

Impact case study (REF3)

Institution: The Open University		
Unit of Assessment: C17 Business and Management Studies		
Title of case study: 'Growing greener': enhancing the capacity of intermediary organisations to engage with small and medium-sized enterprises on environmental sustainability		
Period when the underpinning research was undertaken: 2009-2018		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Prof Richard Blundel	Professor of Enterprise and Organisation	01/07/2009 – current
Dr Aqueel Wahga	Lecturer in Management	01/07/2017 – current
Dr Anja Schaefer	Senior Lecturer in Management	01/09/2004 – 22/02/2018 01/08/2020 – current
Period when the claimed impact occurred: 2017-2020		
Is this case study continued from a case study submitted in 2014? No		
1. Summary of the impact		
<p>Interdisciplinary research undertaken by Blundel, Schaefer and Wahga at The Open University has addressed the challenge of improving firm-level environmental performance in small and medium-sized enterprises (SMEs), with a focus on the role played by intermediaries in promoting the adoption of more sustainable processes, technologies and policies. Outputs from this research have influenced professional practice in intermediary organisations and generated evidence-based tools and learning resources that are facilitating more effective, values-based engagement with SME owners and managers. The research has also shaped the design of curriculum in HEIs and related student learning experiences in the UK and Pakistan. Impacts have been achieved through: focused interactions with SME owners and managers; collaborative engagement with intermediaries and policymakers; and co-creation of accredited modules and open educational resources.</p>		
2. Underpinning research		
<p>There is a need for small and medium sized enterprises (SMEs) to improve their environmental awareness, capability development and performance. Smaller firms have a significant environmental footprint but tend to have fewer resources and are less well-regulated in comparison to larger firms [O1, O2]. The research undertaken by Blundel, Schaefer and Wahga (2009 - 2018) has examined these three elements with a specific focus on the catalytic role of intermediaries, such as business advisors, working with (and in some cases, within) businesses to promote such changes. They analysed the strengths and weaknesses of dominant policy discourses that seek to promote SME development, pro-environmental innovations and changes in practice [O1, O4]; they also challenged the application of exclusively economic, 'win-win' arguments in these contexts [O2, O5]. The following research outcomes from this body of work contributed to the impacts reported in this case:</p> <ul style="list-style-type: none"> Identified key relational and qualitative dimensions of the growth process in small and medium-sized organisations [O3]: the <i>relational</i> focus (i.e. the influence of other network actors on firm-level capabilities and growth), has informed work on intermediary organisations and SMEs, particularly in relation to longer-term transitions [O1, O4, O6]; the <i>qualitative</i> focus (i.e. beyond purely economic goals and success criteria), has highlighted the importance of personal, professional and organisational values, and the role that values-based approaches can play in facilitating more effective engagement with SME owners and managers [O2, O5]. Highlighted weaknesses in dominant policy discourses that seek to promote environmental innovations and practice changes in SMEs [O1, O4]; in particular, how over-reliance on economic, 'win-win' arguments can result in superficial forms of engagement and limited change in firm-level environmental practices [O2, O5]. 		

- Argued that short-term pro-environmental action by SMEs, based around existing ways of operating, needs to be complemented by longer-term strategic reorientation towards a more environmentally and socially sustainable growth trajectory [O1, O3, O5].
- Demonstrated that values-based engagement is an effective but currently under-exploited complement to prevailing ‘hard’ approaches to environmental improvement, which focus on technical aspects of new products and practices (e.g. energy efficiency data), and on economic justifications (e.g. availability of subsidies, anticipated payback periods) [O2, O5].
- Showed how intermediary organisations can drive environmental performance improvement in developing country contexts by providing SMEs with the micro-foundations of capability development and compensating for limitations in governmental agency (i.e. a ‘proto-institutional’ role) [O6], and by incorporating values-based approaches into their SME engagement strategies [O2].

These insights contributed to the impacts detailed in Section 5 through the UK-based research team’s engagement initiatives with intermediary organisations in Pakistan’s leather industry sector and the creation of an innovative online course and toolkit for business advisors, “Promoting Sustainability in Business”, which was piloted in both countries [C10]. Much of the underpinning research has been conducted by academics in the Open University Business School’s **Social and Sustainable Enterprise (SSE)** research cluster. The doctoral programme has also played a key role in achieving impact, as several former PhD students, including Williams and **Wahga**, have contributed to the research and engagement activity through post-doctoral fellowships and externally-funded appointments.

3. References to the research

- O1. Blundel, R.K.**, Monaghan, A., & **Thomas, C.** (2013) SMEs and environmental responsibility: a policy perspective. *Business Ethics: A European Review*, 22(3), 246-262. <https://doi.org/10.1111/beer.12020>
- O2. Williams, S.**, & **Schaefer, A.** (2013) Small and medium sized enterprises and sustainability: managers’ values and engagement with environmental and climate change issues. *Business Strategy and the Environment*, 22(3), 173–186. <https://doi.org/10.1002/bse.1740>
- O3. Clarke, J.**, Holt, R., & **Blundel, R.K.** (2014) Re-imagining the growth process: (co)-evolving metaphorical representations of entrepreneurial growth. *Entrepreneurship and Regional Development*, 26(3-4), 234-256. <https://doi.org/10.1080/08985626.2014.888099>
- O4. Obeng, B.A.**, & **Blundel, R.K.** (2015) Evaluating enterprise policy interventions in Africa: a critical review of Ghanaian small business support services. *Journal of Small Business Management*, 53(2), 416-435. <https://doi.org/10.1111/jsbm.12072>
- O5. Schaefer, A.**, Williams, S., & **Blundel, R.K.** (2020) Individual values and SME environmental engagement. *Business and Society*, 59(4), 642-675. <https://doi.org/10.1177/0007650317750134>
- O6. Wahga, A.**, **Blundel, R.K.**, & **Schaefer, A.** (2018) Understanding the drivers of sustainable entrepreneurial practices in Pakistan’s leather industry: a multi-level approach. *International Journal of Entrepreneurial Behaviour and Research*, 24(2), 382-407. <https://doi.org/10.1108/IJEBr-11-2015-0263>

4. Details of the impact

The impact has been generated by bringing together a series of distinct yet closely inter-connected research projects, which have addressed SME environmental performance, green innovation and the provision of business support services. The outputs from these research projects have influenced professional practice and generated evidence-based tools and learning resources that have helped SME owners, managers and intermediaries to adopt more environmentally and socially sustainable practices, while also embedding sustainability imperatives into their longer-term growth trajectories. Initial work on the cited projects commenced in 2009 with the most significant impacts occurring since 2017.

The research has informed changes to practice by leading business support organisations in Pakistan

Research by **Wahga, Blundel** and **Schaefer** on promoting environmental responsibility amongst SMEs in Pakistan's leather manufacturing industry [O6] builds on earlier work on SME policy, business development, and provision of business support services in developing countries [O1, O4]. Findings and policy recommendations have been adopted by staff at SMEDA, Pakistan's national small business support organisation and primary SME policy-advisory body, who confirmed that: "*Following the policy framework proposed in Wahga's papers during the trainings that I offer, I now advise SMEs how to more effectively engage with environmental issues, for example thorough collaborative investments and environmental learning. Through this, we have inculcated environmental values in a number of new small businesses*" [C1a]. The OU team also secured Best Paper awards at SMEDA's International SME Conferences in Lahore 2017 and 2018, the only event of its kind in Pakistan. In 2018 it attracted more than 600 participants from national government departments, international development agencies (such as JICA), financial institutions, large scale enterprises, and international SME representative bodies from developed and developing countries, including Bulgaria, China, Japan, South Korea, and the USA [C1b, C1c].

They have influenced policy and practice in this sector through direct engagement with the three major non-governmental agencies active in the leather industry - the Cleaner Production Centres (CPC) network, the Pakistan Tanners Association (PTA), and WWF-Pakistan, the national office of this leading global conservation organisation. The Project Manager for the CPC described the impact of reading and engaging with the OU research in these terms: "*As a policy matter, we have therefore changed our focus of intervention in the industry. Your research has guided and enabled us to establish a network of firms based on their environmental behaviour [...] It has had a great impact on our way of approaching SMEs and encouraging them to become eco-friendly business*" [C3a]. Further impact on WWF-Pakistan, which was enhanced through the online course and toolkit, is detailed in the next section.

The research was applied to co-create an online course and toolkit that has enhanced the understanding and capabilities of individuals and organisations engaged in climate change mitigation and sustainability initiatives

The OU team combined their research (SME growth processes, SME owner-managers' values and small business support organisations), with specialist contributions from external partners (The Environmental Change Institute, University of Oxford and Europe's leading climate communications consultancy, Climate Outreach) in an ESRC-funded initiative, 'Growing Greener' (2017-19): <http://business-school.open.ac.uk/research/growing-greener>. They engaged with SME owner-managers and business advisors to co-create an innovative open access online course, 'Promoting Sustainability in Business: A Values-Based Toolkit', which is hosted on the Open University's 'OpenLearn Create' platform [C4].

This initiative has expanded the capabilities of their partners, Climate Outreach in engaging with SMEs and business advisors. The Executive Director has commented: "*The project has given Climate Outreach experience in working with audiences and sectors that present unique challenges for climate and sustainability communicators. Understanding how to build a values-based engagement strategy with actors and intermediaries who are having to balance sustainability with other more instrumental priorities has provided Climate Outreach with invaluable learnings and experiences which have improved and strengthened the methodologies we use to conduct research and outreach*" [C6].

Since its launch in February 2019, more than 900 people have engaged with the online course [C4] and monitoring evidence indicates that it has helped both individuals and organisations to engage their SME clients more effectively in relation to climate change mitigation and other important environmental issues [C5, C6, C7, C8, C9]. For example, a senior manager at international user experience (UX) design consultancy Akendi noted that: "*This [course and toolkit] has accelerated our understanding of the problem space of SME engagement with sustainability and helped us form opinions about viable next steps in our project*" [C9b]. A

programme manager at Bioregional, creators of the 'One Planet Living' framework, said: *"We make considerable use values-based engagement in our work with SMEs and start-up ventures and recognise the importance of tailoring our approach so that it fits with the values and priorities of our clients. The online course and toolkit provide useful insights which help to inform our work with businesses"* [C9c]. The Business Relationship Manager at Low Carbon Hub, a leading social enterprise working to transform the energy system, also recognised the value of these resources: *"It means that more advisors like me can learn about how a values-based approach can help develop more meaningful, longer term relationships with SMEs, in turn helping to set more businesses on their way towards sustainability"* [C9d].

Blundel and **Wahga** also influenced practitioners by piloting a training workshop, which combined the online course and face-to-face sessions, with 15 business advisors at WWF-Pakistan and 20 graduate students (primarily experienced professionals and nascent entrepreneurs) at GCU, Lahore, one of the oldest and most prestigious seats of learning in Pakistan [C5]. WWF-Pakistan has improved its routines and practices to support SMEs more effectively by making use of guidance from the course and specific insights from their research on environmental stewardship in leather and textile industry [O6]. For example, having attended the workshop, the organisation's Regional Coordinator, Freshwater stated that: *"[A] major change in our practice has been that when working with firms we now identify those entrepreneurs having more active environmental values and network them with those who focus less on environmental improvement. We believe by doing so we have started to promote environmental improvement agenda in the Pakistani industries more effectively [...] we offer training to the staff of SMEs about Smart Environmental Management Practices, now through a more integrated approach using effective communication tools learnt during the [workshop]"* [C3b]. A GCU graduate student and hotel owner added: *"[I]nformed by your work we have changed a number of practices at our hotel [...] We are doing our best to change the concept of traditional tourism to sustainable tourism by promoting environmental values amongst our guests and hotel owners. Moreover, I have led the making of a consortium of hotel owners who regularly meet and discuss possible measures to save water and reduce energy consumption"* [C3c].

The values-based approach to engagement, which is promoted through this course and toolkit, has informed policy-making and practitioner audiences in various ways, including: inclusion in a policy briefing on 'Eco-Innovation in SMEs', published by the European Commission's Directorate-General Environment in 2019 [C11, pp. 30-31; 45; 50]; a briefing for 15 business advisors (energy-related) at the UK's Department for Business, Energy and Industrial Strategy (BEIS) [C7]; and a presentation at 'Sustainable Built Environment 2019', a conference attended by more than 200 built environment professionals, policy experts and government officials, which has also been made available as an open access publication [C12].

The research has enabled new learning experiences for undergraduate and postgraduate students at The Open University and in other institutions

Their body of research on improving the environmental performance of SMEs [O1, O2, O5, O6] has been incorporated into the formal higher education curriculum, via case material, audio visual assets and learning activities, in the OU undergraduate modules, *B327 Creating Futures: "Sustainable Enterprise and Innovation* (approximately 400 students since 2017), and *B205 Exploring Innovation and Entrepreneurship*" (more than 400 students since 2016) [C10]. Related qualitative feedback from students on these courses includes: *"I was really inspired by this module. The different projects undertaken throughout the module have motivated me to achieve sustainable enterprises at work and in personal life."* (B327, 2018 cohort) [C10, p.115]; *"It is a full-on, grown-up course and not to be taken lightly. [...] It has also given me some useful tools which I have already used in my working life."* (B205, 2017 cohort) [C10, p.113].

This research has also influenced the curriculum at GCU Lahore, including the decision to launch a new postgraduate course on environmental entrepreneurship in 2020, and key aspects of the curriculum, which incorporate outputs from this research [O6]. Since 2018, it has also encouraged MS (MPhil level) Entrepreneurship and SME Management students (cohort of 15-20

students per year, most of whom are also business owners and professional practitioners) to examine environmental practices of SMEs in various industry sectors in Pakistan [C2]. The Programme Coordinator at GCU commented: “We have included your papers as readings in our courses [and] a number of entrepreneurship students have also received motivation to undertake research on green businesses in the country [...] one of our students is researching responsible tourism business in Northern areas of Pakistan, another one is focusing on environmentally sustainable practices in private and public sector hospitals, and yet one more is interested in the adoption of green technologies in early-stage micro and small businesses” [C2].

Work on these projects has been further developed during 2020, in spite of constraints imposed by the Covid-19 epidemic, with future impact planned through engagement with policymakers and intermediaries in Pakistan’s textiles sector.

5. Sources to corroborate the impact

C1. Letters of support - Small and Medium Enterprise Development Authority (SMEDA):

C1a. Testimonial from Assistant Manager (Punjab) at SMEDA, Ministry of Industries and Production, Government of Pakistan (01-01-20).

C1b. Letter confirming Best Paper Award at SME International Conference, Lahore in 2018.

C1c. Email confirming Best Paper Award at SME International Conference, Lahore in 2017.

C2. Letter of support from Government College University Lahore, Pakistan. Programme Coordinator, Entrepreneurship and SME Management Programme, Department of Economics.

C3. Letters of support from advisory organisations and SMEs in Pakistan:

C3a. Testimonial from Project Manager, Cleaner Production Centres (CPC), Pakistan.

C3b. Testimonial from Coordinator Freshwater, WWF-Pakistan).

C3c. Testimonial from Manager, Marco Polo Hotel, Gilgit, Pakistan.

C4. Data analytics for ‘Promoting Sustainability in Business’ online course.

C5. Qualitative data - Samples of feedback from ‘Promoting Sustainability in Business’ training workshop participants in Pakistan (Nov 2019).

C6. Letter of support - Climate Outreach, Executive Director.

C7. Letter of support - UK Department for Business, Energy and Industrial Strategy (BEIS), Energy Team representative.

C8. ‘Promoting Sustainability in Business’ online course evaluation study– summary of qualitative feedback from intermediary organisation representatives (Nov 2020).

C9. Letters of support from ‘Promoting Sustainability in Business’ online course and training workshop participants: (C9a) People Planet Power; (C9b) Akendi; (C9c) Bioregional; (C9d) Low Carbon Hub.

C10. Data analytics and student feedback – B205 Exploring Innovation and Entrepreneurship and B327 Creating Futures: Sustainable Enterprise and Innovation, hosted on The Open University’s virtual learning environment.

C11. Science for Environment Policy (2020) Eco-innovation in SMEs. Future Brief 22. Produced for the European Commission, DG Environment by the Science Communication Unit, UWE, Bristol. (pp. 30-31; 45; 50). References highlighted).

https://ec.europa.eu/environment/integration/research/newsalert/pdf/eco_innovations_in_sme_FB22_en.pdf

C12. Hampton, S., Blundel, R., Fawcett, T. and Shaw, C. (2019) ‘Growing Greener: Creating a New Values-based Environmental Engagement Toolkit for SME Intermediaries.’ IOP Conference Series: Earth and Environmental Science, Vol. 329, No. 1, IOP Publishing, 2019. <https://doi.org/10.1088/1755-1315/329/1/012056>