

Institution: Manchester Metropolitan University		
Unit of Assessment: C17 Business and Management		
Title of case study: Boosting SME productivity and growth through research into entrepreneurship and people management		
Period when the underpinning research was undertaken: 2007-2020		
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:
Carol Atkinson	Professor of Human Resource Management	2000-2008; 2012-present
Ben Lupton	Professor of Employment	1996-present
Julia Rouse	Professor of Entrepreneurship	2004-present
Oswald Jones	Director of the Centre for Enterprise	2000-2009
Period when the claimed impact occurred: 2014-2020		
Is this case study continued from a case study submitted in 2014? No		
<p>1. Summary of the impact</p> <p>For 20 years, academics at Manchester Metropolitan University Business School have conducted research into entrepreneurship, leading to the development of evidence-based frameworks around the concepts of 'strategic space' and social capital in small and medium-sized enterprises (SMEs). Since 2014, collaborative research has supported 891 small firms through funded projects worth over GBP26,000,000. The Goldman Sachs 10,000 Small Businesses Programme has enabled 181 high-growth small enterprises to unlock the economic and job creation potential of their businesses. Through a sustained programme of research around people management in SMEs, researchers have also created a substantial and important evidence base for policy-makers and businesses. The research directly influenced The Chartered Institute of Personnel and Development (CIPD)'s decision to create a national People Skills Advisory Hub, in partnership with the JP Morgan Chase Foundation, which has supported over 22,500 small businesses since 2019.</p>		
<p>2. Underpinning research</p> <p>SMEs are the lifeblood of the UK economy, comprising more than 99% of the nation's business population and providing 60% of private employment. In 2013, The Witty Review highlighted the crucial role that universities must play in engaging with their local SMEs, and "injecting technology, expertise, talent and knowhow into them" (The Witty Review: 34). At Manchester Metropolitan Business School, researchers in the Centre for Decent Work and Productivity (DWP) collaborate with the Centre for Enterprise (CfE), a specialist knowledge exchange centre, to develop partnerships with national policy organisations and regional SMEs.</p> <p>Working with SMEs – Developing Strategic Space and Social Capital</p> <p>Research undertaken by DWP demonstrated a lack of understanding in traditional SME support programmes of the importance of strategic space and social capital. Between 2003 and 2006, Jones led the ESRC-funded 'Evolution of Business Knowledge' (EBK) project, which focused on how businesses acquire knowledge. Jones researched the evolution of business knowledge in SMEs and developed the concept of 'strategic space' that enables owner-managers: "to focus on strategic renewal and change" [1]. Strategic space recognises the need for owner-managers to have the resources, motivation and capability to engage in critically-reflexive processes to review and revise organisational practices in order to accomplish learning and transformation. Research developed from the New Entrepreneur Scholarship (NES) programme, which supported 900 new entrepreneurs from 2001 to 2008 (G1). Rouse's analysis of the financial barriers faced by disadvantaged entrepreneurs added to the evidence base [2,3].</p> <p>Rouse's research showed that the acquisition of social capital, specifically through large networks, bonding ties, trust, reciprocity, obligations and expectations, is crucially important for entrepreneurs. Recognising the importance of both social capital and the strategic space to "work on the business, not in the business", DWP researchers have focused on developing innovative SME support programmes, reinforced by robust research. These initiatives explicitly develop capacity for strategic space and cross-disciplinary peer network-building, rather than</p>		

more traditional business support approaches, which often fail to recognise the complexities around the way in which SMEs acquire knowledge.

Working to improve SME people management practice

DWP academics have a significant track record in people management research. This has focused on strengthening people management practice, including flexible working, equality, diversity and inclusion, and employment regulation [4,5,6]. In 2017, in recognition of this research expertise, the CIPD (the professional body and industry voice for HR and people development with over 150,000 members worldwide) commissioned Atkinson and Lupton to undertake a research evaluation of its unique *People Skills Pilot Programme* (funded by the JP Morgan Foundation) [H]. The aim of the programme was to support more effective people management and leadership practices in SMEs to increase productivity. It, again, drew on the concept of strategic space, offering one-to-one consultancy to SME owner-managers and the opportunity to design bespoke solutions for their people management challenges. In a national study, evidence was collected via surveys, focus groups and face-to-face/telephone interviews from 459 firms, including 21 in-depth case studies. The findings demonstrate that there is significant demand for HR support by SMEs, and that developing the principles of people management through face-to-face provision by independent specialists is highly beneficial in making effective HR decisions. The provision of HR advice provided business owners with strategic space and the opportunity for strategic renewal and change, creating a foundation for boosting the quality of management practice and workplace productivity.

3. References to the research

- [1]. Jones, O., Macpherson, A., Thorpe, R. and Ghecham, A. (2007) The evolution of business knowledge in SMEs: conceptualizing strategic space. *Strategic Change*, (16): 281-294, DOI: [10.1002/jsc.803](https://doi.org/10.1002/jsc.803)
- [2] Rouse, J. and Jayawarna, D. (2006) The financing of disadvantaged entrepreneurs: Are enterprise programmes overcoming the finance gap? *International Journal of Entrepreneurial Behaviour & Research*, 12(6): 388-400 DOI: [10.1108/13552550610710162](https://doi.org/10.1108/13552550610710162)
- [3] Lee, R., Tuselmann, H, Jayawarna, D. and Rouse, J. (2018), Effects of structural, relational and cognitive social capital on resource acquisition: A study of entrepreneurs residing in deprived neighbourhoods, *Entrepreneurship and Regional Development*, 31 (5-6): 534-554 DOI: [10.1080/08985626.2018.1545873](https://doi.org/10.1080/08985626.2018.1545873)
- [4] Atkinson, C. & Sandiford, P. (2016). An exploration of older worker flexible working arrangements in smaller firms. *Human Resource Management Journal*. 26(1): 12-28 DOI: [10.1111/1748-8583.12074](https://doi.org/10.1111/1748-8583.12074)
- [5] Woodhams, C. & Lupton, B. (2006) Gender-based equal opportunities policy and practice in small firms: The impact of HR professionals, *Human Resource Management Journal*. 16(1): 74-97 DOI: [10.1111/j.1748-8583.2006.00005.x](https://doi.org/10.1111/j.1748-8583.2006.00005.x)
- [6] Atkinson, C., Wapshott, R. and Mallett, O. (2016) 'You try to be a fair employer': Regulation and employment relationships in medium-sized firms, *International Small Business Journal*, 34 (1): 16-33 DOI: [10.1177/0266242614541992](https://doi.org/10.1177/0266242614541992)

Funding and indicators of research quality:

- G1. The New Entrepreneur Scholarship Fund, Funding Body: Learning and Skills Council, 2001-2008, (GBP6,600,000)
- G2. Evolution of Business Knowledge in SMEs, Funding Body: ESRC, 2003-2006 (GBP364,000); (PI: Jones) (part of the Evolution of Business Knowledge (EBK) initiative)
- G3. CIPD Phase 1 People Management in SMEs, Funding Body: CIPD, 2015-2017, (GBP59,688) (PI: Atkinson)
- G4. CIPD SME Project Phase 2, Funding Body: CIPD, 2018, (GBP27,396) (PI: Atkinson)
- G5. Good Employment Learning Lab Project, Funding Body: Economic and Social Research Council, 2020, (GBP1,000,000) (PI: Rouse)
- Output reference [6] underpins a [Department for Business, Energy and Industrial Strategy Research report](#): May 2018, pp7,14)

4. Details of the impact

Working with SMEs to boost productivity and growth

Manchester Metropolitan research has led to the design and delivery of innovative programmes of support for small firms, based on strategic space and social capital development. These

partnerships with the business community have led to significant impacts on the economic development of the region particularly around innovation and job creation [A]. In all of the programmes, business owners are supported to understand how to develop and exploit their networks more effectively to create opportunities for innovation and to explore new markets and products. Research-informed knowledge exchange programmes include:

The Goldman Sachs 10,000 Small Businesses Programme

Between 2010 and 2015, Manchester Metropolitan was one of only four universities in the UK chosen to design and deliver the Goldman Sachs-funded programme for High Growth Small Businesses. Engaging with the CEOs of 300 SMEs in the North West, the programme created new communities of entrepreneurs and peer learning opportunities over a six-month intervention. Since 2014, 181 SMEs have received specialist support with 77% reporting an increase in the number of people they employed in the previous 12 months, and 66% confirming that their turnover had increased in comparison to the previous 12-month period [A].

European Regional Development Fund Programmes

Since 2014, DWP research has underpinned eight growth and innovation-focused ERDF projects with a total value of GBP26,741,728. Examples of these pioneering research-led initiatives include:

i. Growth-Focused Programmes

The Cheshire and Warrington Business Growth Programme is a North West consortium developed to deliver business growth activities across local priority sectors from 2016-2021. This GBP3,385,000 ERDF-funded programme utilises concepts of strategic space and social capital to bring entrepreneurs together to create new networks. Research-based activities around peer learning and mentoring, coaching and masterclasses have directly supported 168 businesses to expand their networks, as well as 61 new start-ups and the creation of 76 new jobs in the regional economy [B]. *The Greater Manchester High Growth Network* is a GBP750,000 programme, in partnership with the Greater Manchester Growth Hub, designed to support firms with high growth potential in Manchester. It has worked with over 200 SMEs to embed research-led learning within their business strategies [B]. The CEO of Black Milk confirms the impact of the Manchester Metropolitan programme on their business growth, which has enabled them to move into e-commerce and expand their online products. In 2020, during lockdown, its e-commerce sales quadrupled: *From taking time out from day to day operations and gaining valuable new insights, business tools and new networks, Black Milk have successfully opened cafes in multiple locations* (CEO, Black Milk) [B]. *The SMART Cheshire Innovation Programme* is a GBP1,700,000 project designed to support entrepreneurs and small businesses increase innovation across Cheshire. From 2016 - 2020 it has supported 135 SMEs to develop their ideas and products through an innovation process, facilitated by strategic space and development of peer networks. This has resulted in the creation of 33 jobs and the launch of 92 new products [C], and in 2018, Hydraulics Online won the Federation for Small Businesses' North West Business Exporter Award [C]. The CEO, Hydraulics Online, confirms the vital role *Smart Cheshire* played in developing peer networks to help drive her business forward: *SMART Cheshire not only gave me the confidence that I needed to take my business forward, it also put me in touch with the Women In Business Network. It was through this network that I won a scholarship to study an MBA at Manchester Metropolitan and this, combined with the continued support from the University, has been instrumental in the success of my business.* (CEO, Hydraulics Online) [C].

ii. Interdisciplinary Innovation Programmes

In 2018, the GBP4,000,000 *Manchester Fuel Cell Innovation Centre* brought together industry and academic researchers and experts (e.g. Greater Manchester Combined Authority, Transport for Greater Manchester, and Greater Manchester Hydrogen Partnership) to support small firms to innovate and grow. Using the concept of strategic space and social capital development in a programme of support workshops and bespoke one-to-one sessions, Manchester Metropolitan research has helped 71 SMEs to create ten market-disrupting products in the nascent fuel cell industry [D]. In 2020, the Centre was 'Runner Up' in the Guardian Awards for Business

Collaboration, which recognises excellence and innovation in the field of business-university partnerships [D]. Since 2018, this approach of combining research-led growth expertise and scientific input has been pivotal to success in funding and leading several regional consortiums, delivering to over 320 SMEs in the region. These include the *Greater Manchester Cyber Foundry*, which engages with regional small firms to support research-led innovation, and by December 2020, the project had recruited 95 SMEs (39 through Manchester Metropolitan) [E]. The SME founder of Digital Oracles, comments: *Before joining the Cyber Foundry, our business idea was really just a piece of paper...working with the Cyber Foundry has added value to our business; when they see who we have worked with they invite us to collaborate and give us business opportunities* [E]. Building on the success of the Cyber Foundry, the GBP6,000,000 *Greater Manchester AI Foundry* (2020) is currently focusing on business development with SMEs who have high potential for business growth through the application of AI. Additional interdisciplinary collaborations have utilised DWP's research-led growth development, together with scientific expertise. These include the ECO-I NW project (GBP14,000,000, 2020), which is supporting low carbon business innovations from 369 SMEs across the North West, and the PrintCity Networks, focused on growing SMEs through business expertise and 3D printing capability.

The Small Business Charter

In recognition of its innovative approach to SME development, the Business School was one of only 20 in the UK to receive the CABS Small Business Charter Award in 2014 [F]. Re-accredited in 2019, with exemplar status, this award led to the research programme 'Leading to Grow', funded by the Department for Business, Energy & Industrial Strategy. As a consortium of 15 SME-specialist business schools across England, this research project was originally designed to understand how microbusinesses could increase productivity through the adoption of new technologies. At the beginning of the UK lockdown in March 2020, the programme pivoted to deliver vital support, using the concept of strategic space and entrepreneurial learning, to 25 Greater Manchester companies via an 'Entrepreneur in Residence'. The CEO of Coolbox Ltd underlines the importance of 'Leading to Grow' during the Covid pandemic: *The Leading to Grow team have been a fantastic help during the COVID-19 pandemic. Much of our work is related to the food, drink and hospitality sectors, so the lockdown had a very big impact on us as a business...It was a huge help to have an experienced and knowledgeable advisor involved with decision making during such a tough time for SMEs* [F]. The Business School is also a key partner in the UK's CABS *Small Business Leadership Programme*, which delivers research-informed training to help SMEs develop their potential for growth and productivity.

Acknowledging the impact of the School's SME initiatives and enterprise support programmes, the Chief Executive of CABS states: *Manchester Metropolitan University Business School has demonstrated the hugely important contributions business schools can make locally to support small businesses and a city's enterprise ecosystem* (CEO, CABS UK) [F].

Working with policy-makers to improve SME productivity and growth

Research undertaken by DWP has had a direct impact on organisations and policy-makers that support SMEs. In 2017, Atkinson and Lupton's research findings [G] led the CIPD to adopt effective people management support in SMEs for the first time as one of their key strategic priorities rolled out across CIPD's nationwide activities. Building on Atkinson and Lupton's evidence, the CIPD called on the Government to invest in HR business support as part of a renewed focus in the Industrial Strategy on enhancing workplace productivity [G]. In November 2018, the CIPD used Atkinson and Lupton's evidence to support a funding request to the Treasury in the Autumn Budget Submission for GBP39,000,000 to 'revolutionise' the quality of support to SMEs via a funding roll out of its People Skills programme [G]. Although not funded, Innovate UK and Business Basics funding was subsequently secured to support the roll-out. Findings also supported the development of the CIPD People Skills Hub, providing evidence-based essential HR and people management advice to over 22,500 UK SMEs. As Head of Public Policy for the CIPD confirms: *Manchester Met findings provided the evidence for the CIPD to include effective people management support in SMEs as a key national strategic priority, which directly informed its lobbying to Government. In 2019, the research findings also informed the development of the CIPD's People Skills Hub, a unique direct-to-SMEs service to*

support productivity and people management in small firms [G]. CIPD's 'Manifesto for Work 2020' also cites Atkinson and Lupton's evaluation evidence, thus confirming its impact on the wider workplace agenda [G]. In 2019, the CIPD invited Atkinson and Lupton to undertake further research exploring the role of Local Enterprise Partnerships (LEPs) in driving the productivity and skills agenda in local economies. Their final report emphasised the importance of effective people management in combatting low productivity [H]. In recognition of her wider expertise, Atkinson was invited by the Women and Equalities Committee to submit evidence on her research into employment in SMEs. Atkinson's evidence is cited several times in the final report, including her argument that the business support landscape is complex, fragmented and difficult for time-poor SMEs to navigate. The final report (2018) also highlights Atkinson's recommendation of using local partners, e.g. city councils, LEPs, Growth Hubs and Chambers of Commerce to engage with SMEs to develop manager capability and expertise [I]. In 2020, building on their previous research [1-6], the DWP team were awarded GBP1,000,000 ESRC funding to establish the *Good Employment Learning Lab* (GELL). GELL adopts an engaged scholarship methodology approach to exploring good management practice in SMEs across Greater Manchester. It has already engaged with key partners (CIPD, the Institute for Small Business & Entrepreneurship, the NHS, the Federation of Small Business, the Greater Manchester Combined Authority councils, the TUC and ACAS) to co-design effective management practice interventions. In recognition of her research excellence in SME management development, Atkinson was recently invited to sit on the Greater Manchester Good Employment Charter Board.

Using SME research to lobby policy-makers during COVID-19

In 2020, Rouse used her research into strategic space and entrepreneurial development to establish the Women's Enterprise and Policy Group (WEPG) and develop a framework of policy actions to help women to form thriving and sustainable businesses [J]. In October 2020, Rouse shared key research findings with the IFM-Bonn International Roundtable on SMEs and COVID 19, which subsequently fed into the European Union SME Assembly. The importance of her work has been highlighted across national (The Telegraph and The Mirror) and regional media, generating a significant response from struggling business owners seeking her expert advice [J].

5. Sources to corroborate the impact

[A] 1. International Business School Impact System (BSIS) Label Expert Report (September 2019); 2. National Centres for Universities and Businesses (2014)

[B] 1. Cheshire and Warrington Growth Programme Progress Monitoring reports 2016-2020 (available on request); 2. Greater Manchester High Growth Network Output Index; 3. CEO, Black Milk confirms impact of research-backed growth programmes

[C] 1. SMART Cheshire Progress Report (December 2020); 2. Federation of Small Businesses Award (2018); 3. CEO, Hydraulics Online confirms impact of Smart Cheshire Programme

[D] 1. ERDF Claim Form; 2. Manchester Met: Guardian Business Collaboration Awards (2020)

[E] 1. Manchester Met Cyber Foundry Progress Report (Oct-Dec 2020); 2. CEO Digital Oracles confirms impact of research-informed support; 3. Demo Deck, Digital Oracles; 4. GMCA Digital Strategy (2020, pp44, 48)

[F] 1. Manchester Met awarded CABS Charter; 2. CEO, Coolbox confirming impact of the *Leading to Grow Programme* 3. Manchester Met recognised for excellence in supporting SMEs

[G] 1. Atkinson, C., Lupton, B. *et al.* (September 2017) 'Building HR Capability in Small UK Firms: an evaluation of the People Skills HR Business Support Pilots Programme' (CIPD Report); 2. CIPD call for greater SME investment; 3. CIPD calls on Government to fund new initiative: Autumn Budget 2018 Submission; 4. Testimonial: Head of Policy, CIPD; 5. CIPD 'Manifesto for Work' (2020, p13)

[H] Atkinson, C. and Lupton, B. (2019) 'Productivity and Place', CIPD Report

[I] Atkinson evidence cited in Women and Equalities Report: 'Older People and Employment' (4 July 2018: p34, para 106)

[J] 1. WEPG Report (2020) 'Framework of Policy Actions to Build Back Better for Women's Enterprise'; 2. Rouse media links: e.g. The Telegraph (3 April 2020, *reach 3.1m*); The Mirror (2 April 2020, *reach 28.1m*)