

**Institution: The University of Edinburgh**

**Unit of Assessment: 19 Business and Management Studies**

**a. Context**

Contributing to critical understanding of contemporary, global business and management issues is integral to our mission as a Business School, which aims to create knowledge to “help organisations address the cross-cutting challenges they face”. We achieve this by embedding research impact in our ethos and practice.

The School’s location in the heart of the city of Edinburgh – one of the major financial and business centres of Europe – combined with the expertise of our faculty, individually and in Research Centres, has resulted in a history of effective engagement with external stakeholders. For example, since 1997 the **Credit Research Centre (CRC)** has provided specialist advice to the finance industry, commenting on industrial practices as well as the social implications of the distribution and provision of credit. Centres like this are instrumental to increasing the reach and significance of the impact of the School’s research. Research in the School has impact for and on: private and public sector businesses, from SMEs through to international corporates; professional and industrial bodies; Non-Governmental and Not for Profit organisations; and the Scottish, UK and international Governments.

The School’s impact falls under three themes: (a) improving the efficiency of resource management (e.g. providing a scientific basis for major budgetary allocation); (b) improvements in legal frameworks, the regulatory environment and governance of business entities (e.g. by influencing national policy and strengthening governance mechanisms); and (c) managing risk in finance (e.g. by introducing more robust forms of credit scoring).

**b. Approach to impact**

We recognise that impact from research can be created in a variety of ways. Wherever possible, our research involves stakeholders from inception, whether by applied consulting to generate understanding (e.g. **Harris and MacKay’s** collaboration with Cap Gemini as to how best to manage value chains in manufacturing), or by working with them to construct research proposals (e.g. involvement of the Equality and Human Rights Commission in devising the focus and programme for **Loretto’s** ESRC seminar series on Rethinking Retirement 2011-2012). Sustaining these relationships is essential to creating impact, as illustrated by **Armitage’s** collaboration with Economic Consulting Associates to extend the impact of his work on lowering cost of capital from the water industry (which provided evidence to OFWAT for the five-year review of water provisions to other utilities (OFGEM)). In the last five years we have made significant investment to help further enhance the impact of our research and associated activities. A key strategic investment has been the expansion of our **Corporate Development Team** from 7.5 FTE at the end of 2008 to 18.2 FTE in 2013. The team comprises a series of sub-units (Conference and Events, Corporate Relations, Projects Officer, Consultancy Services, Executive Education, Press Officer) which together provide a range of mechanisms to facilitate research uptake by our stakeholders and create fora for the exchange of knowledge between stakeholders and researchers, as highlighted below.

*(i) Strengthening research-practitioner linkages and opening up opportunities for impact*

A **Conference and Events team** was formed in 2010 to provide comprehensive support to faculty organising major conferences in Edinburgh. Recent examples include the **Credit Scoring Conferences** (2009, 2011 and 2013 with nearly 400 delegates for each conference, 90% of whom were practitioners) and the **Sovereign Wealth Fund (SWF) Focus** (2011 and 2012 with 33 and 46 practitioners). Collaborations developed at these conferences have led to further engagement and impact as illustrated by **The Edinburgh Dialogue** which was created in partnership with Forest Research as part of the Sovereign Wealth Focus. The dialogue has resulted in annual events in 2011 and 2012, bringing together academics, governments and leading international economists to contribute understanding to international debates on

## Impact template (REF3a)

development, growth, importance and economic impact of SWFs.

Alongside this support, our **Corporate Relations Team** organises ten joint events annually in conjunction with professional bodies which attract audiences from business and our other stakeholder communities. These events typically feature panels of experts, including members of faculty, who discuss their latest research projects. Examples include Chartered Institute of Management Accountants, Institute of Chartered Accountants in Scotland and the Institute of Directors, as well as Chambers of Commerce, Bank of England, Chartered Banker Institute and Chartered Financial Analysts Institute (CFAI). These events provide pathways to impact, as is indicated by **Armitage's** collaboration with the CFAI which led to an invitation to deliver a CDP training session to 100 equity managers in London in 2011. The School further facilitates interaction with stakeholders by inviting practitioners to speak at **Research Seminars** (for example in 2011-12, 40% of the **CRC's** seminars were given by practitioners) and by inviting practitioners to attend Research Seminars held in the School. Such mechanisms have enabled the CRC to showcase its work on survival models to the wider financial community, leading to greater uptake in practice. The School also encourages organisations to host internal seminars on faculty research, for example **Crook's** invitations to present research to Lloyds Banking Group, Royal Bank of Scotland (RBS) and Itau Bank (Sao Paulo).

Our **alumni** are also an important stakeholder community and we engage with them in a variety of ways to enhance impact. For example, in 2008 we began featuring faculty research in our bi-annual alumni magazine **Aluminate** (circulation: 10,000 across 120 countries). Articles serve to showcase the practical relevance of faculty research, such as: **Oliver's** research on the response of the Japanese car industry to the aftermath of the earthquake that hit the country in March 2011, as an application of corporate resilience; and **Main's** warning that merely altering voting rules for shareholders may be insufficient to stem inflation in executive remuneration. In addition, we have held three alumni weekends (2011-2013), that have featured joint presentations between staff and practitioners to put spotlights on recent research and its implications. In 2011, for example, a joint presentation on implications of an ageing workforce led to **Loretto** delivering age diversity training to the NHS as part of their strategic focus on managing an ageing workforce.

(ii) *Capitalising on opportunities for impact*

In 2010 we appointed a full-time **Projects Officer** who proactively sources dissertation projects for MSc students and research consultancy opportunities for our MBA students. We aim to match the needs of the organisation with research expertise of the faculty supervising these projects to increase impact. A good example is **Calvard's** work with MBA students on a project examining international remuneration strategies for Proctor and Gamble which deployed his research on diversity and teams to increase awareness within the company of diversity in remuneration policy and practice. In another case, **Rossi** has secured funding from the University's Challenge Investment Fund to utilise his expertise on confidence-based optimisation to supervise student projects aiming to improve inventory management in students' association shops.

The School has developed its **Consultancy Services** over the last three years, reflecting a strategic decision to move away from ad hoc and small-scale projects to large-scale project delivery more closely aligned to the research expertise of faculty members. Consultancy facilitates impact from research by challenging existing approaches and communicating results of research. In addition, the output of research is often used by clients to *select* consultants. All three of these processes have been evident in the School. For example, research on diffusion of innovation (**Pollock**) initiated a new relationship with RBS, with the specific initiatives in that relationship drawing on research on leadership and delivery of learning and training by other faculty (e.g. **Murphy** (leadership), **Rojon** (performance management)) and doctoral researchers (e.g. **Cochrane's** work on managing emotion).

Allied to these activities, our **Executive Education Team** operates in two modes: helping articulate client needs that are received by the School and working with staff to help produce solutions; and working with staff to apply by approaching organisations/sectors that might have a particular need for such expertise. These activities are supported by the University's commercialisation unit **Edinburgh Research and Innovation**, a nationally-acclaimed central support unit that assists faculty with contract design and negotiation, financial transaction and any intellectual property considerations. An example of the enhanced Executive Education

## Impact template (REF3a)

mechanism at work is provided by consultancy for Scottish Water, where the results of earlier research by **Ansell** and colleagues were used to provide a credible, evidence-based approach for a capital investment programme worth over £1 billion. This project won an 'Outstanding' KTP end of award evaluation from the Technology and Strategy Board. Additionally, expert advice from **Haig** and **Hagendorff** has resulted in senior managers in Scottish Widows Investment Partnership increasing their knowledge and understanding of alternative investment strategies and equity/risk strategies.

Some of the most promising applications leading to impact have been developed through Industry-Research Innovation Fora funded by the School. Two or three events per year consist of regular meetings between members of a research team and a major stakeholder with the express purpose of drawing on Business School research expertise to provide solutions to specific problems. A good example is the RBS-Credit Research Centre Innovation Forum organised to discuss **Crook's** research and **Glen's** work on credit risk modelling, which led to both faculty being invited to undertake consultancy for the bank.

(iii) *Creating an internal culture which prioritises impact*

The School facilitates impact from the beginning of faculty careers via research mentors and the annual development review. We run a series of workshops, supported by an internal school newsletter, which showcases research impact and provides additional advice on grant applications through to dissemination and impact, thereby sharing advice and good practice across the School. The School's **Press Officer**, with help from the University press office, has arranged press and media training workshops for faculty to enhance capability and increase their confidence in engaging with the main media channels. To date, nearly two-thirds of faculty have received this training, and we aim to train everyone by the end of 2013. The Press Officer also works with staff to help identify key impact stories concerning their research and assisting in the creation of news and press releases and appropriate media outlets. A news and press function has been created to make it easy for the media to contact members of staff and a comprehensive archive of news stories is provided on the school website. This has been successful in increasing research uptake internationally, as illustrated by the example of **Marder's** (2012) research on Facebook which highlighted a relationship between a person's stress and their use of social media, and was covered by CBS, Mashable, Herald Sun (Australia), Daily Telegraph (Australia), French Tribune, Times of Malta, Yahoo News, Hindu Business Line, Science 2.0 and Hispanic Business.com. Such coverage will also be used to encourage impact as Marder is currently assessing the effects of the media coverage of his work on Facebook users' behaviours regarding tightening their privacy settings.

The School provides funds for PhD students and early career researchers, in collaboration with more established staff, to organize **mini-conferences** with an emphasis on engagement and impact. In 2012, four conferences were organized, including one by **Kowalski** and **Loretto** which enabled policy-makers and practitioners from across the UK to gain from international research into managing employee well-being. 90% of the 75 participants involved reported that they had expected to change their work practices on well-being as a result of what they had learned at the event.

The University invested £17m in completely refurbishing a **central building** (opened in 2010) specifically designed to facilitate world-class teaching, research and impact by providing flexible boardroom, conference, seminar and executive education facilities. These have undoubtedly opened additional opportunities to engage with and impact upon external stakeholders. For example, in 2012-13 we delivered two **Sustainable Banking** executive education programmes (jointly organized with Lagos Business School). A further programme is planned for September 2013. These involve **Amaeshi, Hagendorff, Harwood and Ibikunle** sharing their knowledge and facilitating exchange of good practice between 75 representatives of banking industries in the UK and Nigeria.

### c. Strategy and plans

Over the past ten years the School has expanded its collaborations with its corporate and policy stakeholders. In order to more systematically promote impact we have developed a new

## Impact template (REF3a)

**Corporate Engagement Strategy** that includes an **Impact Strategy**. Specific performance indicators have been set and are now monitored as specified by the action plans. We see a strong connection between our efforts in corporate engagement and the ability to conduct impactful research, whether by individuals or by our research centres through increasing awareness and by providing appropriate support. The Corporate Development Team that manages the School's external relationships was expanded in parallel with the development of the new Corporate Engagement strategy. The Corporate Development Director works closely with the School's Research Director and the College of Humanities and Social Science's Knowledge Exchange Office and is a core member of the School's executive team. We will also be appointing an academic Director of Engagement and Impact in spring 2014.

To extend the School's focus on impact we have set up an impact review group in conjunction with the Research Committee and School Research Support Office. This group is co-chaired by the Director of Research and the Corporate Development Director and is developing a specific Research Impact Strategy which involves working on a range of initiatives, including how best to work with principal investigators from project initiation onwards to identify and realise impact pathways. We are designing ways to better measure, monitor and demonstrate research impact. We are seeking ways to extend the use of our Centres in increasing the reach and significance of research impact. For example, a new **Sustainable Business Initiative** was established in November 2011, and is already demonstrating success in engaged research, through **Amaeshi's** research funded by the Institute of Chartered Accountants of Nigeria to improve the sustainability of integrated reporting in Accounting Professional Services firms in that country. We are also stimulating impact from our national and international research collaborations. For example, **Rosa's** long-standing Visiting Professorship at Makerere University Business School (1999-current) has resulted in a direct affiliation for the international STEP (Strategic Transgenerational Entrepreneurial Practices) programme in family businesses, involving over 40 countries. In Uganda, this has had a direct impact on the government by increasing their awareness of the importance of family businesses to the country's economic development and has facilitated opportunities for family businesses there to come together to exchange knowledge and share good practice. Our strategy will continue to stimulate research relevance for practice and policy, the success of which is evident in the recent success of **MacKay** in being awarded an ESRC fellowship (£150k) to investigate the impact of potential Scottish independence on strategic decision-making among businesses.

**d. Relationship to case studies**

The case studies chosen showcase the three principal areas of the School's research impact: managing financial risk, governance, and efficiency of resource management. This focus is linked to the task of informing and stimulating practitioner debate. In terms of managing (financial) risk, research into the most effective ways of assessing the risk of loan applicants has informed management in financial institutions and public utilities and changed the ways they think about assessing loan applicant risks (**Designing the next generation of retail credit risk models**). The same research programme has improved access to finance by credit worthy SMEs (**Increasing insights into credit risk of SMEs**). In relation to issues of governance, research into the activities of remuneration committees has had a key input into campaigns to change the legislation concerning the governance of executive pay and to influence the use of corporate resources to enhance shareholder wealth (**Career shares as a sensible way to remunerate company executive directors**), while the programme of work on **Enhancing the role of the third sector in delivering public services in Scotland** has influenced the management of third-sector organisations and their roles in delivering public services. As regards efficiency of resource management, the research programme on the maintenance of assets has changed the way managers in public utilities model asset replacement programmes (**Risk management of physical assets: enhancing estimation and optimisation**) while work on **Improving carbon accounting to drive better corporate carbon performance** has been influential in shaping the emerging understanding of carbon accounting and carbon market design internationally.