

Social Science Benefits Business

Research Summary

Social science can benefit business in numerous ways: from helping to set a business strategy to enhancing business operations. Since 2007, the ESRC has expanded its support for social scientists to engage with business, which has led to impressive results. On a strategic level, high-quality social science has provided insights to the Royal Mail on new business areas as well as advising airline Flybe and other low-fare carriers on corporate social responsibility. On an operations level, social science has enhanced the project management skills of over 450 business practitioners and researchers around the West Midlands, improved the management practices of a South Yorkshire housing association, and delivered innovative thinking on top management pay



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Business Engagement Opportunities Scheme

In 2007 the ESRC launched its Business Engagement Strategy to increase social scientists' engagement with the business sector. As part of this strategy, the Business Engagement Opportunities Scheme provides funding of up to £100k for social science researchers to transfer and exchange knowledge with business and professional groups. Each project within the scheme comprises of:

- a research activity that helps at least one business become more successful
- the placement of an academic in business or vice versa and
- at least two seminars to encourage further interaction between researchers and potential business users of the research.

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The objective of the scheme is to help make Britain's businesses more successful through knowledge exchange and collaborative working. Specifically, the scheme helps business:

- Access leading edge research and the highest quality research experts
- Gain access to innovative ideas
- Enhance organizational creativity, performance and productivity
- Solve important and strategic problems

To date, the scheme has funded a wide range of projects, resulting in benefits for both business and academia. As the following examples show, the resulting business impact has been impressive, ranging from enhancing the management practices of a housing association, to bringing innovative ideas to business professionals and providing high-quality research to some of Britain's biggest brands.

Social Science Provides Innovative Ideas

Besides advising business on best practice, social science can enhance business performance by providing innovative ideas. Preceding the recent financial crisis, researchers from the ESRC Centre for Research in Socio-Cultural Change (CRESC) at the University of Manchester collaborated with staff from KPMG People Services who design reward packages for top managers in business. Part of the project involved the secondment of KPMG's David Shammai to CRESC to study the pay patterns of top executives in the FTSE 250 (mid-sized British companies). Out of this engagement came one big, new idea that challenged established pre-occupations about how senior management pay should be linked to performance. The research showed that pay within the FTSE 250 is best seen as a 'fee' that is scaled according to company size (measured in terms of market capitalisation) rather than a return for performance. This reframing of the problem opens up new ways to evaluate management pay and opens up potentially new approaches to its design and control.

Following the research, KPMG presented the findings at an internal training day for its reward practitioners as well as mailing out a summary of the research to 1000 business clients. One client, a large British pension fund was delighted to have their perception of "market cap bias" in pay confirmed by the research.

RES-185-31-0004 "Reward for Performance"
Professor Karel Williams, Director of the ESRC Centre for Research in Socio-Cultural Change at the University of Manchester Karel.williams@manchester.ac.uk

More information: Froud J, Johal S, Leaver A, McAndrew S, Shammai D & Williams K (2008). "Rethinking Top Management Pay: From Pay for Performance to Pay as Fee." CRESC Working Paper No 56. Available at: <http://www.cresc.ac.uk/publications/documents/wp56.pdf>

Improving Business Practices

Social science can also help business evaluate the effectiveness of new ventures, as the following example from Yorkshire shows. When residents moved into the sustainable homes built by South Yorkshire Housing Association (SYHA) in Rotherham, they were delighted. However, a rigorous evaluation of the homes by a multi-disciplinary research team from Sheffield Hallam University revealed how the scheme could be further improved to the benefit both of the residents and the housing association. .

Among the findings of the research project was that some of the technology did not perform as expected. For example, the researchers found back-up boilers were redundant and often meant residents made less energy savings than expected. Most importantly, the research highlighted the problems of a 'fit and forget' approach to domestic renewable energy technologies. Residents needed to be educated in how to maximize their energy savings using the new technologies. While some tenants enthusiastically and independently learnt to use the full energy saving potential of their new home, others quickly gave up, such as one household that hid the overly complicated energy-display unit for their home's solar panels under the bed! SYHA have welcomed the findings and are using them to inform the development of new sustainable housing schemes.

RES-185-31-0026 "Developing and Disseminating Best Practice in the Application and use of Renewable Energy Technologies in Affordable Homes"

Dr. James Pinder, formerly of Sheffield Hallam University, now at Positive Sum Ltd james@positivesum.co.uk and Dr Fin O'Flaherty at Sheffield Hallam University f.j.oflaherty@shu.ac.uk

Access to Leading Edge Research Techniques

Some of Britain's biggest brands, from Royal Mail to travel company Thomson, used leading edge social science research to better understand how changing consumer attitudes to climate change may impact on their businesses. For example, Royal Mail gained insights into consumers' willingness to pay to recycle items such as batteries through the post, while Thomson discovered that travellers would respond positively to initiatives to help lower their carbon footprint. The findings were made possible through research collaboration between a consultancy firm - Future Foundation and the ESRC Centre for Business Relationships, Accountability, Sustainability and Society (BRASS) at Cardiff University. BRASS researcher Cerys Ponting joined Future Foundation for three months to assist the research project by applying the latest social science research techniques. This included a Delphi study to establish consensus amongst a panel of 30 experts on predicted future business scenarios and consumer responses to climate change in both 2012 and 2022.

The centre's involvement helped to deliver high-quality research results to inform business decisions about this key strategic issue. BRASS extended and strengthened the research techniques used by Future Foundation and the success of the collaboration encouraged the consultancy to roll out similar projects across Europe.

RES-185-31-0024 "Climate Change and the Future of Brands" Professor Ken Peattie, Director of the ESRC Centre for Business Relationships, Accountability, Sustainability and Society at Cardiff University
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More Information at www.brass.cf.ac.uk

Enhancing Business Performance

In Birmingham, social science research helped businesses with strategy implementation through effective project management. Launched in January 2008 the ESRC-funded Centre for Project Management Practice (CPMP) at Aston University brought together project management practitioners and researchers. In two years, the centre has helped 450 contacts in over 170 businesses and organisations improve their project management skills and techniques through seminars, mini-exchange placements and social science research. For example, after attending a seminar on project processes, Mark Alfer from Echo Managed Services, commented: "Prior to attending the seminar, I was tasked with developing a project process for my organisation, something lean and not very bureaucratic. The seminar equipped me with a good appreciation of a range of different project processes and helped pave the way to develop this."

The Centre also organizes mini exchange placements, which allows project managers and researchers to swap places with project managers to transfer knowledge and share experience. For instance, Kate White, a project manager from the IT company Service Birmingham swapped over to Land Rover for a few days and found the car manufacturer's approach to quality and continuous improvement very applicable to her own company: she has taken this learning back to base.

RES-185-31-0016 "The Centre for Project Management Practice"

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More information at: www.aston.ac.uk/cpmp

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Solving Strategic Issues

Sometimes companies need to deal with major strategic issues and social science can help here too. Airlines, including low-fares carriers such as Flybe, easyJet and Ryanair, have come under a lot of external pressure in recent years for their alleged negative environmental impact. For some airlines, the fear of negative public perception of their corporate social responsibility (CSR) communications has been one of the main reasons they have been reluctant to fully report all of their socially responsible activities, according to research by the Centre for Sport, Leisure and Tourism Research at the University of Exeter Business School.

The research explored CSR policies amongst low-fares airlines flying to and from the UK. The study suggested that the most successful CSR approaches are strategic, whole-business solutions that are properly monitored and evaluated. Adopting a CSR strategy requires the airline to consider finance, resourcing, time, staffing, PR, communications, positioning strategies and partnership relationships. "Access to independent and high-quality research into an important issue facing airlines is crucial," says Niall Duffy, Head of PR and Public Affairs at Flybe. "The study has helped us identify and overcome challenges in rolling out our CSR and gives us greater clarity in our environmental record and community involvement."

RES-185-31-0046 "Social Responsibility among Low Fares Airlines: Current Practices and Future Trends" Professor Tim Coles, Cluster Director of Centre for Sport, Leisure and Tourism Research at the University of Exeter t.e.coles@exeter.ac.uk

More information: Centre for Sport, Leisure and Tourism Research (2009) Corporate Social Responsibility: Issues for Future Development in the Low-Fares Airlines Sector. Available at: www.exeter.ac.uk/slt/newspublications/publications/

Helping Small and Medium-sized Companies

Many small companies often don't have the time to think strategically. One of the fundamental problems facing many business owners is the intensity of the day to day pressures in working in the business, which means strategic thinking and action to further develop the business is not adequately dealt with. The Institute for Entrepreneurship at Lancaster University Management School is helping small companies tackle this issue by offering "the board you can afford" to business owners and managers who are members of the university's business club, GOLD. The main idea is for groups of owner managers to work together to develop strategy in a peer-to-peer environment. Acting like a non-executive board of directors, GOLD members support each other during the implementation of their revised business development plans. This transformation of the business club is just one of the benefits from the ESRC supporting the business school to hire a successful local businessman, Ian Gordon, in a new post as Entrepreneur in Residence.

RES-186-27-0003 "Entrepreneur in Residence" Magnus George, Head of Strategic Partnerships and Policy in the Institute for Entrepreneurship and Enterprise Development at Lancaster University m.george@lancaster.ac.uk

More information at: www.lums.lancs.ac.uk/departments/Entrep/



Wider Impact

The ESRC aims to maximize the impact of its business engagement projects by encouraging social scientists to disseminate their research widely as possible to potential users through events such as seminars. As a result, suppliers of renewable technologies have benefited from the evaluation of the sustainable homes scheme; Brendan Barber, Secretary-General of the TUC has a more accurate view of top management pay; and hundreds of businesses have learnt more about their consumers' changing attitudes to climate change.

The engagements also benefit the social scientists themselves, helping them to widen their networks with business, which often results in future research work

All studies have resulted in academic papers published in either peer-reviewed journals or presented at conferences. The engagement by CPMP with the local business community has helped establish the centre as a magnet for the best ideas and innovation within project management and the Entrepreneur in Residence programme has encouraged Lancaster University to transform its first year undergraduate course in entrepreneurship. Lectures and desk research is complemented with substantial engagement with local entrepreneurs so helping to equip students with both the knowledge and experience to make them as attractive as possible to future employers.

Key Activities

- By improving the quality of research into consumer attitudes to climate change, social scientists from the ESRC Centre for Business Relationships, Accountability, Sustainability and Society (BRASS) at Cardiff University helped provide strategic insights to businesses ranging from Royal Mail to travel company Thomson
- Project managers from over 170 organisations and businesses have improved the way they manage projects through engaging with researchers at the ESRC-funded Centre for Project Management Practice at Aston University
- Research collaboration between the ESRC Centre for Research in Socio-Cultural Change at the University of Manchester and KPMG People Services provided innovative thinking into top management pay
- Social scientists from Sheffield Hallam University helped improve the operations of South Yorkshire Housing Association through evaluating the effectiveness of the association's first sustainable housing scheme
- Research by the Centre for Sport, Leisure and Tourism Research at the University of Exeter into corporate social responsibility activities among low fares airlines has resulted in a series of practical recommendations to help airlines
- By hosting a successful local businessman as an Entrepreneur in Residence, Lancaster University Management School is transforming its business club to help local businesses solve important strategic problems

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