



Business schools as engines of growth, opportunity, and innovation

A supplement to Universities UK's 2024
blueprint for change

July 2025

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We would like to thank the Chartered Association of Business Schools' Policy Committee for their contributions, particularly the authors of this white paper for their time and generosity in developing each chapter: Professor Abigail Marks, Associate Dean of Research, Newcastle University Business School; Professor Morris Altman, Dean, University of Dundee School of Business; Professor Julia Balogun, Dean, University of Liverpool Management School; and Kamran Razmdoost, Dean, ESCP Business School London.

EXECUTIVE SUMMARY

In September 2024, Universities UK (UUK) published 'Opportunity, growth, and partnership: a blueprint for change'¹. The blueprint makes the case for a reset in the way in which universities serve our society and country over the next decade and beyond.

It sets out a package of reform to stabilise, mobilise, and maximise the contribution of UK universities to economic growth and widening opportunity for all.

As the voice of the UK's business and management education sector, we contributed key insights from our business school members to UUK's Blueprint. This supplementary paper provides recommendations on how business schools can work with the Government to achieve the aims set out in the blueprint.

Business and management courses are the most popular in UK universities, with 1 in 6 university students studying a business course². Our business schools teach more students than any other subject in UK universities. Our business schools also teach the largest share of international students with 1 in 3 of all international students in UK universities studying at a business school. Based on estimates from the Higher Education Policy Institute (HEPI), the 2021-22 cohort of international students in UK business schools contributed £6.4bn in off-campus spending during the period of their studies (this does not include tuition fees which generate a substantially higher economic impact)³.

Business and management graduates go on to lead organisations across the corporate, public, and third sectors, contributing to our dynamic economy.

The research undertaken in UK business schools has impact across society and helps to turn our capacity for invention into viable businesses.

Business schools are engines of growth, opportunity, and innovation and play an important role in our economy and society and are critical to achieving some of the key aims set out in the UUK 2024 blueprint. This white paper offers recommendations on expanding opportunity, generating stronger local growth, securing future research strength, and establishing a new global strategy for universities - areas where business schools' contributions are vital.

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¹ Universities UK, Opportunity, growth, and partnership, 2024

² Higher Education Statistics Agency, What do HE students study? 2025

³ Higher Education Policy Institute, The benefits and costs of international higher education students to the UK economy, May 2023

EXECUTIVE SUMMARY - PAPER A: EXPANDING OPPORTUNITY

Paper A, written by Professor Abigail Marks, Associate Dean of Research, Newcastle University Business School, explores how business schools are uniquely positioned to expand access to higher education and increase participation from underrepresented groups given that business and management are the most-taught university subjects and already attract a diverse student population.

Business school initiatives such as degree apprenticeships, first-generation support, financial aid and scholarships, and work placements play an important role in the diversity and inclusion agenda.

To improve access and social mobility across UK business schools, we support the following UUK recommendations:

- Government should reinstate maintenance grants for students from the most disadvantaged backgrounds and increase maintenance loans in line with inflation.
- Universities should offer a more consistent approach to contextual admissions and standardising their work experience offer to include five years' access to careers services, post-graduation.
- The Government should establish a whole-of-tertiary sector participation target of 70% of the population aged 25 studying at level 4 or above by 2040, with a particular focus on increasing access in low participation neighbourhoods.
- Government and universities should work together to increase interest in careers in teaching in higher education, promoting the profession, and leveraging universities' marketing capacity to promote these roles.

In addition to the UUK recommendations, here are our own recommendations on what more the Government could be doing to support social mobility:

- In order for UK business schools to continue offering quality apprenticeships to advance opportunities and aspirations for learners, the Government should reconsider the proposal to defund level 7 apprenticeships, and it should:
 - o Make exemptions for public sector bodies and SMEs so that they can continue to use levy funds for level 7 apprenticeships.
 - o Allow all levy-paying employers to use the proposed flexible element of their levy budget to spend on level 7 apprenticeships if they choose to.
 - o Increase the budget available to pay for all levels apprenticeships up to level 7, for all ages, by closing the gap between the levy receipts and the levy budget, which the Office for Budget Responsibility estimates would make available a further £800m in 2024/25.
- The Government should work with business schools to deliver lifelong learning programmes and provide funding for executive education or in company degrees in targeted areas aiming to improve productivity, leadership, and digital adoption.

Business schools foster leadership in key sectors, promote innovation, and align academic offerings with industry need which drive regional economic development and long-term employment growth.

EXECUTIVE SUMMARY - PAPER B: GENERATING LOCAL GROWTH

In Paper B, Professor Morris Altman, Dean, University of Dundee School of Business, highlights the crucial role business schools play in driving local and national growth. This impact is evident in how business schools support small businesses through the Small Business Charter (SBC) and programmes such as the Help to Grow: Management course. Through these local centres of excellence, business schools foster leadership in key sectors, promote innovation, and align academic offerings with industry needs which drive regional economic development and long-term employment growth.

Additionally, by partnering with schools in low-income areas, supporting struggling students, integrating technical college students, and offering skills-focused modules and programmes, these institutions help prepare a highly skilled and adaptable workforce.

To enable business schools to continue playing an important role in generating regional growth, we support the following UUK recommendations:

- Universities should be critical partners in Local Growth Plans and should ensure that they have a dedicated 'local growth' function to act as a single point of contact for key partners.
- The Government should establish Local Growth Partnerships to support the development of Local Growth Plans.
- The Government should establish stable and effective incentives for universities to collaborate with each other, businesses, and the public sector to address skill needs. Additionally, Skills England should leverage the central role of universities in addressing higher-level skill shortages.
- The Government should make a long-term commitment to the Higher Education Innovation Fund, and the consolidation and expansion of the Regional Innovation Fund, with counterpart funds of sufficient scale in the devolved administrations.

In addition to the UUK recommendations, here are our own recommendations on what more the Government could be doing to generate economic growth through business schools:

- In order for business schools to continue empowering small business success, the Government should work with SBC business schools as the delivery partner, positioning them as centres of small business excellence in their regions.
- To ensure business schools can continue supporting small businesses through the Help to Grow: Management course, the Government should commit to its long-term continuation.

EXECUTIVE SUMMARY - PAPER C: A WORLD-LEADING RESEARCH AND INNOVATION SYSTEM

In Paper C, Professor Julia Balogun, Dean, University of Liverpool Management School argues that business and management research makes a significant impact on both the economy and society, but its role in driving innovation is often undervalued.

Business and management research enhances productivity and competitiveness across industries, leverages the UK's science and technology assets, and informs policy on critical issues. With demonstrated influence on innovation, entrepreneurship, and SMEs, business school research is a key driver of economic growth and progress.

This research also has immense potential to support the Government's missions and the Industrial Strategy, reinforcing its role in shaping the nation's economic future.

Business and management research enhances productivity and competitiveness across industries, leverages the UK's science and technology assets, and informs policy on critical issues.

In order for business and management research to continue having an impact, we support the following UUK recommendations:

- Funding for business and management research should be protected and funded by government:
 - Universities should aim for closer to 100% cost recovery for industry-sponsored research, unless engaging with small or emerging businesses.
 - Government should set an ambitious GDP-based R&D intensity target, covering both public and private investment, to match that of the most competitive and innovative countries in the world.
- The Government should create a Missions Innovation Fund, in addition to the existing research budget, to stimulate research and innovation orientated towards addressing the priorities set out in the Government's missions and its Industrial Strategy.
- Universities should continue to build in strategies to mobilise their own capital and/or use venture capital to support the commercialisation of research, IP and scaling up of university spin-outs.

In addition to the UUK recommendations, business schools and the Government can do more of the following to support the research and innovation ecosystem:

- Universities and business schools should develop partnerships with regional industry and economic stakeholders to uplift local economies and businesses.
- The Government should enhance support for business schools in conducting interdisciplinary research by expanding the UK Research and Innovation (UKRI) cross-research council and increasing funding for initiatives that promote collaboration across disciplines.
- Business schools should strengthen collaboration with the private sector and leverage their stakeholder networks to attract research funding to drive innovation.

Government policies on talent mobility, talent development, and entrepreneurial support could further enhance the UK advantage in attracting global talent.

EXECUTIVE SUMMARY - PAPER D: GLOBAL REACH, REPUTATION, AND IMPACT

The final chapter written by Kamran Razmdoost, Dean, ESCP London explores how the UK is an attractive place for global talent to invest in their personal development and engage with further studies. Specifically, UK business schools attract greater numbers of international students than any other discipline creating significant contribution to the local economy, enhancing the local business ecosystems, and increasing the UK's soft power abroad. UK business schools also strengthen UK higher education exports as a consequence of their strong presence in international markets through transnational education (TNE).

UK business schools continue to innovate and enhance their resources to remain attractive in the global business education market. Government policies on talent mobility, talent development, and entrepreneurial support could further enhance the UK advantage in attracting global talent.

However, recent immigration policy, including the latest Immigration White Paper, have diminished the UK's appeal as a study destination and placed additional financial pressure on universities. To ensure business schools continue to play a vital role in the economy, the Government must implement immigration policies that enable universities to attract high-calibre international talent.

In order for business schools to have effective internationalisation strategies, we support the following UUK recommendations:

- The Government should develop a Global Strategy for universities. The objective should be to harness the global reach, reputation and impact of universities to create opportunity, foster prosperity and develop knowledge – both for the UK and our international partners.
- Universities and government should develop a new compact (an agreement) whereby each takes action to secure sustainable levels of international student recruitment and well managed growth.
- The Government should review and benchmark immigration costs for academics, entrepreneurs and technical staff to ensure that the UK attracts talented people.

In addition to the UUK recommendations, the Government can do more to support business schools with their internationalisation strategies:

- To ensure business schools continue attracting top international talent and maintain their global reputation, the Government should reconsider its proposals in the Immigration White Paper and adopt immigration policies that align with its goal of boosting education exports and retain the value of international students in a managed way.

The Government must recognise business schools as key partners in driving opportunity, growth, and innovation. Our business schools provide cutting-edge research, industry expertise, SME support, and talent that can shape effective policies and strengthen the economy.

By collaborating with business schools, policymakers can align education with industry needs, support small businesses, and accelerate innovation. Investing in these partnerships will create a more competitive, resilient, and inclusive economy for the future.



PAPER A: EXPANDING OPPORTUNITY

Chapter 1 in Universities UK's (UUK's) blueprint outlines strategies to boost participation in tertiary education¹ focusing on increasing access for individuals from disadvantaged backgrounds. It proposes setting a target of having 70% of the population aged 25 and above studying at level 4 or higher by 2040. Despite the successes and growth in the higher education sector, there are persisting inequalities in access and outcomes.

The overarching call to action in this chapter is to promote a collaborative approach between the Government and universities to achieve these goals. UUK is also calling for a concerted, system-wide effort to increase access, and to improve student success and progression into the labour market.

UUK's key recommendations are:

- A whole-of-tertiary sector participation target of 70% of the population aged 25 studying at level 4 or above by 2040, with a particular focus on increasing access in low participation neighbourhoods.
- Reinstatement of maintenance grants for students from the most disadvantaged backgrounds and increase maintenance loans in line with inflation.
- A more consistent approach by universities to contextual admissions, and a more consistent offer of support to students and graduates across the sector, including five years' access to careers services, post-graduation.
- Government and universities should work together to increase interest in careers in teaching in higher education, promoting the profession, and leveraging universities' marketing capacity to promote these roles.

Business schools have a crucial role to play in improving social mobility in universities and the higher education sector.



The role of business schools in promoting social mobility

Business schools have a crucial role to play in improving social mobility in universities and the higher education sector. According to the Sutton Trust², Economics (4th) and Business Management (5th) are some of the most successful degree courses in promoting social mobility.

Business and management courses are the most popular in UK universities, with 1 in 6 university students studying a business course³. Our business schools teach more students than any other subject in UK universities. Business and management graduates go on to lead organisations across the corporate, public, and third sectors. As a result, those from disadvantaged backgrounds are better placed to achieve life changing outcomes.

¹ Universities UK, Opportunity, growth, and partnership, 2024

² The Sutton Trust, Which university degrees are best for intergenerational mobility? 2021

³ Higher Education Statistics Agency, What do HE students study? 2025

Business schools tend to be significantly ahead of other university departments in being more diverse and inclusive. Results from our 2024 Annual Membership Survey highlight the diverse socioeconomic makeup of business schools with 57% of business schools reporting an increase in the proportion of students who had received free school meals in the last 5 years⁴.

Specifically, business schools support the widening participation agenda through several key initiatives aimed at increasing access to higher education for underrepresented and disadvantaged groups.

Chartered ABS recommends:

- The Government can support universities and business schools by establishing a whole-of-tertiary sector participation target of 70% of the population aged 25 studying at level 4 or above by 2040, with a particular focus on increasing access in low participation neighbourhoods.

As a result of the Government's decision there will be fewer learners who will be able to access level 7 apprenticeships, limiting aspiration and opportunities for learners.

Apprenticeship programmes

Business schools provide degree apprenticeship programmes, which allow students to earn while they learn. Business school apprenticeships expand access to higher education, with nearly one third of apprentices coming from communities where higher education participation is traditionally low. These programmes overwhelmingly support individuals who attended state schools. Our research in 2024 found that only 2% of apprentices come from public or private schools⁵. Additionally, business school apprenticeships attract a higher percentage of 'first-in-family' learners compared to traditional degree pathways.

Among level 6 business school apprentices, 86% progress from lower-level qualifications, and nearly 20% begin with qualifications below A-level (12% at level 0, 6% at level 2, 48% at level 3, 10% at level 4, and 9% at level 5). Only 9% of these apprentices hold a prior degree before starting their apprenticeship.

Candidates for level 7 apprenticeships are drawn from equally diverse backgrounds. Around 70% of CMI management apprentices come from households with no prior degree attainment⁶ and 23% of Manchester Metropolitan University apprentices were entitled to Free School Meals⁷.

The Government's decision to withdraw funding for level 7 apprenticeships from January 2026, except for those aged 18 to 21, will undermine business schools' efforts to widen participation and improve social mobility. Our analysis of Higher Education Statistics Agency data shows that only 16 Level 7 Business & Management apprentices in 2022/23 were in this age group, with only 100 more aged 22–24. In contrast, 88% were aged 31 or over⁸. As a result of the Government's decision there will be fewer learners who will be able to access level 7 apprenticeships, limiting aspiration and opportunities for learners to progress through the apprenticeships levels to attain the highest-level skills employers are looking for.

UUK estimates suggest that removal of funding will result in a £108 million reduction in university income, compounding an existing £1.4 billion reduction in funding already facing the sector⁹.

⁴ Chartered Association of Business Schools, Chartered ABS Annual Membership Survey, 2024

⁵ Chartered ABS, Bridging the Gap: How business schools are building pathways to success with degree apprenticeships, 2024

⁶ Chartered Management Institute, CMI's Managers Voice Survey, May 2022

⁷ Manchester Metropolitan University, Force for Impact, September 2024

⁸ Bespoke dataset from the Higher Education Statistics Agency, Student Record 2021/22' Copyright Jisc 2023

⁹ Universities UK, The financial impact of government policy decisions on universities, 2025

Chartered ABS recommends:

- In order for UK business schools to continue offering quality apprenticeships to advance opportunities and aspirations for learners, the Government should reconsider the proposal to defund level 7 apprenticeships, and it should:
 - o Make exemptions for public sector bodies and SMEs so that they can continue to use levy funds for level 7 apprenticeships.
 - o Allow all levy-paying employers to use the proposed flexible element of their levy budget to spend on level 7 apprenticeships if they choose to.
 - o Increase the budget available to pay for all levels apprenticeships up to level 7, for all ages, by closing the gap between the levy receipts and the levy budget, which the Office for Budget Responsibility estimates would make available a further £800m in 2024/25¹⁰.

With the Government's emphasis on lifelong learning and the introduction of the LLE, it should capitalise on business schools' expertise in this field.



Lifelong learning

Business schools are dedicated centres for lifelong learning, which has a proven impact on social mobility. The World Economic Forum's Global Social Mobility Index 2020 found that lifelong learning systems should be one of the four main priorities for improving social mobility globally¹¹. The report calls for specific actions on lifelong learning and education 'targeted at improvements in the availability, quality and distribution of education programmes as well as a new agenda for promoting skills development throughout the working life, including new approaches to jointly financing such efforts between the public and private sector'.

The UK government has recognised lifelong learning as a key priority in its efforts to drive economic growth and expand access to opportunities. Through the Lifelong Learning Entitlement (LLE), individuals will be able to develop new skills and gain new qualifications at a time that is right for them.

With the Government's emphasis on lifelong learning and the introduction of the LLE, it should capitalise on business schools' expertise in this field. Organisations like the Chartered ABS can be valuable partners in this effort, given its ability to bring together business schools to design and deliver impactful programmes.

¹⁰ Office for Budget Responsibility, Economic and Fiscal Outlook, November 2023

¹¹ World Economic Forum, Global Social Mobility Index 2020: Why economies benefit from fixing inequality, 2020

A prime example of this collaboration is the Help to Grow: Management Course, which is delivered by Small Business Charter accredited business schools across the UK. As well as developing leadership capabilities in SMEs, the course has proven to widen diversity and inclusivity, especially in enabling SME leaders from underrepresented backgrounds to gain access to higher education. Around 38% of enrolments were female, a proportionally high rate compared to nationwide statistics, which see 24% of women lead private companies. Similarly, 14% of enrolments were ethnically diverse which tracks above the national percentage of 6% of SME leaders in private businesses¹².

This impact underscores the potential for the Government to collaborate further with the Chartered ABS and business schools to develop and implement programmes that improve access to higher education.

Chartered ABS recommends:

- The Government should work with business schools to deliver lifelong learning programmes and provide funding for executive education, or in-company degrees, in targeted areas aiming to improve productivity, leadership, and digital adoption.

Targeting underrepresented communities: providing alternative entry routes, scholarships, and financial aid

Business schools offer a variety of entry routes to accommodate learners with different access qualifications. These can include foundation years, access courses, or recognition of prior learning and experience, enabling those without traditional academic qualifications (such as A-levels) to access degree-level education. This is particularly evident in apprenticeships, where many entrants come from lower qualification levels.

Many business schools offer scholarships, bursaries, and financial aid packages aimed at reducing the financial barriers to higher education for students from low-income families. These financial support mechanisms are designed to attract a more diverse student body and ensure that students from all backgrounds can succeed.

Business schools also aim to enhance educational outcomes for younger students in disadvantaged communities, giving them a greater opportunity to access higher education.

The Future Goals programme, a partnership between the University of Liverpool, Liverpool Football Club, Everton Football Club, and the Steve Morgan Foundation, offers educational opportunities to children from disadvantaged backgrounds, using free school meals as a marker of disadvantage. Research shows that children receiving free school meals are 28 times more likely to leave school with fewer GCSEs compared to their wealthier peers, highlighting the strong link between poverty and lower educational attainment - a cycle that can affect their future prospects. Through its work at the Anfield Centre, the programme has helped over 200 students progress to higher education, increasing the progression rate to 62% compared to the local average of 23%. Additionally, the centre supports more than 1,000 students each year, providing personalised workshops, out-of-school study sessions, and one-to-one mentoring to help them overcome barriers to higher education. In 2021 66% of programme participants secured places at university and 11% found employment and apprenticeships.

Chartered ABS recommends:

- The Government can support business schools' efforts in this area by reinstating maintenance grants for students from the most disadvantaged backgrounds and increasing maintenance loans in line with inflation.

¹² DBT and IPSOS, Help to Grow: Management: enrolments and completions, May 2025



First-generation student support

Business schools often provide targeted support for first-generation university students, recognising that they may face unique challenges. This support can include mentorship programmes, academic tutoring, and networking opportunities, helping these students navigate university life and maximise their career potential.

The University of Bristol's School of Management is part of the First-Generation Scholars Scheme at Bristol. This programme offers comprehensive support to first-generation students, including financial bursaries, access to paid internships, mentoring, and networking opportunities. The university's commitment to supporting first-generation students helps ensure they are well-prepared for both academic success and future employment.

Chartered ABS recommends:

- Universities and business schools can continue to provide first-generation student support by offering a more consistent approach to contextual admissions.

Alternative entry routes

Business schools sometimes allow applicants without an undergraduate degree but with significant professional work experience to access Master's programmes. Typically, this means several years of managerial or professional experience that demonstrate an individual's ability to succeed in a challenging postgraduate environment. In addition, relevant certifications and qualifications from professional bodies can strengthen the application. Therefore, business schools may also consider when students hold a professional qualification from bodies such as Association of Chartered Certified Accountants (ACCA) and Chartered Institute of Management Accountants (CIMA).

Alternatively, students who do not meet the formal academic requirements may be allowed access via evidence of ability to complete the programme, such as a strong personal statement, references, and possibly performance in relevant work projects or prior education.

The Heriot-Watt MBA has flexible entry routes and an emphasis on practical experience, making it a viable option for students without a traditional undergraduate degree. Heriot-Watt also offers the option to start by taking individual MBA-level courses. If the students perform well in these individual courses, they are afforded access to the full MBA programme, effectively building academic credentials whilst learning and working.

Flexible learning modes

Business schools work to make their programmes more inclusive by designing curriculum and teaching models that cater to a wide range of learners. An increasing number of students cannot afford to leave home due to the rise of the cost of living and must work to supplement their income or have caring responsibilities. Therefore, flexible learning options, such as part-time, online, or blended learning, help accommodate students who may be balancing work, family, or other commitments.

Manchester Metropolitan University Business School offers flexible learning options, offering online and part-time study options across many of its undergraduate and postgraduate programs.

Conclusion

Business schools are uniquely placed to improve access to higher education and increasing participation from individuals from underrepresented backgrounds.



Business schools are uniquely placed to improve access to higher education and increasing participation from individuals from underrepresented backgrounds. Business and management are the most taught subjects compared to any other university subject, and business schools are already ahead of other departments in attracting a student population from diverse backgrounds.

Initiatives such as degree apprenticeships, first-generation support, financial aid and scholarships, and work placements play an important role in achieving diversity and inclusion. However, despite all the strides business schools have made in widening access and participation, there is still more to be done.

The Sutton Trust recently reported that just over one in every 100 graduates were eligible for free school meals when they were at school and are situated in the top 20% of earnings at age 30. This compares to the 4.4 students in every 100 graduates who would fall into these categories if there were equal access to university for all income groups and if undergraduates from all income backgrounds had an equal chance of reaching the top 20%¹³.

¹³ The Sutton Trust, Universities and Social Mobility: Summary Report, 2021

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In addition to the UUK recommendations, here are our own recommendations on what more the Government could be doing to support social mobility:

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- The Government should work with business schools to deliver lifelong learning programmes and provide funding for executive education or in-company degrees in targeted areas aiming to improve productivity, leadership, and digital adoption.



PAPER B: GENERATING LOCAL GROWTH

Chapter 3 in Universities UK's (UUK's) Blueprint focuses on the role universities play in generating stronger local growth¹. Its commissioners, Rain Newton-Smith, Chief Executive and Louise Hellem, Chief Economist of the CBI write that "universities are a key growth sector, enabling wider economic growth across other sectors, local communities, and helping to drive exports. We need to supercharge and maximise the university contribution to growth. Through stimulating greater partnership with business, embedding the potential of universities across government policy and investing in local partnerships and collaboration we can drive inclusive, sustainable growth".

The overarching call to action from this chapter is to generate stronger local growth by forming an ambitious, evidence-based partnership between universities, business, and local, regional, and national governments.

Business schools already play a critical role in generating local and national economic growth by fostering knowledge, skills, and innovation in local businesses.

The key UUK recommendations for generating regional growth are:

- Universities should be critical partners in Local Growth Plans and should ensure that they have a dedicated 'local growth' function to act as a single point of contact for key partners.
- Where Mayoral Combined Authorities (MCA) do not exist, government should establish Local Growth Partnerships to support the development of Local Growth Plans.
- The Government should establish stable and effective incentives for universities to collaborate with each other, businesses, and the public sector to address skill needs. Additionally, Skills England should leverage the central role of universities in addressing higher-level skill shortages.
- Government should make a long-term commitment to the Higher Education Innovation Fund, and the consolidation and expansion of the Regional Innovation Fund, with counterpart funds of sufficient scale in the Devolved Administrations.

The role of business schools in generating local growth

Business schools already play a critical role in generating local and national economic growth by fostering knowledge, skills, and innovation in local businesses. Business schools serve as a shop window for small businesses, offering a range of opportunities to engage, and there are many valuable pathways through which businesses can enter the university ecosystem. Businesses may connect with schools by participating in knowledge exchange programmes such as Knowledge Transfer Partnerships (KTPs) or participating in research programmes funded by the Shared Prosperity Fund. They might also enter the university ecosystem through student placements, consultancy services, or other tailored programmes designed to foster growth and innovation such as Help to Grow: Management.

A key component of business school engagement is the Small Business Charter (SBC). Established 10 years ago, the SBC aims to ensure an effective mechanism to recognise and encourage the development of high-quality small business expertise in business schools to facilitate socio-economic development throughout the UK, particularly in a placed based manner. Small businesses deliver growth that is equitable and desperately needed to uplift the UK economy, by making it more competitive and generating jobs and expertise across every region in the UK.

¹ Universities UK, Opportunity, growth, and partnership, 2024

Business schools are the primary institutions business leaders turn to for support, with 81% of respondents stating their first interaction with a university was through a business school

Our research found that business schools are the primary institutions business leaders turn to for support, with 81% of respondents stating their first interaction with a university was through a business school². These initial connections often lead to a deeper engagement, with over half (52%) of small businesses continuing to have further engagements with their local business school or the wider university, averaging 4.5 follow-up interactions. By being brought into the business school and university ecosystem, these ongoing engagements unlock further value by producing further benefits for businesses and their leaders' personal development.

The Government's Industrial Strategy published in June 2025³ serves as a key component in the Growth Mission, emphasising a targeted focus on growth-driving sectors and regions to create high-quality jobs. It underscores the link between the success of these sectors and place-based policy support. Business schools and universities are ideally positioned to implement such policies, given their national and regional presence and role as hubs for research and development, innovation, and skills development crucial for emerging technologies and processes. Business schools will be vital in operationalising the Industrial Strategy and are already integral to delivering MCA local growth plans across the UK.

Empowering small business success

As identified in the Government's Industrial Strategy, there are weaknesses in management and leadership skills, particularly in small business creation, development, and management. Given that small and medium-sized enterprises (SMEs) account for 99.8% of the business population⁴, there is an urgent need to support them and address gaps in management and leadership skills.

1. The SBC and the Help to Grow: Management course



By offering support to small businesses, SBC business schools contribute to local economies by equipping entrepreneurs with essential management skills. The SBC is currently delivering the Help to Grow: Management course across the UK, which was launched in 2021 and has been effective in driving up standards in business management and leadership.

The Department for Business & Trade evaluation of Help to Grow: Management participants from November 2024, conducted by IPSOS, revealed that 91% report increased awareness of factors that drive business productivity and growth and 91% report improved leadership and management skills⁵.

² Small Business Charter, Empowering Small Business Success: The Gateway to Knowledge, Innovation and Growth, 2025

³ Department for Business and Trade, The UK's Modern Industrial Strategy, 2025

⁴ The Federation of Small Business, UK Small Business Statistics: Business Population Estimates for the UK and Regions in 2024, 2024

⁵ Department for Business and Trade and IPSOS, Evaluation of Help to Grow: Management, 2024

Help to Grow: Management opens the door to businesses who likely could not afford to access such capacity building initiatives, facilitating productivity which would not have occurred otherwise, and supporting the critical continuous leadership development for SME managers in a rapidly changing economy. This can involve:

- Providing mentoring and leadership training.
- Offering tailored programmes that address the unique needs of SMEs, such as financial management, operational efficiency, and strategic planning.
- Providing skills specific to both SMEs and the localities within which they are embedded.

Leeds Business School's Help to Grow: Management programme helped Aquatrust, a water treatment and hygiene company, expand into new markets, improving efficiency and increasing turnover by 30%. The course introduced the senior leadership team to several digital business tools, leading to the implementation of a remote water monitoring system. This innovation saved a single client an average of 161,502 litres of water annually, resulting in cost savings of approximately £1,615 per year.

Business schools have a strong track record of empowering firms with high growth potential and scaling up ambition by providing leadership skills development, the expertise needed to increase productivity, improve marketing, and operationalise scaling up horizontally and vertically.

Help to Grow: Management has the potential to do even more to support SMEs, drive economic growth, and enhance productivity. The course could offer specialist strands that focus in on the key challenges for SME business such as sustainability, digital and AI adoption, and access to finance. There is also potential for a specialised offering for Mid-tier firms with 150-500 employees, which can deliver significant growth in 2023. Mid-tier firms achieved a 12% increase in turnover, reaching £1.5 trillion. This outpaced the FTSE 350 companies, which saw a 10% growth⁶.

Chartered ABS recommends:

- In order for business schools to continue empowering small business success, the Government should work with SBC business schools as the delivery partner, positioning them as centres of small business excellence in their regions.
- To ensure business schools can continue supporting small businesses through the Help to Grow: Management course, the Government should commit to its long-term continuation.

2. Identifying high growth potential

Business schools can also identify areas with ambition and potential for growth. Through its collaboration with business via advisory boards, knowledge exchange initiatives, micro-credential courses, and collaborative research with industry, business schools can inform the Government where growth opportunities exist.

Business schools have a strong track record of empowering firms with high growth potential and scaling up ambition by providing leadership skills development, the expertise needed to increase productivity, improve marketing, and operationalise scaling up horizontally and vertically.

Aston Business School's Centre for Growth is a great example of this. The centre established in 2014, was created to address the growing business support needs of regional SMEs. The centre offers targeted programmes for small businesses, grounded in research, that provide practical leadership and management education in a peer-to-peer setting. These initiatives help business leaders improve management practices, access finance, and enhance productivity, driving inclusive growth and economic impact for the region. To date, the programme has provided support to over 1,000 entrepreneurs. Participants taking part in the Centre's intensive growth programmes have achieved a 28% boost to productivity and created 650 jobs in the West Midlands and £120m of additional revenues for the region. At firm level, participants have achieved 23% greater job creation, and 25% higher turnover compared to other growth businesses.

⁶ BDO, Mid-sized businesses outperform FTSE and smaller businesses, 2023



While business schools offer various initiatives to support high-growth firms and scale-ups, a more coordinated effort between the Government and the sector is essential to ensure these firms receive the right support for sustainable growth. The Government should strengthen its collaboration with business schools, leveraging their extensive knowledge and expertise in this area. One key opportunity lies in business schools identifying high-growth firms among the 9,675 Help to Grow: Management alumni and working with the Government to provide tailored support, enabling them to achieve sustained growth.

Chartered ABS recommends:

- Business schools and universities can further empower small business success by becoming critical partners in Local Growth Plans and implementing dedicated 'local growth' functions to act as a single point of contact for key partners.

The critical role of business schools in fostering skills development for economic growth

1. Business and management degree apprenticeships

These programmes can be aligned with local, regional, sectoral, and national economic needs to bridge skills gaps and enhance productivity. By combining academic learning with real-world business experience, apprenticeships can directly address the skills employers require, in particular apprenticeships in leadership and management, and contribute to higher productivity.

The economic impact of business and management apprenticeships is evident, with the CMI suggesting they return £700 million to the economy each year⁷. Business and management apprenticeships form the largest part of apprenticeships at levels 6 and 7 and therefore have a significant economic impact. With the ONS estimating that the UK has the lowest labour productivity amongst the G7 countries, management apprenticeships provide employers and the economy as a whole a route map to raised productivity through high quality management.

Our research shows that 67% of employers said the Senior Leaders Apprenticeship addressed a skills gap in their organisation and 61% said it boosted productivity⁸. However, the Government's decision to withdraw funding for level 7 apprenticeships from January 2026 onwards except for apprentices aged 18-21 will undermine business schools' ability to work with employers to improve local and economic growth and productivity levels.

⁷ Chartered Management Institute, The Future of the Apprenticeship Levy, 2022

⁸ Chartered ABS survey of employers on the impact of their level 6 and 7 management apprentices, conducted between April and September 2024

Business schools work closely with the public sector by providing leadership and management training tailored to the needs of public sector leaders

Against the backdrop of the Government's decision to withdraw levy funding level 7 apprenticeships, it is increasingly urgent for the Government to enable business schools to fully leverage the Growth and Skills Levy to develop sector-specific skills. By adopting a targeted approach, business schools can align their educational offerings with both regional and national industry priorities, including digital technology, advanced manufacturing, and the green economy.

2. Bespoke programmes for lifelong learning

The development of executive education, short modules, and tailored programmes separate from regular university offerings ensures that business schools contribute to the lifelong learning of professionals. This helps individuals to continuously adapt to industry changes, ensuring sustained personal and professional growth as well as meeting the evolving national skills requirements.

University of Edinburgh Business School's Executive Women in Leadership programme is specifically targeted at women in senior management positions. Women are historically underrepresented in senior management positions, and this course provides female leaders with the opportunity to build strong networks of other women who support and encourage each other. Over 200 female leaders have gone through the course and the course aims to support participants with career advancement, promotions, awards, and accolades.

3. Public sector workforce

Business schools work closely with the public sector by providing leadership and management training tailored to the needs of public sector leaders, thereby improving operational efficiency and service delivery.

Business schools deliver education to future leaders in key sectors such as healthcare, and the recent industrial action by doctors and nurses underscores the importance of having a healthy supply of qualified healthcare professionals. Courses such as Imperial College Business Schools' Healthcare Management MSc educates students on how to improve the efficiency of healthcare services, reduce waste, and manage resources more effectively, which is key to ensuring organisations like the NHS operate in an optimal manner. The business school also has strong ties with the NHS allowing its research and programmes to address real work challenges.

Research conducted by business schools can also lead to positive outcomes in the public sector workforce. Edge Hill University Business School conducted vital research to improve performance management and staff wellbeing in NHS Ambulance Services. The research highlighted the need to move away from a myopic and dysfunctional dominance of response-time targets on organisational service delivery and to place greater focus on staff welfare.

The research resulted in a shift towards more balanced performance metrics, promoting staff involvement and allowing time for thorough assessment of 999 calls to ensure appropriate responses without rushing resources. The National Assembly for Wales also commended the review's recommendations, particularly the proposal to avoid new response time targets for these call categories.

Chartered ABS recommends:

- In order for business schools to continue playing an important role in the development of skills, the Government should create stable and effective incentives for universities to work with each other and with business and the public sector to meet skills needs. Skills England should also look to capitalise on the central role that universities have in addressing skills shortages at higher levels.

4. The role of business schools in integrating technical and professional students

A key strategy for fostering economic growth is integrating students from technical or professional colleges with universities. Providing these students, such as those studying to be plumbers, electricians, or hairdressers with access to selective business-related modules or micro-credentials will arm them with the skills necessary to succeed in business.

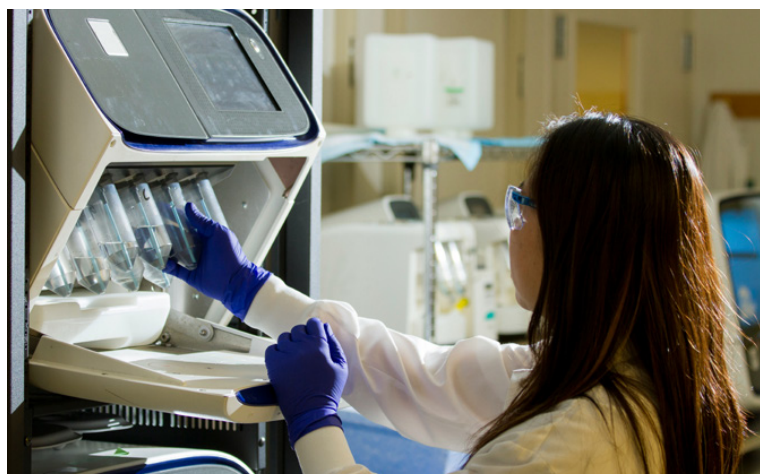
- Selective courses for technical trades: Allowing students from technical fields to take courses in business, management, or finance can significantly enhance their ability to manage and grow their businesses and contribute to the economy.
- Micro-credentialing: Micro-credentials and modular courses allow students to acquire specific skills without committing to full degrees. This flexibility makes higher education more accessible to those who may not have the time or resources to pursue a traditional degree. Offering micro-credentials in fields like project management, client relations, or digital marketing will help individuals in technical trades become more competitive in their markets, raising productivity, and driving local economic growth.

Business schools need to also deepen their collaboration with further education colleges to address the skills needs in England.

Cranfield's School of Management offers a programme of online micro-credentials designed to upskill working professionals. The short flexible courses focus on topics such as strategic management, financial management, global supply chain management, procurement, leadership, and sustainable business. The flexibility of these courses allows employers to engage unmotivated staff, improve recruitment and retention, and respond quickly to evolving business needs.

Business schools need to also deepen their collaboration with further education colleges to address the skills needs in England. One successful example of higher education and further education collaboration can be seen in the partnership between Loughborough College and Loughborough University. This allows the college to offer degree programmes validated by the university, providing students with clear career progression routes. By equipping individuals in technical trades with business knowledge, universities can directly enhance the economic viability of these professions. This upskilling can lead to more efficient operations, higher job creation, and a more dynamic local economy.

Encouraging innovation and commercialisation in STEM fields



Encouraging collaboration between business schools and STEM departments can foster innovation. By equipping STEM students with entrepreneurial and commercial skills, universities can help translate groundbreaking research into market-ready products and services. This commercialisation of innovation will drive competitiveness and help the UK maintain a strong position in the global economy.

Programmes like the Brett Centre for Entrepreneurship at the University of Liverpool Management School provide students with essential entrepreneurial skills and a solid foundation of knowledge, preparing them to excel in the workforce or launch their own startups. The centre has also extended its outreach to young students through its programme of entrepreneurs startup schools for 16–19-year-olds and the launch of the enterprise education pilot in secondary schools.

1. Collaboration with industry

Universities can replicate models like Coventry's "Faculty on the Factory Floor" and STEAMHouse at Birmingham City University, where students work on real-world business challenges. This provides a dual benefit of enhancing students' practical skills while solving industry problems. Such collaborations can facilitate and contribute to industry and government increasing their productivity and efficiency through the specialised expertise provided by business schools. Business school subjects are often fundamental and necessary to capitalise on innovations developed in industry.

2. Encouraging innovation

Developing Business Aware Academics (DBAA), funded by Research England and led by Exeter Business School and the Chartered ABS, aims to foster collaboration between university researchers and industry to drive innovation and research and development in UK businesses. The project promotes research impact beyond universities through activities such as developing training programmes, creating online course material, and hosting events to connect academia and industry.

DBAA focuses on shifting mindsets about higher education institutions working with industry while enhancing academics' skills in problem-solving, commercialisation, and consultancy. It also provides opportunities like industry placements and shadowing. Business schools help in translating discoveries, particularly in STEM, into commercially viable products, boosting university spinouts and their monetisation.

Driving regional innovation and growth through partnerships

1. Knowledge Transfer Partnerships (KTPs)

KTP programmes have been instrumental in supporting SMEs and driving regional innovation by enhancing product development, improving quality control, and fostering long-term partnerships between academia and industry, providing valuable expertise and resources for business growth.

KTPs can often be an affordable route for business leaders to access the rich expertise of specialist academics from business schools. Forward-thinking SMEs can benefit from advantageous government funding awards and R&D tax credits to support transfer of new knowledge and insight that optimise business performance.

2. Local Government, Mayoral Combined Authorities, and Growth Hubs

Business schools and universities are 'anchor institutions' in their local economies, attracting other businesses, investors, and talent to the region. Partnerships between universities and businesses create mutual benefits by combining cutting-edge research and entrepreneurial innovation from universities with funding and high-wage job opportunities for businesses.

Local Government should be an enabler for business schools and universities as they can bring SMEs and business schools together through local Growth Hubs. While these Hubs have an important role in providing business support, it is crucial to bring business schools and their expertise into the mix to provide support to SMEs. Many SMEs are unaware of the fact that their local business schools can be a vital doorway to knowledge and expertise and Local Government can bridge that gap.

Once small businesses are within the business school ecosystem, whether it is through Help to Grow: Management or KTPs, they often remain engaged. This allows them to access other sources of knowledge and expertise offered by the business school and the wider university environment, including research and development resources. This pathway is incredibly valuable as it means small business leaders are continually learning and implementing innovations in their business that increase growth and productivity.

Local Government, MCAs, and Growth Hubs should make better use of the expertise and network that business schools have access to. These partnerships can prove valuable in generating regional economic growth.

Chartered ABS recommends:

- To enable business schools to drive regional growth through partnerships, the Government should establish Local Growth Partnerships to support the development of Local Growth Plans.

Help to Grow: Management can be viewed as a successful example of the Government stepping in and providing some of the replacement funding for ERDF.

3. Regional and national innovation funds

Since the UK's withdrawal from the European Regional Development Fund, there has been no real concerted effort by Government to replace this type of funding. This instrument was crucial in addressing regional disparities and is estimated to have provided at least £556 million in funding for SMEs⁹.

The UK Shared Prosperity Fund, designed to replace European funding, has shown some promising results. One example is the University of Liverpool Management School's Growth Catalyst programme, a leadership development initiative for small businesses in Merseyside. Originally supported by European funding, the programme is now funded by the UK Shared Prosperity Fund and the Liverpool City Region Combined Authority. Since its inception in 2012, over 350 local businesses have successfully completed the Growth Catalyst programme. Feedback from participants is overwhelmingly positive, with 97% agreeing that the programme was a valuable use of their time and reporting improvements in their leadership skills. Additionally, 68% of participants feel more confident in growing their businesses, and on average, those involved have experienced a 26% growth in their business.

While the UK Shared Prosperity Fund has had its successes, its remit is quite broad, limiting its effectiveness in addressing small business innovation. There needs to be a dedicated replacement for ERDF funding. Help to Grow: Management can be viewed as a successful example of the Government stepping in and providing some of the replacement funding for ERDF. Nonetheless, more targeted Government support is required to generate the same impact as the ERDF.

Chartered ABS recommends:

- To enable business schools to drive regional innovation, the Government should make a long-term commitment to the Higher Education Innovation Fund, and the consolidation and expansion of the Regional Innovation Fund, with counterpart funds of sufficient scale in the Devolved Administrations.

⁹ Universities UK, Failing to protect innovation funding risks 'levelling down', 2024

Business schools within universities are useful partners in enhancing Britain's economic productivity and competitiveness.

Conclusion



In summary, business schools within universities are useful partners in enhancing Britain's economic productivity and competitiveness. With their unique role within local economies and their varied and multi-faceted areas of expertise, they can help create an optimal pro-business environment in regions and high-potential clusters in line with the Government's Industrial Strategy.

Their geographic footprint across the UK places them at the heart of the solution to address the enormous untapped economic potential. According to Centre for Cities, underperformance in the eight largest British cities outside of London has been estimated to cost the country around £47bn in lost productivity each year¹⁰.

To enable business schools to continue having an impact on regional and national growth, we support the following UUK recommendations:

- Business schools and universities can further empower small business success by becoming critical partners in Local Growth Plans and implementing dedicated 'local growth' functions to act as a single point of contact for key partners.
- To ensure business schools continue playing a vital role in skills development, the Government should establish stable and effective incentives for universities to collaborate with each other, businesses, and the public sector to address skill needs. Additionally, Skills England should leverage the central role of universities in addressing higher-level skills shortages
- To enable business schools to drive regional growth through partnerships, the Government should establish Local Growth Partnerships to support the development of Local Growth Plans.
- To enable business schools to drive regional innovation, the Government should make a long-term commitment to the Higher Education Innovation Fund, and the consolidation and expansion of the Regional Innovation Fund, with counterpart funds of sufficient scale in the Devolved Administrations.

In addition to the UUK recommendations, here are own recommendations on what more the Government can be doing to generate economic growth through business schools:

- In order for business schools to continue empowering small business success, the Government should work with SBC business schools as the delivery partner, positioning them as centres of small business excellence in their regions.
- To ensure business schools can continue supporting small businesses through the Help to Grow: Management course, the Government should commit to its long-term continuation.

¹⁰ Centre for Cities, Why big cities are crucial to 'levelling up', 2019



**PAPER C:
A WORLD-LEADING RESEARCH
AND INNOVATION SYSTEM**

It is estimated that UK higher education research results in over £40bn of increased private sector productivity each year, with business school research contributing significantly to this.

Chapter 4 in Universities UK's (UUK's) Blueprint states that the UK stands at a critical juncture in its pursuit of becoming a global leader in research and innovation¹. The UK's investment in R&D as a percentage of GDP is lower than several competitor countries within the G20, which has serious implications for growth and innovation.

We can no longer assume that universities will keep driving R&D without addressing the need for more stable policies around research funding models. Universities are under growing financial pressure and facing tougher global competition. Currently research is heavily reliant on funding from universities themselves, which is unsustainable. On top of that, government funding is often unpredictable, causing projects to stall and making it harder to build the expertise and infrastructure needed for long-term research success. This also discourages collaboration between different fields and with industry. To stay globally competitive and support the Government's plans for economic growth, the UK needs a more stable and reliable approach to funding R&D.

The key UUK recommendations on research and innovation are:

- Funders should review incentives and requirements that demand in-kind or matched contributions to research grants and other mechanisms, so that universities are not expected to contribute more than 20% of the costs of research.
- Universities should aim for closer to 100% cost recovery for industry-sponsored research, unless engaging with small or emerging businesses.
- Government should set an ambitious GDP-based R&D intensity target, covering both public and private investment, to match that of the most competitive and innovative countries in the world.
- Government should create a Missions Innovation Fund, in addition to the existing research budget, to stimulate research and innovation orientated towards addressing the priorities set out in the Government's missions and its Industrial Strategy.
- Universities should build in strategies to mobilise their own and venture capital to support the commercialisation of research, IP, and scaling up of university spin-outs.
- The British Business Bank has the potential to scale up funding and further mobilise capital through a dedicated spin-out venture capital fund.

Business schools in the research and the innovation ecosystem

It is estimated that UK higher education research results in over £40bn of increased private sector productivity each year², with business school research contributing significantly to this. Research in business and management is focused on raising productivity and competitiveness across private, public, and third sectors, leveraging and commercialising the UK's science and technology assets, and informing government policy and management practice on issues that matter both to the economy and society.

Business school research has a significant impact on SMEs, many of whom rely on their expertise to implement best practice and innovations in their business. The Small Business Charter (SBC) is an accreditation programme developed by the Chartered ABS and the former Department for Business, Energy & Industrial Strategy, to signpost entrepreneurs, small businesses, and local economic stakeholders to SME focused business schools in their region. SBC schools provide a doorway to knowledge and expertise for SMEs. SMEs often stay within the university and business school ecosystem, immersing themselves in the innovation environment. Business schools also deliver programmes such as leadership and management training which are proven to address the productivity gap and contribute to economic growth.

¹ Universities UK, Opportunity, growth, and partnership, 2024

² London Economics and Universities UK, The economic impact of higher education teaching, research, and innovation, 2024

Knowledge Transfer Partnerships (KTPs) are also powerful drivers of innovation, placing universities at the forefront of efforts to help businesses achieve growth. By fostering collaboration between academia and industry, KTPs have consistently proven to be effective in promoting innovation and accelerating business growth. They serve as an invaluable resource for organisations striving to stay competitive and adapt to the challenges of today's changing economic landscape.

Business school research income is stable but static

Whilst research funding for UK business schools has increased in recent years, it remains disproportionately low relative to the size of its research staff and is heavily reliant on EU funding and self-funding.

For the seventh consecutive year, business and management has seen an increase in research income. However, due to inflationary pressures, real-term growth over the past five years has been modest, at just 5%³. Business schools have also adapted to the difficult funding environment by sourcing private sector funding through professorships, chairs, postdoctoral, and consultancy arrangements to increase their research income.

It is evident that our business schools are doing more research, securing more funding, and delivering more impact through this work. Nonetheless, academics in business and management disciplines still face systemic challenges relative to other disciplines since it ranks 3rd lowest of 45 subject areas in the 2022-23 HESA data on funding per member of staff per annum⁴.

A vast majority of today's public and societal challenges ranging from economic resilience and digital transformation to sustainability and workplace wellbeing are deeply connected to business and management. Yet, research funding for these subjects is not keeping pace with their importance. Business schools still continue to self-fund a considerable amount of their own research with 43% of UK business schools' annual research budgets being funded by the institution itself⁵.

The Government needs to prioritise long-term and stable research funding in the UK to support a pipeline of projects focused on innovation, entrepreneurship, and SMEs. Research and innovation drive productivity through improved efficiency and processes and creating value in product and services. This is evident in the manufacturing and automotive sector where adoption of Industry 4.0 technology has led to a 7% increase in labour productivity⁶. Given that the UK faces a productivity gap due to its slower adoption of technologies compared to other major industrial economies, the Government must continue supporting existing research efforts and expand its investment.

Chartered ABS recommends:

- Funding for business and management research should be protected and be funded by the Government:
 - o Universities should aim for closer to 100% cost recovery for industry-sponsored research, unless engaging with small or emerging businesses.
 - o Government should set an ambitious GDP-based R&D intensity target, covering both public and private investment, to match that of the most competitive and innovative countries in the world.

The Government needs to prioritise long-term and stable research funding in the UK to support a pipeline of projects focused on innovation, entrepreneurship, and SMEs.

³ Chartered ABS, Research Income Report, 2025

⁴ Chartered ABS Research Funding report 2024

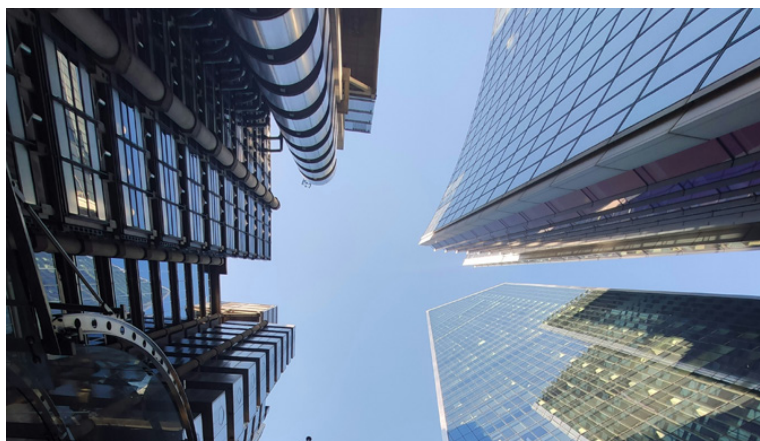
⁵ Chartered ABS Annual Membership Survey 2024

⁶ Small Business Economics, Is this time different? How Industry 4.0 affects firms' labour productivity, 2023

Business schools' research and the Government's missions

Business school research has a history of impact across the economy and society, often working in collaboration with other academic fields, industry, and government. It has significant potential to contribute to the Government's missions.

1. Kickstart economic growth



Mission 1: Secure the highest sustained growth in the G7 with good jobs and productivity growth in every part of the country making everyone, not just a few, better off.

The UK has a long-standing productivity gap compared to other G7 countries, with the ONS estimating that labour productivity was on average 18% higher in the other six members of the G7 relative to the UK⁷. Analysis from the former Department for Business, Energy, & Industrial Strategy in 2019 identified a number of factors behind the productivity gap, notably the need to raise the awareness of the behavioural characteristics of successful leadership, an uncompetitive market for leadership and management training provision, a need to reassess management practices, and address the lack of knowledge sharing⁸.

These gaps particularly affect SMEs, who are more likely to have low productivity, lower levels of financial acumen, and less likely to adopt modern or structured management techniques and digital technologies. Small businesses are also less likely to provide staff training than larger organisations, with the Longitudinal Small Business Survey showing that 82% of medium sized businesses provided training in 2022, compared with 70% of small businesses, and 38% of microbusinesses⁹. SMEs also tend to have the lowest scores on surveys designed to measure the quality of business management and leadership.

⁷ Office for National Statistics, International Comparisons of UK productivity (ICP), 2020

⁸ Department for Business, Energy and Industrial Strategy, Business Productivity Review, 2019

⁹ Department for Business & Trade, Longitudinal Small Business Survey: SME Employers – UK, 2022, August 2023

Business and management research can address the productivity gap by identifying the key qualities of effective leadership and management.

Business and management research can address the productivity gap by identifying the key qualities of effective leadership and management. Research on successful leadership such as the Good Leadership in UK business report is pivotal in providing a better understanding of what good leadership looks like. The survey identified the most popular traits in a good leader; 52% of features relate to character, 35% to interpersonal skills, and 13% to professional competence¹⁰. Equally, research on the impact of poor leadership suggests that great leaders drive around 70% of employee engagement, but if an untrained or generally poor manager enters a leadership position, this can cause a massive drop off in employee engagement leading to lost productivity, poor morale, and burnout¹¹.

Such programmes of research have formed the basis for leadership and management training delivered by business schools through executive education, degree apprenticeships, and KTPs, which have significant impacts on the economy and productivity. UK businesses generated £106 million in revenue by investing in business management apprenticeships, with level 7 apprentices delivering the biggest increase to business turnover, equating to an average increase of £36,700 per apprentice¹².

This research has also led to government investment into programmes like Help to Grow: Management which was launched in 2021 to drive up standards in business management and leadership across SME businesses. Underpinned by research, Help to Grow: Management is a successful programme that has delivered 11,850 enrolments with 91% saying the course improved their leadership and management skills¹³.

Finally, business and management research supports the quality of learning and teaching at business schools, ensuring graduates are better prepared to enter the workforce equipping them with the necessary leadership, management, and practical skills. Many business schools also equip students with the skills they need to address real-world challenges such as climate change. The Smith School of Enterprise and the Environment at Oxford University leads a research programme that drives real-world impact by collaborating with businesses, markets, and government to create sustainable solutions. The school's teaching informed by research, provides students the broad knowledge base and skills they need to make an impact in the workforce.

Artificial intelligence (AI) and digital adoption

The Government has made AI and digital adoption central to its growth mission. A key principle of the Government's AI Playbook is to enhance AI adoption across the workforce. However, with 75% of UK workers admitting they do not fully understand how to use AI effectively in their roles¹⁴, there is an urgent need to address this. Strengthening AI adoption is crucial to ensuring competitiveness and productivity in the economy.

Business schools such as Alliance Manchester Business School have an MSc dedicated to Digital Transformation which enables students to become digital leaders by having a greater understanding of AI and other digital technologies. Business schools also offering training on AI adoption through executive education programme such as UCL School of Management 'AI for Business' executive education programme, aimed at mid-level managers and executives seeking to understand how AI can be leveraged within their organisation.

Business schools already have the infrastructure to deliver this training and can be useful partners in the Government's AI Action Plan as they have a strong track record of working collaboratively and would be ready to support the Government in scaling AI and digital adoption training.

¹⁰ The Oxford Character Project, Good Leadership in UK Business, 2023

¹¹ Unicorn Labs, The True Cost of Poor Leadership, 2023

¹² Chartered Management Institute, The Economic Impact of Management Apprenticeships, 2024

¹³ Department of Business and Trade, Evaluation of Help to Grow: Management End of Year 3 Interim impact evaluation, 2024

¹⁴ AI Quest Survey, 2024

Given the severity of the climate crisis, business schools have a leading role to play in delivering a sustainable economic future.

2. Make Britain a clean energy superpower



Mission 2: Make Britain a clean energy superpower to create jobs, cut bills and boost energy security with zero-carbon electricity by 2030, accelerating to net zero.

Given the severity of the climate crisis, business schools have a leading role to play in delivering a sustainable economic future. They do so through the obvious avenues such as providing management and leadership training in the sector and helping business leaders think about how sustainable business practices can drive growth.

More specifically, business schools also conduct research in sustainability that has a proven real-life impact on business and society. Researchers at the University of Edinburgh Business School developed a framework to assess the impact of climate change on sovereign credit ratings. This framework was adopted by Standard Chartered Bank to enhance their internal models for stress testing and loan provisioning, integrating climate risk into financial decision-making processes.

Leeds Beckett University's Sustainable Business Research Institute's work with business is informed by its research to support future sustainable business performance, leadership, and responsibility. Its Family Business Sustainability and Growth project is aimed at overcoming the challenges family businesses face by providing both formal and practical education in entrepreneurship and sustainability and by providing a new, easily accessible, opportunity to make their company more sustainable while investing in and encouraging retention of their employees.

Business schools and universities tend to work with their local police force to improve safety and protect local communities.

3. Make Britain's streets safe



Mission 3: Make Britain's streets safe by reforming the police and justice system, to prevent crime, tackle violence against women, and stop criminals getting away without punishment.

Several business schools conduct research which has a proven impact on reducing crime and making society safer. Business schools and universities tend to work with their local police force to improve safety and protect local communities. Research conducted by professors at Durham Business School found that policing staff, like other public sector workers, have high public service motivation (PSM), which benefits society but can strain their wellbeing and home life due to an overinvestment in their work. The findings suggest that as work demands rise, supportive HR practices can help mitigate these negative effects. As a result, the research achieved the following impacts:

- Guided changes in HR policies, including improved promotion processes, better sickness and bereavement policies, and the introduction of wellbeing champions in police forces.
- Had a significant and extensive impact on working practices, procedures, and policies within forces implemented to achieve improvements in police officer and staff wellbeing and their service behaviour.
- Had a direct influence on the Home Office Front Line Review of Policing Recommendation Report in 2019 that achieved a step-change in context and conditions for the policing workforce and led to an increase of over £1 billion in police funding in 2020.
- Provided strong empirical evidence to support changes in policing leadership style.

Going beyond policing and into public service leadership, which is a strong focus for the Government, research on leadership and management has also resulted in improved public sector performance. Analysis from the Social Market Foundation and Chartered Management Institute in 2023 found that UK public sector performance has been poor for more than two decades, with overall public sector productivity growing just 4% in that time¹⁵. The report concluded there is evidence to show that leadership and management can make an important difference to organisational performance.

Citing the example of further education establishments in England, research from the Centre for Vocational Education Research found that there was a clear link between management quality and educational attainment. The study estimated that, if the management score of a further education institution increases from an average of 4.28 (out of 5) to 4.64, the probability of a young person achieving a 'Level 3' qualification (e.g. A-level or BTEC) or going to university increases by 2 percentage points¹⁶.

¹⁵ Social Market Foundation and CMI, Managing it better: Can leadership and management improve public service performance? 2023

¹⁶ Centre for Vocational Education Research, "Do Management Practices Matter in Further Education? 2022

Business schools tend to be significantly ahead of other university departments in being more diverse and inclusive.

4. Break down barriers to opportunity



Mission 4: Break down the barriers to opportunity at every stage for every child, by reforming the childcare and education systems, and preparing young people for work and life.

Due to their popularity, business schools tend to be significantly ahead of other university departments in being more diverse and inclusive and as such have important insights on social mobility. Results from our 2024 Annual Membership Survey¹⁷ highlight the diverse socioeconomic makeup of business schools with 57% of business schools reporting an increase in the proportion of students who had received free school meals in the last 5 years.

Research conducted by the business school community also contributes to breaking down barriers to opportunity. Reports like the annual Female FTSE Board Report from Cranfield University investigate the causes for women's under-representation on FTSE 350 boards and interventions for improving gender balance on boards. This research has been consistently cited and has influenced national policies by providing insights into senior women's career obstacles and by supporting the case for voluntary gender targets. The reviews recommended led to the widespread adoption of voluntary gender targets on FTSE350 boards and below, substantially improving gender balance in corporate leadership. From 2013-2020, the share of women on boards increased from 17.3% to 34.5% across FTSE100, over 350 new female directors were appointed across FTSE 350 companies, and all-male boards dropped from 74 to 1¹⁸. This research has also been used by employers seeking to achieve gender balance in their leadership pipelines.

Paper A in this supplementary paper offers additional examples of how business schools and their research are contributing to improved social mobility in society.

¹⁷ Chartered ABS, Annual Membership Survey, 2024

¹⁸ Cranfield University, The Female FTSE Board 2024, 2024

Business schools have a long history of providing management and leadership training in the NHS.

5. Build an NHS fit for the future



Mission 5: Build an NHS fit for the future that is there when people need it; with fewer lives lost to the biggest killers; in a fairer Britain, where everyone lives well for longer.

Business schools have a long history of providing management and leadership training in the NHS. Around 60% of Level 7 management apprentices are in public services such as the NHS, social care, and local government¹⁹.

Research conducted by business schools not only facilitates training programmes but also promotes the adoption of best practices. A group of MBA and PHD students at the London Business School conducted a research study at Guy's and St Thomas' Hospital in London to increase capacity in the maternity ward to fully utilise its capacity to deliver 6,600 babies annually. The students were tasked with developing a model to assess the appropriate number of women who needed to be booked in order to achieve the desired goal of 6,600 deliveries a year – while ensuring that the hospital's daily capacity was not exceeded too often.

The students complemented analytical models, such as Monte Carlo simulation, with contextual knowledge (surveys and interviews with GPs) to understand the patient journey and identify cost-effective ways to influence more women to consider the hospital as a place to give birth.

Among the recommendations that emerged was that the maternity unit needed 145 bookings a week in order to balance the two conflicting targets of maximising resource utilisation while not exceeding daily capacity. The students also recommended that the maternity service was advertised to GPs and increased its online presence, which included setting up a dedicated Facebook group.

Bath School of Management's Research4Good initiative investigates how research can be translated into public good. An application of the Research4Good approach in healthcare resulted in innovations which changed the NHS' procurement policy, saving £500m on goods and services. The research team recognised how to leverage network resources effectively in highly complex public sector systems. Long term, the research is also helping to shape the Department of Health's own commercial practices, encouraging a more strategic use of network resources for the benefit of patients and taxpayers.

Chartered ABS recommends:

- In order for business school research to contribute to the Government's mission, the Government should create a Missions Innovation Fund, in addition to the existing research budget, to stimulate research and innovation orientated towards addressing the priorities set out in the Government's missions and its industrial strategy.

¹⁹ Chartered Management Institute, CMI's Managers Voice Survey, May 2022

Business school research can contribute to the development of scalable business models, market strategies, and financial planning that are essential for bringing innovations to market.

Business schools and the commercialisation of research, IP, and scaling up of university spin-outs

Business schools can bridge the gap between academic research and commercial success, particularly through interdisciplinary collaborations that enable the commercialisation of inventions and research. Business school research can contribute to the development of scalable business models, market strategies, and financial planning that are essential for bringing innovations to market. This integration helps transform research into sustainable spin-outs and industrial partnerships.

KTPs are an important aspect of this work. They provide essential resources and frameworks that enable business schools to connect with industry partners, facilitating the practical application of academic insights. By fostering these collaborations, KTPs strengthen the ability of business schools to contribute to innovation, commercialisation, and the scaling of university spin-outs.

An analysis of the data extracted from the UK Research and Innovation (UKRI) database on KTPs as of the end of September 2024, shows that there are 121 active KTPs being implemented by UK business schools²⁰. The total value of all grants amounts to £16.9m, an increase of £1.8m from last year. In addition, the total value of all active KTPs is £127.6m, up from last year's reported figure of £99.6m, meaning that business schools' share of 13% of the total value of all KTPs is down from last year's 15%.

One example is Cranfield University's KTP which aims to develop and embed novel, sustainable field to fork solutions within a produce aggregation, processing and packaging company, and across its supply chain. Key outcomes include improved post-harvest practices and cold chain solutions, to increase on-farm productivity, and marketable yield of horticultural produce.

Chartered ABS recommends:

- Universities and business schools should continue to build in strategies to mobilise their own capital or use venture capital to support the commercialisation of research, IP, and scaling up of university spin-outs.

What more can business schools do?

Business schools are at the forefront of research and innovation, and the examples in this paper prove the real life impact this research has on businesses and economic growth. However, there is more that business schools can do.

Place-based collaboration

Business schools and universities are critical to their local economies and are drivers of regional growth. Universities and their business schools are anchor institutions in local economies, serving as central hubs of activity. Their positive reputations create a "gravitational pull", attracting businesses, investors, and talent to the region.

In order to truly leverage their role as anchor institutions, universities, through their business schools, should deepen their relationships with industry and economic stakeholders in their region to uplift local economies and businesses. Many UK business schools are already collaborating with regional stakeholders in this regard.

The University of Strathclyde's Fraser of Allander Institute works closely with policymakers and businesses to provide economic insights that drive regional development. The Institute has a long history in developing and using Computable General Equilibrium (CGE) models, having developed the first CGE model of Scotland. A version of this model is now used by the Scottish Government for a range of analyses including climate change and policy. Through projects for the Scottish Government, the institute developed economic

²⁰ Analysis of data from Innovate UK/ UKRI Knowledge Transfer Partnerships database. Analysis under-taken by the Chartered ABS in September 2024.

accounts which include natural capital, so as to better understand how ecosystems services, including water, are impacted by economic activity. This work has included studies of the economic contribution of renewable energy industry for Scottish Renewables, the impacts of changes in dietary choices, and the scale and nature of jobs currently supported by the existing energy activities.

In this respect, KTPs are integral to fostering place-based collaboration, serving as a cornerstone of bringing business school research and innovation efforts into the local economies. Through KTPs, business schools form successful collaborations with local businesses, which play a pivotal role in facilitating innovation for growth and create a positive impact on both the business landscape and the community at large. In its evaluation report in 2023, UKRI found that even though KTPs are not designed or set up to deliver local impacts specifically they do have a positive impact on the local community²¹. Around 26% of the beneficiary businesses and 57% of the academics surveyed suggested that KTPs had local benefits. Some of these benefits included: local employment created as a result of KTP-generated business growth; KTP businesses being better able to contribute to local cluster development; and wider knowledge transfer to local businesses.

Chartered ABS recommends:

- Universities and business schools should develop partnerships with regional industry and economic stakeholders to uplift local economies and businesses.

Interdisciplinary research

Business school research can also advance interdisciplinary research and collaboration with other fields, including STEM, in the commercialisation of research and inventions so that emerging discoveries are translated into commercially viable products boosting university spinouts and their monetisation.

UK business schools received £38.6m in funding from the UK research councils in 2022/23, of which 20% was from the Engineering and Physical Sciences Research Council, demonstrating their expertise in delivering inter-disciplinary research which is critical for innovation and growth in the key sectors identified for growth in the Industrial Strategy.

In the last REF exercise, only a third of business and management REF impact case studies were focused on business; one third were focused on government policy, and the other third focused on public services. 63% had a societal impact while 20% had an economic impact. 52% focused on impacts within the UK; the remainder had international impacts²².

Since 2000, the University of Southampton has formed 84 spinout ventures, raising over £47 million in equity investment for the 2023/24 period. The Southampton Business School offers business development support, ensuring that scientific discoveries are effectively transformed into market-ready products.

For business schools to conduct more interdisciplinary research, additional formal support mechanisms are needed to bring together different subject disciplines. An extension of the UKRI cross research council could facilitate this as well as the introduction of other new initiatives to facilitate interdisciplinary research.

Chartered ABS recommends:

- The Government should enhance support for business schools in conducting interdisciplinary research by expanding the UKRI cross-research council and increasing funding for initiatives that promote collaboration across disciplines.

²¹ UK Research and Innovation, KTP Evaluation Report, 2023

²² Chartered ABS, REF Impact Dashboard, 2023

Business schools can drive research and innovation by strengthening collaboration between universities and the private sector. By leveraging their industry connections and extensive alumni networks, they can build partnerships and attract diverse research funding from public, private, and third sector sources.

Collaboration and leveraging stakeholder networks to attract research funding

Business schools can drive research and innovation by strengthening collaboration between universities and the private sector. By leveraging their industry connections and extensive alumni networks, they can build partnerships and attract diverse research funding from public, private, and third sector sources. Alumni, often leaders in their fields, can support innovation as collaborators, investors, or advocates.

This collaboration will create opportunities for projects that connect academic expertise with industry needs. This collaboration should go beyond simply focusing on commercialisation to address the broader challenges of bringing ideas and innovations to market. This includes understanding consumer adoption, overcoming supply chain issues, and ensuring innovations are practical and impactful.

The Epic Futures programme at Ulster University Business School uses a collaborative partnership model to develop evidence-based solutions that promote fair and inclusive employment. Through partnerships with three government departments- Communities, Economy, and Finance - as well as stakeholders in research, education, industry, and the wider community, the programme has secured significant research funding and made meaningful social impact.

With £4.8 million in funding from UKRI, the programme aims to address economic inactivity by understanding hidden unemployment in Northern Ireland and the barriers preventing individuals from entering the workforce. Research by Ulster University Business School estimates that Northern Ireland has up to 50,000 hidden unemployed individuals, with the largest groups being women, people with disabilities, and those over 50. This research enables the Government to better understand the skills and labour landscape, informing policies to reintegrate more people into the workforce.

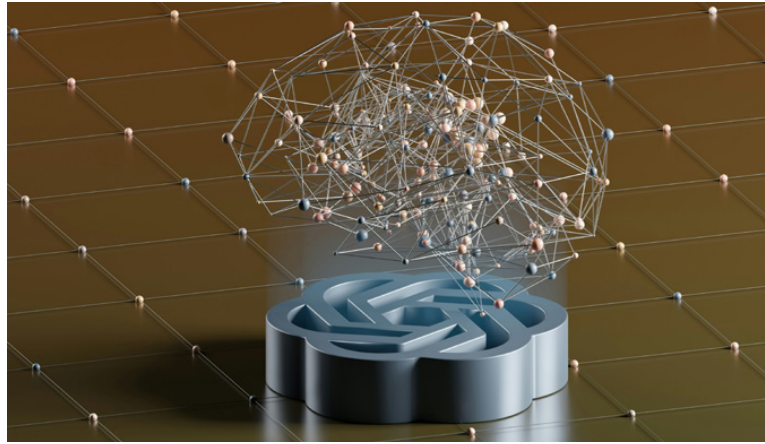
Similarly, programmes like Developing Business Aware Academics (DBAA) are built on a strong collaboration model. Funded by Research England and led by Exeter Business School and the Chartered ABS, the programme aims to foster collaboration between early career university researchers and industry to drive innovation, research and, development in UK businesses. The project promotes research impact beyond universities through activities, such as developing training programmes, creating online course material, and hosting events to connect academia and industry.

DBAA focuses on shifting mindsets about higher education institutions working with industry while enhancing academics' skills in problem-solving, commercialisation, and consultancy. It also provides opportunities like industry placements and shadowing.

Chartered ABS recommends:

- Business schools should strengthen collaboration with the private sector and leverage their stakeholder networks to attract research funding to drive innovation.

Conclusion



The value and contribution of business and management in driving research and innovation is generally underrated.

Business and management research makes a significant contribution to the economy and society. It drives productivity and competitiveness across sectors, leverages the UK's science and technology assets, and informs policies on issues that matter. With proven impacts on innovation, entrepreneurship, and SMEs, business school research plays a vital role in fostering economic growth and innovation.

Business and management research also has significant potential to contribute to the Government's missions and Industrial Strategy.

In order for business and management research to continue having an impact, we support the following UUK recommendations:

- Funding for business and management research should be protected and funded by government:
 - o Universities should aim for closer to 100% cost recovery for industry-sponsored research, unless engaging with small or emerging businesses.
 - o Government should set an ambitious GDP-based R&D intensity target, covering both public and private investment, to match that of the most competitive and innovative countries in the world.
- For business school research to contribute to the Government's mission, the Government should create a Missions Innovation Fund, in addition to the existing research budget, to stimulate research and innovation orientated towards addressing the priorities set out in the Government's missions and its Industrial Strategy.
- Universities should continue to build in strategies to mobilise their own capital or use venture capital to support the commercialisation of research, IP and scaling up of university spin-outs.

In addition to the UUK recommendations, business schools and the Government can do more of the following to support the research and innovation ecosystem:

- Universities and business schools should develop partnerships with regional industry and economic stakeholders to uplift local economies and businesses.
- The Government should enhance support for business schools in conducting interdisciplinary research by expanding the UKRI cross-research council and increasing funding for initiatives that promote collaboration across disciplines.
- Business schools should strengthen collaboration with the private sector and leverage their stakeholder networks to attract research funding to drive innovation.



**PAPER D:
GLOBAL REACH, REPUTATION,
AND IMPACT**

Chapter 5 in Universities UK's (UUK's) Blueprint¹ focuses on internationalisation at UK universities and the importance of international collaboration which is the key to success, fostering the capability, capacity, and influence that gives the sector a truly global reputation. Internationalisation in universities encompasses a wide range of activities and benefits, including collaboration in research, hosting international students, and delivering programmes overseas through transnational education (TNE).

The overarching call to action from this chapter is to establish a new holistic global strategy for universities that goes beyond student recruitment to harness their reach, reputation, and impact in the interests of the UK.

The key UUK recommendations on internationalisation are:

- The Government should develop a Global Strategy for universities. The objective should be to harness the global reach, reputation and impact of universities to create opportunity, foster prosperity and develop knowledge – both for the UK and our international partners.
- Universities and government should develop a new compact (an agreement) whereby each takes action to secure sustainable levels of international student recruitment and well managed growth.
- The Government should review and benchmark immigration costs for academics, entrepreneurs and technical staff to ensure that the UK attracts talented people.

The role of business schools in internationalisation

Business schools are central to UK universities' internationalisation strategies. Their international activity enhances local economies, is a major contributor to UK exports, increases the UK's soft power, and attracts global talent which helps shape global business ecosystems. Business schools should sit at the heart of the Government's new Global Strategy for Universities, from student recruitment to sustainable internationalisation.

Regional economic growth

Data from the Higher Education Policy Institute (HEPI) shows that the economic benefit of international students to the UK rose from £31.3bn to £41.9bn between 2018/19 and 2021/22. For business schools specifically, international business students for the academic year of 2021/22 contributed £6.4bn in off-campus spending during the period of their studies (this does not include tuition fees which provide critical income to our universities²).

Chartered ABS recommends:

- In order for business schools to drive contributions to their local economies, we support UUK's recommendation that universities and government should develop a new compact (an agreement) whereby each takes action to secure sustainable levels of international student recruitment and well managed growth.

Business schools should sit at the heart of the Government's new Global Strategy for Universities, from student recruitment to sustainable internationalisation.

¹ Universities UK, Opportunity, growth, and partnership, 2024

² Higher Education Policy Institute, The benefits and costs of international higher education students to the UK economy, 2023

UK exports contributions

Business schools are a significant contributor to the £41.9bn Higher Education gross export power. Approximately one in three of all international students in UK universities study in a business school. Out of the 732,285 international students in the 2023/2024 academic year, 251,520 were international business school students³. This is slightly lower than in the 2022/2023 academic year during which there were 758,855 international students, 263,480 were international business school students⁴. This decrease can be attributed to the ban on visas for student dependents which has resulted in a 13% decrease in study visas⁵.

Business and management is also the most popular subject delivered in most countries through TNE, which involves one country offering its qualifications abroad. According to the British Council, the UK higher education sector has been at the forefront of global growth in TNE.

In April 2025, the Higher Education Statistics Agency (HESA) reported that in 2023/24 621,065 students took part in TNE provided by 188 UK higher education institutions⁶. According to additional data on revenue from education-related exports published by the Department for Education in March 2024, UK TNE activity was estimated to be £2.4 billion in 2021⁷.

Finally, business schools also contribute to the UK export power by offering customised executive education programmes and business services to international corporate executives and businesses. For instance, ESCP Business School in London educates GSK managers across Latin America, Middle East, and Asia.

Alliance Manchester Business School's professional development programmes are delivered via short in-person business courses, senior leadership apprenticeship programmes, and customised programmes to address specific business issues. These programmes have been delivered to large employers such as the NHS, BP, Audi, and The Department for International Trade.

Approximately one in three of all international students in UK universities study in a business school.



³ Higher Education Statistics, Higher Education Student Statistics: UK, 2023/2024, 2025

⁴ Higher Education Statistics, Higher Education Student Statistics: UK, 2022/23, 2024

⁵ Home Office, Monthly monitoring of entry clearance visa applications, January 2025

⁶ Higher Education Statistics Agency, Student Open Data – Transnational Education 2023/2024, 2025

⁷ Department for Education, UK revenue from education related exports and transnational education activity, 2024

Warwick Business School's Executive Education programme delivers courses on topics such as decision making, digital innovation, entrepreneurship, strategy, and leadership. Its tailored Executive Leadership Development Programme for The Emirates Group has delivered qualitative and quantitative returns across the business. These range from a combination of strategic business enhancements, cost savings and revenue acceleration, which have returned multiples of their original five-year contract investment.

Chartered ABS recommends:

- We support UUK's recommendation that the Government should develop a Global Strategy for universities. The objective should be to harness the global reach, reputation and impact of universities to create opportunity, foster prosperity and develop knowledge – both for the UK and our international partners.

Over one-quarter of the world's countries are headed by someone educated in the UK.

Increasing the UK's soft power

The international alumni from UK business schools often take on influential leadership roles in business, technology, and policy. Based on HEPI's soft power index in 2023, over one-quarter of the world's countries are headed by someone educated in the UK, many of whom will have attended a business schools given that they teach the highest proportion of international students⁸.

Influential international alumni from the UK business schools include people such as Aishah Ahmad, Former Deputy Governor of the Central Bank of Nigeria (Cranfield School of Management); Rajiv Mehrishi, former Home Secretary and Finance Secretary of India (Strathclyde Business School); Cyrus Mistry, Former Chairman of the Tata Group (London Business School); Andrew Thorburn, CEO of the National Australia Bank (Durham Business School); Diezani Alison-Madueke, Former President of OPEC (Judge Business School); Axel Addy, Minister for Commerce and Industry of Liberia (Saïd Business School); and Amina Mohammed, Deputy Secretary-General of the United Nations (Henley Business School).

The UK's soft power will invariably grow as international talent educated in UK business schools develop the skills and mindset needed to excel in their careers and assume highly influential roles globally.

Business schools drive the co-creation, dissemination, and sharing of world-leading- and cutting-edge management and leadership practices with UK business schools playing a leading role in this respect. 80% of international students leave the UK within 5 years of their studies⁹ and 2.5% of UK domicile students secure a job outside the UK after their graduation¹⁰ becoming the global ambassadors of UK culture and education.

Chartered ABS recommends:

- In order for business schools to maintain and grow the UK's soft power and drive economic growth, we support UUK's recommendation that the Government should review and benchmark immigration costs for academics, entrepreneurs and technical staff.

⁸ Higher Education Policy Institute, Soft Power Index, 2023

⁹ Office for National Statistics, Long-term international migration, provisional: year ending June 2023, 2023

¹⁰ Higher Education Statistics Agency, Recent UK Graduates Now Working in 173 Countries, 2017

Attracting global talent and shaping UK business ecosystems



UK students benefit immensely from studying alongside an international cohort enabling them to operate in multicultural teams, and international businesses.

According to a report by The Entrepreneurs Network in 2023, 39% of the fastest growing companies in the UK have a foreign-born founder or co-founder¹¹. Indeed, non-UK talent bring their social capital, knowledge and expertise, new ideas, motivation for growth, and new perspectives to the UK business ecosystem and become partners in local and regional growth. UK universities, and specifically business schools, attract global talent and facilitate their route to become entrepreneurs. The Graduate Route also enables international students to get the opportunity to combine educational experience with UK based work experience, which leaves them uniquely placed to achieve their career objectives.

Many business schools have joint programmes with university-led accelerators and incubators, and some business schools have integrated such programmes within their structure. Although these programmes exist to leverage global talent and enhance entrepreneurial activities, the absence of a visa regime supporting such talent mobility inhibits the full realisation of their potential.

Examples of successful incubator programmes include King's College London's spinout model which supports university spinouts with an active shareholder model that prioritises entrepreneur development. Academic founders retain 80% equity, benefit from low royalties, and receive comprehensive support, including IP improvements, and consideration of spinout involvement in academic promotion criteria.

Central to this approach is King's incubator ecosystem, featuring accelerators, venture-building programmes, and incubator spaces that connect entrepreneurs with industries and investors. Key initiatives include the King's Innovation Catalyst and a new laboratory and innovation campus at Canada Water, providing a strong foundation for scaling companies and fostering collaboration.

Finally, UK students also benefit immensely from studying alongside an international cohort enabling them to operate in multicultural teams, and international businesses. This experience helps them build global networks, enabling them to leverage the UK's soft power for future opportunities.

¹¹ The Entrepreneurs Network, Briefing Paper: Job Creators 2023, 2023

The UK enjoys an enviable reputation for its high-quality university education, a standard that is upheld at the business school level.

The UK's attractiveness for business and management education



UK business schools' contributions to the UK's international competitiveness is the direct result of their ability to attract global talent to the UK. International students consider several key factors when choosing their study destination: academic quality, affordability, post-study opportunities, language, sustainability, and overall study experience.

1. Academic quality

The UK enjoys an enviable reputation for its high-quality university education, a standard that is upheld at the business school level.

Following the requirements of the Office for Students, UK universities and business schools have processes and resources in place to ensure effective achievement of student learning objectives and student outcomes. The academic quality of UK business schools shows itself in university and business school rankings where UK business schools consistently appear among the top 100, having the second-best performance after US business schools. Similarly, UK business schools have a strong reputation and presence in the TNE market.

Besides rankings, UK business schools aim to innovate to enhance the academic quality of educational offerings. Research backed teaching, engagement and partnership with businesses and other universities, digital and blended learning, and creative student experience initiatives are among some of the examples of business schools offering a student-centric educational experience.

2. Cost

The cost of living in the UK is relatively higher than other European countries but it is lower than North America and Australia. Furthermore, many UK business schools offer 3-year undergraduate and 1-year postgraduate programmes making it more cost effective than countries offering 4-year undergraduate (e.g. US and Canada) or 2-year postgraduate programmes (e.g. French private business schools). UK business schools offer a diverse range of tuition fees and living expense options, providing high-quality programmes across all four UK nations. This makes them an attractive destination for prospective students with varied budgets and needs.

3. Post-study opportunities

One of the key criteria prospective students consider when choosing their location of study is further development opportunities following graduation. For business and management students, this shows itself in the potential opportunity to gain work experience or engage with entrepreneurial activities. UK graduates can remain in the UK for up to two years to look for work under the Graduate Route Visa. After the two years, graduates have the option of securing employment that qualifies for a Skilled Worker Visa.

to remain in the UK after their Graduate Route Visa expires. However, the Government has announced that it will reduce the duration of the Graduate Route to 18 months.

In addition to a right to work, job prospects is a key determinant of students' choice of country to study. UK business schools in general have strong relationships with their local and regional business partners. There are several examples of ways in which UK business schools assist with students' career development.

In order to improve talent development, some countries have policies to encourage collaboration between universities and businesses in talent development. For instance, in France, the government funds internship opportunities before students complete their studies and many business schools have featured internships in their programmes. In the UK, many business schools like Cranfield School of Management have integrated internships into their programmes. However, a comprehensive government scheme will increase the attractiveness of studying in the UK and create a clear path for the best global talent to join UK businesses.

4. Language

UK business schools benefit from the strength of English as a global language. The majority of countries teach English as the second language in high schools making it easier for prospective students to continue their studies in English speaking countries.

5. Study experience

UK business schools have a strong focus on improving student experience. This is evident in the strong student voice in UK universities and business schools as well as formal and informal measures in place to measure and improve student experience. Furthermore, the UK is an attractive country to live and experience. According to the QS Best Student Cities 2025 Ranking¹², four UK cities are ranked among the top 20 cities from students' point of view. The UK has several cultural hotspots that further make it an attractive place to live.

6. Sustainability

UK Universities are leading the way in transitioning into sustainable universities and developing sustainability research and education. In the 2024 Times Higher Education's Top Universities Pursuing Sustainable Development Goals¹³, there are 25 UK universities in the top 100 ranked universities (Canada is the second country with 11 universities among the top 100). UK business schools actively contribute to this movement and integrate Sustainable Development Goals in their teaching, research and impact activities. For example, there are 8 UK MBA programmes among the top 40 Global MBAs with the highest proportion of ESG and Net Zero teaching¹⁴. The next generation of talent are seeking to study in universities with strong sustainability agendas and UK universities and business schools need to maintain and enhance their investments in further developing their sustainability vision.

¹² QS World University Rankings, QS Best Student Cities 2025, 2025

¹³ Times Higher Education, Top universities pursuing sustainable development goals in 2024, 2024

¹⁴ Financial Times, Business School Rankings: MBA 2024, 2024

The sector's internationalisation strategies and the attractiveness of the UK as a study destination have been adversely affected by key policy changes for international students

Creating a fairer immigration policy for international students



Although hosting international students is only one aspect of business schools' internationalisation strategies, it is a significant component that helps makes its international activities and other activities viable.

However, the sector's internationalisation strategies and the attractiveness of the UK as a study destination have been adversely affected by key policy changes for international students and the recent Immigration White Paper. These policy changes have led to declines in international student enrolments, placing a further unwelcome strain on university finances.

The introduction of the ban on visas for student dependents in 2023 led to a significant decline in international student enrolments, with has resulted in universities facing a £1.1 billion loss in international student fee income across the sector over the past two years¹⁵. Our research in February 2025¹⁶ found that UK business schools have reported significant declines in both domestic and international student enrolments due to the ban on student dependents. For international students, 58% of the responding schools stated that enrolments for their programmes starting in January 2025 were lower than a year ago, of which half said they were significantly lower. Around 65% of business schools reported that the dependents' visa ban has continued to negatively impact their recruitment for specific programmes.

The measures proposed in the Immigration White Paper will further restrict the sector's ability to recruit international students and damage university finances:

International student levy

The proposed levy on higher education provider income earned through international tuition fees, which is suggested to be as high as 6%, will place additional pressure on university finances, with modelling from UUK suggesting that the levy will result in a loss of £600m in UK university income per annum¹⁷.

Graduate Route

The Government also announced that the Graduate Route visa, which has been essential to the global reputation and competitiveness of the UK's higher education sector, will be reduced from two years to 18 months.

An analysis by HEPI in May 2024 found that the gross benefits to the UK in higher tax revenue from hosting Graduate Route visa holders was £588 million in 2022/23 (or £10,410 per main Graduate Route visa holder). After costs, the total net benefit to the UK was £70 million in 2022/23 (or £1,240 per international graduate)¹⁸.

¹⁵ Universities UK, The financial impact of government policy decisions on universities, 2025

¹⁶ Chartered Association of Business Schools, Analysis of international student enrolments for courses starting in January 2025, 2025

¹⁷ Universities UK, The financial impact of government policy decisions on universities, 2025

¹⁸ Higher Education Policy Institute, The Exchequer benefits and costs associated with the Graduate Route visa, 2024

Reducing the Graduate Route's duration will have a significant financial impact on universities, with research from Keystone Education Group suggesting that 58% of respondents said the change would make them less likely to want to study in the UK¹⁹.

Salary thresholds

We are concerned about the recent increases to the salary threshold. This will further reduce the attractiveness of the UK as a destination for international students. Such a change would further damage university finances, and exacerbate regional disparities amongst our member business schools as salaries outside of London tend to be lower, with analysis by the Institute of Student Employers revealing that graduate salaries in the North-East are 13% lower than in London²⁰.

Chartered ABS recommends:

- To ensure business schools continue attracting top international talent and maintain their global reputation, the Government should reconsider its proposals in the Immigration White Paper and adopt immigration policies that align with its goal of boosting education exports and retain the value of international students in a managed way.

UK business schools continue to innovate and enhance their resources to remain attractive in the global business education market.



Conclusion

The UK is an attractive place for global talent to invest in their personal development and engage with further studies. Specifically, UK business schools attract greater numbers of international students than any other discipline creating significant contribution to the local economy, increasing the UK's soft power and enhancing the local business ecosystems. UK business schools also strengthen UK higher education exports as a consequence of their strong presence in international markets through TNE.

UK business schools continue to innovate and enhance their resources to remain attractive in the global business education market. Government policies on talent mobility, talent development, and entrepreneurial support could further enhance the UK advantage in attracting global talent.

We welcome the UK Government's announcement in September 2024 of its intention to review the International Education Strategy to ensure that the strategy remains effective in increasing the value of education exports, promoting policy dialogue, and reflecting the priorities of education stakeholders, businesses, and Ministers.

¹⁹ Keystone Education Group, How audiences are responding to the UK immigration white paper, 2025

²⁰ Institute of Student Employers, What are the average salaries for graduates, school leavers and interns? 2024

However, recent immigration policies, including the latest Immigration White Paper, have weakened the UK's reputation as a desirable study destination, whilst also affecting university finances. To ensure business schools remain vital pillars of the economy, the Government must adopt immigration policies that support universities in attracting top international talent.

In order for business schools to have effective internationalisation strategies, we support the following UUK recommendations:

- The Government should develop a Global Strategy for universities. The objective should be to harness the global reach, reputation and impact of universities to create opportunity, foster prosperity and develop knowledge – both for the UK and our international partners.
- Universities and government should develop a new compact (an agreement) whereby each takes action to secure sustainable levels of international student recruitment and well managed growth.
- The Government should review and benchmark immigration costs for academics, entrepreneurs and technical staff to ensure that the UK attracts talented people.

In addition to the UUK recommendations, the Government can do more to support business schools with their internationalisation strategies:

- To ensure business schools continue attracting top international talent and maintain their global reputation, the Government should reconsider its proposals in the Immigration White Paper and adopt immigration policies that align with its goal of boosting education exports and retain the value of international students in a managed way.



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