

# **CONTEMPORARY CHALLENGES IN UK MANAGEMENT PRACTICE: A REVIEW OF CROSS-CUTTING THEMES FROM THE BUSINESS ENGAGEMENT PROJECT.**

**Richard J. Adams**

Senior Research Fellow  
Cranfield School of Management  
Cranfield  
Beds MK43 0AL

r.adams@cranfield.ac.uk

**October 2008**

## **1 INTRODUCTION**

The Economic and Social Research Council (ESRC) is committed to increasing its engagement with the business community. This article reflects on one recent initiative in this field of activity, the Business Engagement Project (BEP). The BEP was a consultative effort to establish an evidence base to highlight user demand for ESRC research, identifying where such research already exists and what further research might be required. Five sectors of UK industry and professional practice were identified for the consultation: the creative industries; financial services sector; management consulting; marketing practice, and; the retail sector.

As part of ESRC's business engagement strategy, the BEP was designed to help ESRC identify questions that are of significant concern to contemporary managers in the UK. These challenges constitute an agenda for action for ESRC and the academic community more widely. Some of the challenges that we identify have been addressed already by past academic research, but, as we have discovered, the results of these studies have failed widely to diffuse into the world of practice. There are implications here for the management of the research archive, how to identify studies whose results may be important to contemporary managers and how those results might be translated, distilled or synthesised into an accessible, digestible and usable form for immediate and uncomplicated application. Other of the challenges that we identify have attracted little in the way of past research, and so our study also suggests a potential set of research questions that researchers may wish to consider in the future.

In the following sections, our main objective is to report the meta-level themes to have emerged from the BEP. That is, those challenges which cut across each of the five sectors. These themes include:

- Strategic factors
- Human capital
- Innovation
- Understanding the customer
- Collaborative relationships
- Relations between academia and industry

However, before developing these themes the following section provides some background on the process of the BEP.

## **2 BACKGROUND**

Within the wider context of calls for greater engagement between researchers, research institutions and the wider public, The Advanced Institute of Management Research (AIM) was commissioned by ESRC to implement The Business Engagement Project which ran for a period of approximately 12 months, finishing in the summer of 2008.

To elicit the challenges in each of the five sectors, we devised the following consultation process.

First, to develop a preliminary list of challenges, a series of interviews were conducted with a range of stakeholders in each of the identified areas. Interviews were semi-structured and designed to elicit managers' perceptions of the key contemporary and future challenges in practice that usefully could be addressed by academic research. Stakeholders included managers, policy makers, representatives of trade associations and industry commentators. Across the five areas, a total of 49 individuals were interviewed. Concurrently, a review of the literature (academic and grey) was undertaken. By means of the review, we were able to triangulate against the findings from the interviews and also begin to establish a picture of the extent to which previous academic studies addressed the emergent challenges.

Subsequently, the challenges and literature review were written up in the form of a draft report in which the challenges were presented and the literature discussed. These reports<sup>1</sup> were circulated amongst sector representatives who were also invited to a series of breakfast meetings to discuss and comment upon the initial findings. In all, the five breakfast meetings were attended by 170 sectoral representatives.

At the breakfast meetings, delegates were assigned to cabaret style tables to ensure a mix of views at each table. Following a short presentation of the major themes identified in each sectoral report, delegates were invited to discuss the themes at their tables, to validate develop or challenge them where appropriate, even introduce new themes where gaps were identified. Discussions were facilitated by an academic or senior industry/policy making representative. At each table also sat a scribe whose duty it was to capture the conversations at each table. These conversations were subsequently synthesised into an addendum to the draft report to reflect the findings of the whole process on the basis of which ESRC were able to formulate a response to each industry sector.

Table 1 lists the major themes to emerge from the BEP. Each of these themes is reported in greater detail in the sectoral reports, available on the AIM website.

---

<sup>1</sup> The individual sectoral reports are available at <http://www.aimresearch.org/index.php/business-engagement-project>

<p><b>Creative industries</b></p> <p>Integration and disintegration  Understanding how innovation changes business models and markets  The creative process and organisation  Management capabilities and skills  Small firms and growth  An ecology of the creative industries  Financing the creative industries  Metrics for the creative industries  Collaborative working  Small firms and growth  Creative industries locational decisions  Relationship with academia</p>
<p><b>Financial services</b></p> <p>Regulation, regulators and the regulatory environment  Human capital  Innovation  Business models and growth  Credit crunch  Relationship with academia</p>
<p><b>Management consulting</b></p> <p>Strategic change  Operations management  Procurement  People management  Innovation management  Professionalisation  Industry identity  Commercial relationships  Talent management  Relationship with academia</p>
<p><b>Marketing practice</b></p> <p>Environmental dynamism  The need for change in the business model  Changing consumer markets  Marketing communications and e-marketing  Market research/consumer insight  Product and service innovation;  Brand management  Marketing metrics  Developing a marketing orientation  Marketing training and development  Corporate social responsibility  Internal influence  CSR, ethics, social marketing and sustainability  Marketing metrics  B2B marketing  Relationship with academia</p>
<p><b>Retail sector</b></p> <p>Retail sales productivity and innovation  Retail planning issues and the effect of development on local economies  Internationalisation – UK retail and the global economy  Understanding the Global Supply Chain – control, development and wider effects  The changing customer base: understanding and implications  Store design and the art of selling and service: implications for staff training  E-tailing – business models, the consumer and sustainability</p>

Balancing environmental/ethical concerns with retail performance Improving the academic/retail link Data, use and the evidence base Small firms
--

### **Table 1: Summary of challenges identified in the Business Engagement Project**

As can be seen from table 1 there are several challenges common across the five sectors. To more adequately identify and circumscribe these cross-cutting themes, the questions detailed in each of the sectoral reports were analysed using the inductive techniques originally advocated by Glaser and Strauss<sup>2</sup> in their ‘grounded’ approach. Essentially, this entailed a process of coding each question to a category. To a great extent, the categorisation strongly reflected the themes and headings detailed in the sector reports but, by means of the process we were able to synthesise the discrete challenges into a set of more conceptually inclusive ‘higher-level’ categories.

## **3 MANAGEMENT CHALLENGES**

### **3.1 STRATEGIC FACTORS**

Two principal strategic issues can be identified across the sectors, business models and adding value.

#### **3.1.1 Business models**

The impacts of new technologies ripple through each of our sectors. Each of the sectors is impacted by a need to be alert and responsive to sectoral and environmental dynamics which strain existing business models. Developments in ICT have provided a range of new information and distribution opportunities for both sellers and consumers.

In the creative industries, the value chain has been reconfigured as a result of new technologies. Perhaps the most popularly reported impacts have been in terms of the effect of digitisation on the market for recorded music: multiple formats, ranging from vinyl to mp3, are available at multiple price points (including free). These new technologies present both opportunities and difficulties for established organisations, and new organisational solutions are needed, as well as new business models that will be unfamiliar. Experimentation and lateral thinking is required to understand and apprehend technologies and innovation that may potentially disrupt the usual patterns of ‘sustaining’ innovation.

In financial services, there is considerable potential for disruption to existing business models as providers grapple with the issue of product/service configurations in the context of ‘web-enabled’ customers who have become better-informed, and so more demanding, about the financial products that they buy. The challenge in financial services is to be more integrated than ever, but what precisely is a *fully-integrated financial services company*? Is it one that delivers a full range of products from its own stable of products, or one that identifies the best of what is ‘out there’ and puts a package together for customers? Doesn’t the latter option raise concerns about conflicts of interest? Furthermore, how does a company become fully-integrated? Is it

---

<sup>2</sup> Glaser, B.G. and Strauss, A.L. (1967) *The discovery of grounded theory: strategies for qualitative research*. Aldine Publishing Company: London

better to build or buy, to grow organically or through acquisition? The former is slow, the latter unreliable.

In marketing, it was reported that many models and management practices were developed during and reflect an industrial age model of value creation. As such, in order to become truly consumer-centric changes are needed at the level of the business model, to which marketers can contribute.

Several powerful factors influencing management consulting business models were identified and, in light of these, an important concern is how the industry will develop into the future. Of particular interest are the BRIC countries (Brazil, Russia, India and China), but also others that offer a lower cost base than the traditional western economies as well as an emergent, well-educated, ambitious young generation of potential consultants. Already, there is some history of back-office tasks relocating, with various degrees of success, to these countries, but what are the implications for the 'knowledge product' industry? Also, client companies are increasingly recognising distributed expertise within the industry and are pressing for innovative networked project teams to address complex organisational challenges. The larger consulting companies are unaccustomed to working collaboratively with their traditional competitors in the execution of client projects.

In respect of the 'bricks and clicks' phenomenon, retailers urged that some of the key practical issues could be addressed by research as well as making the current literature more accessible and digestible for business use. Of particular concern were the practicalities of e-tailing: what do profitable models look like, how can loyalty be retained and enhanced, how can data gathered (almost as a by-product of the process) effectively be exploited, how to overcome resistance and so forth. Also, with the emergence of so-called Web 2.0, what are the implications for retailers? How can they become integrated into these networks and make their services more relevant to consumers?

New technologies have brought tremendous efficiency gains in some quarters, but at the cost of diminished personalisation and relationship between institution and customer. They have also forced reconsideration of the models upon which trading positions are grounded. Critical concerns relate to how to develop and test new business models, incorporating the use of new technologies to build efficiencies in front and back office processes, generate innovative offers and develop and maintain (quasi) face-to-face relations with (possibly) distributed and remote customers.

### **3.1.2 Adding value**

Several of the sectors included in the study reported issues relating to clarity of the sector's identity and public (and client) understanding of the contribution they make and where and how they add value. Quantification of value-added is particularly important for creative industries, management consulting and marketing practice whose contributions at a firm level and as sub-sectors of UK industry to GDP are poorly understood. This suggests a series of ecological studies, the objective of which would be to create better sectoral maps: how they relate to other areas of economic activity, their interactions and contribution as well as internal connections.

Sectoral representatives argued for the development of bespoke metrics that properly account for and identify sectoral distinctiveness and their unique contributions at a client/business to business level, but also more widely in terms of their impact on the UK economy and social well-being. For the academic community, this is a challenge to discern how the value of these sectors can be measured and their contributions appropriately valued. Studies are necessary that map the industries' impacts on important UK economic and social indicators. For example, in terms of the creative industries, a recent report (*Creative Britain* from the Department of Culture Media and Sport) stresses the important contribution of spillovers from the sector, the sector's impact on quality of life and creativity as the engine of economic growth for towns, cities and regions.

Marketers and the marketing profession are challenged by something of an identity crisis that exists both internally and externally. The multiple identities of marketing can be mapped onto a continuum extending from *marketing as promotions* (the T-shirts and balloon syndrome) to being *the voice of the consumers within the organisation*. The role and contribution of marketing have not been explained well within organisations or, indeed, to the wider community. There is a relatively narrow view that the capacity of marketing and its role is in persuading and influencing people to purchase which, its practitioners argued, does not adequately reflect the potential of marketing to contribute to achieving organisational objectives. Marketing practitioners argued that, partly as a result of the difficulty of clearly and tangibly demonstrating marketing's contribution to organisational performance, there is a relative lack of marketing representation on senior boards.

Management consultancies are also under pressure to demonstrate and quantify the value that they add. However, given the complexity of some projects, this is a challenge, less so in the IT and Finance areas but especially so in 'people' change projects. Definitional issues are important because currently the industry identity is rather ill-formed, comprising of a diverse range of service providers (from 'Big 4' to 'anyone who isn't employed can be a consultant'), in a wide range of industries providing a variety of client services. As such, several fundamental issues require addressing, particularly in respect of a satisfactory definition of the profession in the context of the dynamics of the sector, its complexity and size and also its links with and contributions to the UK economy in general and client organisations in particular.

Ultimately, for informants, the question is how value can be measured (and measured in additional to ways to economic value), with the challenge being to quantify and represent value to a diversity of stakeholders. There appears to have been little solid evidence that quantifies these impacts and new work is necessary to develop the metrics and apply them to these sectors. Such work might draw on recent activities in the domain of social entrepreneurship – such as the *Social Return on Investment* – or on the development of a national Innovation Index<sup>3</sup>.

### **3.2 HUMAN CAPITAL**

The value of skilled and talented staff was identified across all sources. Nevertheless, ensuring the recruitment of appropriately skilled and talented employees, their

---

<sup>3</sup> See <http://www.innovationindex.org.uk/>

retention and remuneration is a concern across the sectors. In relation to human capital, three areas of challenge emerged: school leavers and graduates; functional and managerial skill levels, and; professionalisation.

Repeatedly, we were told that UK school leavers and graduates frequently lack basic skills in literacy and numeracy (and in science, technology and engineering) and often fail to display depth of understanding or critical thinking ability. That is not to say that they do not have other skills, but core skills are noted frequently to be absent.

In financial services, reportedly, few graduates exhibit sufficient ability to combine an innovative orientation with risk management whilst delivering regulatory compliance. Similar gaps were noted in management consulting. In addition to basic skill levels, our respondents pointed to sector specific gaps. In marketing practice, for example, in spite of professional institutions such as the Chartered Institute of Marketing and the Market Research Society, too many people, reportedly, operate without a basic understanding of the principles of marketing, or, relevant qualifications, perpetuating the myth that marketing simply means promotions and sales. In the retail sector, there is a perception that customer-facing staff lack the requisite skills to engage with customers at an appropriate level: that is, a lack of communication skills, people skills and of customer service awareness.

In the creative industries, anecdotal evidence suggests that some managers are promoted to senior positions prematurely, perhaps on the basis of creative or technical skills but lacking adequate management skills and experience. In the UK generally, there is a perception, backed up by several industry and government reports over recent years, that firms are strong on creativity, but less strong on the management side. The data from the current study lend support to the notion of an insufficiently well-trained/qualified cadre of managers, and each sector reported concern with the skills and capabilities of managers.

Respondents from the creative industries described a ‘permanent state of emergency’, in which management practice is very often reactive from individuals who are strong creatively but exhibit some weakness in management skills. Some marketing practitioners reported a view of marketers failing to have sufficient understanding of wider business and organisational concepts and practices, including balance sheets, P&L accounts, the function and role of HRM departments and so forth. The conclusion amongst some marketers is a call for professionalisation, that marketing practice requires the same status as the accountancy profession, where people are not employed without professional qualifications.

From this, there are two clear calls to the higher education community, to work with industry in general to improve the supply of appropriately skilled, talented and qualified staff at entry level and, to help ensure that more incumbents are trained and developed appropriately within each sector. This can partially be addressed on the basis of *ad hoc* relationships between individual universities and organisations. However, for some parts (i.e. it is not universally the case) of each of the creative industries, management consulting and marketing practice, there is some latent demand for increased professionalisation of and in practice as a means of ensuring the development and application of appropriate skills within the sector and also to confer

legitimacy on practice. An encouraging observation on our data is that, across the sectors, informants indicated a healthy appetite for more formal managerial learning.

### 3.3 INNOVATION

Innovation, generally speaking, was a concern in each of the five sectors. In fact, informants indicated a set of fairly fundamental questions to which they sought answers, including: how to innovate and how to manage the processes of innovation.

Given the amount of resource dedicated to the research of innovation across a range of academic disciplines over several decades, and some robust research findings, it should be a concern for the academic community that industry (at least to the extent represented by informants to this study) is unacquainted with some of its basic conclusions. Two particular possible explanations suggest themselves. First, that innovation research has historically been oriented toward manufacturing and techno-centric perspectives (though this is now changing), which are not dominant in the sectors considered in this study, and so previous research is not considered relevant. Second, managers are unaware of the extant research in this field (or are aware but for some reason choose to ignore it), and academics have failed adequately to communicate the results of their research. The widely attested-to academic/practitioner divide would indicate that the latter is the more likely explanation. If it is the case, then clearly there is a considerable requirement for synthesis and translation of previous research results to make them accessible and meaningful for managers.

Our meetings left us with the impression that innovation can be problematic for the consulting industries: there are multiple understandings of what innovation means (sometimes these are in conflict with each other): management innovations have an insufficiently robust provenance (i.e. they are difficult to 'sell-in' in the absence of some track record of implementation success in other similar firms/industries); reportedly, there is reluctance amongst clients to adopt innovative solutions, and; little attention is paid to innovation within the firm. Indeed, many of our informants found it hard to articulate any process for their own innovation. Whilst several cited large 'knowledge databases' in their organisations as sources for ideas, they felt that this was rarely an appropriate source for the creativity that was needed when dealing with clients. One partner suggested that joint research between consultancies and academia might look at new big ideas that were on the horizon.

In Financial Services, a major concern is the unusually high failure rates of innovations and the lack of a 'safe space' (say an incubator) in which to trial new product and service developments. Because financial services products are intangible and not patentable, they are often relatively quick, easy and inexpensive to imitate, they are also difficult to differentiate. Consequently, a proliferation of 'me-too' products typically follows the launch of an original new product, making a long-term competitive advantage from service innovation very difficult to sustain. Additionally, the challenge to co-production was articulated in terms of context, an environment characterised by "a less than trustworthy industry and a less than truthful consumer". Consideration of this reputational concern motivated reflection on the connection between consumerism (extent of use) and firm reputation.

A more specific innovation challenge shared across the sectors, concerned the process and practice of greater user-involvement in innovation. Contemporary organisations recognise the need to open up to new sources of ideas, technologies and means of generating innovations, and this entails integrating users into the innovation process. Innovation in content is increasingly being generated by users themselves. Technological developments have permitted end-users to customise and manage their own financial portfolios. Similarly, technology has dramatically altered the dynamics of the value chain in the creative industries, and marketing practitioners are eager to exploit these new technologies to engage in development conversations with customers and users.

### **3.4 UNDERSTANDING THE CUSTOMER**

Understanding and communicating with customers was recognised as an enduring challenge across the five sectors. For example, respondents stressed the importance of being responsive to customer needs, but acknowledged that, in spite of a generally wider availability of information, customer populations have become increasingly fragmented and difficult to understand. So, although a lot is apparently known about 'how' customers behave, understanding of the underpinning 'whys' is limited.

In financial services, at least on the retail side, two broad classes of customer were recognised, dichotomised by an individual's financial literacy. The more literate demanding greater levels of flexibility, transparency and performance of products whereas the less literate regarding financial services almost as a social service to which no risk should be attached. Overlaying this is government's policy toward disaggregation, encouraging individuals to take greater responsibility for their own financial affairs. In marketing practice, a large cultural distance between managers and (particularly) the 'youth' market was emphasised. Retailers reported some unease regarding the appropriateness and reliability of much of the data upon which they rely to make customer-related decisions.

To some extent, new technologies provide opportunities to address these challenges, for example through innovative product and service development or by building new business models. But, the corollary of the new technology appears to be what the marketing practitioners called the "IT-enabled customer". The emergence of 'customer-voice' changes the nature of the relationship between supply and demand sides. Traditional communication and distribution channels are being superseded by novel methods mediated by new technologies. One clear consequence is the requirement for greater understanding of what has become known as the *pathway to purchase* or *journey to purchase*. *Journey to purchase* thinking acknowledges the different routes by which consumers come to make a purchase, and demands better understanding of consumers' different journeys.

Overall, delegates called for a better evidence base to inform practice, particularly relating to new models providing deeper understanding of customer behaviour and the factors impacting upon it. It was acknowledged that understanding the customer is a complex and time-consuming business and, to develop the sort of knowledge industry requires, would require the use of novel research methods, particularly longitudinal including the collection and analysis of time-series data and the use of consumer diaries.

With the regard to the current state of knowledge, it appeared to be a commonly held view that the dynamics of consumer behaviour have not been sufficiently researched and that existing models of consumer behaviour are based on historical assumptions and patterns, and there is a need for hard evidence on how customers live their daily lives and which factors impact upon their behaviour as customers.

Whether these are accurate reflections of the state of academic knowledge relating to consumer behaviour is not, for the moment, relevant. These are the perceptions of a possible community of users of the output of academic research. These perceptions might either be supported or challenged by a synthesis of the extant knowledge base which subsequently could be made accessible and digestible for the user community.

In light of this, and acknowledging the heterogeneity of customer populations, important questions for which the sectors are seeking answers relate to:

- Consumer decision-making. How do consumers decide between multiple options?
- The changing nature of the customer. What are the drivers of shifts in the consumption process? How are behaviours impacted and shaped, and how resilient are they (e.g. commitment to ethical and sustainability related behaviours)?
- Relationships. In light of greater customer control facilitated by new technologies, how can the advantages and benefits of traditional social relationships be incorporated into new business models? How will companies and customers interact and what will be the impact for customer-facing employees?
- The evidence base. What new data are required to understand customer behaviour? What does existing research tell us?

### **3.5 COLLABORATIVE RELATIONSHIPS**

Across the sectors we studied, our informants indicated that, increasingly, organisations are turning toward collaborative relationships to address contemporary issues. New technologies and the increasingly complex nature of product and service compositions have motivated these greater levels of collaboration, which, in turn, has given rise to a number of challenges.

One of the strengths of the creative industries is its tradition of being widely networked and working on relationships. However, these networks tend to be self-replicating, and there is scope for activity (perhaps through the use of technologies) to open up and expand these networks. Furthermore, there was a sense that the creative industries are not sufficiently outward-looking and would benefit from the development of face-to-face and virtual networks with people in other industries and countries.

Frequently, firms do not have the resources they require to satisfy client requirements and so may be directed into collaborative working in order to compete for business. In management consulting, for instance, client companies are increasingly recognising distributed expertise within the industry and are pressing for innovative networked project teams to address complex organisational challenges. The larger consulting companies are unaccustomed to working collaboratively with their traditional competitors in the execution of client projects. Similarly, in financial services, particularly reinsurance, the expertise required to assess risk, impact and consequences of catastrophic events (say the flooding of central London) is too diverse and costly to retain in-house. Consequently, an important role has emerged for specialist networks where servicing customers has become an increasingly complex task.

With regard to collaborative practices, informants stressed questions relating to:

- Collaborative relationships: What are the characteristics of good collaborative partners? How can relationships at various levels (individual, department and institutional) between firms and the academic community be encouraged?
- Collaborative processes: How is collaborative working facilitated over distributed project teams? What lessons about collaboration can be transferred across sectors?
- Intellectual property: In collaborative relationships, how can distributed intellectual property be managed and protected?

### **3.6 RELATIONS BETWEEN ACADEMIA AND INDUSTRY**

A major aspect of this study was to elicit feedback from respondents on industry's relations with the higher education community, the value of academic output to industry and, where appropriate, identify how relations and communications might be improved. Our informants were generous with their feedback.

On the whole, industry appears to value the contribution of the academic community, but frequently finds the community difficult to access, hard to discover who is doing work of interest and relevance and a puzzling privileging of writing for academic publication over practical application. Partly as a result of this, the general feeling was that connections between industry and higher education were under-developed and that greater opportunities for collaboration exist. The extent to which the various sectors work together is not known, but the sense was that it is infrequent.

It was noted that some sectors (e.g. pharmaceuticals industry) enjoy close and successful collaborative relationships with the higher education sector. How can the pharmaceutical industry be so closely integrated with the academic world and, say, financial services not? Possible reasons can be speculated upon, but case study research could unearth possible reasons.

Of course, academic research produces a variety of different types of output. For the industry audience, practicality is the watchword and, whilst independence, objectivity and rigour in academic work are commended, as important, if not more, are

applicability, relevance and immediacy. If academics want their research to reach and influence practitioners, it must be relevant, actionable, concise, accessible, but a focus on scientific quality is less necessary.

To develop germane research questions, closer engagement with business practice is important. For example, greater relevance might be achieved by incorporating practitioners into the research process at the very earliest stages. Furthermore, greater communications with the sectors is necessary to inform course content, ensure maintenance of core skills in curricula to produce appropriately qualified potential employees, deliver continuing professional development programmes and, influence the research agenda.

Respondents also indicated an appetite for learning from experiences in other sectors – particularly in the form of case studies. Brief, concise, powerful information distribution is proposed as the way forward. Over the course of the Business Engagement Project, several fundamental questions were raised – for example, relating to innovation. These questions have been addressed in the academic literature in other domains (e.g. manufacturing), and there may be some opportunity for this learning to be transferred.

The challenge is for academia to come up with models for dissemination. Conversely, the value of abstracted knowledge drawn from wide participation from a number of different business types was recognised and, in certain fields (particularly customer behaviour) a longitudinal perspective was encouraged. These observations have implications for the ‘translation’ of research knowledge into knowledge that is practically useful for industry.

Often, industry users are not clear what information is available from the higher education community and where it is held. From the point of view of research evidence into practice, it is not clear, other than in general terms, what the characteristics are of studies that have made them impactful in practice where others have not. A clearer understanding of why they were impactful might help future studies be better designed or at least their results translated with an end user in the world of policy and practice in mind.

Furthermore, there was a clearly articulated appetite for some sort of a précis or executive summary for practitioners to use as an entry point into the findings of academic research. These could be linked to the original studies should users wish to investigate the work further. But, in communicating the results of their work more widely to a practitioner audience, academics are encouraged “to speak the language of the industry and communicate the findings and implications more clearly”. That is, to publicise and clarify: one delegate noted that, in the previous week, he had had no contacts from social scientists but seven or eight updates from leading research and consulting firms about what they are doing.

The archive of previous research was recognised as an important resource with the implicit acknowledgement that a number of the issues raised during the Business Engagement Project are not new and that past research could assist with the resolution of contemporary problems. However, translating multi-disciplinary and disparate academic output into succinct and useful knowledge for industry to use and

identifying the best available evidence relating to particular phenomena is not without its challenges.

Note was taken that the reward structure of academia does not give strong support for applied work but that reward structures are recognised to be beyond the direct influence of ESRC. However, funders of research were encouraged to consider the mechanisms by which research is commissioned and bids evaluated, with increased opportunity for practitioner involvement in the review process with greater weight (in some calls) given to *relevance to practice* as an evaluation criterion.

#### **4 SUMMARY**

In this brief review, we have taken a helicopter view of the management challenges in five sectors of UK economic activity recently identified in Business Engagement Project. Whilst the sector-specific reports provide a greater level of sector level detail and sets of sector-specific challenges, this review identifies a set of meta-level challenges that impact across the five sectors of study. These challenges relate to: strategic issues, human capital, innovation, understanding the customer, collaborative relationships and relations between academia and practice.

The Business Engagement Project has sought to begin a series of long term partnerships between the research community and the UK's creative industries, financial services sector, management consultants, marketing practitioners and retail sector. As part of ESRC's business engagement strategy, the BEP contributes to ESRC's understanding of the business demand from sectors, of how to better engage with the sectors and apply current knowledge and evidence as well as to identify new areas for investment. The studies will help shape the ESRC business engagement strategy and implementation plan for the coming years. Over time, these relationships should develop a set of practice-oriented research questions which can be addressed either by systematic review of the existing evidence or commissioning fresh research.

This short article describes a process of user-involvement run as part of ESRC's Business Engagement Initiative. Initiatives such as BEP can provide valuable information to be included in research agenda-setting, identifying research priorities for the future, its contribution to the development of evidence-informed practice and seeding questions for systematic review so that the research archive may be effectively translated for practical application.

The opportunities for managers to become involved in agenda-setting for research programmes are surprisingly few limited, perhaps, to universal calls to respond to written consultations, invitations from known academics or from serendipitous encounters emerging from network relations. On the whole, it is quite difficult for managers to influence the agendas/input into the knowledge-creating machine. However, our recent experience suggests that potential users of research output have ideas about what research to do, how it might be done and how results can be communicated). The benefits of including practitioner-users in the agenda setting process include the opportunity to ground research in the experiences of practicing managers who may, because of their experience, ask different questions from those derived from a review of the literature.

The Business Engagement Project has sought to begin a series of long term partnerships between the research community and the UK's creative industries, financial services sector, management consultants, marketing practitioners and retail sector. Over time, these relationships should develop a set of practice-oriented research questions which can be addressed either by reviews of the existing evidence or commissioning fresh research.

Our work with the Business Engagement Project has shown that working alongside managers can produce useful results in terms of guiding future directions for research. To ensure that the anticipated long-term relationships continue to develop, the processes and outputs of the relationships must be credible and beneficial for both the research community and the world of practice. For academics, an established test of credibility is whether or not output is accepted in peer-review articles but, if the academic community is serious about business engagement, about user-involvement, it must dedicate effort and resources toward the development of training methods for both researchers and users on modes of collaborative working, disseminate broadly information on how to become involved, circulate invitations to become involved and up-dated news about who is doing what and when in the research community that users may become involved.

***Copyright © Cranfield University, 2008. All rights reserved. No part of this publication may be reproduced without the written permission of the copyright holder.***

***This document is prepared with care from information at our school's disposal as a guideline and is not intended to be comprehensive. Cranfield shall give no express or implied warranty as to the quality, fitness for purpose, accuracy or sufficiency of the contents contained herein. No liability whatsoever or howsoever shall be accepted by Cranfield for any direct, indirect, incidental or consequential loss or damage incurred by the user hereof or any third party arising from or in connection with the use of any information contained in the document. Any use of this document is for an individual's own or third party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance.***