

# 17 Using Management Research to Influence Policymakers

*David Heald*

## INTRODUCTION

This chapter draws on my own experience as a policy-engaged researcher to illustrate how management research can be used to influence policymakers. The discussion then expands to consider the relevance for management researchers of current developments in wider academia, notably the emphasis on ‘relevance’, ‘economic impact’ and ‘knowledge transfer’.

The structure is as follows. The following section describes my own experiences and the subsequent section reflects upon the lessons that might be drawn. The fourth section considers how policy-engaged management researchers might choose a profile of engagement that benefits their academic work as well as contributing positively to public policy. The fifth section examines current developments, including the pressures for evidence of ‘relevance’ and ‘economic impact’, in relation to both grant funding and research assessment.

## PERSONAL ENGAGEMENT IN PUBLIC POLICY

My own background and interests are relevant to this engagement. After a first degree in economics, I qualified in industry as a management accountant. I then moved into lecturing, initially in economics, but later in financial management and accountancy. My research is in public sector accounting and finance, territorial public finance, public expenditure management and transparency. At an earlier stage in my career, much of my research focused on privatization and economic regulation. Given substantive interests that cross disciplinary boundaries, my work has drawn on disciplines now located in business schools and on disciplines outside.

My past involvement in public policy has included:

- specialist adviser on public expenditure and on government accounting to the Treasury Committee of the House of Commons
- member of the Audit Commission’s Technical Advisory Group

- member of the Financial Reporting Advisory Board (to HM Treasury), which approves those adaptations to, and interpretations of, private sector Generally Accepted Accounting Practice judged necessary for application in the public sector
- specialist adviser to the Public Accounts Commission, the statutory body that approves the Corporate Plan of the National Audit Office and whose chairman presents the NAO Estimate to Parliament
- specialist adviser on public expenditure to the Scottish Affairs Committee of the House of Commons
- member of the Financial Issues Advisory Group, which designed the internal financial arrangements for the Scottish Parliament
- consultant to various UK and international bodies, including the Asian Development Bank (privatization), Audit Scotland (Private Finance Initiative), European Commission (cross-subsidy in public utilities) and World Bank (privatization).

These activities relate very closely to the topics that have formed the basis of my research and subsequent publication in refereed academic journals. My research interests have always been ‘close to policy’ and this has clearly been a factor in the extent of my policy engagement.

‘Business and management studies’, to use the nomenclature of the UK Research Assessment Exercise (RAE), is exceptionally heterogeneous;<sup>1</sup> not all researchers will be as ‘close to policy’ as myself. However, the domain of public policy is large and is reshaped through time. It is difficult to foresee which will be the areas of management research that attract the attention of future policymakers and research funders. At a particular time, not all areas of management research will afford the same opportunities for engagement. This has implications both for individual researchers (for whom levels of engagement may vary over time) and for business schools (which can sustain engagement over time by having a broad range of management sub-disciplines).

## LESSONS DERIVED FROM PERSONAL ENGAGEMENT

### **On Becoming Involved**

The pathways to engagement represent an important issue. I became involved in policy work largely by accident. When I starting teaching in the early 1970s there were no textbooks or teaching materials suitable for my courses on central and local government finance. Consequently, much of my early research and practical involvement came from developing my own teaching materials. I also formed contacts with practitioners when I sought documents relevant to the contemporary material I was teaching. I then started filling in gaps in the published literature and became known in practitioner communities.

In the 1970s and 1980s, the extent of political and civic engagement of academics was greater than it is now. There are both societal trends, well captured in Colin Hay's *Why We Hate Politics* (2007), and specific factors such as the more intense work pressure now faced by academics. I was active in Labour politics in Scotland during the 1970s, standing as a parliamentary candidate in an unwinnable seat in 1979. This gave me some public profile, which helped in terms of access to people in all political parties. Moreover, in Scotland during the 1980s and 1990s when devolution was a live or suppressed political issue, politicians, civil servants and academics networked to an extent that probably never happens in England outside London. This personal biography stresses the effects of both political involvement and the distinctiveness of Scotland, which Kellas (1989) characterized as a distinct political system.

Path dependence is a fundamentally important factor in levels of engagement, operating through personal histories, where one has worked, and participation in professional bodies and epistemic communities. The more one is known and one's name comes up on 'lists' (for example, those of Parliamentary Clerks of Committees, civil servants, senior political figures and regulatory bodies), the more one is invited to do.

### **On Staying Involved**

At a chair interview panel, when a candidate described their research strategy as 'opportunistic', there were looks of horror around the room. 'Opportunistic' is an unattractive word and certainly not one that should be used to characterize one's research strategy at a job interview. Nevertheless, it is a reasonable description of what policy-engaged researchers actually do for some of their time. A respectable description would be 'horizon scanning'.<sup>2</sup> This is purposeful and anticipatory, not just waiting for luck.

An excellent reason for having a portfolio of connected interests, with common themes/techniques of analysis, is that one can adapt when topics go out of fashion, when funding is not available for particular projects or when a particular topic suddenly becomes important. Throughout my research career, I have had funding from many different sources about distinct—but related in my own mind—topics. This topic focus has allowed me to project my research interests as policy-relevant. However, this can lead to weak attachment to a particular discipline; my career has been spent in economics, management and accountancy departments, with a considerable proportion of my published output being in political science journals. This worked for me, but I would always counsel researchers to pay heed to their disciplinary base, certainly in the years before securing professorial status. The emergence of business schools has helped in providing an organizational home, but assessment processes—notably journal-prioritizing external research assessment and internal appointments and promotion procedures—have retained a strong disciplinary focus.

In general, practitioners do not read academic journal articles. With this in mind, I established in 2000 a personal website with a link from the university website; a certain amount of self-promotion is necessary to alert practitioner communities about one's output. This has also widened my network of academic contacts outside the United Kingdom. A separating force between the accountancy profession and accountancy academics has been the way in which professional magazines have become glossy and less substantial while academic journals have become inaccessible to the practitioner. A dissemination journal such as *Public Money & Management* is very important because it is more likely to be read by practitioners. However, such publications should supplement and not replace output in mainstream academic journals, on which academic reputation and external credibility rest.

### **On Managing Engagement**

Academics contributing to the policy process need to actively manage their engagement.

#### *Opportunities*

Engagement brings substantive opportunities to the researcher. First, it will generally improve the researcher's access to the policy actors who shape and implement public policy. The fact of being known to take an interest in practical matters of public policy is a valuable calling card. This not only reduces the costs of research, by reducing the amount of resources spent on negotiating access, but also may extend the scope and enhance the quality of research.

Second, the engaged researcher can sometimes improve public access to documentation, simply by being there or being known and consulted when decisions are taken on the form and substance of documents placed in the public domain. Engagement sometimes provides leverage whereby research-relevant information can be moved into the public domain; those inside the policy process do not necessarily appreciate the relevance of particular materials to those outside. However, a barrier to effective contribution is the speed with which the responsible officials rotate posts, in comparison to the longer-term focus of academics on a substantive topic. Indeed, academics may sometimes compensate for the loss of institutional memory on the part of public organizations (Pollitt 2006).

Third, there is the potential for improving the quality of one's published academic output as a result of enhanced understanding and access to a broader range of evidence, both of which provide some protection against inadvertent error due to missing information. Nevertheless, skill is needed to get policy-relevant work into journals relevant to research-ranking exercises as these usually have a disciplinary rather than policy

focus. It is easy to become discouraged when told, *inter alia*, that a paper (a) does not adhere to the journal's mission (when that is not clear from the stated mission), or (b) does not relate to a country of interest to the journal, or (c) is 'too technical and professional'. These hurdles are surmountable, not least by assiduous targeting of journal outlets and by dual-streaming (i.e., supplementing publication in the top-rated academic journals with articles in practitioner-accessible outlets). However, they can be a deterrent to engagement for management academics in their early careers. They might also reduce engagement by established researchers based in countries that are not the editorial location of top-ranked journals in their discipline and potentially narrow the range of countries that are researched. Indeed, it must be frustrating if one's country of residence is small, not English-speaking and not obviously newsworthy.

Fourth, and possibly most important, there is the stimulation of engagement itself. Management researchers devote their careers to researching essentially practical topics. In the same way that film academics may see themselves as putative filmmakers, management researchers interested in public policy may see themselves as policymakers, or at least policy influencers. Moreover, the chances of engagement, in the multiple arenas in which public policy is made and can be influenced, are greater than in filmmaking. Some researchers may decide to make the transition from academic to policymaker, whether politician or official, whereas others derive benefits in terms of the insightfulness and empirical validity of their academic publications.

### *Constraints and Dangers*

There are several pitfalls confronting the management researcher who becomes engaged in public policy. The first is failing to distinguish between research, consultancy and policy advice, distinctions that in practice can be less obvious than might initially be thought. Also, there is the labelling issue: there may be reasons why a commissioning organization might wish to describe something as 'research', with its connotations of independence, objectivity and fair-mindedness, when what is really sought are arguments to support a predetermined policy direction. Those who 'come shopping' for justifications or excuses know the answers but want the academic to dress their policy preferences in respectable clothes or fancy academic language. Much management and economic consultancy is caught up in this market.

It is possible for some management researchers to earn a large amount of supplementary income from consultancy, but the assignments that pay a lot of money are generally not those that are going to be directly relevant to research or provide an academic payback. Too much time spent on consultancy that does not generate academic payback is likely to stifle career progression and development. That payback might be access

to people and organizations or money to fund research activities—staff costs and travel—beyond one's university entitlement. Policy-engaged researchers must sustain academic credibility by maintaining academic output at the highest level: otherwise, they may become indistinguishable from management consultants competing for work and attention. Being a management consultant is a different career choice from being a management researcher.

Second, it is important not to take on too much. People outside universities often have a jaundiced view of the lifestyle of academics: we have long holidays, our students are away 22 weeks of the year and we do not work as hard as people in the 'real world'. Given this context, if one takes on commitments then one must deliver. Otherwise, there is damage to one's own reputation and reinforcement of the caricature of the academic community as a whole. This means knowing when to say 'no', whether because of existing workload or teaching timetables. Some assignments may have timetables incompatible with teaching commitments, so the issue is time inflexibility. Time pressures can also be extreme: fast turnaround, sometimes within 24 hours, contrasts markedly with the slow-moving routines of academic publishing. Time spent on engagement activities, even when a modest percentage of total workload over a year, tends to be erratic and difficult to predict.

Notwithstanding the emphasis that has been placed in UK universities on 'full economic costing', there remains a tendency for public bodies to see the time of academics as a free resource, categorizing this as 'public service' or offering a token *per diem* rate. Sometimes a quick assessment has to be made as to whether the assignment is worthwhile or a political manoeuvre unlikely to yield positive results. For the academic, there is also a trade-off between the amount of time given to external activities and academic writing. At different periods and stages of a career, different trade-offs are likely to be made, though it is dangerous to stop academic publishing as it is often difficult to return later to the highest levels.

Third, becoming engaged involves a degree of role conflict; one is in part an insider and no longer solely an independent researcher. This imposes constraints, sometimes formal in terms of signing the *Official Secrets Act*, signing confidentiality clauses or committing not to breach parliamentary privilege. It is vital to understand the 'rules of engagement', unwritten as well as written. In some countries academics may be regarded as part of the public service, and thus open to direction as to the choice of subjects, lines of inquiry and even the direction of findings. Potential conflicts of interest have to be managed, the best approach being to eliminate them wherever possible. If this cannot be done, then clearance processes need to be meticulously observed.

More difficult to handle is the problem of insider status if the roles of insider and external commentator conflict. This can relate to both confidentiality issues and the sensitivities of other insiders; research output can

be choked by self-censorship. However, UK constraints have been relaxed by the application of the *Freedom of Information Act 2000*, which came into force from January 2005. For example, the minutes and working documents of the Financial Reporting Advisory Board are placed in the public domain shortly after the subsequent meeting, so that members are not constrained by confidentiality on substantive matters in the same way as before this legislative change.

Fortunately, in the environment within which I have operated, most constraints are about time confidentiality. This applies when a parliamentary committee is preparing a report about the budget or about public–private partnerships; the confidentiality about substance stops at the date of publication. There will be continuing obligations of confidentiality about discussions in the committee, except to the extent that there are transcripts or minutes in the public domain. Doors will close if you are regarded as too close to the print and broadcast media and if insiders suspect that what you hear in private conversations will shortly appear in the media. Sometimes one acquires unusable evidence that qualifies what has been put on the public record. In this case, the information technology revolution is helpful: sometimes it is possible to locate the same information in the public domain by using a search engine. This is a reminder of the distinction between anonymity and confidentiality. *Anonymity* means not attributing things to particular individuals, whereas *confidentiality* means not telling anybody. Commitments to preserve anonymity must be respected and sometimes this can constrain the analysis.

Fourth, the risk of ‘going native’ is a well-recognized problem that extends to those who acquire insider status and continue to write academic papers about that subject matter. This involves a perceptual dimension (how others interpret the academic’s engagement) as well as a factual dimension (has the policy-engaged academic lost powers of discrimination because of the association with people and interests?); there is no easy remedy. Engagement with practitioners may shift one’s stance on certain matters: the academic has to think through whether this is attributable to the power of experience and ideas or to the defence of interests. If the latter, then the researcher should remain silent, should disengage or should substitute the role of practitioner for that of academic.

The discussion so far has focused on the researcher and relationships with the policy and practitioner communities: the self-interest of the researcher (academic reputation, external credibility and perceptions of self-worth) normally provides instrumental reinforcement to the moral reasoning indicating ethically appropriate behaviour. However, there is a growing trend for the conduct of research to be externally regulated for ethics compliance, with individual institutions modelling their own guidance on the requirements of funders (Economic and Social Research Council [ESRC] 2005). This poses few substantive problems for those economists who run regressions on large, anonymized and externally provided datasets. A more

complicated situation faces those management researchers who access organizations and those who are policy-engaged. It should be possible to devise procedures for ethics approval that avoid creating obstacles to access, for example, if the time scales for authorization are too long in relation to the rapid turnaround on which policy engagement often operates, or if approval processes might compromise the anonymity of respondents. Otherwise, there will be a misalignment between injunctions to have impact and procedural constraints on policy-focused research and on engagement with policy and practitioner communities.

### ESTABLISHING A PROFILE WITH WHICH ONE IS COMFORTABLE

There is no single model for engagement with public policy. To some extent the model adopted is a question of seizing opportunities as they become available, and that process develops its own momentum. Nevertheless, there is always an element of choice within constraints, and researchers should seek an engagement profile with which they are comfortable.

First, through time some interests may become unfashionable, and decisions have to be taken as to whether they are sustained, mothballed or abandoned. A good example is how interest in the economies of Eastern Europe could seem marginal and eccentric in the 1980s, but then surged in importance after the collapse of the Berlin Wall and with prospective European Union enlargement. While researchers should not be encouraged to study 'trivial' topics, they should be obstinate in not abandoning potentially fruitful lines of research merely on the grounds that they are not currently popular with policymakers, research funders or journal editors. Herein lies the advantage of having a portfolio of interests, not all of which may be in fashion or equally important in time commitment at a particular point.

Second, researchers whose specialist knowledge allows them to be pigeon-holed as technical experts find it easier to become engaged. I have long been struck by how practitioners think that what I do is much more technical than I think it is. These include politicians and managers who have doctorates in engineering or are qualified medical doctors, but cannot bring themselves to understand a budget statement because of a mistaken belief that it is too complicated. As a result of such misconceptions, it is easier to become involved in policy if the point of entry is as a technical expert (e.g., accountant, economist, lawyer, occupational psychologist or regional planner). Such professional expertise is welcomed because it is deemed to make use of specialist knowledge on technical matters.

In contrast, politicians, civil servants and managers are less likely to want political or managerial advice from academics. Political advice is seen as their own knowledge base, with admissions of gaps being seen as shortcomings. If politicians require political advice they will usually obtain this

from their personally appointed political adviser or via party networks. If managerial advice is required, this will usually be bought in from private consultancy firms, in part as a blame-deflection device. The large consultancy firms have strong brands, are well resourced and can move staff rapidly between assignments, so they can always deliver quickly. If things go wrong, ministers will emphasize that they used the best available external expertise; academics generally do not have the same blame-deflection value. Moreover, consultancy firms ‘walk away’ once the work has been completed and paid for; they are unlikely to challenge the use, non-use or misuse of what they have written. In contrast, academics—especially on policy matters close to their core research interests—might well mount such a challenge.

Third, academics contributing to policy consciously or subconsciously adopt different profiles. There is no comprehensive list of the profiles that might be adopted, but it is useful to provide examples:

- The *impartial commentator* aims to bring the best available academic evidence and research techniques to bear on a particular public policy problem.
- The *policy entrepreneur* attempts to shift public policy in a particular direction.
- The *research entrepreneur* attempts to refashion research into public policy, either in terms of substantive topics or methodological approaches.
- The *specialist adviser on policy* inside ministerial offices brings technical knowledge and specialist skills.
- The *scrutiny specialist* supports the ‘challenge’ function of, for example, parliamentary select committees.
- The *facilitating quasi-insider*, perhaps on a secondment or sitting on a board or committee, hopes to improve policy outcomes while generating research evidence about policy processes and effectiveness.
- The *oppositionalist critic* seeks to discredit public policy initiatives, whether those of a particular government or of government in general.
- The *media pundit* seeks both to inform a wider public and to gain personal exposure.

These descriptors are neither exhaustive nor neutral, but they capture the sense that engagement can take many forms and that it can be focused on processes or outcomes, and that the policy-engaged researcher may or may not have substantive policy goals beyond delivering certain research outcomes. It is not necessarily the best research, assessed on academic criteria, that has the greatest impact on public policy.

A particular individual does not necessarily continuously hold a single or consistent role. Over time, I have seen myself as impartial commentator,

policy entrepreneur, scrutiny specialist and facilitating quasi-insider. Some inside government may have seen me as an oppositionalist critic, in part because much of my policy engagement has related to the challenge or scrutiny role of parliament, in relation to government policy, rather than to actual policy-making. The longevity of my policy interests has sometimes been seen as a resource to be exploited but sometimes perceived to be threatening, especially to those who rotate jobs frequently and do not have access to effective institutional memory.

Fourth, those researchers wishing to influence policy from inside have to reflect upon their media profile.<sup>3</sup> The more I became a facilitating quasi-insider the more careful I became about what I say in public. In particular, what I say may be reported and possibly distorted, not least by compression. The media have agendas, and their use or non-use of academic contributions often depends on how those align with the editorial line. It is important to make a judgment about what kind of media involvement you want; a reputation for talking to journalists too much can damage your standing and lessen the likelihood of being reappointed or invited back. Modern information retrieval systems make it difficult to escape from past media indiscretions in a way that never previously applied.

Paradoxically, it is not necessarily what you say but where and when you say it. There is lower sensitivity about what one writes in academic journals (few of the affected audience would ever read them) but often intense sensitivity about the same points being made in or near the mass media, particularly at critical times. It is generally easier to work in local authorities and health, where the very large number of organizations undertaking similar activities is usually an efficient anonymizing device. In contrast, there is only one Treasury or Ministry of Defence. Whereas a few organizations or individual academics may acquire the status of ‘untouchables’,<sup>4</sup> being able to criticize in hostile language at politically embarrassing times, most policy-engaged researchers learn to be more circumspect.

Those aspiring to the role of public intellectual expose themselves to attack, especially if they assume the role of generalist, venturing outside their own sphere of specialist expertise:

Economics outside the academy has become the continuation of politics by other means. If you wish to know what Mr. Krugman thinks on any policy question, do not read his scholarly writings: see which policies are advocated by the progressive wing of the Democratic Party. Mr. Krugman gives liberals what they want. Mr. Barro gives conservatives the same service (Crook 2009).<sup>5</sup>

A key tool in the armoury of some high-profile media commentators is derogatory abuse directed at public figures and at those with whom they disagree. The language of the media is quite different from the normally measured tones of academic journals. Academics whose work is controversial,

whether in substance or in timing, can expect to be aggressively attacked on (what they will regard as) unfounded or irrelevant grounds.

Fifth, it is not a problem to be known to have political or academic views about policy issues, though this may stimulate or deter invitations to become involved. Having well-defined, coherent intellectual positions is an asset. In contrast, opportunistic switching of views severely damages academic reputation and credibility with practitioners. This emphasizes the vital distinction between ideological position and partisanship. Whether it is called 'ideology' or one's 'view of the world', participants in the policy process bring that perspective to their interpretation of events and policy choices. Practitioners necessarily have a narrowed task focus because of political time scales, whereas policy-engaged academics tend to have a broader view of policy problems and can therefore challenge assumptions and logical reasoning.

As a result of the Enron scandal in 2001, the United Kingdom's Auditing Practices Board (APB) issued a series of Ethical Standards on Auditing, with ES1 (APB 2008) being titled *Integrity, Objectivity and Independence*. As with auditing, the ethical qualities expected of researchers are now externally regulated and monitored. ES1 distinguishes 'independence in fact' (not observable) from 'independence in appearance' (breaches of which are observable). Independence refers to the absence of conflicts of interest that damage, or might be thought to damage, the objectivity of the auditor. Objectivity requires that the auditor makes judgments on the basis of all relevant facts and disregards irrelevant considerations. ES1 (para. 9) states that 'objectivity is a fundamental ethical principle', associating it with impartiality and a rigorous and robust approach. It avoids a direct definition of integrity,<sup>6</sup> stating that it is 'prerequisite for all those who act in the public interest' and associates acting with integrity—and being seen to do so—with 'not only honesty, but a broad range of related qualities such as fairness, candour, courage, intellectual honesty and confidentiality' (para. 7).

'Independence in appearance' raises issues for management research, though threats tend to be more subtle than for medical research financed by tobacco or pharmaceutical companies. The achievement of objectivity is complicated by academic judgments being exercised over a broad canvas, unlike highly structured financial audit judgments made against explicit criteria. Academics view topics through a prism that embodies their 'model' of how 'the world works'. Prisms differ across disciplines (e.g., economics versus sociology) and across values, for example, along a left–right political spectrum or a religious–secular spectrum. The prism affects not only interpretation of (often inadequate) evidence but also the choice of research field, definition of what is a policy problem and determination of what constitutes successful resolution.

In such complex environments, there are no absolute standards of objectivity. There are academics of indisputable independence of mind and high

intellectual integrity, whose views one might think are just wrong, either on the basis that they have misread the evidence or that the trade-offs they make between, say, efficiency and equity, are disputed. On complex policy matters, such as those on which values as well as reasoning must be drawn, integrity weighs more highly than objectivity. Pluralism in academic life and public debate is a buffer against herd-like swings in conventional wisdom.

### HAVING AN IMPACT ON PUBLIC POLICY

Attention now turns to the broader canvas of institutional initiatives within which management researchers must operate. Large increases in UK funding of ‘science’ since 1998 have come with strings, which include the emphasis on ‘knowledge transfer’ and ‘economic impact’. Taxpayer-funded research is expected to have explicit returns: ‘something for something’ (i.e., specified outputs as the exchange for more resources). Reports by the British Academy on ‘the contributions of the arts, humanities and social sciences to the nation’s wealth’ (Langford 2004) and ‘the humanities and social sciences in public policy making’ (Wilson 2008) are evidence that it is not just management researchers who are under pressure to demonstrate relevance and impact. There have been significant developments in terms of research funding (‘impact’ has to be demonstrated in grant applications) and of research assessment (the Research Excellence Framework, which is scheduled to replace the RAE, has a planned weighting of 25 percent on ‘Impact’ (HEFCE 2009: para. 84).

A generational transition is also at work. The networks of academic-practitioner engagement established by older policy-engaged academics will be difficult to replace. On the academic side, work pressures are now more intense, career incentives point to publishing in ‘top’ academic journals, and the changing demography of UK academic staffing (e.g., rapid turnover and international mobility) may limit engagement with nationally focused policy communities. Moreover, pressures to deliver on current targets may disincline policymakers from engagement with academics. Some institutional initiatives, such as the UK emphasis on knowledge transfer and economic impact, might be seen in part as attempts to compensate for weakening informal processes.

The research task is to *understand* whereas knowledge transfer implies to *influence*, with the aspiration being to *improve*. These distinctions introduce an important issue. Generally speaking, understanding should not go backwards. However, public policy can have negative impacts: for example, Hood (2006) juxtaposed the perspectives of futility, jeopardy and perversity against an optimistic view of the effects of transparency on governance. This scepticism can be extended to claims of positive economic impacts from research and links this discussion into wider debates about the scope for evidence-based policy-making (Gray 2008).

The current focus on knowledge transfer and economic impact has three principal dimensions. First, within higher education institutions, knowledge transfer is sometimes equated to the commercialization of knowledge. In the humanities and social sciences, notwithstanding variations within them, this model is much less applicable. Whereas science, engineering and medicine can produce knowledge whose economic returns are privately appropriable by the organization or individual, much of the knowledge production of the humanities and social sciences takes the form of public goods.<sup>7</sup> Economic impact can be wrongly reduced to commercial returns. The confusion of knowledge transfer with so-called third-stream income may therefore disadvantage the humanities and social sciences in the internal affairs of research-led universities.

Second, there is the question of measurement. The urge to quantify can lead to the attempted quantification of unquantifiables. What is then measured is not the underlying activity but a constructed virtual world that is held to represent that activity (Power 2004). This virtual world can then acquire a life of its own, divorced from the activities that are supposedly the object of measurement. Accordingly, 'economic impact' numbers in advocacy documents should always be treated with great scepticism.

Underlying much debate sits an implicit model in which research and engagement lead to better policy and then to superior economic and social outcomes, which can be identified and quantified. Moreover, the proportion of the improved outcomes attributable to research and engagement can also be measured. This solves by assumption both the policy problem (we know that things are getting better) and the attribution problem (we can quantify the marginal contributions of particular factors in complex social and economic situations). This characterization is neat but flawed. There may be situations in which the evidence base is strong and there is clarity about both outcomes and attribution. However, there are huge expanses of public policy where that is not the case. Not only is the attribution problem massive but there is no agreement on what is a good policy outcome; rather, this is contestable and contested. Walker (2007) criticized what he portrays as the desire of the evidence-based policy 'movement' to subvert democratic choice by turning public policy into technological determinism.

The injunction to medical clinicians to 'do no harm' is something to which management academics engaged in public policy might aspire, but confidence about compliance faces profound difficulties. Examples illustrate the issues involved:

- Researchers invent a new kind of financial instrument that is taken up by capital markets practitioners, with the result that there is an expansion of the financial sector of the economy.
- Researchers recognize that firms have underestimated the cost of final salary pension schemes, and this evidence leads to changes in

financial reporting standards, thus providing better information and contributing to the closure of such schemes.

- Researchers design auction mechanisms that allow certain governments to generate large revenues by selling radio spectrum.
- Researchers contribute to the development of transparent methods of accounting for Private Finance Initiative assets, rather than them being off the public sector balance sheet, with the result that fewer schools are built.
- Researchers conduct cost-effectiveness studies of particular medical treatments that lead to certain treatments being withdrawn from National Health Service patients.
- Researchers devise new methods of tagging employees to limit the amount of on-job leisure they can take, with the effect of improving output per hour.

If the claim that research was indeed responsible for the changes in practice can be upheld, there then follows the question of how the economic impact of the change should be evaluated. The preceding examples clearly raise distributional and legitimacy issues, as well as efficiency impacts. The auction example raises valuation issues, namely, how to value the resources transferred from the private sector to government. This example is cited as evidence of economic impact by the LSE Public Policy Group (2008), in its background study for the Wilson (2008) Report; the claim is then attenuated by a subdued recognition that this case is highly ambiguous.

Third, in addition to the trade-offs raised in the preceding examples, there are methodological issues that inhibit confident measurement. Economists distinguish between partial equilibrium analysis (which focuses the assessment narrowly on the point of intervention, making the assumption that other things can be held equal) and general equilibrium analysis (which models the economy-wide effects). The latter is preferable when the policy intervention is likely to have non-marginal effects, but the information requirements are demanding and the assumptions underpinning the modelling may be thought to prejudge the effects. A further choice has to be made about the duration of the evaluation period: what appears to be highly effective in the short and medium term might look very different over the long term. For example, financial innovation and light-touch regulation are viewed through a different lens after the near meltdown in 2008 of the world economy.

The preceding argument should not be interpreted as making the case for perversity, i.e., that the economic impacts arising from policy advice given by academics are damaging rather than beneficial. Instead, the unsurprising point is that economic impacts are uncertain and difficult to analyse, and their use for advocacy purposes clouds the issue. Policy-engaged academics believe that, overall, what they do is beneficial in terms of economic impacts when that term is broadly understood. But it is impossible

to escape from value conflicts when moving on from identifying impacts to attaching values to them.

The contribution of management researchers to public policy will be less prominent than those of economists,<sup>8</sup> though nevertheless worthwhile and deserving of encouragement in institutional structures and recognition systems (Pollitt 2006). Management academics and their subdisciplinary associations need to be mindful of external perceptions of business schools, the very name of which seems to imply relevance. They should be alert to the claim that ‘research . . . becomes narrower and narrower, with small groups of people responding to each other’s writings in esoteric journals, read only by themselves and relevant only to themselves’ (Blunkett 2000, para. 21). Engagement with public policy is not only intellectually stimulating but may also be defensively valuable in preserving research funding and institutional autonomy. Nevertheless, the most significant contribution of ‘scholarship to good government’ (Wilson 2006) is likely to reside in the conduct and publication of excellent management research, and not in chasing impact indicators.

## NOTES

1. The Sub-Panel for Business and Management Studies for RAE 2008 did not attempt to define the research area. It listed 18 areas, some of which are composite, and then added ‘and any other field or sub-field aligned to business and management’ (Higher Education Funding Council for England [HEFCE] 2006: para. 3).
2. In relation to gaining access to organizations for case study research, Buchanan et al. (1988) make comparable points, though their labelling of ‘Our opportunistic approach’ might not be adopted now. Their focus was upon gaining access to organizations and sustaining the academic–practitioner relationship through time. Ahrens (2004) discusses approaches to gaining access, but his main focus is on how research questions are refined during that negotiation of access, so that the substantive research questions remain fluid into the operational phase of the research.
3. The issues facing academics are usefully discussed by Newman (2009), particularly the importance of distilling what one wishes to say and ensuring that press releases of their work accurately reflect its substance. The ability to respond immediately to media requests on issues that one wishes to speak about is imperative.
4. The Institute for Fiscal Studies and the National Institute of Social and Economic Research sometimes can register highly on the ‘anger quotients’ of policy actors, but are too influential to be sidelined by those they offend.
5. Paul Krugman (Princeton) won the Nobel Prize in Economics in 2008 ‘for his analysis of trade patterns and the location of economic activity’. Robert Barro (Harvard) has published extensively on macroeconomics and has been discussed as a potential future winner. Both write strongly worded articles for the US and international media.
6. Integrity is extensively discussed in the collection edited by Montefiore and Vines (1999). Interestingly, professional philosophers experience great difficulty in producing a satisfactory account of integrity, not least in terms of

whether someone who holds (what majority opinion considers) objectionable views—for example, on race, gender or class—can be described as having integrity when steadfastly holding to such views (Cox et al. 2008).

7. A commercial return cannot be generated because third parties cannot be excluded, either technologically or because patent protection is not available.
8. The most significant contributions to public policy have been made by economists, with many leaders of that profession readily moving from top-level academic publishing to the roles of public intellectuals and policymakers (Jackson 2007).

## REFERENCES

- Ahrens, T. (2004) 'Refining Research Questions in the Course of Negotiating Access for Fieldwork', in C. Humphrey and B. Lee (eds) *The Real Life Guide to Accounting Research: A Behind the Scenes View of Using Qualitative Research Methods*, Oxford: Elsevier.
- Auditing Practices Board (2008) *Ethical Standard 1(Revised): Integrity, Objectivity and Independence*, London: Auditing Practices Board.
- Blunkett, D. (2000) *Influence or Irrelevance: Can Social Science Improve Government?—Secretary of State's ESRC Lecture Speech 2<sup>nd</sup> February 2000*, Swindon: Economic and Social Research Council, and London, Department for Education and Employment.
- Buchanan, D., Boddy, D. and McCalman, J. (1988) 'Getting in, Getting on, Getting out, and Getting Back', in A. Bryman (ed.) *Doing Research in Organizations*, London: Routledge.
- Cox, D., La Caze, M. and Levine, M. (2008) 'Integrity', in *Stanford Encyclopedia of Philosophy*. Online. Available HTTP: <<http://plato.stanford.edu/entries/integrity/>> (accessed October 21, 2009).
- Crook, C. (2009) 'Politics Is Reducing Economics to a Truly Dismal Science', *Financial Times*, February 9.
- Economic and Social Research Council (2005) *Research Ethics Framework*, Swindon: Economic and Social Research Council.
- Gray, A.G. (2008) 'Truths and Powers: Perspectives and Propositions', in A. Boaz et al. *Evidence-Based Policy-Making: A PMPA/National School of Government Practitioner Exchange Report*, London: PMPA.
- Hay, C. (2007) *Why We Hate Politics*, Bristol: Polity Press.
- Higher Education Funding Council for England (2006) *RAE 2008 Panel Criteria and Working Methods: Panel I*, RAE 01/2006 (I), Bristol: Higher Education Funding Council for England.
- . (2009) *Research Excellence Framework: Second Consultation on the Assessment and Funding of Research*, Bristol: Higher Education Funding Council for England.
- Hood, C.C. (2006) 'Beyond Exchanging First Principles? Some Closing Comments', in C.C. Hood and D.A. Heald (eds) *Transparency: The Key to Better Governance? Proceedings of the British Academy 135*, Oxford: Oxford University Press.
- Jackson, P.M. (2007) 'Making Sense of Policy Advice?' *Public Money & Management*, 27 (4): 257–64.
- Kellas, J.G. (1989) *The Scottish Political System*, 4th ed., Cambridge: Cambridge University Press.
- Langford, P. (2004) 'That Full Complement of Riches'—*The Contribution of the Arts, Humanities and Social Sciences to the Nation's Wealth*, London: British Academy.

- LSE Public Policy Group (2008) *Maximizing the Social, Policy and Economic Impacts of Research in the Humanities and Social Sciences, Report to the British Academy*, London: LSE Public Policy Group.
- Montefiore, A. and Vines, D. (1999) *Integrity in the Public and Private Domains*, London: Routledge.
- Newman, M. (2009) 'Abdication of Responsibility', *UC*, January: 16–17.
- Pollitt, C. (2006) 'Academic Advice to Practitioners—What Is its Nature, Place and Value within Academia?' *Public Money & Management*, 26 (4): 257–64.
- Power, M. (2004) 'Counting, Control and Calculation: Reflections on Measuring and Management', *Human Relations*, 57 (6): 765–83.
- Walker, D. (2007) 'Is Evidence for Policy Good for Democracy?' *Public Money & Management*, 27 (4): 235–37.
- Wilson, Sir Alan (2008) *Punching Our Weight: The Humanities and Social Sciences in Public Policy Making*, London: British Academy.
- Wilson, R. (Lord Wilson of Dinton) (2006) 'The Contribution of Scholarship to Good Government', *British Academy Review*, 9: 44–47.