The ESRC Centre for Business Research (CBR)

BACKGROUND
The Centre for Business Research (CBR) at the University of Cambridge was an interdisciplinary Centre dedicated to achieving greater understanding of the links between business organisation, business performance and economic policy in an international context.

The CBR was core-funded by the ESRC between 1994 and 2004. The ESRC direct investment in the Centre amounted to £4.6 million during that period. The CBR also received some £0.5 million through ESRC research grants. During that period the Centre also received funding from other bodies including substantial external funding from a range of public foundations and public organisations to carry out research projects and consultancy assignments.

Between 1994 and 2004, the CBR established itself as a leading UK centre for interdisciplinary research on business issues. Its activities were organised into three programmes bringing together groups of related projects:

- Innovation and Productivity
- Corporate Governance
- Enterprise and SMEs

The ESRC Centre for Business Research (CBR) is a good example of just such immediate and longer-term benefits.

During the ten years in which it received core funding from the ESRC, the CBR generated policy and practice impacts over both the short and longer term, influencing not only business at that time but also businesses of the future.

Continued over
After the ESRC core funding ended in 2004, the CBR continued its activity drawing on diversified sources of funding support. It continues its work today as an established research centre of international repute.

AT A GLANCE
• The ESRC Centre for Business Research (CBR) was core-funded by the ESRC between 1994 and 2004. It sought to achieve greater understanding of the links between business organisation, business performance and economic policy in an international context.
• The CBR had its most significant impact in two areas of research: work in labour and employment relations and the collection of data on Small and Medium sized enterprises (SMEs). Other significant policy and practice impacts including contributions to the Law Reforms Commission’s deliberations on, and codification of, Director’s Duties (for more effective corporate governance) and evidence of the positive effects of Government’s new insolvency (personal bankruptcy) laws, which confirmed Government’s expectations of the impact of these laws.
• The CBR carried out research assignments and formally provided advice to private and public user groups. Research contracts with user groups, particularly in government departments, such as the DIUS (including the Innovation Unit, Small Business Services and Insolvency Services Agency), and the TUC led to findings with a policy impact.
• CBR research was applied mainly in policy environments and as inputs into the policy processes. Public policy formation is a complex process and the majority of impacts were contributory in nature i.e. usually part of a broader process of interaction and dialogue between policymakers and CBR researchers.
• The social networks that CBR helped to establish and sustain were one of the most important channels for policy and practice impact. Relevant networks were established, particularly at senior levels. Some CBR individuals, such as the Chair of the Advisory Board, played a crucial role in the development of the Centre and of its policy and practice impact. Some contacts had existed long before CBR was set up but were strengthened as a result of the Centre’s research activities.
• Many examples of the successful application of CBR research occurred in a context of collaboration in which the boundaries between research ‘producers’ and research ‘users’ were blurred. In other words, collaboration was a two-way street in which users were involved in research development and researchers engaged directly with the policymakers and practitioners.
• Seminars and workshops were highly valued by users both as a means of disseminating research findings and as an opportunity to establish and strengthen networks. Practitioners felt these two activities were far more valuable than newsletters and websites. Overall, the Centre’s varied and abundant dissemination activities included seminars and workshops, book launches, briefing papers, a regular newsletter, articles in newspapers, advisory roles to committees, ministerial departments, private firms and foreign governments.

MAKING A DIFFERENCE: TWO CASE STUDIES

The following two case study examples show how the Centre’s research programme translated into wider policy and practice impacts.

1. Labour and employment relations

RESEARCH BACKGROUND
Researchers carried out several research projects related to the definition and implementation of UK labour policies. This was a highly topical and policy relevant area and CBR research played a key role in terms of monitoring of, and support for, a set of innovative and highly controversial policies. In 1997 the new Labour Government began introducing legislation to increase Trades Union rights and establish a national minimum wage. In this context there was a clear need for empirical evidence that would guide policy development and implementation.

Research into employment and labour relations was generated from different and variously funded research projects, involving researchers of varying seniority, and disseminated through a variety of channels.
HOW THIS RESEARCH CONTRIBUTED TO POLICY AND PRACTICE

CBR research has had a significant influence on the definition and assessment of UK labour policy. The main instances of impact include the introduction of the minimum wage and new rights for trade unions. Regarding the minimum wage, CBR studies helped assess the impact of the policy and confirm it had not had deleterious effects on competitiveness.

The research revealed that the introduction of the 1999 Employment Act did not bring about an increase in union militancy, as some had feared, and showed that the Act supported the Government’s competitiveness-based agenda. The 1999 Employment Act had been introduced at a time when significant changes were occurring in employment relations. There had been a shift towards a ‘partnership’ model in some industries in the mid 1990s, before the Act came into force. There was also a move towards greater flexibility and ‘individualisation’ of pay and terms and conditions, affecting unionised and non-unionised workplaces alike. Against this background, CBR research indicated that the Act did not bring about any increase in union militancy. As such, the Centre’s research confirmed a policy decision.

2. The National Small and Medium Sized Business Survey

SURVEY BACKGROUND

The National Small and Medium Sized Business Survey – the SME Panel Survey – was one of the highest profile activities organised by the CBR. The first survey was carried out in 1991 by the CBR predecessor, the Small Business Research Centre. More than 2000 independent firms responded to this first survey. This panel of firms was surveyed again in 1993 and 1995. A second panel of 2500 firms in the same sectors and size groups as the first one were surveyed in 1997 and 1999, and a third panel was surveyed in 2002.

HOW THIS RESEARCH CONTRIBUTED TO POLICY AND PRACTICE

The longitudinal data sets generated by these panel surveys provided an extremely valuable resource for researchers in academia, government and private industry. For example, Government Departments such as the DIUS and the Treasury used the data on SMEs attitudes to confirm and inform policymaking. In particular, the data informed Government that SMEs required more support in management training than in financial assistance. Until that point, financial assistance had been the main thrust of Government policy. Hence this finding helped to shape subsequent DIUS policy for support of SMEs.

The data was also used in other departments and organisations. A Treasury official indicated that CBR data and analysis influenced the definition of UK policy to use the tax system to encourage start-ups. A bank also used the CBR data on SME’s access to finance to crosscheck and confirm the validity of its own data and sources, as well as to shape the bank’s subsequent policy on credit and financial support for SMEs in various regions of the UK.

The SME data also provided the main basis for contract research assignments for public and private sector clients, which the CBR carried out during 1994-2004. These included commissioned work from the DIUS, Joseph Rowntree Foundation, the TUC, DfES, the British Bankers’ Association, the EU, the Office of National Statistics, and East of England Development Agency. In this work, the CBR addressed specific questions provided by clients. For example, a six-month study for the British Bankers’ Association confirmed that Government financial incentives were less effective than management training for SMEs.
Understanding the CBR’s impact:
some key points

- The social networks that CBR helped establish and sustain were one of the most important channels for policy and practice application. Networking was particularly crucial at senior levels. But many of these core contacts existed long before CBR was set up. The existence of a set of relevant activities that preceded the CBR, and to which the CBR gave continuity (in particular the SME Panel Survey) provided a strong user network on which CBR could build from its inception.

- The CBR was set up as a university department, independent from any other school and department. This was believed to be a crucial factor in its success, providing more flexibility and autonomy to develop its own policies. The ‘Cambridge brand name’ was also an important factor in terms of facilitating access to, and engagement with, non-academic communities.

- Research assignments with, and formal advice to, private and public user groups played a crucial role in helping research feed through to policy and practice. Research contracts with user groups, particularly government departments, were particularly important in terms of policy impact.

- The process of public policy formation is complex and no direct lines between a research finding and the adoption of a specific policy should be expected. Rather, the impacts identified here were contributory in nature, and usually part of a broader process of interaction and dialogue between policymakers and CBR researchers. Substantial impacts occur through complex processes and network activities that link a group of individuals over a long period of time.

- Timing is crucial in determining research impact. The CBR research that created the greatest impact addressed issues that were of particular policy importance at that specific time.

FURTHER INFORMATION
The ESRC is exploring new methods for assessing the impact of research it funds and we are commissioning a series of impact case studies which also test evaluation procedures.

The Science and Technology Policy Research Unit reviewed the impact of the Centre for Business Research. A full copy of the case study can be found at: www.esrcsocietytoday.ac.uk

For Information on CBR and its current research see: www.cbr.cam.ac.uk

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