

Transforming Productivity, Management Practices and Employee Engagement Call specification

This version: 8 August 2018

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Summary

As part of ESRC’s commitment to a longer-term strategic, coordinated portfolio of productivity investments, we are inviting proposals from researchers at eligible UK research organisations to carry out research on management practices and employee engagement, and their relationships with productivity.

Up to £4.5 million¹ in total (80% FEC) research council contribution is available to fund research projects across the following areas:

1. Variation in management practices, employee engagement, drivers of that variation and relationship with productivity outcomes
2. Exploring manager and employee engagement, including motivations, trust and absorptive capacity.
3. Adopting, diffusing, scaling and sustaining beneficial innovations and changes in management practices.
4. Opportunities for improvements in productivity, mental health, physical health and wellbeing through innovations in management practices.

¹ subject to final HMT approval

The scope of these areas are described in the next section. Proposals should be multidisciplinary with at least 50% of research in falling within disciplines that are in the ESRC's remit.

The focus of the research (its conduct and non-academic impact) should be the UK. However, international comparators and perspectives are encouraged to enhance learning about the challenge being addressed. Applicants will need to clearly demonstrate the opportunities for non-academic impact in their projects and how they will work towards achieving these. We encourage the inclusion of non-academic contributors as project partners and co-investigators, ideally in leadership roles.

Projects may seek up to 80% of the full economic costs, up to a maximum of £0.9 million research council contribution per proposal, which may last for up to 36 months. It is anticipated that five projects will be funded, spread across the themes listed above and a range of organisational types and sizes.

The closing date for full applications is 18 September 2018.

Background and scope

This call is part of ESRC's commitment to building a strategic, coordinated portfolio of productivity investments; one of ESRC's priorities. This call addresses a key productivity challenge: to improve and integrate understanding of productive, healthy and sustainable working practices for both managers and employees, and for the development, adoption and diffusion of innovations in management practices.

New insights from the Office for National Statistics (ONS)² across multiple business sectors demonstrate that moving the quality of a firm's management practice from the bottom decile to 'average' can deliver a 19% increase in productivity. This supports results from Bloom, Van Reenen and Sadun³ showing that better management practices are associated with higher profits, faster annual growth and higher productivity. Another example is the positive impacts on productivity associated with investment in workplace mental health and well-being, with returns to business of up to £9 per £1 invested⁴. While these relationships have been identified, there is a dearth of knowledge about why they exist and how individual managers, employees, firms, regions and national policy can support, diffuse and capitalise on the factors that drive effective management and employee engagement practices. This understanding will not only inform interventions that could improve productivity in the private sector, but will also yield potential improvements in public sector productivity.

The content of this call has been informed by a joint ESRC-ONS consultation event in February 2018. The workshop summary report is available at <https://esrc.ukri.org/funding/funding-opportunities/management-practices-and-employee-engagement/> and should be referred to alongside this call specification document. The specification has also been informed by wider community and academic engagement and the ESRC's aim to support excellent social science addressing pressing social and economic priorities.

² Management and Expectations Survey Results, 2018

³ For further information see www.worldmanagementsurvey.org; and Bloom N, Van Reenen J, and Sadun R, September 2017. *Harvard Business Review* p.120-127

⁴ Deloitte, *Mental Health and Employers: the case for investment*, October 2017

Later this year, ESRC intends to commission a Coordination and Evidence Hub to bring together projects funded through this call. The hub will provide a synthesising and evaluating role across the programme of investments; ensuring cross-theme fertilisation, drawing out cross-cutting evidence, and evaluating interventions to analyse 'what works'. The hub will provide a focus for knowledge exchange and translation of research into practice. Proposals to this current call must address how they would intend to work with the hub.

Definition of management practices for this call

- We define management as the pursuit of objectives through the organisation and co-ordination of people⁵.
- We define management practices to refer broadly to the working methods, approaches, techniques, tools, structures and innovations used by firms and individual managers to organise, coordinate, control, support and/or improve the behaviour and performance of their staff and/or work systems related to people.
- Management practices include (but are **not** limited to) performance monitoring, performance incentives, workforce development and talent management, training, employee empowerment, leadership, support for flexible working practices, etc.

Definition of employee engagement for this call

- We define employee engagement as broadly referring to a psychological state, a performance/behavioural construct or a dispositional construct, or a combination of all three⁶ that relates to how much a worker is satisfied with their job, workplace and/or employer, and/or are empowered to take part in their employer's decision-making processes, and/or are committed to their job and employer.
- This includes broader issues around employee motivations, trust, networks, values and capacity to adopt innovations.

Out of scope

- Large-scale data collection projects eg new modules in ESRC longitudinal studies.

For this call, we encourage:

- Research that is relevant to the needs of business eg to inform and develop beneficial, scalable interventions Research designs that create options and solutions for improving management practices and employee engagement ie the research goes beyond producing findings
- Projects that examine smaller organisations and those organisations/sector/workforces that may not have formalised systems for innovating, developing and improving management practices and employee engagement
- Collaborative research with non-academic organisations including workforces as well as managers, senior leaders and policy makers, normal ESRC rules, as described in the Research Funding Guide, on payments to non-academic co-investigators apply
- The inclusion of non-academic contributors as project partners and co-investigators, ideally in leadership roles in the project

⁵ Wilkinson A, Armstrong SJ, Lounsbury M, 2017. *The Oxford Handbook of Management*. OUP, Oxford.

⁶ See further information see Macey W, and Schneider B, 2008. The meaning of employee-engagement. *Industrial and Organisational Psychology*. Vol 1, pp. 3-30.

- Proposals that enable early career researchers across the social science disciplines, particularly at the postdoctoral level, to move towards becoming independent researchers in this field. This may include leading workstreams with supervision or the development of a training and mentoring programme as a workstream embedded within a grant
- The use of existing ESRC and other research council data resources including administrative datasets
- The inclusion of proposals for multi- and intra- disciplinary research.

Call objectives

Research themes

Proposals should reflect one or more of the inter-linked areas selected for this call, which are described in more detail below. Applicants should also note the workshop report available at <https://esrc.ukri.org/funding/funding-opportunities/management-practices-and-employee-engagement/>.

1. **Variation in management practices, employee engagement, drivers of that variation and their relationship with productivity outcomes.**

Some firms perform better on productivity overall, some on management practices, employee engagement, health and mental health outcomes. Systematically exploring this variation and the relationships between them can provide important insights on possible drivers, as well as pointing to fruitful areas for further research.

Research could include:

- a) Understanding variation in management practice and employee engagement and the drivers of variation, from a range of perspectives (managerial and non-managerial employees, teams and groups, employers, wider stakeholders)
- b) Perceived and actual variation in management practices
- c) How management practices and employee engagement vary within and across businesses as well as how the UK differs from other countries
- d) The influence of different systems for developing management practices (eg HRM, HRD) on employee engagement.

2. **Manager and employee engagement, motivations, trust and absorptive capacity**

Engaged and motivated managers and employees are more innovative and productive. Understanding the dynamics of engagement, trust and motivation, as well as variations in individual and firm-level absorptive capacity, will highlight where change can be implemented to positively effect individual and firm-level productivity.

2a. **Manager engagement**

Research could include:

- a) Maintaining, strengthening and re-engaging managers, as employees and as managers of others, and the role of management practices in this
- b) Shedding light on the nature of the relationship between manager engagement and motivation to highlight where change can be implemented to positively affect individual and firm-level productivity.

2b. Employee involvement in decision making at work

Research could include:

- a) How management practices can affect and influence employee involvement and engagement
- b) Understanding the dynamics of engagement, (mis)matches between employees', managers' and leaders' perceptions and motivations to enable development of healthy and productive practices.

3. Adopting, diffusing, scaling and sustaining beneficial innovations and changes in management practices

This theme will include investigations of absorptive capacity, skills, learning and behavioural barriers to identifying, embedding and spreading innovations in processes, practices and technology that increase efficiency and productivity.

Research could include:

- a) How management practices and employee engagement interventions can be introduced, scaled and sustained successfully in contemporary UK organisations, with particular reference to the role and importance of individual and organisational absorptive capacities
- b) Understanding and tackling reasons why staff and managers do and do not adopt and spread innovations in processes, practices and technology that would increase efficiency and engagement.

4. Opportunities for improvements in productivity, mental health, physical health and wellbeing through innovations in management practices

Investigating how working practices, working cultures and working patterns relate to employees' physical and mental health, with a focus on findings that can be translated into benefits of increased profitability, productivity, health and mental health across diverse groups.

Research could include:

- a) The consequences for employee mental health, physical health and wellbeing from contemporary management practices. This could involve actively seeking the views and opinions of people with in-work lived experience of mental health problems and/or physical conditions from the outset
- b) Investigating how working practices, working cultures and working patterns impact or enhance employees' physical and mental health, working towards outcomes that deliver co-benefits of increased productivity, health and wellbeing across diverse groups.

Stakeholder engagement and impact

We are keen to support research which is ambitious (but clearly specified) and has the potential for high scientific impact and high user impact.

For this call we strongly encourage proposals which involve partnerships and collaborative relationships with other organisations, stakeholders and users of the research. Partnerships may build on existing relationships or represent new collaborations. Applicants are encouraged to show how their research will develop partnerships with stakeholders across policy, business and beyond. Applicants are encouraged to engage at an early stage and co-

develop projects with new or existing partners, to ensure clear impact potential and relevance of research.

The configuration of partnerships and collaborations should be driven by the research and impact objectives underpinning the proposal. The principal requirement is for substantive, targeted and high quality collaborations or partnerships, demonstrated through clear leadership roles, balance and proportionality in partners' roles and responsibilities. We also recognise that it may take time to create new partnerships as well as build on existing ones, but there should be clear evidence that appropriate collaboration discussions have commenced and any secured project partner details should be provided in the proposal form. The commissioning panel will consider the plans for involvement of academic and non-academic stakeholders, but will bear in mind the lead time required to generate new partnerships.

We expect that our researchers will have considered the potential scientific, societal and economic impacts of their research. ESRC applicants should actively consider how these impacts can be maximised and developed through the Pathways to Impact (<https://esrc.ukri.org/funding/guidance-for-applicants/je-s-electronic-applications/pathways-to-impact-for-je-s-applications/>) document in their proposal. When completing the impact summary section of the form, applicants may find it helpful to refer to ESRC guidance on developing an impact strategy available at <https://esrc.ukri.org/research/impact-toolkit/developing-a-communications-and-impact-strategy/>. This will form part of the peer review and assessment process.

The resources required to undertake effective knowledge exchange will need to be accurately reflected and fully costed into the proposal. It is recommended that a minimum of 10% of the overall budget should be dedicated to delivering the activities outlined in the impact summary.

Opportunities for making an impact may arise, and should be taken, at any stage during research lifecycle. The research project lifecycle includes the planning and research design stage, the period of funding for the project, and all activities that relate to the project up to - and including - the time when funding has ended. The research lifecycle therefore also includes knowledge exchange and impact realisation activities - including reporting and publication, and the archiving, future use, sharing, and linking of data. It is important that researchers have in place a robust strategy for maximising the likelihood of impact opportunities and their own capacity for taking advantage of these.

The ESRC's Impact Toolkit gives you detailed advice on how to achieve the maximum impact for your work. The toolkit includes information on developing an impact strategy, promoting knowledge exchange, public engagement and communicating effectively with your key stakeholders: <https://esrc.ukri.org/research/impact-toolkit/>.

Interdisciplinarity

This call welcomes interdisciplinary proposals, both within the social sciences and between the social sciences and other areas of research. Proposals should have at least 50% of disciplines within ESRC remit.

Funding

Proposals must address at least one of the interlinked research themes above.

Applicants can bid for between £300,000 up to £900,000 (80% full economic cost (fEC)). It is anticipated that a minimum of five projects will be funded, though more may be funded depending on the value of applications.

Funding decisions will be made on the quality of the proposals and also take into account the thematic spread across the suite of funded projects.

Eligibility

Principal investigators on proposals to this call must be based at a UK institution eligible for academic UK Research and Innovation funding (<https://www.ukri.org/funding/how-to-apply/eligibility/>).

For this call only Public Sector Research Establishments (PSREs) with 10 or more researchers with PhDs (or equivalent) are eligible to apply. If PSREs wishing to apply have not previously applied for UKRI funding and are not currently designated IRO status they will be required to complete an eligibility form (<https://www.ukri.org/files/funding/tcs/application-for-independent-research-organisation-pdf/>) to ensure they have the required research capacity, systems and controls in place to manage the research and grant funding.

Academic co-investigators can be based anywhere in the world. Further information on eligibility is provided within the ESRC Research Funding Guide (<https://esrc.ukri.org/funding/guidance-for-applicants/research-funding-guide/>); guidance on the inclusion of international co-investigators is also available (<https://esrc.ukri.org/funding/guidance-for-applicants/inclusion-of-international-co-investigators-on-proposals/>).

Co-investigators from UK business, policy or civil society can also be included in proposals, subject to meeting ESRC's rules on the inclusion of non-academic co-investigators. Please see guidance on the ESRC website for further information (<https://esrc.ukri.org/funding/guidance-for-applicants/inclusion-of-uk-business-third-sector-or-government-body-co-investigators-on-proposals/>)

Please note there is a cap of a maximum of 30% of total costs to be dedicated to costs relating to international or UK non-academic co-investigators.

ESRC does not allow the resubmission of any previously unsuccessful proposals (including proposals previously submitted to another research council), unless they have been specifically invited to do so. For further information please refer to <https://esrc.ukri.org/funding/guidance-for-applicants/resubmissions-policy/>. All proposals will be checked, and uninvited resubmissions will not be processed but treated as an unsuccessful proposal. They will be included as failed proposals in the data that we collect on RO grant performance as part of our demand management strategy (<https://esrc.ukri.org/about-us/performance-information/demand-management/>).

All submitted proposals must be substantially different to any previous proposal submission (ie a new proposal). See <https://esrc.ukri.org/funding/guidance-for-applicants/resubmissions-policy/what-constitutes-a-new-proposal/> for further information.

Research proposals cannot be accepted for the following:

- Unspecified research work
- Research already carried out
- Writing up previous research
- Literature surveys
- Conference attendance, other than within an award
- Travel for general study
- Expeditions
- Unsolicited requests to hold conferences, workshops or seminars outside of the Research Seminars competition
- Preparation of books and publications
- Primarily for the preparation and production of materials such as curriculum materials and software development.

Demand management

We will only allow one application from an eligible host research organisation (RO) **as lead organisation**. As such we expect ROs to support only the most competitive bids.

Research ethics

As the principal funding agency for UK social science research we require that the research we support is designed and conducted in such a way that it meets certain ethical principles, and is subject to proper professional and institutional oversight in terms of research governance.

As an important source of public funds for social science research and as a body charged with encouraging, supporting, undertaking and advising on such research, the ESRC recognises that it has a special obligation towards the general public and academic community to ensure that the research which it funds is carried out to a high ethical standard.

We have agreed a Framework for Research Ethics that all submitted proposals have to comply with. Further details available about the Framework for Research Ethics and guidance on compliance (together with links to other web-based resources on research ethics) may be found at <https://esrc.ukri.org/funding/guidance-for-applicants/research-ethics/>

How to apply

Applications should be made through the Joint Electronic Submission System (Je-S) (<https://je-s.rcuk.ac.uk/JeS2WebLoginSite/Login.aspx>) no later than **16:00 on 18 September 2018**.

Please see the Je-S guidance for applicants for full details (available at <https://esrc.ukri.org/funding/funding-opportunities/management-practices-and-employee-engagement/>).

Assessment criteria

Once accepted, and following standard ESRC office checks, proposals will first be considered by a group of appropriately-specialised group of peer reviewers drawn from the academic and user communities.

The proposals will be assessed by the reviewers and the assessment panel against the following criteria:

- **Strategic fit**
 - Does the proposal fit with the call specification?
 - Is the proposal situated within the wider research context?

- **The coherence, interdisciplinarity and scholarly excellence of the work programme**
 - Research merit and contribution to knowledge
 - Does the work programme have a clearly articulated strategy and vision, with clear objectives, a well-defined purpose and realistic and testable milestones?
 - Researchers from a wide range of social science disciplines are included in the proposal, with experience of working with researchers beyond their own area, or with a strong willingness to do so
 - Where relevant, disciplines beyond the social sciences are included in the proposal.
 - The proposal includes well thought out plans for developing and strengthening skills in multi- and inter- disciplinary working, accompanied ideally by plans to share this learning with other social scientists and non-academic stakeholders.
 - Does the proposal explain how the leadership team will build an effective interdisciplinary connections and engage effectively with the policy and business communities?
 - Have the ethical issues been considered and demonstrated in the proposal?

- **The team, management and governance**
 - Appropriateness, expertise and track record of the leadership team
 - Effective arrangements for the leadership, governance, management and coordination of the project proposed, including a clear indication of the proposed allocation of resources to support the main areas of activity
 - Evidence of active leadership and commitment from within the leadership team for knowledge exchange and impact work packages/goals, with PI/Co-I time available for impact related activities
 - Commitment to measure, monitor and improve the effectiveness of the project proactively, and in response to funder needs, including mechanisms for identifying and managing risks
 - Commitment within the leadership team for building effective working relationships with ESRC and its stakeholders to contribute to co-ordination activities put in place by ESRC.

- **Impact and engagement**
 - Pathways to Impact clearly sets out who the team see as the target stakeholders, shows evidence of engagement with users at the project planning and inception stages, and explains how stakeholder relationships will be built and maintained

- Business involvement and/or evidence of clear relevance to business – communities or sectors
 - Demonstrable capacity to genuinely alter business practice, individual behaviour and/or policy (at all levels)
 - Evidence of well thought-through and realistic engagement and knowledge exchange plans to maximise academic, societal and economic impact, and the potential benefits to users
 - Identification of the greatest potential for impact over the project's life, and plans to achieve this.
- **Value for money**
 - Demonstrated value for money across all areas of activity
 - Commitment to explore additional support for the continuation of ideas beyond the life of the project to ensure sustainability

Commissioning timetable

- Call announced – 6 August 2018
- Opening date for proposals – 6 August 2018
- **Closing date for proposals – 18 September 2018**
- PI response invited – 23 October 2018
- PI response due – 29 October 2018
- Panel – 3 December 2018
- Grants start – 14 February 2019

Contacts

For questions relating to ESRC's application processes please see ESRC's guidance for applicants <https://esrc.ukri.org/funding/guidance-for-applicants/>

For specific questions relating to the remit of this call please contact productivity@esrc.ukri.org or the team on the numbers below:

- Trudie Keene
Phone: 01793 413066
- Chris Carlton
Phone: 01793 411505

Enquiries relating to the Je-S application procedure should be addressed to:

- Je-S Helpdesk
Email: jeshelp@rcuk.ac.uk
Telephone: 01793 444164