Outsourcing
The hidden costs of PFI

City centres
Tackling high street decline

Alliance Manchester Business School Research

Issue 02
Fintech | Blockchain | Corporate Governance | Automation | Innovation in Dubai

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The hidden costs of PFI

Health Services Research Centre
Research with impact
A warm welcome to this latest issue of our research magazine which showcases just some of our many exciting highlights over recent months. I know many of you enjoyed reading our last issue because you found it such a great way to get a flavour for all the fantastic work going on across the School. We are therefore delighted to now be making this a regular publication.

This issue brings together some of the most prescient and significant issues that the world faces today. Take our focus on fintech where many academics from across the School are now working in areas such as blockchain technology, Artificial Intelligence (AI), data mining and machine learning - technologies which have the potential to transform not just business but everyday life.

And, as our University President Nancy Rothwell recently remarked at a major conference showcasing the industry across the north, these developments in fintech also draw on strengths from right across The University too.

Another subject that is never out of the news is automation and the impact that it will have on our lives. In a fascinating commentary, Tony Dundon and Debra Howcroft debunk some of the myths that have built up around the automation revolution, and discuss whether all the changes are actually for the better.

Policy

Delivering research with real policy impact is a cornerstone of Alliance MBS, and in this issue you can also read about how our research continues to have a significant policy impact across a range of disciplines.

Take the work of Konstantinos Stathopoulos, whose research is helping shape the debate around the new UK Corporate Governance Code, or the work of Anne Stafford who recently addressed the House of Commons on the problems surrounding Private Finance Initiative (PFI) contracts in the wake of the Carillion collapse.

Healthcare is another area where our research has had a longstanding policy impact for many years, and our new Head of the Health Services Research Centre, Damian Hodgson, outlines his vision for ensuring that our research excellence in this field continues.

I hope you enjoy the read and if you have any feedback please get in touch.

Professor Ken McPhail,
Director of Research
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Fintech is a focus of growing activity across The University of Manchester. Andrew James explains the role of Alliance MBS in the University’s new research initiative.

The adoption of Artificial Intelligence and advanced data analytics has the potential to generate radical change in the high value service sector. Whether ‘fintech’, ‘logatech’ or ‘insuretech’ these emerging technologies have the potential to change existing business models, challenging incumbent businesses and providing opportunities for new entrants.

Today hundreds of academics from just about every part of The University of Manchester are now engaged in this agenda. As the University’s President Nancy Rothwell recently remarked at a major conference showcasing fintech, these developments draw on strengths from right across the University, such as from Alliance MBS, the University’s Data Science Institute and beyond. It’s also the reason why I have been appointed to lead the University’s fintech initiative, bringing together activity across the University to create a network of academic researchers in this field.

Engaging with business

As a University we are keen to work with business partners regionally, nationally and internationally on forwarding this agenda and build on the work we are already doing. Indeed, figures released earlier this year showed that The University of Manchester attracted more research income from British business last year than any other UK university, a major achievement. As well as looking at the technological potential of fintech, we also want to look at the social and regulatory impacts, at the checks and balances that will be needed in this emerging area. That’s just one reason why the substantial investment we are making in this area of expertise is assisting us in harnessing the power of AI and machine learning to make a real difference.

For more details about the University’s fintech activity contact Rachel.kenny@manchester.ac.uk

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Case studies

Barclays, bank, healthcare group Bupa, and Manchester-based mortgage lender Together Financial Services are just three of the businesses already working with Alliance MBS on fintech research projects. Barclays is working with AMBS on a credit risk project using AI and machine learning. At Bupa analysts and researchers are working alongside academic experts on key analytical projects in order to improve decision outcomes and meet the needs of its online customers by leveraging available data assets.

Dr Max Griffiths from Together said their project provided an opportunity for “new thinking” and was a great foundation to look at other problems in the future. As he explained: “Over the last couple of years we had been looking at what other partners we could work with to respond to a fast-moving marketplace, and in particular we wanted to introduce automation in an intelligent way that reflected our values but allowed our underwriters to focus on areas where they make a real difference. The University is assisting us in harnessing the power of AI and machine learning techniques.”

Primarily it opens up opportunities for graduates, helping them develop expertise and skills that could help them go on to form their own businesses. Fintech is already a hotted of activity among our graduates, and recent student found that we have more graduates working in fintech than any other British university. But our students want to go even further and there is a tremendous appetite for student entrepreneurship.

Making a difference

This wider initiative comes back to working with businesses so that we can make a difference to the economy and society at large. This chimes with a number of other programmes already under way. For instance the government’s recently launched Industrial Strategy Challenge Fund aims to bring together industry and researchers to address major societal challenges, and identify opportunities for new technologies in higher value services sectors.

In January here at the Business School we also launched our Scale-up Forum, where we invited a panel of entrepreneurs and experts to address the challenges faced in scaling up businesses. The aim is to give businesses an opportunity to share experiences, and several fintech companies are already involved in the initiative. Later this year we are also planning a series of events and research activities at the University around fintech.

For more details about the University’s fintech activity contact Rachel.kenny@manchester.ac.uk

Professor Andrew James is Associate Dean for Business Engagement and External Relations at The University of Manchester and a member of the Manchester Institute of Innovation and Research at Alliance MBS.
Everyone is trying to swallow so fast that there is a bit of indigestion at the moment. Professor of Finance Ser-Huang Poon is referring to the global excitement around blockchain, the technology which has the potential to transform not just business but everyday life for us all.

At its most basic a blockchain system allows a list to be continually updated and maintained electronically. This list can literally relate to anything - whether a consumer product, service, or everyday object - or to any individual. Take the example of a car. Blockchain could tell you exactly where it came from, its history of repairs, and where it had been driven through its life.

Prof Poon says although all kinds of information can be attached to a blockchain entry, until now much of the focus has been on its perceived benefits for the financial services industry which is quickly waking up to its full potential.

"Banks in particular are beginning to start thinking about the impact this could have across jurisdictions. It is happening here and now. You can actually trace much of this back to the smartphone revolution. As soon as Apple released the iPhone the genie was set free."
Tony Dundon, Professor of HRM and Employment Relations, and Debra Howcroft, Professor of Technology and Organisation, dispel some myths around automation.

Automation, robots and the ‘end of work’ myth

Can you imagine travelling to work in a robotic “Jonnycab” like the one predicted in the cult Arnold Schwarzenegger movie Total Recall? The image from 1990 is based on science fiction, but Mercedes-Benz does have a semi-autonomous driver pilot system that it aims to install in the next five years and Uber is also working on a self-driving future. Its partnership with Volvo has been seen as a boost to its ambitions to replace a fleet of self-employed drivers with autonomous vehicles. Jonnycab might belong to futurology but if MIT (Massachusetts Institute of Technology) academics Erik Brynjolfson and Andrew McAfee are right, we may all be rejoicing at the prospect of extended leisure time, as robotic technologies free us from the drudgery of work. Except for the fact that big business will be keeping its eye on the bottom line and will often be opting for fast and cheap alternatives.

These are not new concepts. Karl Marx argued technology would help free workers from harsh labour and lead to a “reduction to working time”. In the 1930s Bertrand Russell wrote of the benefits of “a little more idleness” and the economist John Maynard Keynes predicted that automation could enable a shorter working week of less than 15 hours. Claims that robots will wipe out millions of jobs from car manufacturing to banking are all too common. But the reality is many people now work longer hours with growing job insecurity, fragmented income and labour market precariousness. If anything, technology has not liberated people from the drudgery of work as Marx, Russell and Keynes once anticipated, but has created new constraints, invading people’s social and leisure time through the digitalisation of life.

While technology may displace older job skills, new work demands emerge. Most corporations seek to protect their vested interests (maximising profit) while keeping shareholders sweet, often means searching for cheaper labour rather than investing in expensive capital infrastructures. The ability to use technology to automate does not necessarily lead to implementation. Of the US companies that could benefit from robots, only 10% have opted to do so. For low-skilled and low-paid sectors – including care homes, restaurants, bars and some factories – it will continue to be less costly to employ people.

Consider the last time you had your car washed. The chances are it was not an automated drive-through, but a hand-wash carried out by immigrant labour at lower cost than the automated alternative. In short, while labour remains cheap, employers tend to cash in rather than investing in expensive technologies. Many employers have little intention of innovating through technology. Consumerism and an almost blind faith in free market principles mean technology is leveraged to extract even greater profit, rather than provide some of the idleness and leisure time Russell felt would benefit society.

No substitute for people

While automation may replace some jobs, the technology rarely acts as a substitute for people. Instead, jobs become codified and reduced to a narrow range of de-skilled tasks. Technology is deeply connected to relations of power and tends not to wipe away inequalities in a society, but builds on existing inequalities.

The proliferation of digital technologies can be associated with the growth of insecure, intensive and low-quality work at companies which use technology to monitor performance and dehumanise the workplace. The net effect is a polarised labour market of low-skill and low-income workers sitting alongside an elite who enjoy more secure jobs (at least for now).

The future of work seems more likely to revolve around cost-containment strategies which limit investment in infrastructure and efficient technologies. It is more likely that managers will forego efficiency-generating gains from digital technologies because of a fear of losing control. Remember the promise of homeworking in the electronic cottage? In order to realise Keynes’ vision of a shorter working week, managers would have to share control and provide an employment regime supporting genuine self-determination. Unfortunately, modern capitalist relations and geopolitical systems of governance are intolerant of such egalitarianism. For these reasons, it’s time to draw a close to the “end of work” hysteria. It’s sham!

This article was originally published in The Conversation
Artificial Intelligence (AI) has emerged as a competitive battleground for national search for technological and economic advantage. However excitement about the opportunities associated with machine learning, deep learning and other core concepts of AI has been matched by concerns about ethical dimensions and social consequences.

While scenarios of an AI-dominated world are regularly presented today, for those with long memories the hopes and the hype being expressed have a somewhat familiar ring. This historic echo was noted in a recent House of Lords report on AI which took the unusual step of commissioning a full appendix on ‘Historic Government Policy on Artificial Intelligence in the United Kingdom’ which focused on events of over 30 years ago.

For this writer it brought to life the staff recruitment and retention also in preference to its US counterpart.

Alvey programme

Alvey was conceived as a response to Japan’s fifth generation computer programme, whose focus on parallel computing was seen to pose a threat to UK industry. The programme was named after BT executive John Alvey who led the inquiry that led to its formation, although he took no substantive part in the programme itself. The programme was a multi-dimensional initiative with sub-programmes on Software Engineering, Very Large Scale Integration (VLSI) in microelectronics, and Intelligent Knowledge-Based Systems.

Our evaluation judged that its technological objectives had largely been met, and to some extent its structural objectives were also achieved in that it formed a template for academic-industry cooperation that was replicated both nationally and in the EU’s archetypal ‘ESPRIT programme’. ESPRIT started shortly after Alvey and instituted the project structures that still run through the EU framework programmes, including the current Horizon 2020.

Benefits today

Despite this, the overall conclusion of the Alvey evaluation was downbeat. However with the benefit of hindsight and the hype being expressed today, some long-term benefits can be seen. For instance Alvey’s focus on object-oriented programming was implemented by Microsoft, a quarter of a century later. And one of its core projects – a large-scale demonstrator on mobile information systems from the early radio communications company Racal Electronics – was an important step towards the company’s new cellular radio service launched in 1985 as Vodafone.

However Alvey was boxed in by a Thatcherite aversion to any measures that induced by Lighthill.

Alvey’s engagement with AI. Since 1973 the field had been blighted by a highly negative review of its prospects by Sir James Lighthill. Lucassian Professor of Mathematics at Cambridge University, Lighthill saw real benefits as being at least 25 years away but, by 1981 a group of leading AI academics, dubbed by Alvey Programme Director Brian Oakley as the ‘artificial intelligentsia’, was ready to rehabilitate the subject.

Its evaluation acknowledged that the ambitions had been strengthened and that a new competence had been established in UK industry. Less encouragingly it reported that academic participants were particularly critical of their industrial partners and there was a dearth of firms willing or capable of exploring the results.

Contractual obligations were also a barrier with one project held up by an obligation to use UK hardware in preference to its US counterpart. Staff recruitment and retention also a barrier with one project held up by an obligation to use UK hardware in preference to its US counterpart.

In the current AI spring there is reason to hope that the ‘seasonal’ cycle will not be as exaggerated, even if there is an inevitable drawback from some of the hype.

Crucially, there is a far higher engagement by business and much potential in the combination of machine learning, robotics and data analytics. With the Industrial Strategy presenting AI as one of its four Grand Challenges, the key will be to avoid the over-reach of Alvey in trying to progress innovation and industrial development solely with a R&D initiative. Crucial complementary initiatives in training and skills, substantial user-engagement, greater focus in key centres and institutes, and systematic attention to ethical issues through a responsible research and innovation approach are all necessary components of a sustainable innovation ecosystem for AI.
A report into creativity and innovation in Dubai government employees has shown that workers would relish an even more creative working culture. The research was led by Dr Mark Batey, a creativity, innovation and leadership specialist and researcher, along with Dr David Hughes also of Alliance MBS, who collaborated with colleagues from the Mohammed Bin Rashid School of Government (MBRSG), to conduct a study of how the employees perceive creativity in their organisation.

Dr Batey, using psychometric research measures, surveyed 979 Dubai government workers about creativity and innovation. The results showed the importance of setting the right culture for teams and individuals to operate within, as well as having the right supporting policies and practices in order to encourage more creative ideas and innovative outcomes.

As part of the report, Dr Batey and MBRSG produced policy recommendations such as encouraging a culture of engagement; creativity and innovation training for leaders; and the promotion of award schemes. Dr Batey says the report’s 25 policy recommendations are activities and initiatives that should operate in tandem. “To truly create a thriving culture of creativity and innovation, a systemic, multi-level approach is required where individuals, teams, leaders and the organisational processes and procedures are aligned.”

A key finding of the report was the need to build greater engagement. “We measured employee engagement and thought about it in terms of vigour, dedication and absorption,” he adds. “We found that employees who are deeply and passionately engaged with their organisation are more dedicated, try harder and get absorbed with their work.”

Dr Batey says gaining a high level of employee engagement comes down to building a supportive, creative and innovative climate. “One where leaders engender trust, build higher engagement and support colleagues to find new and better ways of doing things. Thankfully embedding these leadership behaviours in our organisations is easier than building skyscrapers.”

Dubai is treating its organisational development at government level to the same innovative advancements it offers its new skyscrapers.
As Professor of Accounting and Finance Konstantinos Stathopoulos admits, it is virtually impossible to build a fail-safe financial system that prevents corporate failure or scandal. Indeed we only have to look back to the 2008 financial crisis to see how governments and regulators alike can be completely wrong-footed by events.

A decade on from that crisis and regulators across the world are still grappling with its after-effects and how they can make their corporate governance systems stronger. Even in the UK, where the Corporate Governance Code is recognised the world over as a standard setter, regulators are looking at how they can further improve it.

As such the Financial Reporting Council (FRC) has embarked on a major review of the Code which will become effective from January 2019. In parallel to this review, the FRC is also reviewing its Stewardship Code which looks at principles of effective engagement between institutional investors and public firms.

Prof Stathopoulos has been researching these areas for many years and says the Code has broadly served the financial community well over the past 25 years. "However new business trends are emerging and there are important issues that need to be debated and which need to inform the new Code. For example, with large private firms increasingly choosing not to list their shares in equity markets, and new director responsibilities and duties stretching boards’ ability to be effective monitors, we need to update our thinking and practices from a policymaking and business practice perspective.”
In particular he believes it is time for the Code to be more ambitious in relation to outstanding problems such as director independence and what he terms the ‘busyness’ of so many company directors.

“What we have seen in recent times is directors taking non-executive positions at a number of different companies. But what the research has also told us is that busy boards lead to worse long-term performance and oversight. Busy boards are also less likely to fire underperforming CEOs and typically award higher pay.”

He says at the moment the Code’s provision is that full-time executive directors should not take on more than one non-executive directorship in a FTSE 100 company or equivalent.

“But what about executives holding multiple positions at FTSE 250 companies? There is nothing to stop you having multiple directorships.”

He adds that there is very little evidence that board independence is actually board enhancing. “In my view this has more to do with the Code’s definition of independence. For instance, it doesn’t take into account the impact and significance of social networks, other than through extreme cases, such as close family ties. Indeed social networking at the board level has been shown to actually damage firm value. Even though social networks facilitate the effective exchange of information, they also encourage groupthink and lead to fewer checks and balances.”

“At the end of the day you are less likely to challenge a friend in a boardroom setting. Also, although there is evidence that nominally independent directors can improve some governance outcomes, there is little evidence that they improve long-term firm performance.”

Going private

Meanwhile the government has established the Coalition Group that will develop new corporate governance principles for large privately-owned businesses. Prof Stathopoulos says this is prescient given the increasing number of ‘mega’ large businesses that are now privately backed by investors such as private equity or hedge funds.

He personally believes it is a missed opportunity for the new UK Corporate Governance Code not to apply to large private firms. “I have actually invited the FRC to apply the Code for listed companies to very large private firms but there is a reluctance to do this at the moment. The view is that this would be too intrusive.”

“I would argue that there is a significant need for large private firms to adhere to the same standards as listed companies. Some private firms are now so large that they have a major societal impact, especially when things go wrong, such as we saw with the collapse of retailer BHS which ran a huge pension scheme. In that sense, having too many tiers in standard setting is not optimal. Despite the differences in the nature of governance problems faced by public and large private firms, the inherent flexibility of the Code could be used to good effect.”

Another factor in this wider debate is the power that certain individuals can wield over large companies, even if they are listed on stock exchanges.

For instance some of the largest tech groups have created dual class share structures which allow their founders to retain a greater percentage of voting rights. Prof Stathopoulos points to the example of Facebook where Mark Zuckerberg controls the majority of voting rights even though he owns less than one per cent of the company’s publicly traded stock. “There has even been talk of the London Stock Exchange allowing such structures for premium listings in the UK which would be a very retrograde step in terms of corporate governance.”

Informing the debate

Alliance MBS has been at the heart of these debates, and earlier this year co-hosted a major event in Manchester with the FRC for businesses and investors.

As Prof Stathopoulos adds: “The conference set out to bring parties together in the same room to debate these issues and try to be more ambitious about what we want to achieve in terms of the changes to the Code. Personally, I am really passionate about corporate governance research because we cannot have well-functioning financial markets without corporate governance. We need to make sure that the UK continues to play a leading role in setting out appropriate frameworks of best practice, and academic research can and should inform these debates.”

Busy boards are also less likely to fire underperforming CEOs and typically award higher pay.
The hidden costs of PFI

There remains a lack of clear, consistent and complete information about the costs and returns of the Private Finance Initiative (PFI), says Anne Stafford.

This spring I addressed the launch at the House of Commons of an Academy of Social Sciences publication which brought together some of the most authoritative contributions to contemporary issues from accounting and finance researchers across the UK.

The subject of my speech, and of an article within Making the Case, was PFI and the central question as to whether it has ever delivered accountability to the public.

When first launched in 1992 PFI was viewed as a policy that would see the country gain new infrastructure in transport, hospitals, schools and other public buildings via private finance deals that would cost the taxpayer less than traditional public procurement. The rationale was that although the government could borrow money more cheaply than the private sector, the private sector would deliver infrastructure more cheaply and operate it more efficiently.

Fast forward to 2018, and as the recent high-profile collapse of Carillion shows, PFI remains a highly contentious policy. Indeed just as Carillion was collapsing, the National Audit Office published a report which stated very clearly that overall cash spending on PFI and PF2 (the successor policy launched by the coalition government) was higher than publicly financed alternatives. For one group of PF2 schools this was 40% higher, and for hospitals 70%.

Value for money?

This certainly doesn’t look like value for money for the taxpayer, a theme close to the heart of my own research at Alliance MBS. Yet PFI is still big business and PF2 is actually little different to PFI, the most notable difference being that the government now takes an equity stake in the heart of my own research at Alliance MBS. Yet PFI is still big business and PF2 is actually little different to PFI, the most notable difference being that the government now takes an equity stake in the

Outsourcing

The same effects can be seen with outsourcing. Although investment in PF2 is much lower than in the heyday of PFI, outsourcing contracts - frequently with the same companies as those involved in PFI - cost the government around £100bn a year, or 15% of public spending.

What now?

Over the years we have made many calls for improvements, including the need for more and better disclosure, and scrutiny of financial information by both the public and private sectors, especially in relation to government guarantees and contingencies. In addition, when the private sector is delivering public services with public money it should be designated as a public authority for Freedom of Information purposes.

In an era of continued austerity getting the right deal for the public and the taxpayer is even more important. So could better written contracts have avoided the problems of high costs and poor risk transfer? Possibly.

But our argument here is not that the ‘good old days’ ever existed or that the problems are the result of poor contracts, although some may be. Instead, our social sciences approach shows that using the private sector as a financial intermediary adds cost, complexity and bureaucracy. It shows that the real effect of PFI has been the redistribution of wealth to the financial and corporate sectors and the diffusion of risk away from these players.

Research

Our research shows that there is a lack of clear, consistent and complete information about the costs and returns of PFI at all levels of both the public and private sector. The public sector has adopted a framework for reporting intended to meet the needs of shareholders as investors which therefore lacks relevance to taxpayers and users, whilst the web of subcontracting by the private sector makes it impossible to see where and how public money is being spent.

It may be that PFI leads to better maintained assets, although this remains to be demonstrated, but these come at a high cost and at the expense of providing other assets and services as affordability becomes a challenge.

What is clear is that both the public and private sectors need to improve their governance and accountability so that the public can see that their money is being well spent.

Anne Stafford is Professor of Accounting and Finance
Recent scandals at a number of charities are leading to calls for a shake-up in governance across the sector.
Tackling high street decline

Just how do you encourage people back into town centres? Julie Froud has been studying how one Midlands shopping centre is trying to reinvent itself.

How to get people back enjoying our town centres is a debate that has been running for many years, especially since the coalition government commissioned retail consultant and broadcaster Mary Portas to review the state of the British high street in 2011.

Over the past year this task has also gained more urgency locally with the Mayor of Greater Manchester’s Town Centre Challenge, an initiative to regenerate urban centres across the city.

One of Portas’ key recommendations was to give communities a much greater say in how town centres are run, and it is precisely this theme that has underscored my recent research at York Place Shopping Centre in Newcastle-under-Lyme, near Stoke.

Situated in an area once famous for its huge coal and pottery industries, the town - like its neighbour Stoke-on-Trent - has been particularly hard-hit by industrial decline over the last 30 years or so. As well as seeing falling consumer demand, a significant portion of its retail base has also moved to out-of-town parks where shoppers can enjoy free parking and greater accessibility.

Reinvention

Battling against these headwinds, York Place has set about trying to reinvent itself as community destination and I recently began a research project looking at what the Centre has been doing. It’s a tough challenge for the Centre, not least because like many other towns Newcastle has insufficient people working, living or studying in its town centre to make it self-supporting.

As such the managers of the shopping centre realises that they have to provide a ‘certain something’ in order to attract local residents back in. In particular they see an opportunity to attract more independent retailers back to the Centre, an approach that has met with some success.

Deciding exactly what that ‘something’ you have is the key challenge faced by our town centres. If you look across Greater Manchester you can see it the success of somewhere like Altrincham which is now home to hugely popular markets which were redeveloped a few years ago.

The focus on community and involvement via ‘bottom-up’ thinking is certainly key. How exactly do you give a town centre more of a community focus? What specific activities do you need to be bringing into a town centre for young and old alike? And how do you make the whole project financially viable?

Investment

Quite a few local authorities have taken such questions into their own hands in recent years, buying up retail and office buildings with a view to redeveloping them. But in an area of continued austerity such an approach is not without risk, especially if having bought a building a local authority then finds it hasn’t got the resources to deliver a scheme.

Also, while buying up a building is one thing (and the dispersal of ownership of town centre properties can still pose huge challenges), actually knowing what to then do with it can be quite another. This is no longer simply about shopping centre management. These times we are living in call for a new way of looking at town centre redevelopment and call for entirely different skillsets.

Indeed it is no coincidence that these debates over the high street have coincided with the prolonged period of austerity that we have endured over the past decade. With many cash-struck councils unable to progress change, many residents have started taking things into their own hands to make things happen, forming community groups to come up with innovative ideas for their town centres.

Research

I am particularly interested in looking at the general principles which could be applied to towns and secondary sites like Newcastle-under-Lyme. Part of the challenge is that every place is different but there are some key principles that can guide regeneration. These include: getting buy-in from property owners (or regaining local control where owners are dispersed); providing more residential options in town centres to get people living and using urban spaces; building alliances of local interests; and supporting community-led initiatives, social enterprises and small businesses.

My ongoing work at York Place also ties in with our wider research into the importance of the foundational economy, namely those parts of the economy which provide the very basic goods and services that are at the foundation of everyday life.

Put simply it is about thinking about these centres as part of the social infrastructure of a place. Thinking about the importance of sustaining them through new uses that contribute to a financially viable and socially relevant model.  

Julie Froud is Professor of Financial Innovation.
Health research with impact

Professor Damian Hodgson has been involved in researching complex organisations for most of his academic career. He suspected it was therefore inevitable that this avenue of research would lead to the National Health Service at some point: “The NHS arguably constitutes the most complex organisational arrangements anywhere,” he explains.

“Research on health services has taken up more and more of my attention for the last decade or so since working with Alliance MBS colleagues on healthcare management and professionalism in the NHS.”

Prof Hodgson has worked on a range of funded projects on issues from the organisation of end-of-life care, to national and local health policy development, to innovation in health service delivery, much of this through the Greater Manchester CLAHRC (Collaboration for Leadership in Applied Health Research and Care).

“This has given me the wonderful opportunity to work with the outstanding health services research community in Alliance MBS and across The University of Manchester, giving me a new appreciation of the value and excitement – and the challenges - of interdisciplinary research.”

Research through collaboration

When asked what he wished other people knew about health services research, his clear aim is to show how much of a difference it can make but also to show colleagues the importance of improving societies’ health through strong research.

“There is so much scope to make a difference and it can be so rewarding when you do get to make a difference. However small,” he said. “My experiences on different kinds of research projects have convinced me of the importance of working with nurses, doctors, patients, managers, commissioners and policymakers to find research questions which are just as pressing for them as they are for academics.

“We need to draw in new collaborators from across different disciplines, many of whom don’t currently work on healthcare but whose expertise and experience in other areas could offer a great deal to improve health services,” he adds.

Impact

Prof Hodgson feels that the future of health services research should focus on answering practical questions at the same time as advancing theory in the field by ‘co-producing’ research with practitioners.

“There’s growing emphasis on ‘impact’ in our research. Not impact as a box-ticking exercise but, done properly, as a way to think hard about what changes in the world we are trying to achieve by our research and how best we could go about achieving these.”

“While my colleagues at HSRC are already successfully doing this in many different ways, my own focus currently is to pay more attention to the process of how health policy is generated and the roles that research and evidence plays – or doesn’t play – in this process.”

Future plans

As director of HSRC, Prof Hodgson has plans to help grow the Centre and health services research.

“We have a fantastic base to build on thanks to the sterling work of my predecessor Professor Paula Hyde, and with the support and experience of Professor Ruth Boaden who joins me as deputy director. Most promisingly, we have a brilliant and energetic community of early career researchers, so the immediate focus is to continue supporting the development of the health services research stars of the future from this group as well as on generating opportunities for researchers to engage and step up to the next level through the kind of collaboration on the Centre can facilitate.”

The Centre is also working with colleagues across The University such as from the Faculty of Biology, Medicine and Health to establish a University research institute focused on health services research. “Importantly, we are building in part on the success of HSRC but expanding the huge opportunities for exciting inter-disciplinary, cross faculty research at The University of Manchester.”

There is so much scope to make a difference and it can be so rewarding when you do get to make a difference, however small.

Damian Hodgson is the new head of the Health Services Research Centre (HSRC), the leading authority on healthcare management research.

The HSRC at Alliance MBS questions, evaluates and transforms understanding of the best ways to organise, manage and deliver health and social care for local, national and international communities through interdisciplinary research and practical application.

The Centre has been named as the host of the 2020 International Organisational Behaviour in Healthcare Conference, one of the world’s most prestigious research conferences on healthcare organisation and management.
Hospital leadership has generally changed for the better since the Francis Inquiry, says Naomi Chambers.

An Alliance MBS report has found that NHS hospitals are led in a different way now than they were before the findings of the Francis Inquiry were published five years ago.

The research study, ‘Responses to Francis: changes in board leadership and governance in acute hospitals in England since 2013’, was led by Naomi Chambers, Professor of Health Management, along with The University of Birmingham and the Nuffield Trust. It was conducted to see how well NHS hospitals are being led in the aftermath of the public inquiry into the failings of care at Stafford Hospital.

The research found that hospital board leaders are now more visible to all parties, particularly frontline staff and patients. The report also reveals that patient safety has a higher priority and many boards have revised policies for handling complaints and serious incidents.

By contacting hundreds of NHS board members, as well as hospital staff and patients, the report also found that patient safety has a higher priority and many boards have revised policies for handling complaints and serious incidents. By contacting hundreds of NHS board members, as well as hospital staff and patients, researchers found that the Francis Inquiry had made a big impact, and that boards are now better informed, and have put in place better policies on key issues including whistleblowing and being open and honest with patients.

Serious challenges

However, the report warns that boards face serious challenges in carrying out their role, with 73 per cent of board members surveyed feeling that the biggest barriers to improvement are financial pressures and meeting the demands of regulators.

There was also a big variation in how thoroughly senior leaders have implemented all their new policies, how well middle managers are equipped to follow day to day processes through in a consistent manner, and how closely patients and staff are engaged in working on ideas for improving services.

The report concludes with the identification of five key roles for hospital board members, and recommendations about how vigilant hospital boards can help to guard against another Stafford Hospital type failure of care.

As Prof Chambers explains: “The Francis Inquiry legitimised the importance of kindness to patients and safe levels of staffing. It was a ‘stop’ moment and its publication highlighted an urgent need for culture change, which a majority of NHS trusts have responded to.”

Judith Smith, Professor of Health Policy and Management and Director of the Health Services Management Centre at The University of Birmingham, added: “Hospitals want to provide patients with the best care possible, but external and internal challenges have at times prevented this. Whilst boards are overall taking steps to engage more closely with patients and staff, and ensure they are in tune with the realities on the ground, this report has shown that there is still more to be done to ensure patient care and safety can remain at the top of board agendas in what are very difficult financial and operational times for the NHS.”
Dr Elinor O'Connor has produced the guide with the Royal College of Veterinary Surgeons (RCVS).

The psychological wellbeing of veterinary surgeons is a focus of attention within the profession, in part due to evidence of elevated suicide rates in vets. As Dr Elinor O'Connor explains: “Occupational stress has been suggested as a possible factor in poor psychological wellbeing in vets, but the literature relating to stress in veterinary work is limited.”

Dr O'Connor, Senior Lecturer in Occupational Psychology, previously received funding for a scoping study of work-related stress in veterinary surgeons. The study identified key stressors in veterinary practice and also personality characteristics that may be over-represented in vets and which may interact with work stressors to compromise psychological health.

She has since been working with the Royal College of Veterinary Surgeons (RCVS) to develop a guide to tackling occupational stress in vets. ‘A Guide to Enhancing Wellbeing and Managing Work Stress in the Veterinary Workplace’ was launched earlier this year at the Society of Practising Veterinary Surgeons/Veterinary Management Group Congress. Designed for anyone with an interest in the wellbeing of a veterinary team, it provides practical advice to veterinary workplaces on managing stress and promoting wellbeing.

Dr O’Connor said: “Addressing stress in veterinary work not only has benefits for the health and wellbeing of each person in the veterinary team, but the business case for reducing work-related stress is clear. Stress is associated with poorer performance, increased absenteeism and higher employee turnover. The wellbeing guide provides information about proven techniques for reducing stress at work combined with suggestions for how they might be applied in veterinary workplaces.”

Lizzie Lockett, CEO of the Royal College of Veterinary Surgeons (RCVS), said: “Stress at work is an important issue right across the veterinary team. It is sometimes considered just an acceptable part of working in an environment that can be difficult to control, but things can change. By making wellbeing a priority, practices can support individuals and help their team work better together, and thus provide the best treatment for the animals under their care. This guide unpacks some of the root causes of work-related stress and may be of particular interest to practice managers, line managers or health and safety officers.”

Ms Lockett and Dr O’Connor also presented a session on the guide to the British Small Animal Veterinary Association earlier this year. For a copy of the guide visit vetmindmatters.org.

An Alliance MBS animation highlights the key reasons for high stress levels in vets and how Dr O’Connor and the RCVS have been working together to address the issue.

Demands of Pet Owners
High Workload
Long Hours
Managing Colleagues

Wellbeing guide tackling occupational stress in vets
HGV employers must support the health of drivers as they work into older age

The transport and logistics sector in the UK is experiencing a rise in average workforce age according to research by Alliance MBS and the Health and Safety Executive.

The study, co-authored by Dr Sheena Johnson, Senior Lecturer in Organisational Psychology, identified both positive and negative health effects from the transport and logistics sector. Whilst there is the potential for the health of HGV drivers to deteriorate in older age, the findings also showed that if the work is carefully managed and involves an appropriate amount of physical work, then this helps drivers to remain fit and strong and to keep their weight down, as they continue to work into older age.

Dr Johnson explained: “We found that the work of a professional HGV driver in the UK is likely to involve long, unsociable hours, high physical and mental demands, and often long periods of sedentary work. All of these factors can have adverse health consequences for workers, such as musculoskeletal disorders, stress, tiredness and fatigue, and issues associated with being overweight.”

The overall purpose of the research was to gather evidence about the health effects of working into older age. Dr Johnson focused on the transport and logistics sector and carried out interviews with professional drivers of heavy goods vehicles aged over 50, as well as those who manage or supervise them.

The second phase of the research, looking at other types of professional drivers, is ongoing and Dr Johnson is establishing a network to promote best practice in the transport industry entitled ‘Age, Health and Professional Drivers’.

Healthy food options and exercise

Dr Johnson has urged employers to make it easier for drivers to access healthy food and have chances to exercise. “It is important that HGV employers support the health of this cohort of workers by focusing on providing opportunities to take physical activity during the working day and improving access to healthy food. It is also important we consider how the wider social and cultural aspects of the industry might be adapted to support good health as people work into older age.”

For more information go to: sites.manchester.ac.uk/ahpd

Read the report: hse.gov.uk/research/rrpdf/rr1104.pdf
This autumn sees the launch of our new two-day Business and Human Rights Executive Education programme. It will be delivered by the School’s Business and Human Rights Catalyst – our group of researchers leading the way in studying the responsibilities of businesses in relation to human rights. The programme will provide senior executives with an in-depth and innovative understanding of the challenges and opportunities for improving business performance and human rights.

Programme lead and Alliance MBS Director of Research Professor Ken McPhail, comments: “When organisations today have more reach than governments – take McDonald’s for example, a business with more employees than Latvia has inhabitants, or Facebook, which has a constituency three times bigger than the US – the influence of senior corporate executives extends well beyond the health of balance sheets.

“These companies have the ability to significantly impact the welfare of the societies they’re operating in and those which provide them with labour resources. The programme looks at the risk management associated with this and the positive benefits it can deliver for corporates as well as communities.”

Co-ordinated by Dr Lara Bianchi, the programme combines world-leading research with the practical insights of human rights experts closely involved in the development of the UN Guiding Principles on Business and Human Rights. For instance a selection of seminars will be hosted by Gerald Pachoud, the former special advisor to the UN Special Representative on Business and Human Rights, John Ruggie. Another lecturer will be Andrea Shemberg, who led the UN Special Representative’s work on foreign investment.

“The UN Guiding Principles on Business and Human Rights are fundamental to the long-term, sustainable success of any business,” says Shemberg. “They should form an intrinsic part of business strategies and this is a core part of the programme, with strategies and human rights examined from an economic, technological and sociological point of view.”

World-class research

Running from 10-12 September 2018, the programme will bring world-class research into teaching with expertise from academics across Alliance MBS including Dr Stefan Zagelmeyer, Ismail Erturk, Dr Matthew Alford and Professor Jonatan Pinkse. They will provide delegates with in-depth knowledge on international business strategies and social responsibility.

For more information go to: mbs.ac.uk/bhrprogramme