

SMALL BUSINESS RESEARCH CENTRE

REPORT 2006-7



The Small Business Research Centre (SBRC) at Kingston University is one of the longest established research groups in the UK in the field of small business and entrepreneurship.

*I am delighted to present to you our Annual Report.
Professor Robert Blackburn, Director SBRC*

Report 2006-7

2006-7 was a very busy period for SBRC staff, with a number of large scale projects coming on stream, publications output intensifying and doctorate student activity increasing. The SBRC has reinforced its position as one of the leading centres for research on small firms and entrepreneurship worldwide, during this period, with a growing international profile. 2007 also marks the 20th anniversary of the SBRC, since it was first established under the leadership of Professor James Curran in 1987. The occasion is marked by a celebratory event, hosted by ACCA in October 2007.



Robert Blackburn co-ordinator of an ISBE doctoral workshop, University of Sheffield

International Links

SBRC researchers have continued to be highly active in the international arena, through their involvement in international organisations and networks; participation in collaborative research projects; invited contributions to the work of international bodies; and active involvement in international conferences.

During 2006-7, SBRC staff have been active in the ECSB and ICSB networks; co-chaired tracks (ICSB, Turku); made invited presentations in Melbourne (ICSB doctoral workshop), Brussels (European Parliament), Barcelona (Conference organised by Barcelona Activa) and Budapest (ERENET); participated in appointments committees for Professors in UK and foreign universities; and assessed research proposals submitted to UK and foreign research councils.

SBRC has hosted a number of visiting researchers from overseas during 2006-7, notably Professor Jarna Heinonen, from the Turku School of Economics and Business Administration on a Leverhulme Visiting Scholarship and Dr George Tanewski from Monash University, Australia.



David Smallbone and international colleagues, Moldova

Research Developments

Research highlights of 2006-7 include:

- Completion of a two year investigation of the relationship between regulation and small business growth, commissioned by the Enterprise Directorate (BERR). This study used a robust combination of innovative qualitative and quantitative methodologies to investigate an important, if sometimes controversial policy issue. The findings indicate that regulation is a more diverse and complex concept and that its effects on business performance are not always negative. Research on regulation has also involved a study led by Rob Blackburn, to investigate the advice-seeking behaviour of owner-managers to help them to deal with regulations. This research covers the UK, Canada and Australia with data collected from owner-managers and accountants. A transatlantic event took place in March 2007 where the results from the UK and Canada were presented.
- A series of high profile policy evaluation projects are being undertaken for the BERR, including an evaluation of the Regional Selective Assistance (RSA) and Selective Finance for Investment in England (SFIE) Scheme in England and its equivalent in Scotland, Wales and Northern Ireland; and an evaluation of the business support provided by Business Links. They have each been led by Mark Hart and undertaken in co-operation with partners in the Universities of Warwick and Aston. All these evaluation studies share the common methodology of an application of selection modelling, combined with qualitative fieldwork, to determine the effects of the policy intervention.
- 2006 saw the start of an EU Framework VI project concerned with the implications of EU enlargement for entrepreneurship in EU border regions, focusing on different forms of cross-border co-operation. The project is co-ordinated by David Smallbone, working with Mirela Xheneti, and involves a consortium of partner institutions in Germany, Finland, Greece, Poland, Bulgaria and Estonia.
- The SBRC's longstanding interest in black and minority enterprise (BME) issues was maintained through 2006-7 with three projects: an investigation of the possible relationships between ethnic and linguistic diversity and city competitiveness, for the London Development Agency (Smallbone, Kitching, Athayde); research to monitor and support the REFLEX/SIED model of delivering business support to ethnic minorities and newly arrived migrant groups, through community based business advisers (funded under the EU's EQUAL programme) (Blackburn, Smallbone, Kitching, Hyde); and a study of access to public and private sector procurement by BMEs in London, the West Midlands and the East of England (Smallbone, Athayde and Meng).
- SBRC's global reach has been maintained through 2006-7 with three institutionally focused studies in transition and emerging market economies, led by David Smallbone. In China, SBRC's activity has involved two projects: research to underpin actions designed to improve policy support for SMEs in China, as part of a DFID-funded technical assistance programme; and an investigation of the processes of new venture creation in knowledge based enterprises in the Shanghai region. SBRC staff have been designing programmes for a new School of Entrepreneurship in Vilnius, as part of a wider Sunrise Valley business development initiative in Lithuania. In Romania, our role has been to strengthen policy support for SMEs in the country by building institutional capacity in the new Ministry for SMEs and Co-operatives.

- In addition, a recently commissioned research project by the Treasury and BERR is focused on the factors that affect business performance in the UK and US, with collaboration in the US by Candida Brush at Babson College, Boston. 2007 has also seen the start of a NESTA funded study to produce a measuring tool of the innovative characteristics of young people, led by Elizabeth Chell.

People News

External appointments

SBRC staff continue to be active in a variety of external roles. In 2007, Robert Blackburn was appointed to the Research Committee of the Association of Business Schools, whilst continuing in his roles as Editor-in-Chief of the International Small Business Journal, Vice President (Research) of the Institute of Small Business and Entrepreneurship (ISBE) and Convenor of ISBE's Annual Doctoral Workshop. As Editor-in-Chief of the International Small Business Journal, Robert has seen it climb up the ranks of the ISI. Robert is also an active member of the ACCA's Small Business Committee and a trustee of the Small Enterprise Research Team (SERT). He will be busy in the forthcoming year as a member of HEFCE's Business and Management Panel for the 2008 Research Assessment Exercise with particular interest in small business and entrepreneurship. Mark Hart has been appointed Chair of the Management Committee of Regional Studies and Spatial Economic Analysis. Mark was seconded to the Economic Research Institute for Northern Ireland (ERINI) from December 2006-December 2007 to design and establish a core research programme on enterprise. He has also been appointed a trustee of the PRIME initiative. In 2006-7, David Smallbone served on the national LEGL evaluation expert group at the Department of Communities and Local Government. In addition, on completion of his two year stint as President of the European Council for Small Business and Entrepreneurship (ECSB), David was elected to the Board of the International Council for Small Business and Entrepreneurship (ICSB) as Vice President (Programmes).

New staff appointments

We were pleased to welcome Mirela Xheneti in March 2006 after completing her PhD at the University of Bristol. Since then, she has been working as researcher on the FP6 project concerned with entrepreneurship in EU border regions. SBRC's research base was considerably enhanced with the appointment of Michael Anyadike-Danes and Elizabeth Chell as Professors of Entrepreneurship in January and April 2007 respectively. Elizabeth Chell has recently completed the manuscript of her forthcoming book, 'The Entrepreneurial Personality', 2nd edition.

Postgraduate Research

The Centre has a number of doctoral students studying various aspects of small business development and entrepreneurship. New studies that began during 2006-7 include an investigation of 'born global' companies, by Faculty-funded PhD student Qingan Huang and exporting, innovation and productivity by Karen Bonner (ERINI). Other ongoing doctorate students include Sameera Ali Syed, Briga Hynes and Rosemary Athayde (PhD) and Arie Barendregt (DBA).

Congratulations are due to two recently completed doctorates:

Conor Patterson: 'The Success of Local Economies – what contribution does social capital make?'

Nick Wilson: 'Explaining Labour Market Emergence: The Case of Early Music Performance in the UK'

Staff have also been involved in examining PhDs, including Trinity College Dublin, York University, Curtin University, Australia, University of Strathclyde.

Staff

Professor Robert Blackburn, Director SBRC and HSBC Professor of Small Business Studies

Professor David Smallbone, Associate Director and Professor of Small Business and Entrepreneurship

Professor Mark Hart, Professor of Small Business Research

Professor Elizabeth Chell, Professor of Entrepreneurship

Professor Michael Anyadike-Danes, Professor of Regional Entrepreneurship

Dr John Kitching, Senior Researcher

Dr Li Ying Meng, Senior Researcher

Rosemary Athayde, Senior Researcher

Dr Mirela Xheneti, Researcher

Richard Hyde, Research Assistant

Valerie Thorne, Research Administrator

Fiona Fisher, Research Projects Administrator

Visiting Staff and Associate Members

Professor Friederike Welter, Visiting Professor, University of Siegen, Germany

Professor Anne Kovalainen, Visiting Professor, Turku School of Entrepreneurship

Emeritus Professor James Curran, Kingston University

Sue Lawton, Visiting Fellow

Robert Rutherford, Visiting Fellow

Professor Robin Jarvis, Associate member

Dr Catherine Gurling, Senior Lecturer

Dr David Stokes, Associate Researcher

Dr Nicholas Wilson, Associate Researcher



Mark Hart with co-authors Kevin Mole (Warwick University) and Stephen Roper (Aston University) receiving Best Policy Paper Prize 2006 from Katrina Reid (Enterprise Directorate).

Book

Welter F, Smallbone D, and Isakova N (eds) (2006) *'Enterprising Women in Transition Economies'*, Ashgate: Aldershot.

Articles

- Aidis R, Welter F, Smallbone D and Isakova N (2007) 'Female Entrepreneurship in Transition Economies: the Case of Lithuania and Ukraine', *Feminist Economics*, 13, 2, 157-183.
- Anyadike-Danes M, and Hart M (2006) 'The impact of sector, specialisation, and space on business birth rates in the United Kingdom: a challenge for policy?' *Environment and Planning C: Government and Policy* 24(6) 815-826.
- Baldock, R, James P, Smallbone D, and Vickers I (2006) 'Health and Safety in Small Firms: an Empirical Investigation of Factors Influencing the Adoption of Improvement Measures', *Environment and Planning C: Government and Policy* 24(6), 827-846.
- Blackburn R and Ram M (2006) 'Fix or Fixation? The contributions and limitations of entrepreneurship and small firms to combating social exclusion' *Entrepreneurship and Regional Development*, 18, 1, 73-89.
- Blackburn R and Revell A (2006) The Business Case for Sustainability' *Business Strategy and the Environment*
- Deakins D, Ishaq M, Smallbone D, Whittam G and Wyper J (2007) 'Ethnic Minority Businesses in Scotland and the Role of Social Capital', *International Small Business Journal*, 25, 3, 307-326.
- Ekanem I and Smallbone D (2007) Learning in Small Manufacturing Firms: the Case of Investment Decision Making Behaviour, *International Small Business Journal*, 25, 2, 107-129.
- Hart, M and Lenihan, H (2006) Estimating Additionality and Leverage: The interplay between public and private sector equity finance in Ireland (2000-2002) *Venture Capital: an International Journal of Entrepreneurial Finance*, 8, 4, 331-351.
- Kitching J, (2006), 'Can small businesses help reduce employment exclusion?' *Environment and Planning C: Government and Policy* 24(6) 869-884.
- Kitching J, (2006), 'A burden on business? Reviewing the evidence base on regulation and small-business performance', *Environment and Planning C: Government and Policy* 24(6) 799-814.
- Kitching J (2007), 'Regulating Employment Relations Through Workplace Learning: A Study of Small Employers', *Human Resource Management Journal*, 17, 1, 42-57.
- Lenihan H and Hart M (2006), 'Maximising the Additionality of Public Sector Assistance to Irish Firms: A Question of Ownership?' *Policy Studies* 27, 2, 115-133.
- Lenihan, H, Hart M and Roper S (2007), Industrial Policy Evaluation: Theoretical Foundations and Empirical Innovations: New Wine in New Bottles, *International Review of Applied Economics*, 21(3): 313-319.
- North D and Smallbone D (2006), 'Developing Entrepreneurship and Enterprise in Europe's Peripheral Rural Areas: Some Issues Facing Policy Makers', *European Planning Studies*, 14, 1, 41-60.
- Rouse J, and Kitching J, (2006), 'Do enterprise support programmes leave women holding the baby?' *Environment and Planning C: Government and Policy* 24(1) 5-19.
- Smallbone D and Welter F (2006), 'Conceptualising Entrepreneurship in a Transition Context', *International Journal of Entrepreneurship and Small Business* 3, 2, 190-206.
- Welter F and Smallbone D (2006), 'Exploring the Role of Trust in Entrepreneurial Activity', *Entrepreneurship Theory and Practice* 30, 4, 465-476.

Book Chapters

- Hart M (2006), 'From Smokestacks to Service Economy: Foundations for a Competitive City?', in Boal, F W and Royle, S (eds.) *Enduring City: Belfast in the Twentieth Century*. Blackstaff Press: Belfast, September.
- Levie J and Smallbone D (2007), 'Immigration, Ethnicity and Entrepreneurial Behaviour', in Minniti M, (ed) *'Entrepreneurship: The Engine of Growth, Volume 1: People'*, Praeger Perspectives, Praeger Publishers, Westport CT, pp157-180.
- Smallbone D and Welter F (2006), 'Institutional Development and Entrepreneurship in a Transition Context', in Styles C and Galbraith C (eds) *Developmental Entrepreneurship: Adversity, Risk and Isolation*, Elsevier.
- Smallbone D and Wyer P (2006), 'Growth and Development in the Small Firm' in Carter S. and Jones Evans D (eds) *'Enterprise and Small Business: Principles, Practice and Policy'*, Second Edition, Addison Wesley, pp 100-126.

- Welter F, Smallbone D, Mirzakhalikova D, Schakirova N and Maksudova C, 'Women Entrepreneurs between Tradition and Modernity' in Welter F, Smallbone D, and Isakova N (eds) *'Enterprising Women in Transition Economies'*, Ashgate: Aldershot, pp. 45-66.
- Smallbone, D and Venesaar, U (2006), 'Estonian SMEs in the Context of the Enlarged Europe', in Mets, T, Andrijevskaja, J, Kolbre, E, and Venesaar U, *'Entrepreneurship in Estonia: Policies, Practices, Education, Research and Perspectives'*.
- Welter F, Smallbone D, Slonimski A & Slonimska M, (2007), 'Internationalisation of SMEs in Belarus', in Dana, L, Han, M, Ratten, V and Welpel I, *'A Theory of Internationalisation for European Entrepreneurship'*, Cheltenham, United Kingdom: Edward Elgar.
- Kitching J. (2007), 'Is Less More? Better Regulation and the Small Enterprise', in Weatherill, S (ed) *Better Regulation*, Hart, Oxford.
- Smallbone, D and Venesaar, U (2006), 'Estonian SMEs in the Context of the Enlarged Europe', in Mets, T, Andrijevskaja, J, Kolbre, E, and Venesaar U (Eds), *'Entrepreneurship in Estonia: Policies, Practices, Education and Research'*, pp. 19-46.
- Smallbone D (2007), 'Ethnic Minority Entrepreneurship, Diversity and Competitiveness', in European Centre for Minority Issues, *The European Yearbook of Minority Issues Vol. 5, 2005-6*, Martinus Nijhoff Publishers, Leiden and Boston, pp35-52.
- Xheneti, M (2007), 'Youth entrepreneurship in South East Europe-Some Policy Recommendations' in OECD. *Promoting Entrepreneurship in South East Europe*, Paris: OECD.

Research Reports

- Blackburn R (2006) *'Managing Regulation: Evidence on SMEs and accountants' perspectives from the UK and Canada'*, Report for ACCA, London.
- Blackburn R, Smallbone D, Hart M, Eadson W and Athayde R (2007) *'Mainstreaming Targeted Business Support at Disadvantaged Communities'*, report to the Enterprise Directorate, BERR.
- Blackburn R et al. (2006) *'SMEs, Regulation and the Role of the Accountant'*, ACCA Research Report No 96, December.
- Hart M (2006) *'The Supply and Demand of Business Support: an overview of the Start-up Market Place in the UK'*, report for the Enterprise Directorate (BERR), April.
- Hart M, Mole K and Roper S (2007) *'Economic Impact Study of Business Link Local Service'* Enterprise Directorate (BERR), July.
- Hart M, Kitching J, Blackburn R, Smallbone D, Athayde R, and Wilson N (2006) *'The Impact of Regulation on Small Business Performance: Interim Report from Stage 1'*, report to the Enterprise Directorate (BERR), August.
- Hart M, and O'Reilly (2006) *'Global Entrepreneurship Monitor (GEM): Northern Ireland 2005'* Invest NI, November.
- Hart M, Driffield, N, Roper, S and Mole, K (2007) *'Evaluation of Regional Selective Assistance (RSA) and Selective Finance for Investment in England (SFIE), 2000-2004'*, report for the BERR, July.
- Hart M, Driffield, N, Roper, S and Mole, K (2007) *'Evaluation of Selective Financial Assistance (SFA) in Northern Ireland, 1998-2004'*, report for Department of Enterprise, Trade and Investment and Department of Finance and Personnel, April.
- Hart M, Driffield, N, Roper, S and Mole, K (2007) *'Evaluation of Regional Selective Assistance (RSA) in Scotland, 2000-2004'*, report for the Scottish Executive April.
- Smallbone D, Kitching J and Athayde R (2007) *'Competitive Advantage of Diversity Research and Business Case Studies'*, report commissioned by the London Development Agency.
- Smallbone D, Blackburn R and Hart M (2006) *'Small Firms and Social Dialogue at the National and EU Levels'* report for BERR, December.

Conference Papers

SBRC staff presented 26 papers at a variety of national (eg ISBE, ESRC seminar series) and international (eg RENT, EUNIP, GEM, Rencontres de St Gallen, Max Planck and Babson) conferences in 2006-7. These included events in Australia, Barbados, Belgium, Bosnia-Herzegovina, Bulgaria, Germany, Spain, China, Ireland, Switzerland and the USA.

Further information

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