policy. It is a complex and fluid environment, but one whose impact is felt through the proliferation of rules and codes of conduct across a swathe of business functions. Firms will sometimes say that international institutions do not affect them, forgetting that these bodies work by influencing the range of policy options available at the national level.

It is commonplace to describe the international economy as deregulated – particularly in the area of international finance – but this is only partly true. In many countries, state enterprises have been privatised and markets opened up to competition. Money can flow much more freely than it used to; international money markets have grown dramatically as states opted for convertible



currencies and abandoned efforts to control the flow of capital in and out of their economies. This process owes a great deal to the power of ideas; particularly the attractiveness of neoliberal economics and its spread through communities of practice, such as academic economists and officials at international organizations like the International Monetary Fund. Some observers worry that international finance is in danger of creating ‘regulatory arbitrage’ opportunities for firms, where companies will play off one jurisdiction against another in order to keep regulatory standards as low as possible. Concerns have been voiced that the current contest between New York and London exhibits elements of regulatory arbitrage, with the City of London seeming to win business through its lighter touch regulatory regime. As Jeffrey Garten pointed out, America’s dominance of the post-1945 financial system was achieved because of robust regulation, not in spite of it. Though it is true that international finance is more unbound than other areas of economic activity, we should not overlook extensive governance structures in place. These range from reserve requirements, manifest in the Basel Accords, to information sharing among stock exchanges in the International Organization of Securities Commissions (IOSCO).

Much of my own work has concerned one particular international institution: the World Trade Organisation (WTO). The WTO oversees a raft of government commitments across a range of economic regulatory

areas, most notably relating to international trade (anti-dumping procedures and tariff levels, for example) but also areas such as intellectual property and telecommunications regulation. Though people often overstate the intrusiveness of these rules, it is true that the WTO has pushed regulation of international business into the previously sovereign domain of national governments. Intellectual property regulation is one of the more interesting areas of this enhanced international governance. All WTO members (150 countries and counting) signed the Trade-Related Aspects of Intellectual Property (TRIPs) agreement, and are required to develop minimum standards for the treatment of patents, trademarks and industrial designs. These commitments are enforceable through the WTO’s dispute settlement process. The process has helped catalyse a major structural change in the Indian pharmaceutical industry. Prior to TRIPs, the business model of Indian firms was to develop generic, off-patent medicines; now more stringent international regulation has offered an opportunity to develop strategies that emphasise proprietary drug development. India has become an attractive place for Western pharmaceutical firms to locate new R&D centres; likewise indigenous Indian firms are buying European pharmaceutical companies, both for market access and intellectual capital. In short, changes in international rules were crucial in reshaping the pharmaceutical industry.

WTO regulations affect international business because they serve as a kitemark for international investors. Though controversy surrounds its precise effect on them, developing states have piled into the organisation – and indeed now dominate the membership. Like all institutions, the WTO works as much by ‘socialising’ its members about appropriate policies. Countries join as a sign that they are willing to be part of this socialisation process in return for greater access to international markets. This is why multinationals pressed both American and European governments to expedite China’s accession in 2001. China was even then drawing foreign investors, but WTO membership was to be the catalyst for a boom in investment flows. By shaping national policy options and socialising political elites, institutional governance structures like the WTO lower the political risk associated with a given investment.

More players, more problems

Here we confront something of a paradox. While developing states eagerly join the WTO, and so push forward the constitutionalisation of the global economy, the current round of WTO negotiations, the Doha Round, is stalled. Why? I’d suggest it is because, though the West

was the main source of constitutionalisation, it is no longer the main beneficiary; developing states are gaining serious political power grounded in economic success. The perception that the United States was the untrammelled global power gained enormous – and scarcely surprising – currency in the wake of the collapse of the Soviet Union. America’s military and economic might after the second world war was far more influential than people think. America stamped its legal, political and social practices on international organizations, principally the three key institutions of the post-1945 economic environment: the World Bank, the International Monetary Fund and the General Agreement on Tariffs and Trade (GATT, now the WTO). America’s influence on European economies – not least through Marshall Plan aid for reconstructions - and managerial practices dates from this period. Once Europe had recovered economically it and the United States were the two most powerful actors in international economic governance, dominating key international institutions and playing crucial roles in global economic management.

That dominance is now eroding. In the WTO, Europe and America now seem unable to force a settlement on other countries. China and India are now more confident about their own markets, and are no longer willing to be bullied by the EU and the US into accepting terms. Their domestic firms have international ambitions and are much clearer about how they envisage the international system working. The socialisation process I described above has also changed the political landscape by reducing the information asymmetries that Washington and Brussels used to benefit from. Trade negotiators from developing states are much more sophisticated and now give as good as they get in the trade talks. As more and more national economies enter and participate in the international economy, it should be no surprise that their policymaking elites come to develop their own ideas about how to play the game. This has made the governance of the international economic system more difficult – but it also represents a signal achievement. Surely it is a good thing that emerging states like Brazil and China are active participants in the governance process, rather than mere bystanders? As Eichengreen and Hui Tong argue, given China’s massive impact on the global economy, not least on regional economies in Asia competing with Chinese firms for market share, it is important that China is seen to play by the rules.

The global economy is more regulated than ever – and this regulation is very much in the European and American traditions of economic thought. The globalisation of regulation is one of the success stories of Western

IF YOU DON'T BELIEVE THAT PEOPLE HAVE RIGHTS, PROTECTED BY A LEGAL SYSTEM, THEN WHAT IS TO STOP ANYONE FROM FACING THE 'KNOCK ON THE DOOR' IN THE MIDDLE OF THE NIGHT?



(particularly American) dominance of the international economy. That period of Western dominance is now drawing to a close. Emerging markets are, well, emerging with astonishing speed – and taking their place at key policymaking institutions. Understanding how these new players influence the international governance is a key requirement for management research. What is becoming clear already is that the philosophical underpinnings of market economies are not travelling nearly as well as the rules themselves. Ten years ago Fareed Zakaria identified illiberal democracies as an emerging problem in the international system. Zakaria noted, correctly, that elections are not a sufficient condition for what we call liberal democracy to exist. Many dictatorships, as well as communist regimes, had elections. The liberal component of liberal democracy requires a commitment to a limited state, individual freedoms and the rule of law. Zakaria noted that many newly democratic states had none of the deeper attachment to liberalism seen in the West. This is problematic – and troublesome for academics. For decades, scholars took it as axiomatic that capitalism and liberal democracy were inextricably linked. Once people were wealthy enough, only liberal democracy, with its conception of an effective but limited state, could protect that wealth. If you don't believe that people have rights, protected by a legal system, then what is to stop anyone from facing the 'knock on the door' in the middle of the night?

To illiberal democracies, we can now add authoritarian capitalism. In many parts of Asia and the Middle East, countries appear to be breaking the link between capitalism and democracy. These states seem to be developing an affluent mass market, but one that is not all that bothered about setting limits to state power. The rise of 'sovereign funds' – government backed or owned investment vehicles – is merely another indication of this trend toward a powerful state. Perhaps this is simply a matter of time before liberalism asserts itself, or perhaps in this age of affluence and consumerism, it is perfectly possible for people to engage in a market system without need for the philosophical attachment to liberalism.

Conclusion

We are entering a period of true multipolarity, where several key states exercise power in the global economy. The good news is that these interactions, at least in the economic sphere, are conducted within an extensive institutional framework of rules. What we don't know yet is how robust this political structure is. If rules are shared but the norms underpinning them are not, is the international economy like a tree whose roots are so shallow that it cannot withstand stormy weather?

As he prepared to step down as dean of Yale University's management school, Jeffrey Garten offered a stinging indictment of management studies, 'I am hard pressed to identify any [business schools] including my own, that have made significant contributions to the biggest policy challenges that senior executives face in conjunction with other parts of society'. At a time of global economic expansion, informed commentary of the process does seem to be the preserve of economists, historians, philosophers political scientists and sociologists. The over-emphasis on the firm has not served international business scholarship well, leaving the discipline with little to say about the 'bigger picture'. Thankfully, there is reason for optimism – at least at Bath. The School was ahead of other institutions in appreciating the role of other actors in the management universe. Across the School, we have people working to understand how the new economic powers are growing – and their impact on the international system.

Dr Steve McGuire BA, MA, DPhil

Head of International Relations, School of Management

How do political institutions affect international economic development? A political economy perspective on international business alerts us to the essential role of political processes in constraining or catalysing economic growth. International business studies have long focused on the role of national governments in encouraging foreign direct investment, or otherwise regulating corporate activity within their territories. There is relatively little work on the role of supranational institutions – and this is a theme of Steve's current work. Institutions like the World Trade Organization (WTO) shape international business through the articulation of rules and the formulation of expectations of behaviour. How are businesses affected by WTO rules? Do these rules foreclose options for technological development, as some critics have suggested? Do WTO rules in areas like intellectual property protection, health and environmental protection intrude on and erode the sovereignty of national governments? These are areas that Steve is researching.

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With over thirty years’ experience as a successful accountant, Martin should by rights have taken up residence in a corner office of one of the City’s more successful firms, but his career has taken him far away from such creature comforts. Martin chose instead to enter the public sector, preferring to use his skills as he says: ‘to benefit all rather than just a few shareholders’. For him, the public sector in the developing world was an even better place to apply those skills.

After his first international contract took him to the Solomon Islands he then went on to the Gambia but was drawn back to the South Pacific when he was appointed Auditor-General of Tuvalu. In addition to his statutory audit role reporting to the Tuvalu parliament on the government’s accounts, he worked closely with a number of co-operative organisations and private sector companies. His role was much wider than just auditing accounts – in fact he says there were quite often none to audit - his work involved developing the financial side of the government’s business so that they could not only “tick over” but develop to the benefit of their employees and members as well as to the islanders as a whole. Martin commented: ‘It is easier to have direct influence in a small country than in a large one, and in terms of impacting on lives of other people, my work has always impacted most directly on my immediate counterparts. I have ensured that they get the best practical and theoretical training and they now fill many top political and public service posts in many countries.’

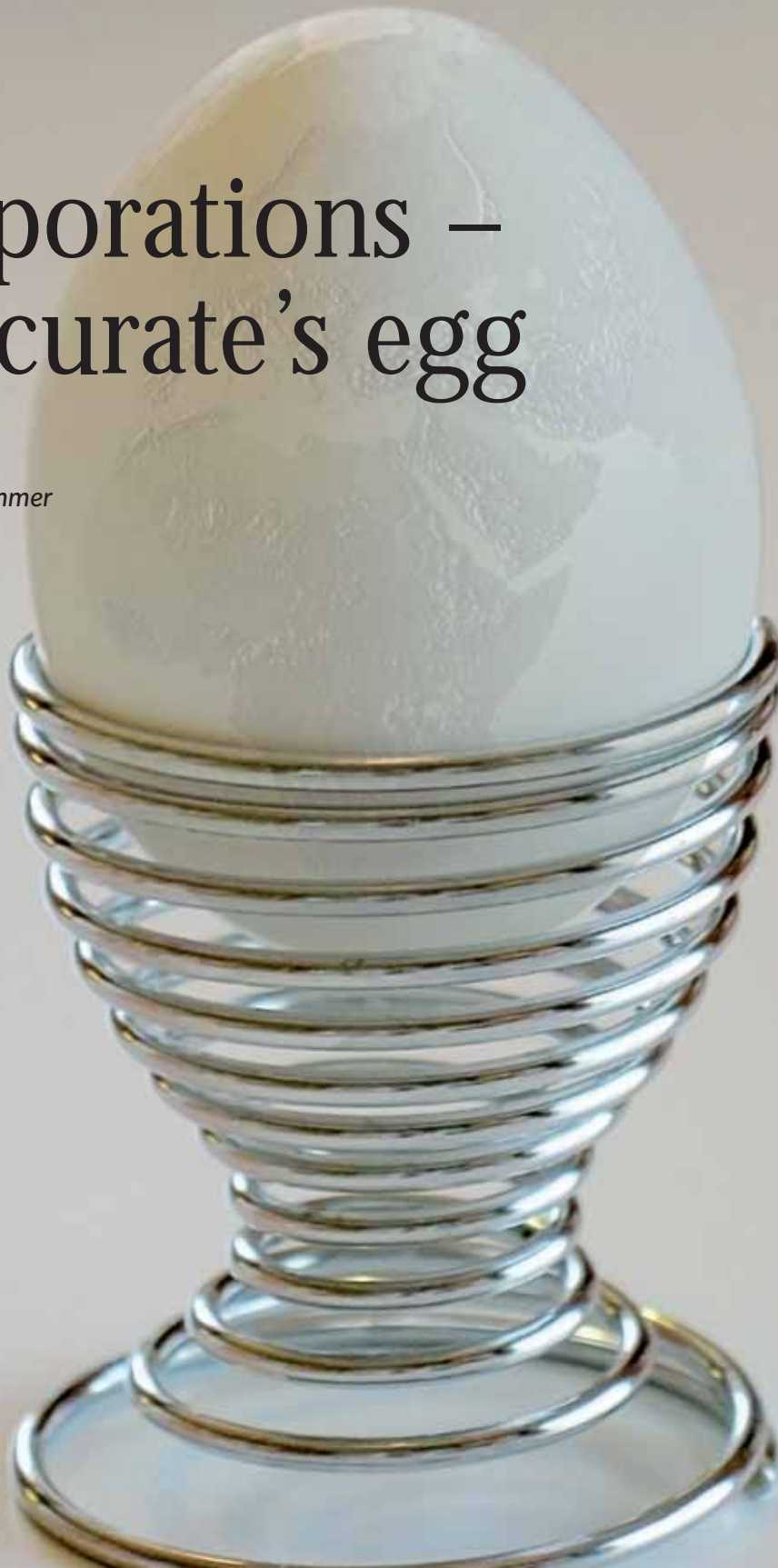
The types of work Martin has engaged in have not always involved beautiful South Pacific Islands. He found working in post-conflict Bosnia establishing a country-wide Audit Office highly challenging. The ethnic tensions and the need to consider all parties in any newly established unit provided many hours of debate, negotiation and compromise. After drafting the laws he finally gained agreement and the Audit Office was established. Afghanistan provided a similar challenge with training personnel from the Controller and Auditor-General’s Office to start the process of auditing government expenditure in areas outside Kabul; they were extremely limited as to which areas they could work in due to the ongoing fighting in the country. Sometimes the results of Martin’s work have not been what he would have hoped for, his work in the Russian Federation being one example. Martin was trying to show at a “county” (Oblast); city and village level how the people could be involved in the processes of setting policy agenda, agreeing financing for them and monitoring their progress. Martin comments: ‘Sadly, this hope was short-lived and there has been increased centralisation.’

Asked whether he feels others should use their skills as he has, Martin replied: ‘Yes, I do think everyone should do something like Voluntary Service Overseas (VSO) type-work in their career. It need not be at the beginning and it need not mean a career-break, VSO’s merger with the British Executive Service Overseas (BESO) in April 2005 means it is now offering short-term opportunities aimed at highly experienced professionals who can provide advice at senior levels. The assignments can last from 2 weeks to 6 months. VSO also provides opportunities for the early retirement brigade to put something meaningful back. Of course, it is perfectly possible to make a full career out of it as well – as I have done over the last 27 years or so since first going to the South Pacific.’

FEATURE

Corporations – the curate's egg

Dr Stephen Brammer



For society, the corporation is something of a curate's egg: partly good and partly bad. In addition to their purely economic contributions, companies are increasingly making significant contributions to society. The largest 100 companies in Britain, for example, collectively made donations to communities to a value of around £1BN last year, while many large firms contribute to the reduction of poverty and disease in the developing world and support their employees in volunteering activities in local communities. At the same time, corporate activities generate significant social harm in the form of pollution and environmental degradation, employee injury and mortality, and transgressions of human rights.

By the same token, society is an ever more demanding and challenging stakeholder for corporations. Not only does society expect companies to meet their economic obligations, but it also increasingly holds companies to account for a range of social issues, whether or not companies have the capacity directly to resolve them. In addition, the boundaries between individual and corporate responsibility have become blurred.

This discussion suggests that there is a tension between business and society whereby each needs the other but where each is at the same time challenged and somewhat threatened by the other. These tensions are multifaceted and played out in an increasingly global, or at least international, competitive context.

Centre for Business, Organisations and Society

It is with these central tensions between business and society, and their effective management, that research in the Centre for Business Organisations and Society (CBOS) is concerned. Research in the centre has a strong orientation to the strategic issues that arise for companies from the growing importance of concepts such as corporate social responsibility, sustainability, and corporate citizenship. Specific recent research streams have addressed a wide range of topics; an overview of three of these research projects is given below. Respectively, these concern the role of corporate responsibility in enhancing employee commitment to their workplaces, the challenges of sourcing in China, and sustainable procurement in the context of public sector organisations.

Project 1: How CSR can enhance employee commitment

Reflecting the observations that a company's staff are its most important assets, and that the social and environmental credentials of large companies are of growing salience to employees, particularly recent

OUR ANALYSIS
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graduates, a significant strand of research involving Bruce Rayton and Andrew Millington has addressed these issues in the context of a large UK financial services organisation. Using data from the organisation's annual employee attitude survey provided us with excellent material which enabled us to distinguish between employee perceptions of three aspects of a firm's social responsibility: the ethical and fair treatment of employees; the firm's responsibility in the community; and the availability of training and staff development opportunities.

Our analysis suggests that employee perceptions of corporate social responsibility have a major impact on organisational commitment and, perhaps surprisingly, we found that CSR is at least as important as factors like job satisfaction and perceptions of the quality of line managers in shaping employee commitment. Ethical treatment of employees was found to be the most important aspect of an organisation's CSR and was a particularly important driver of commitment among female employees. We also found that perceptions of the firm's responsibility in the community positively influenced organisational commitment. This is important because many external aspects of CSR are both discretionary and provide few direct benefits to employees. In addition to its role in influencing the perceptions of external stakeholders, such as consumers and local communities, our research suggests that community aspects of CSR appear therefore to offer benefits to employees which, in turn, translate into improved organisational commitment.

Project 2: The challenges of sourcing in China

Much of the research in CBOS is international in character and concerns the management of social responsibilities within the multinational enterprise. A recent example of ground-breaking international research is Andrew Millington's EPSRC-funded research into the sourcing

activities of foreign multinational companies in China. Reflecting a concern with the role played by formulation and implementation of effective sourcing strategies in shaping the efficiency of manufacturing companies, the research focused on issues concerned with sourcing from developing and transitional economies. Of particular importance to the research were the particular cultural and institutional conditions encountered by foreign companies operating in China.

The legacy of command economics and the ‘iron rice bowl’ - a Chinese idiom referring to the old system of guaranteed jobs for life in the state sector - has a continuing effect on the organization and control of business in China, as does the pervasive influence of state planning which restricts the operation of what is, in many sectors, an emerging market with relatively few sellers who can satisfy the demanding quality, delivery and price criteria of foreign manufacturers. When sourcing from suppliers based in China, firms must choose between state-owned enterprises (SOEs), private Chinese businesses, and foreign-owned or controlled businesses. SOEs remain predominant in many sectors, carrying with them strong, albeit in some cases declining, obligations to their workforces and local communities. SOE activities are also often subject to government price fixing and the imperative to produce a quota for government defined customers before other customers’ needs are addressed.

As well as state control and interference, the Chinese institutional environment may pose problems to UK firms because of Chinese ‘business culture’. There are significant differences between Chinese business culture and western or Japanese models. Guanxi - a system of personal connections which carry long term social obligations - plays a significant role in business relationships. The popular argument is that the Chinese (in spite of a ‘hit and run’ mentality) emphasise the importance of trust and relationships over price and other market factors.

Project 3:
Global sustainable procurement practices in the public sector

Research in CBOS is not only confined to private sector organisations. Recent research with Helen Walker from another of the School’s research centres, the Centre for Research in Strategic Purchasing and Supply (CRISPS) focused on the character of sustainable procurement practices in public sector bodies globally. Sustainable



SXC

(especially environmental and green) public procurement is increasingly encouraged at global, EU and national levels. At worldwide level, it is specifically mentioned in the United Nations’ Plan of Implementation of the World Summit on Sustainable Development (WSSD) which calls for governments to “promote public procurement policies that encourage development and diffusion of environmentally sound goods and services”. The UK government has made a particular commitment to be a leader in sustainable procurement in the EU by 2009.

To evaluate the extent to which these calls had brought responses from public sector bodies globally, we undertook a survey that received over 280 responses providing both qualitative and quantitative evidence of sustainable procurement practice. A primary goal of the research was to shed light on the degree to which organisations in different countries varied in their approach to elements of sustainable procurement. Some practices - procuring from small/local companies and buying - in ways that protected worker welfare - are relatively common in all countries. However, this overall finding masks considerable variation between countries and regions. This is both in the extent to which sustainable criteria are embedded in procurement practice and in the aspects of it that are most important in specific countries or regions.

Encouragingly, the general importance of sustainable procurement was greatest among the UK organisations we surveyed, along with organisations in Eastern Europe. Organisations from Western Europe, the US and Scandinavia exhibited generally lower engagement. Looking at the different emphasis of sustainable procurement across countries/regions, in the UK it is focused on purchasing from small/local companies, and worker safety. Sustainable procurement practices are relatively similar in Western Europe, Eastern Europe and Scandinavia, with a greater emphasis on environmental aspects of procurement than in other countries, while sustainable procurement practice in the US is characterised by a much greater adoption of buying programmes oriented to providing opportunities for businesses owned and operated by ethnic minorities and women.

Further information

If you would like to find out more about the work CBOS does, or if you would like to discuss how to establish a research project with your organisation, please contact Dr Steve Brammer on S.J.A.Brammer@bath.ac.uk

It may sound like a cliché but for many of our students their course of study at the University of Bath is a life-changing experience. For Mark Gater, the MSc in Responsibility and Business Practice was exactly that.

Many people will be familiar with the feeling of pouring all of their energy into work that is important to the business that they work for but somehow isn't connected to who they feel they really are, to what they really want to do. In 2004, having successfully completed a four year, £60m systems replacement programme, Mark promised himself that he would never again commit so much to something that did not have this connection. He decided to look for a course that covered Corporate Social Responsibility (CSR) and at the same point his employer, Britannia Building Society - a major provider of financial services in the UK - offered him the opportunity to design a programme to integrate CSR further into their business.

In the first year of his MSc at Bath, it struck him how difficult the issues around sustainability were. Mark said: 'I came in thinking that 'CSR' would contain some answers to the problems, but working through the course I came to understand how the issues were interconnected with the global economic system, how intractable they therefore seemed, and how inadequate the standard 'CSR' agenda seems to the task of addressing them. My MSc second year project was to try to work with senior managers of Britannia to investigate the question: 'what would a truly sustainable building society look like?'. This eventually led Mark and Britannia's directors to look at the ways in which all financial institutions, including Britannia, are contributing to unsustainability and what might be done about it.

Britannia, as a mutual organisation, has a strong commitment to social responsibility, but the questions that Mark was raising went beyond the boundaries of 'CSR'. How far could these ideas be taken within the Britannia context? Mark tackled this by using the approach to action research he was learning on the MSc. In engaging with Britannia's directors, he did not present answers but rather gave a stark view of what is going on in the world and raised the question of what the impact and therefore responsibilities of a business like Britannia are. This was an area that hadn't been approached formally before and during the three months it took to conduct the research Mark had the directors reading articles and book

excerpts which would not be found on the usual boardroom reading list. Questions such as: 'what is the impact of a debt-based money system on sustainability?' and 'would a retail financial institution have any role in a sustainable world?' were new areas of investigation for everyone concerned.

The conclusion of the inquiry was that they honestly didn't know what a truly sustainable financial institution would look like and that (despite the many conferences professing to discuss 'Sustainable Finance') it seems nobody else does either. There was a clear recognition of the difficulty of challenging a money system that encourages unsustainable consumption while being a business whose existence is based on that system, and as Britannia is not the biggest player in the market there was also the question of what it could realistically do to make a difference. Nevertheless, Britannia has committed to investigate what it can do to move beyond the CSR agenda and work towards a more sustainable future, and what started as a part time investigation undertaken for the MSc is turning into a formal project sponsored by Britannia's CEO.

Mark says that the work so far has had a very positive response from the directors at Britannia. He thinks that the main contributory factor in this has been the use of action research in the investigations - being a co-inquirer working with others to try to find answers to apparently intractable questions was far more effective than setting himself up as some kind of expert. He believes it also helped that he was an internal person with a background of commercial programme management and therefore taken seriously as someone who knew about the business and was committed to its values. Mark comments: 'It is a testament to the organisation that the directors were open to the conversations we had and were willing to engage in the process. I feel very lucky to work in such an organisation and I'm looking forward to taking this process further to see what conclusions we can draw'.

And how was it life-changing? Mark's summary of the course's impact on him: 'Before undertaking the MSc (and indeed at some points during it!), I swung between trying to ignore what was going on in the world and being overwhelmed by it. As a result of the experience, I've found the ability to contemplate potential environmental catastrophe with a degree of equanimity, while still remaining passionate about doing whatever I can to work towards averting it.'



Mark Gater
Britannia Building
Society

MSc Responsibility
and Business
Practice 2005-2007

ALUMNI PROFILE

Dr Laura J. Spence
Reader in Business Ethics
Brunel University

1987-1991 BSc Business Administration University of Bath



Being a business ethicist

is a bit like being a tax accountant - a real conversation-stopper at a party. I lie. Nearly everyone hesitates then says either: Option 1, I didn't think businesses had any ethics or; Option 2, That's a bit of an oxymoron, isn't it? Lucky for me, I still find my subject fascinating and can't believe my luck to enjoy my work and feel a little like I am living my values, and for the record, business ethics, to me, is not so much about proclaiming what businesses ought to do, but it is about understanding what they do do, and making sense of it from a social and ethical perspective.

I first studied Business Ethics while on Bath's BSc Business Administration (undergraduate) programme. I undertook the IMSEC exchange to Erasmus University and, along with 'Emerging Patterns of Thought and Belief' felt very comfortable

with the notion of looking at business as part of the wider society and not as an economic phenomenon functioning in isolation from social and moral issues.

My PhD research (at a college of Brunel University) really drew from my experiences as an undergraduate at Bath, where I did a work placement in HR, particularly recruitment, and my time on the IMSEC course at Erasmus Uni of working with a wide variety of different nationalities. I researched one large multinational and followed their recruitment round for international graduates, in which exactly the same technique was applied in Germany, the Netherlands and the UK. Unsurprisingly, the same techniques were applied rather differently, and I used sociologist Erving Goffman's Frame Analysis technique to pick these apart, then applied ethical theory to make sense of the Frames from a moral perspective. I found that in the UK a utilitarian perspective was favoured by interviewers, in the Netherlands a social contract perspective, and in Germany a discourse ethics orientation was dominant.

After my PhD I was looking for a research position (primarily to recover from my PhD before launching into teaching!), and landed a post at Kingston University's Small Business Research Centre, one of the primary research groups on small and medium sized enterprises in the country. Here, I was introduced to the world beyond multinationals, and found my specialism - 'Small Business Social Responsibility'. Working at Kingston

really opened my eyes to the realisation that the degree of attention given to large firms by academia and the media is grotesquely disproportionate - 99% of private firms in the UK are SMEs, accounting for about 50% of employment and a third of turnover. Now I am a firm convert and spend my time researching small businesses to try to understand how the practices and priorities of small business owner-managers and their employees play out from the perspective of social responsibility. I was pretty lucky that hardly anyone else had done much on this area when I started working on it in the late 1990s, so I have been able to build up a niche and a number of publications. In a nutshell, I repeatedly find that the whole approach to social responsibility in small firms is quite different from large ones (hence I don't even call it 'Corporate Social Responsibility'), tools proposed by advocates of CSR are hence wildly inappropriate, and small businesses are commonly misunderstood and disadvantaged in supply chain processes aimed at promoting CSR. In some of my research I have drawn on the notion of social capital as a way of better making sense of the small business perspective, but even for me, the jury is still out on the usefulness of that. Happily, there is still an awful lot of research that needs doing!

I am now at Brunel University as a Reader in Business Ethics and lead the ethics group within BRESE (Brunel Research into Enterprise, Innovation, Sustainability and Ethics). I am a section editor of the Journal of Business Ethics and have been very involved in various professional bodies including previously the European Business Ethics Network (www.ebenet.org) and currently the International Society for Business, Economics and Ethics (www.isbee.org).

An important aspect of all this for me has been the chance to teach business ethics to business undergraduates, postgraduates and MBA students. I have such a fantastic opportunity to encourage future business people to REALLY think about what they are doing in their (business) lives. Not everyone is receptive to business ethics, but at least they have had to confront it and had some conversations with me and their fellow students before they graduate 'qualified' to do business. In every year I have taught so far there have been some students who are really positively touched by the subject (at least that is what they tell me!) and who intend to take it forward in some way. That's a really good feeling.

Through research and teaching, I really feel like I get the chance to leverage a kind of multiplier effect and that my ideas reach far further than they ever could have if I had stayed working in industry. I just hope it isn't ALL gobbledygook!

Anyone who wants to follow up on any of this is welcome to email me on laura.spence@brunel.ac.uk

David Bent

Principal Sustainability Advisor
Business Programme, Forum for the Future

MSc in Responsibility & Business Practice 2001-2003

It used to be that the passionate campaigns students fought for at University were quietly dropped when the real world of business beckoned on graduation. Times have changed and graduates are starting to realise that the two can be combined. David Bent returned to environmental and social justice issues after he completed his accountancy exams with PricewaterhouseCoopers (PwC). David realised that he had to find a way to align his values and his working life; for him the prize was finding a way to combine sustainability and success.

Bath's MSc in Responsibility and Business Practice offered him the bridge to a new career. He saw a great opportunity open up for him on graduation in 2003 when he moved to Forum for the Future, the sustainable development charity.

His work at Forum for the Future is about partnerships with companies and the public sector. David says that in a way it is like management consultancy but "with a purpose, not in a moral vacuum". Their solution-orientated approach looks for practical innovations that will make a difference to people's lives. Using his accountancy training and the skills he gained on the MSc he has been involved in putting sustainability into core business strategy, designing the latest voluntary sustainability reporting guidelines and researching the lucrative business strategies for a sustainable future for companies such as BT, First Choice and Cafedirect. Current projects include putting sustainability into business strategy at a leading home improvement retail group and a luxury automotive brand. He is also organising Forum's contribution to the World Entrepreneurship Summit in January 2008.

Times have changed and sustainability is now more prominent and mainstream management consultancies are moving in. But Forum's partners appreciate the integrity that comes from being a charity - and the depth of rigour that comes from working on sustainability for over a decade. With Hewlett Packard they are working on 20 year scenarios for human responses to climate change - the politics, economics, psychology and so on. What will that mean for an ICT firm? Where should they put their innovation spend? Issues that are relevant to any

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BASED SOCIETY SO
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COMPANIES.”



company, as they seek to profit from the the new realities of life.

David sees Forum for the Future's role as breaking new ground. As a charity they are not driven by the opportunities for making money from this sphere, their role is to get other organisations to the point where they can take the issues on and they can make money from them. David and his colleagues have no problem with others making money from such important issues, instead David sees it as the need to create more 'win, win' situations: "We are a market-based society so we have to find a way to make sustainability profitable for companies." He is now concentrating on seeking out the lucrative business strategies that make a sustainable future and pushing organisations to take up those instead of unsustainable, but profitable, strategies. That, David sees as his main challenge. To achieve this, government and consumers must be mobilised to support the right choices but business action has to be at the heart of it. Business will listen to what people want if it aligns with a profitable choice and it is in showing businesses how profitable choices can also be sustainable that David has found his niche.

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An appeal to self interest: I'll work for you because it is morally right for me to do so

Dr Simon Pervan

Why do we desire

strong business relationships with our customers and suppliers when the costs of developing and maintaining them often represent a considerable organisational level investment? To many senior managers the answer will be obvious. Strong business relationships lead to economic efficiencies, a greater scope in offerings to individual customers, and improved synergies with suppliers. Indeed, in today's mature market place, where many can compete on the fundamentals, a firm's business relationships will often represent its competitive edge.

In a recent study into relationships marketing, published in the *Journal of Marketing*, researchers suggested that business relationships are at their strongest between individuals (Palmatier et al. 2006). Further, that the assessments people make about one another are stronger, quicker, more confident, and more resilient to harm than are judgments about groups. This too is not a revelation to senior managers who have long recognized the need to hold onto good frontline employees lest the client follows the person and not the organisation. Still it does serve to bring into focus the importance of understanding the motivations for individuals to engage in long-term business relationships; an issue made more prescient given the absence of this kind of research amidst the abundance of firm level studies.

So, are individuals motivated to develop and maintain strong commercial relationships solely for the good of the company? As employees look to develop their careers it would be naive to accept this. Clearly there are often financial incentives for the individual which mirror firm level goals. However, financial incentives are relatively easy to match or better and can often lead to employee focus on short term objectives rather than the development and maintenance of long term relationships.

Dr Simon Pervan at the University of Bath has begun investigating whether goals which motivate long term stable relationships in society can inform relationships in a business context. Of particular interest is the norm of reciprocity which has long been held by philosophers, psychologists and sociologists, as fundamental to social stability and as a driver of relational exchange. The commonly held definition of reciprocity is as a norm driven by a feeling of indebtedness where good is returned for good received, interpreted generally as the *quid pro quo* approach. However, if reciprocity is a fundamental driver

of stable relationships its definition must also reflect efforts to productively resolve disagreements by constructively responding to problems. To clarify, a norm of reciprocity should require exchanging fairly, communicating problems encountered, and making up for any harm caused. Studies suggest that by upholding this norm, individuals gain key resources including a sense of balance, expectation and feelings of self esteem. Taken together these resources provide the potential to individuals to behave as excellent moral citizens, and it is their attainment through strong relationships which creates a stable society.

To elaborate on these resources, the need for balance in life is self evident. Physiologically we sweat to counter heat, and sleep and eat to regain energy. Socially, couples seek to be attentive to each other's needs. There is also typically a balance of exchange in "good" business relationships. Though true balance, or equity, may only be temporarily achieved, a rough equivalence of exchange viewed over the life of the relationship is required to achieve stability. Also, without expectation of behaviour, society would be largely chaotic and life very stressful. Studies have shown that as long term commercial relationships became predictable, customers experienced a reduction in stress and an improved sense of well-being and quality of life. There is also a release of tension that an expectation of reciprocity can provide particularly where lapses occur as short term inequities are communicated and expected to be resolved. Reciprocity also assists in the development of self-esteem as this is not gained in isolation. Behaving reciprocally is an act of respect and affirmation from another.

The argument therefore is that if a person is consistently achieving these resources, they are more settled within themselves and are more likely to be excellent moral citizens and less likely to engage in deviant social behaviour. So, why might reciprocity be so important to a business context? The most compelling reason is because it appeals to our self interest. Durkheim (1964) provides an appropriate summary of this view:

"Self-interest is like an epoxy resin, useless to hold anything together until a hardening agent is added, when it can be an incredibly strong glue. In the case of self-interest the hardening agent is societal discipline. People know this fact and in real life constantly find self-interest of others one of the most reliable of all bases for solidary beliefs (p.227)."

STUDIES HAVE SHOWN THAT AS LONG TERM COMMERCIAL RELATIONSHIPS BECAME PREDICTABLE, CUSTOMERS EXPERIENCED A REDUCTION IN STRESS AND AN IMPROVED SENSE OF WELL-BEING AND QUALITY OF LIFE.

BY IMPLICATION
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Reciprocity through its particular behavioural expectations represents the “societal discipline” necessary to harness the potential of the self-interest motive common in business relationships. The behaviour is not charitable, rather it can be viewed as a strategic act to gain something for ones self. Indeed reciprocity in its simplest form of quid pro quo is required to complete exchanges because without it two self-interested individuals would never have the confidence to swap their resources with one another. Given this, upholding the norm does not require parties to be friends or particularly social (though this will depend on industry norms) in order to develop stable business relationships, it simply requires the respectful acts it stipulates.

The results of Dr Pervan’s study, involving 400 marketing managers, during which a scale was developed to measure reciprocity, has provided evidence that this behaviour does help to develop strong business relationships. Acting reciprocally leads to higher self esteem, greater satisfaction with the task, reduced conflict, and stronger trust and commitment between parties. Whilst it is not proposed that the pursuit of financial gain or other career opportunities are superseded by social goals, the findings do suggest that managers need a better understanding of the importance of these kinds of goals and the means of achieving them through business relationships. Four managerial implications are evident. First, if reciprocity is identified as a key process in strong commercial relationships, then the scale developed will become an important managerial assessment tool. It could, for example, be used to assess the current state of a relationship. This may provide managers with a more accurate assessment of the stability of a current relationship, and whether or not specific investments should be made. Given this, the reciprocity norm provides a useful framework for the training of customer contact employees. Reciprocity provides a behavioural template and knowing how to act to stabilise

exchange and maximize the potential for relationship development may be critical, particularly at the early stages of a relationship where parties are known to be less forgiving of poor exchange episodes.

Findings that reciprocity has a significant positive correlation with self-esteem and relationship satisfaction, and a negative correlation with relationship conflict provide a useful understanding of the personal benefits that can accrue through reciprocal behaviour and may be used by managers to provide a second order motivation to staff to reciprocate in commercial exchange, over and above traditional, often financial, motives.

Finally, reciprocal based exchange contributes to personal well-being which has proved to be a significant predictor of organisational commitment. This is particularly relevant in high contact services where evidence suggests that customer loyalty is governed by customer loyalty to the individual service worker. Therefore retaining the service worker maintains the customer loyalty to the firm. By implication a work force which has a high number of employees who engage in reciprocity-based exchange with each other and with customers is likely to have higher employee and customer retention rates.

Further research plans include extending contexts to examine internal relationships as well as other kinds of exchange relationships outside of the firm. In addition, there are plans to examine the impact of reciprocal behaviour on employee retention and profitability.

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Dr Simon Pervan

BCom and MCom in Marketing and International Business - University of Auckland
PhD in Marketing - University of Melbourne

Dr Pervan is a lecturer in marketing in the School of Management. His research focus is on the commercial and personal advantages of pursuing long-term commercial relationships. Having recently developed a scale to measure reciprocity in commercial exchange, his current research investigates the impact reciprocal behaviour, in strong commercial relationships, has on personal development. Findings suggest important implications for employee satisfaction and retention.

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Jo Mathews

Deputy Principal

Somerset College of Art & Technology

2005-2007

MSc in Responsibility and Business Practice,
University of Bath



Jo is Deputy Principal of Somerset College of Art & Technology and she has been driving their Education for Sustainable Development Strategy. They have had a strategy for the last three years and are in the process of launching their next three year plan. Jo has been working with a team of champions from across the college using various different tools and methods to change the behaviour of the organisation with the intention of becoming a model of good practice for their students and the community they serve, both individuals and employers. Although they are already held up as one of the leading colleges in the sector for their work in this area, Jo comments: 'Most of us feel our progress is slow and not having a quick enough impact. Having got the college to do the 'easy stuff', recycling, turning off lights etc., last year we started to tackle the longer-term problem of culture and behaviour change and how we fundamentally challenge and change the way we do things, particularly using deep ecology and our connection to nature as a route to individual change.'

After taking 24 staff to Schumacher College in Devon for a residential visit, they set up a co-operative inquiry group to inquire into what engages people and leads to behavioural change. They used storytelling as a tool to communicate their experiences and as a tool for change. Jo says they have certainly seen a step-change in staff and student commitment to wanting to make a difference, and this year the College is increasing its capacity to implement changes and ideas from the college community. They will have three working groups: a Sustainability Group which will be led by a full-time sustainability officer, who will deal with short-term actions that support sustainable development, including delivering learning to staff, students and community groups; a Curriculum Development Group which will look at opportunities to develop more sustainable development education as core to the curriculum, within this group all teaching staff who have fellowships or projects will meet to share good practice; finally there will be a Sustainability Action Research Group which will carry out longer term research into behavioural change, and help inform future college policy. This group will be chaired by Jo and will aim to publish research each year to share their findings with other sectors.

Visiting professors' profiles



VISITING PROFESSOR - COLIN PRICE

Colin Price has been a Visiting Professor in the School of Management since December 2005; he is also a key member of the School's Advisory Board which provides the School with strategic advice on a wide range of its operations. After taking his MSc at Bath, Colin's career began as a junior lecturer at City University and London Business School after which he moved into consulting for British Telecom and what was then Price Waterhouse. In 1999 Colin joined McKinsey and Company where he is now a Director, leading the knowledge development part of their Global Organisation Practice. The Global Organisation Practice comprises approximately one fifth of all McKinsey's consulting work; it focuses on organisation design, leadership development, behavioural change and post-merger integration. Colin has provided consultation work for two decades in over 50 countries. He has advised many of the globe's largest corporations and he is the author/ co-author of six management books, the latest of which is 'Mergers: Leadership, Performance and Corporate Health' (with Fubini and Zollo) Palgrave, 2007.



RON COLLARD

Ron Collard has been a Visiting Fellow at the School of Management's Work and Employment Research Centre (WERC) since 2001, and in 2006 the University conferred on him the title of Visiting Professor for a three year period.

After a career in industrial relations and human resource management in the steel industry, Ron joined what became PricewaterhouseCoopers. After a period as the Director of HRM, he returned to consulting practice as the Head of HR consulting for the finance sector leading a large team of consultants globally. He has always been an active contributor and supporter of the School of Management, taking part in teaching at MBA, MSc and undergraduate levels, helping to gain research access and providing advice on research to staff and PhD students.

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