Productivity Network Plus
Call for outline proposals

Summary

In response to the need for new research to develop our understanding of the factors affecting UK productivity, the ESRC will fund a '**Network Plus**' to provide leadership and encourage joint working. The network, as well as providing a forum for networking and knowledge exchange, would map current research activity, seed-fund small projects, run thematic workshops and rapid response reviews, and build interdisciplinary capacity. It should be a source of robust evidence that informs the productivity debate and feeds into policy and practice.

The network would also contribute to the ESRC's data strategy for productivity, both through methodological innovation and, importantly, through the exploitation of existing data sources. In particular, we will expect the network to identify opportunities for data linkage with existing data sources (ESRC and non-ESRC) and to proactively engage with data stakeholders. We are especially keen that the network feeds into the work of the Office for National Statistics (ONS) on management practices, and the work of the new ONS Economic Statistics Centre of Excellence (ESCoE) on productivity.

We see the Productivity Network Plus as an important step in developing a future research agenda around productivity.

The call is for a single Network Plus (NW+), with funding available of up to £1.8 million (100% fEC) over 36 months.

Applicants should submit **outline proposals** to lead and manage the network by **17 May 2017.** A panel will shortlist the outline proposals, and we will invite shortlisted applicants to submit a full proposal with a deadline in September to be confirmed. The network should start on 1 January 2018.

Background and scope

Productivity has a major bearing on sustainable, inclusive economic growth. The UK has experienced a long-term slowing in productivity growth, and, particularly since 2008, a 'productivity puzzle' of exceptionally weak growth when compared to international competitors. The UK's ongoing low levels of productivity, especially in comparison with

international competitors, is of critical concern and requires affirmative action on the part of both government and business[1].

To aid progress, the UK needs research to help understand and explain the factors affecting productivity levels, and to provide robust evidence to inform the debate, policy and practice. This new research, as well as contributing to scientific knowledge, should be closely integrated with business and policymakers, delivering relevant results for practice whilst remaining rigorous and independent. Better data resources and improved data linkage are also required to underpin productivity research, as well as a co-ordinating element to bring together already ongoing work and ensure any new research will complement this

The ESRC has identified productivity as a priority for investments into data and research in 2017[2]. As part of this strategic investment, we will fund an interdisciplinary **'Network Plus'** to develop the capacity needed to sustain a substantive multidisciplinary and policy-orientated research programme. The Network Plus will include representatives from the policy community and the private sector, as well as academics from a range of disciplines. Given the complex and multi-faceted nature of the challenge, productivity research requires an multi-dimensional, interdisciplinary approach. To address the systemic nature of productivity, research should integrate macro-level economics with other levels of analysis, including at the micro-level of firms, in order to help identify causalities, as well as different analytical approaches from across academic disciplines – including, but not limited to, work psychology, employment relations, innovation studies, economic and social geography.

Research should also consider differences between regions, sectors and the size of businesses, likely to be masked in overall national productivity figures. Analysis may also help to identify where interventions to increase levels of productivity might have unintended (negative) impacts, for example on certain sectors, regions, business sizes or groups of individuals. The role of innovation and diffusion and its impact on productivity is an important cross-cutting theme, as are external influences on business that might impact on levels of productivity – for instance, the impact of market frameworks, industrial policy, infrastructure, migration, demographic change, housing markets and regulation.

It should be noted that this call focuses on the longer-term slowing of private sector productivity growth, rather than the particular issue of low growth experienced since 2008. However, applicants may additionally address short-term factors such as access to finance.

Call details

Our aim is to encourage the exploitation and application of robust evidence within practice and policymaking to increase levels of productivity, with the ultimate aim of accelerating the sustainable and inclusive growth of the UK's economy. The growth of levels in productivity should link with associated improvements in education, skills and levels of wellbeing. The initiative aims to build on existing knowledge, develop new ideas and methodologies and increase understanding of the reasons why these issues impact productivity levels.

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[1] In July 2015, the UK Government outlined their approach to addressing productivity in 'Fixing the Foundations, creating a more prosperous nation. See Gov.UK website:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/443897/Productivity_Plan_print.pdf (PDF)
[2] See ESRC Delivery Plan 2016-20: http://www.esrc.ac.uk/news-events-and-publications/publications/corporate-publications/delivery-plan/

We will achieve this aim through a targeted new initiative with the objectives of:
- bringing together an interdisciplinary community of experts on productivity to inform the development of policy and practice and future research
- gaining a better understanding of the reasons for the relatively low levels of productivity in the UK and the gap between UK and international productivity levels
- explain regional dimensions and differences in levels of productivity
- encourage greater collaboration and better knowledge exchange between academic disciplines, policymakers and practitioners.

To this end, we are commissioning an interdisciplinary Productivity Network Plus, which will deliver the following core functions:

Establish new and enhance existing networks

The network will:
- establish an open network engaging a wide range of academic disciplines, business, policy, think tanks, professional practice organisations and the public sector
- liaise with other relevant stakeholders, groups, and networks from across academia, industry and policy to ensure that the network can add value in the context of existing capacity and research activity.

Acts as a virtual evidence hub

The network will:
- map, bring together and synthesise existing knowledge on productivity from across different academic disciplines
- provide independent, rigorous evidence on productivity issues
- collaborate with stakeholders to co-create evidence outputs that meet users' needs, such as briefing papers, thematic reports, 'rapid response' evidence, informational events and data visualisation.

Promote and enable existing data resources

The network will:
- promote, maintain, link and signpost existing data resources relevant to productivity for exploitation by productivity researchers
- identify and develop potential opportunities for data linkage
- proactively engage with other organisations such as the ONS, the ESCoE and BEIS, and data resources such as the Administrative Data Research Network and the ESRC Big Data Centres.

Fund small multidisciplinary projects

The network will hold a flexible fund enabling it to draw upon the network membership to commission small-scale projects which:
- synthesise existing knowledge in a particular area, for example through systematic reviews
- support the testing of new innovative ideas through scoping studiesmake use of new datasets and novel analytical methods

- enable collaboration through secondments between academia, industry, and policy/international placements.

Only overheads can be provided for placements within academia; salary and overhead may be covered for placements outside of academia.

Communications and engagement

The network will:
- develop an effective communication and engagement strategy that involves stakeholders throughout the activity programme
- engage the network membership, including stakeholders, through major conferences, seminars, workshops, bulletins, position papers, blogs and data visualisation activities
- tailor its outputs to appropriate audiences, with particular reference to the needs of policy and business audiences.

A successful network would be expected to draw up a full communication plan at the start of the award, based on the strategy outlines in the Pathway to Impact document.

Research themes

The following section identifies *suggested* research themes. Given the complex nature of the productivity challenge, themes should not be looked at in isolation; proposals should explain how they will address all seven of the broad themes, although they are free to chose areas to focus on in greater depth.

Skills
- Better understanding of the link between skills and productivity, including systemic analysis of (mis)alignments between the supply and demand of skills, and their impact
- Understanding the needs of a dynamic labour force: how to establish, enhance and maintain a highly-skilled workforce
- Aligning the needs and goals of the education system and those of the labour market, including the role of technical education and the role of firms within its development
- Exploring firm-level capacity to embrace new digital technologies and infrastructure, grow the company and capitalise on public investment in research and development
- The role and influence of worker and skills mobility (both within and beyond the UK borders) on productivity.

Regional differences and inclusive growth
- Causes, consequences and strategic implications of spatial differences around productivity
- Role, influence and impact of place on regional productivity
- Re-thinking productivity for sustainable inclusive growth, including understanding the interaction and trade-offs between productivity, regional (re)balancing, and inclusive growth, as well as spillover effects into community wellbeing
- Resilience of local economic systems: what insights do the social sciences bring to the debate around coping with shocks and preparedness

Management performance, employee wellbeing and engagement
- Relationships between management and leadership practices, attitudes and innovation, and firm-level productivity
- The relationship between productivity and:
  - employee attitudes
  - culture and behaviour
  - health and wellbeing
  - creativity and innovation
  - wellbeing and behaviour (as both drivers and outcomes of productivity).
- Interactions between productivity improvement measures and workplace stress
- Impact of changes in resource organisation and employment practices on productivity, including the 'gig' and sharing economy.

Investment decisions, foreign direct investment and trade
- Link between within-firm investment and productivity, including understanding of the impact of risk aversion and uncertainty
- Understanding the factors and strategies that influence firms' investment in, and uptake of, innovative products, services and processes
- Interactions between productivity and foreign direct investment, including isolating the factors that have a positive impact on attracting and sustaining FDI, and those that have the opposite effect
- Links between trade and firm-level productivity, including around export and import activities
- Engaging a broader range of disciplines in understanding the links between investment, trade and productivity.

Firm-level structure, innovation, entrepreneurship and competition
- Impact of firm-level structure on productivity
- Focus on firms outside of high-performing sectors
- Impact of technology and new business models on productivity
- Productivity dimensions of the interaction between competition, entrepreneurship and innovation
- Causes, consequences and strategic implications of inefficient market reallocation, and in particular the continued viability of poorly-performing firms.

Measurement of productivity
- Improvements in measurements of productivity (taking care to complement and not duplicate existing work being undertaken by the ONS and the Economic Statistics Centre of Excellence in response to the Bean review 2016[3]) – in particular considering their fitness for purposes across various sectors of the economy
- Exploration of the philosophy behind productivity measurements, alternative measurement approaches, and new methods to integrate measurement at different levels of analysis.

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[3] https://www.gov.uk/government/publications/independent-review-of-uk-economic-statistics-final-report

International opportunities
- Comparative analysis with other countries to help explain the low levels of productivity in the UK
- Global factors that influence UK productivity
- All international analyses should focus on outputs to improve productivity in the UK.

Structure and resources

Proposals are invited to develop and administer a single Network Plus with funding available of up to £1.8 million (100% fEC) over 36 months, to which we will contribute up to £1.44 million (80% fEC); the remaining balance must be guaranteed by the host research organisation. The Network Plus team should be structured with a principal investigator and co-investigators who can be drawn from research organisations (including overseas) and non-academic organisations. The team should have a multidisciplinary background and expertise in network co-ordination, knowledge exchange and data exploitation.

Total funding will cover:
- the administration and management of the network and associated research and knowledge exchange programme, including employment of a full-time network co-ordinator
- the commissioning of a series of small projects, as outlined above – a ring-fenced budget which would be held by the network lead and allocated to the wider network on the basis of fair and transparent procedures and criteria
- knowledge exchange and impact activities, to include major conferences, seminars, workshops, bulletins, blogs etc.

Applicants should **justify in their proposal** what they believe to be the appropriate division of the available funds between the above activities. These should ensure that funds genuinely enable new work rather than going towards existinbg activities, and give due consideration to issues of diversity and capacity-building.

The grant for the network will be issued and managed in accordance with normal ESRC Research Funding guidelines and procedures as stated on our website. Proposals, including the administration of the small project budget, should be costed on a full economic cost (fEC) basis within the budget stated above.

Leadership team

We require the Principal Investigator (PI) to contribute a significant proportion of their time to the overall leadership and direction of the Network Plus (at least one-two days per week). The proposal should outline a clear management structure for the network.

While the PI would be ultimately responsible for the administration of the grant and collaboration arrangements, they should work on this with a dedicated network coordinator or project manager for the duration of the network. The proposal should clearly explain the division of roles between the PI and the rest of the leadership team.

Subject to ESRC terms and conditions on eligibility, there is no formal restriction on who may constitute the leadership team. However, it is likely that the successful Network Plus will be led by a team who:

- have inspirational leaders with the necessary academic records and experience of engagement with the policy and/or business community to act as credible figureheads for the Network Plus
- can articulate a clear vision for how the Network Plus will engage with and link both established communities working in this area and new partners from within the appropriate disciplines or elsewhere
- have a demonstrable track record of delivering complex projects to timetable
- have extensive experience of working with partners from outside the academic community and in applying academic research to current policy or business problems
- can lead the development of new methodologies and approaches whilst ensuring an appropriate focus on policy or business impact.

We welcome proposals from teams who can attract co-funding from project partners in the policy or business community.

Stakeholder engagement

Applicants should set out clearly who they see as the Network's stakeholders, and how they aim to engage and work closely with these stakeholders beyond the academic community. In their Pathways to Impact document, applicants should present their plans for developing an impact strategy, promoting knowledge exchange, public engagement and effective communication with key stakeholders. Following the launch of the network, these plans would then be developed further into a full communication framework.

Open Access policy

Researchers funded under this call will be expected to comply with the requirements outlined in the RCUK policy on open access to publications and data, available at www.rcuk.ac.uk/research/openaccess/. Applicants are no longer able to apply for Article Processing Charges (APCs) as part of a research proposal; instead funds are provided to research organisations at an institutional level as block grants in order to set up publication funds.

Publication and Intellectual Property Rights (IPR)

Publication and IPR will be handled in accordance with normal ESRC guidelines outlined in the Research Funding Guide (www.esrc.ac.uk/rfg). All research findings should be made freely and openly available. RCUK policy statements on IPR, impact and knowledge exchange are available at www.rcuk.ac.uk/ke/policies/

How to apply

This open call for outline proposals closes at **16:00** on **17 May 2017**. Outline proposals will be shortlisted by a selection panel, to identify teams to be invited to prepare and submit full proposals, which will be peer reviewed. Following peer review, applicants will be invited to interviews.

All proposals must be made through the Joint Electronic Submission (Je-S) system, at https://je-s.rcuk.ac.uk/eforms/secure/Login.asp. Proposals must be costed and approved by the relevant institutional authority at the research organisation before submission.

Je-S is the electronic submission system which is used by all Research Councils to provide a common electronic system that supports research administration. More detailed information can be found at https://je-s.rcuk.ac.uk/.

In order to use the Je-S system, principal investigators, co-investigators and their organisations need to register on the system. Registration of both the principal investigator's organisation and their own details must be completed before the proposal can be formally submitted to us. **Applicants should note the registration requirements for making a Je-S submission**.

Care and attention must be given to completing the online form correctly. We may reject proposals that are not completed correctly, or ask them to amend parts of the proposal as a condition of accepting the proposal for processing.

All applicants are strongly advised to follow the Je-S guidance for the outline stage of this call and consult our Research Funding Guide (http://www.esrc.ac.uk/funding/guidance-for-applicants/research-funding-guide/), which sets out the rules and regulations governing its funding.

Consortium-building event
We are holding an informational consortium-building event in Birmingham on **6 April 2017**. The aim of the event is for potential applicants to learn more about our expectations for a productivity network, as well as to meet potential collaborators. We strongly encourage at least one member of any proposed leadership team to attend this event.

In the case of any oversubscription, we will limit the number of attendees per organisation. If we cannot accommodate you at the meeting we will inform you on 30 March. We encourage individuals to co-ordinate across their organisations before registering for the event. Registration for this event will close at noon on **27 March.**

We welcome attendance from potential applicants and collaborators from both within and beyond academia.

You can register for the event by emailing us at productivity@esrc.ac.uk and providing the following information:
- Your name
- Your institution or organisation **and** department
- Up to ten keywords to describe your research interests

This information along with your email address will be used in the delegate list at the event. If you do not want your details circulated please inform us.

Assessment

An independent assessment panel comprising of academics and potential users of the research will advise on a shortlist of applicants. The panel will assess proposals against the following criteria, which will also be used in the assessment of shortlisted full proposals:

- **The team**
  - Does the team consist of a multi-disciplinary team with appropriate skills, experience and expertise to conduct the network's core functions, address the key themes, including their ability to galvanise and create an effective interdisciplinary community?
  - Does the team include non-academic partners and stakeholders to ensure that the network can co-design and produce activity and output, can draw upon data and knowledge from a broad range of sources and establish strong connections with evidence users within and outside of academia across the UK?

- **The work programme**
  - Does the work programme have a clearly articulated strategy and vision, with clear objectives and a well-defined purpose?
  - Does it explain how the leadership team will build an effective interdisciplinary network and engage effectively with the policy and business communities?
  - Does it propose effective arrangements for the leadership, governance, management and coordination of the Network Plus, including a clear indication of the proposed allocation of resources to support the main areas of activity (Network Plus administration, pilot research studies, knowledge exchange and impact)?
  - Does it clearly explain the team's approach to communications and engagement, including the development of a 'rapid response' function?
  - Does it propose a data strategy, describing how the team will select and gather appropriate information sources from across the UK and internationally, and how to promote and enable the use of such resources through the network?

- **Pathways to Impact (not to be attached as a separate document in the outline proposal)**
  - Does the proposal clearly set out who the team sees as the target stakeholders, show evidence of engagement with users at the project planning and inception stages, and explain how they will build and sustain relationships with these stakeholders?
  - Does it show evidence of well thought-through and realistic engagement and knowledge exchange plans to maximise academic, societal and economic impact?
  - Does it show where the team sees the greatest potential for impact over the network's life, and describe how they plan to achieve this?
  - Does it explore how to attract additional support for the continuation of ideas beyond the life of the network?

- Have the ethical issues been considered and demonstrated in the proposal?

- Has diversity been considered? Does the proposal provide information on the equality and diversity policies that the team will adhere to, and how they are monitored?

- Has value for money been demonstrated across all areas of activity?

Commissioning timetable

- Call for outline proposals opens – 16 March 2017
- Deadline for registration for consortium building event – 27 March 2017
- Consortium building event – 6 April 2017
- **Call closes** – **17 May 2017**
- Notification of shortlisting results and call open to submit full proposals – 14 July 2017
- Call deadline for shortlisted applicants to submit full proposals – 14 September 2017
- Applicants informed of decisions – end of November 2017
- Start date for grants – 1 January 2018

Contacts

- Email: productivity@esrc.ac.uk
- Trudie Keene: 01793 413066
- Chris Carlton: 01793 411505
- Annie Gibney: 01793 413158