

MISSION POSSIBLE



A plan for a stronger managed UK

JCDecaux

**MANAGEMENT
TAKES **NO**
RESPONSIBILITY.**

CMI Chartered
Management
Institute

**Take responsibility. Take action.
Search 'CMI Action'.**

8631

CONTENTS

INTRODUCTION	02
GROWTH AND PRODUCTIVITY	05
THE FUTURE OF SKILLS	06
GREEN TRANSITION	08
PUBLIC SERVICE REFORM	10
CONCLUSION	13
REFERENCES	14

INTRODUCTION

If we do not fundamentally improve the quality of UK management across the next Parliament, any government's plans for national recovery and transformation will be impossible to achieve. This stark conclusion is drawn from the best available data, which makes it clear that the UK simply has not done enough to improve the capabilities of its management workforce - in both the private and public sector - over a long stretch of time.

Government policy choices matter if the UK is to rapidly improve the skills of the managers in businesses, public services and both local and central government. Without stronger managers, productivity growth, public service improvement, better work conditions and the green transition will all be held back. That's why CMI believes that a clear strategy for closing the management gap with other leading industrial nations is imperative – and we stand ready to work with the new government to make it a reality.

Fundamentally, exceptional management is a critical enabler for future prosperity and security.

There have been **encouraging improvements** in the past five years. The pandemic led most employers to rethink not just where we work but how we work. The growth of management apprenticeships, a strong and viable network of university business schools in every nation and region, and the introduction of Help to Grow have upskilled tens of thousands of managers. Both the NHS, following the Messenger Review, and central government, through its work on public sector productivity and line management capability, have taken early-stage but meaningful action. The next government won't be at a standing start – and should embrace, rather than turn away from these actions by its predecessor.

These programmes, as well as private sector investment in management development, are why we are starting to see **encouraging improvements in the quality of management**. In the latest 2023 Management Expectations Survey from the Office for National Statistics the median score across those firms appearing in both 2023 and 2020 has increased by 0.08 points on a scale of 0 (no structured management practices) to 1 (highly structured management practices). The biggest improvements were seen in employment practices such as performance management, structured

pay and promotion, and in firms without previously strong employment practice. Businesses with the highest management scores had significantly higher productivity, were far more likely to undertake formal management training, and far more likely to be implementing cutting-edge technology.¹

Yet the UK is still **far behind other leading industrial nations**. CMI analysis informed by academic data shows that the £127 billion productivity gap with leading nations, such as Germany is associated with weaker management capability. And CMI's own analysis of labour market data shows that 10% fewer management positions advertised in the UK require formal management skills than the US - the leading nation in the World Management Survey. Having an effective manager is associated with significantly better work and organisational outcomes across the board.²

At the same time, the latest future skills needs analysis from the National Foundation for Education Research shows that we will need to **upgrade to a more highly skilled management workforce** in the future. They find that the job role category with the largest deficit in essential employment skills is managers, directors and senior directors.³ Furthermore, approximately a quarter of this group will still have substantial skills deficits in 2035 on the current trajectory. This could represent as many as 2 million managers on CMI estimates. This mirrors the under-utilisation of skills amongst those in lower-level occupations. It is not difficult to see a plausible link between insufficient skills levels at the top and inefficient skills utilisation at more junior levels.



Meaningful policy and follow-through action are essential. Consistent policy commitments - such as that to all-ages, all-levels apprenticeships - demonstrates this. We have to protect what's working, make management a greater priority across business and the public sector, and put formal targets for improved management capability in all overarching modern industrial policy and public service reform. In a tight fiscal environment, a commitment to boosting management is more about focus, momentum and action than any large increase in public investment. In fact, improving management capability will complement any investments the next government is likely to make in public infrastructure and supporting private investment. It is a means of protecting and enhancing return on investment.

There are three steps to enabling management skills in the next Parliament.

1. Protect what's working

- ➔ Continue to support and grow management apprenticeships, which demonstrably enhance productivity and performance in the public and private sectors, returning 300% on initial investment within a decade.
- ➔ Safeguard Help to Grow, which is supporting the performance of thousands of businesses a year and also support proven high quality professional qualifications.
- ➔ Ensure that universities across the UK can continue to offer strong and high-quality management degrees to both home and international students, with their popularity delivering positive economic impacts to local and regional economies, as well as the UK as a whole.

2. Embed management development in critical government strategies

- ➔ Ensure that management skills lie at the heart of economic growth, industrial strategies and the skills that support them.
- ➔ Develop a strategy for green management skills across the economy - beyond green industries alone - as an important lever for shifting to greater sustainable consumption and production alongside new requirements for non-financial reporting.
- ➔ Building on existing programmes, mandating that central and local government, as well as all public services, have robust management capability standards - such as the new civil service line management capability standards - and training in place. Monitor training, development and performance against this framework, including within procured goods and services.
- ➔ Ministers and MPs, who also manage small teams, should also undergo training to become better managers. CMI stands ready to support Ministers and MPs who may wish to become Chartered - to demonstrate their investment in their own management capability.

3. Shift employer and individual behaviour

- ➔ National skills strategies should prioritise skills needed to boost economic productivity and public service outcomes and have a clear set of goals around the critical role of management skills in unlocking these goals. Should the Apprenticeship Levy transform into a Growth and Skills Levy, as proposed by Labour, then reputable, proven and accredited practical courses, including those provided by Chartered bodies, should be at the heart of any widened scope.
- ➔ Key government Departments, new delivery bodies such as the Labour Party's proposed Skills England, and devolved administrations should focus on influencing and shifting employer behaviour to invest in critical skills needs. Design-led approaches to information and guidance should be pursued to link sources of individual funding for skills development to relevant training opportunities and employment outcomes. This will ensure that individuals and their employers have clarity on how best to invest to develop skills.
- ➔ Commit to eliminating gender pay gaps in public services by the end of the Parliament and build on statutory workers' rights to emphasise the level of skilled management that takes them further through a Good Work Task Force or similar.

With 82% of UK managers being promoted into their role without formal training - 'accidental managers' as CMI refers to them - the impact of better management is more relevant than ever. Firms in the top decile of productivity are 20% more likely to engage in formal management training than firms with average productivity.⁴



Productivity growth and public service improvement, green transition and technological development, better work and a more inclusive economy all require innovation and reform, better managers and a more skilled UK workforce. Government can make a huge difference here.

Better management must be at the heart of the story for the UK in the late 2020s if an incoming government is serious about delivering a step-change in growth and prosperity. We are already moving in that direction. With the right policies we can move even faster.

GROWTH AND PRODUCTIVITY

1. Productivity

The UK's recent poor productivity performance is well-documented. Productivity in the UK ranks below France, Germany and the USA.⁵

Recent evidence makes it clear that the industries which have contributed the most to the UK's productivity slowdown are in the 'knowledge economy' sectors, which include services and some high-value manufacturing. These are sectors where the UK economy has a comparative advantage, making them particularly important for future economic growth.

Additionally, the UK economy is largely dominated by service industries such as retail, hospitality, finance, and public services like health and education.⁶ These are sectors that rely on deep development of human capital alongside appropriate investment in physical capital. It is, therefore, not surprising that up to 50% of the UK's productivity gap with the most productive economies, similar to the USA, is related to management capability.⁷

- The UK ranks sixth in the world on management, but is only in the middle group amongst the most-developed countries.⁸
- A third of the gap between the UK's high performing firms and low performing firms is due to management practices.⁹
- ONS analysis finds that businesses with higher productivity tend to have higher management scores across the UK's regions.¹⁰

According to the most recent management expectations survey by the ONS, the gap between the regions with the highest and lowest management practices scores was 0.06 (out of 1 in total). This equates to a 6% productivity gap between the region with the highest average management practices and the worst.

Between 2020 and 2023 the East of England had the largest improvement in management score from 0.50 to 0.59. In a scenario where all else is held constant, a 0.01 management score improvement leads to a 1% increase in productivity. Therefore in the East of England the improvement in management practices could see, with other factors such as the economic cycle held constant, a 9% labour productivity gain over time.

If the West Midlands, management capability was improved, such that its management score improved from 0.55 to 0.59, matching the UK's best performing region in terms of management, the West Midlands could possibly see a 4% improvement in labour productivity. If all other factors of the economic cycle remained unchanged, the estimated gain to the West Midlands economy in such a scenario could potentially be in the region of £50-53 billion.¹¹

In the UK, 36% of firms in the top decile of management scores have adopted advanced technologies compared to only 3% of firms in the bottom decile. Firms with poor management scores below the median were also found to be four times more likely to use little to no analysis in making important business decisions.¹²

To begin to close the productivity gap the next government could:

- 1. Ensure management capability is a central focus in future government strategies including around future industrial strategy, green transition and innovation policy.** This should include embedding management and leadership in funded shorter courses alongside more intensive training.
- 2. Maintain successful qualifications like high-level management apprenticeships, which have proven effective in boosting productivity.** According to CMI's Apprenticeship Economic Value Model, apprentices currently add nearly £700 million to the economy annually, and are projected to contribute £7 billion by the end of the decade, providing a 300% return on a £2 billion investment.
- 3. Explore deeper tax reliefs for high-level human capital investment.** Whilst work-related upskilling can be fully expensed, it can't be treated as capital and recognised on company balance sheets. Therefore the tax and accounting treatment of training needs to be reviewed against whether it stimulates demand by employers.

THE FUTURE OF SKILLS

The UK's current skills landscape is characterised by significant mismatches between the skills held by the workforce and those demanded by employers. At the same time, the country needs to balance addressing immediate skill gaps while also preparing for future demands, particularly in the context of a green economy and rapidly developing technologies. The Open University's 2023 Business Barometer highlighted that 73% of organisations are grappling with skills shortages, leading to increased workloads, reduced productivity, hindered growth plans, and diminished staff morale and well-being.

Despite evidence pointing to the role of human capital investment in productivity growth, explored above, employer spending on training across the UK remains too low. External economic shocks have exacerbated these challenges, causing unprecedented shifts in the economy and labour force. Changes in working practices have forced businesses to adapt their operating models, presenting new challenges for organisations and employees alike.

Universities are an important part of the solution to the UK's skills gaps. Graduate supply still does not meet demand, with nearly a million jobs gap between those with degree-level qualifications and the number of professional roles in the UK in 2020.¹³ Recent research from NFER suggests that 90% of jobs by 2035 will need higher level skills.¹⁴

Effective management is essential to delivering thriving and innovative companies, and creating high-quality jobs. Highly skilled, capable, and empathetic managers will be essential to absorb, train, guide and develop recruits for these new roles, particularly in new professions where ways of working are only just being established. Universities with a strong management offer are critical to making this happen.

As John Van Reenan, Nicholas Bloom, and Raffaella Sadunhas have highlighted, management capability is also essential to unlock the benefits of other types of investment: 'This helps to explain why so many new technologies produce such disappointing results, as the tech spend needs to be complemented by organisational innovations driven by better management.'¹⁵ Recent research from the ONS

supports this finding, showing management practice scores significantly influence technology adoption.¹⁶

However, the UK continues to face big gaps in management and leadership skills. DfE's 2023 employer survey found the number of firms providing supervisory & management training had declined from 35% in 2017 to 33% (supervisory) and 32% (management) training in 2022.¹⁷

Degree apprenticeships and university business schools are vital components of driving up management capability and standards. Business & Management is the most popular degree apprenticeship subject, making up 47% of starts at levels 6 and 7. Research from the Chartered Association of Business Schools shows these apprenticeships offer important progression routes: at level 7, 25% join without a prior degree, including 10% with no qualifications. Almost one-third of level 6 apprentices come from communities with low higher education participation, with 97% of those from state schools.¹⁸ CMI research also found that 69% of management apprentices at level 6 and 7 come from families where neither parent went to university.¹⁹

The next government should:

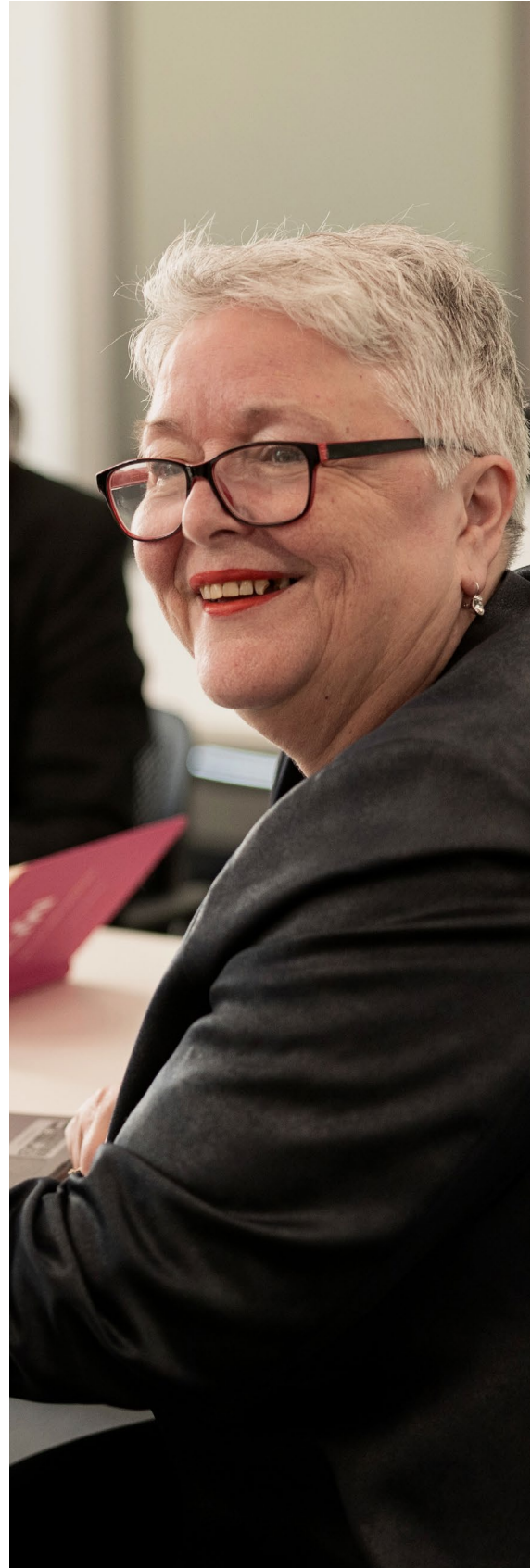
- 1. Establish a national skills strategy with a primary focus on productivity.**
This means identifying and addressing current skills mismatches while anticipating future needs, particularly in high-productivity and green sectors. Policies should prioritise sectors with the highest potential for productivity gains including public services.
- 2. Focus on increasing employer demand for skills.**
This means actively stimulating employer demand for upskilling and training. If there is to be a new skills body as, for example, Labour has proposed, then this should consider how policy, skills information, design and outreach, and the system of taxes and subsidies can better encourage individual and employer investment.

3. Link skills strategy across government departments, policy areas and sectors.

This should involve collaboration with regional and devolved administrations to ensure consistency and coherence in policy implementation. The strategy should also be embedded within the broader economic framework, aligning with the UK's industrial policy, innovation strategy, and other growth initiatives. Skills should not be solely owned by DfE but shared across business and industry, education departments and devolved bodies and administration, implemented over the long term, with a laser-like focus on delivery including Ministerial oversight of progress being made.

4. Enhance the Apprenticeship Levy.

The apprenticeship levy, introduced to encourage strategic, long-term training approaches, remains a crucial tool for upskilling the nation. In looking to make improvements to the levy, as it enters its second decade in existence, Levy 2.0 needs to balance flexibility with productivity.²⁰ For example, this would seem to be the motivation behind Labour's Skills and Growth Levy. Public support for apprenticeships is high, and understanding the return on investment is key. A more flexible and well-funded levy can support apprenticeships and other training forms, addressing skills gaps and enhancing productivity but only if it is deliberately designed to do so. Any widening should include practical qualifications proven to enhance productivity and organisational performance such as those provided by professional bodies.



GREEN TRANSITION

The UK is committed to achieving Net Zero by 2050, and although progress has been made, the pace of the transition needs to be accelerated. This is both a challenge and an opportunity for the new government.

Data from the Energy and Climate Intelligence Unit²¹ demonstrates the importance of net zero to the UK economy, yet with ambitious net zero policy from the new government this can grow further and faster. CMI research amongst its training provider partners has found that 42% report an increase in demand for green management skills training, from both employers and learners. Green management skills should be a key element in funded management and leadership and green skills programmes.

This growth cannot come at any cost; it needs to be just and inclusive. Research²² shows that women are less interested than men in developing green skills and it is anticipated that women will occupy only 25% of green jobs by 2030. Individuals and communities with a reliance on sunset²³ industries, such as oil and gas, are at risk of being left behind - lessons from previous economic transitions such as the decline of the coal and steel industries should be learned.

To navigate the transition successfully, there needs to be an investment in managers and a recognition of the green management skills they need to be equipped with. 'Green management skills' are the competencies managers need to effectively deliver organisational and business outcomes in a way that meets legal requirements and wider economic, political and social stakeholder expectations that we will reduce and reverse our negative impacts on our environment.

They are not only about compliance though; they encompass strategy, innovation, stakeholder management, contextual awareness, change management, marketing and much else besides.

The ability to manage effectively is a foundational and core skill in a society where rapid change has become the norm and new technologies are continually being introduced. However, research shows that many, if not most, change efforts fail to achieve their objectives, at least to some extent.²⁴ Managers are critical players in overseeing and enabling successful change, since they are the link between the strategic visioning and the implementation of new practices and behaviours.

Managers and leaders that are mindful of the environment can serve as role models for their teams and inspire them to be environmentally-conscious. Well-trained managers will also question how their decisions will impact the environment in the short, medium, and long term and will be able to identify areas where they can reduce waste, innovate, save resources and increase efficiency.

To support the development of green management skills, the incoming government should:

- 1. Commit to allocating funding within green investment allocations for green management skills training** - to equip managers with the necessary knowledge, skills and behaviours to lead and implement sustainable practices effectively and to ensure that managers have the green management skills needed, to deliver net zero by 2050.
- 2. Pursue clear and consistent net zero policies to provide the certainty for businesses to make informed decisions.** This will simplify and streamline regulatory processes by reducing administrative burdens on managers, allowing them to focus on sustainable practices and serve as a clear signal allowing longer-term management within firms. It will also allow for better collaboration between the public and private sectors to leverage resources, share expertise, and drive innovation on the path to net zero.
- 3. Empower Mayoral Combined Authorities and local government to deliver on net zero in a way that meets regional needs and opportunities.** The new government should provide MCAs with greater powers over skills, allowing them to develop and implement tailored green management skills interventions, to address local needs and opportunities, and ensuring quicker progress to net zero. By decentralising decision-making, MCAs are best placed to effectively mobilise businesses (through skilled managers), local communities and resources to achieve net zero targets.



PUBLIC SERVICE REFORM

The UK's public services are struggling to keep up with both demand and expectations. This is particularly true of the NHS, although also evident across other services too.

- A CMI report with the Social Market Foundation in 2023 challenged the popular myth that the NHS has too many managers. The research highlights that the NHS appears to be under-managed, with analysis revealing that the number of managers in the UK workforce as a whole, is 6.5 percentage points higher than in the English NHS workforce.
- Only half of the required number of trainee secondary teachers in England have been recruited this year, and teachers are leaving at the highest rate in four years. According to TES, the Department for Education is set to miss 2023-24 targets for teacher recruitment.
- Between 2017-2023, an average 30% of schools and colleges received a rating of "inadequate" or "requires improvement" for leadership and management.
- Research by the Local government Association revealed that almost 1 in 5 council leaders and chief executives think it is very or fairly likely that they will need to issue a Section 114 notice this year, or next year due to funding shortfalls, preventing them from committing to any new spending, and mandating a new budget that falls in their spending envelope.
- The LGA has estimated that local authorities in England face a funding gap of £4bn over the next two years.

Funding since 2010 has failed to keep pace as demand has increased. The next Parliament will see continued caution over spending increases given fiscal rules to which the new government is committed. In this context, reform backed by public investment wherever possible becomes paramount.

Management and Public Sector Reform

Working alongside the Social Market Foundation, CMI reviewed the state of management capabilities across three areas of public service and posed the question about what added

value can be found in improving skilled management practice across public services.

Management skills are not - and cannot be - the sole salvation of the UK's struggling, and in many cases underfunded public services. But they are a relatively low-cost, high-return investment in better navigating challenges that range from organisational disconnect, to disparate workplace cultures, low morale, recruitment and retention problems, and the management of poor performance. CMI and SMF case studies in NHS Trusts, for example the Royal Berkshire, Tameside and Glossop, North Staffordshire, and Leeds Teaching Hospitals have seen quality of patient care rapidly improve through concerted management improvement focused approaches.

The NHS: Quality management = better health care

The NHS long term workforce plan released in July 2023 plots a considered, generational horizon of 10-15 years to equip the service with the staff it needs to deliver for a growing and ageing population. But given the pressures facing services, it is worth noting that the CMI/SMF research identified the difference that improving management capabilities can achieve in a much shorter time frame. NHS trusts that prioritised good management were able to markedly improve performance within as little as three years.²⁵

With data from the Care Quality Commission (CQC) indicating that around a quarter of hospital trusts need considerable improvement, the study found a demonstrable, positive link between high quality management practices and the quality of healthcare.

The new government should recommit to the full resourcing and implementation of the workforce plan and also mandate accredited management training for newly appointed managers at each stage. Building on a planned NHS multidisciplinary management and leadership framework - for both clinicians and non-clinicians - that is currently in development, this would ensure quality and consistency across the health and social care sector. Additionally, the CQC should

broaden its “well-led” category of inspections with added attention to capturing the amount and quality of management and leadership training delivered.

Local government: Devolution works with skilled leadership

The OECD has shown that decentralised administration is linked to higher growth. There are a number of channels that local government in the UK has at its disposal, through which they can influence place-based prosperity levels. However, the available evidence also suggests that decentralisation only tends to make a notable impact on the local economy when local institutions are of sufficient quality i.e. they are administratively effective and adequately resourced. The former is heavily influenced by the competency of the leadership and management of an organisation. CMI’s research with the SMF found only 44% of those working in local government in England think that their organisation is performing well in ensuring accountability for failure and one in four (24%) think their organisation performs poorly on addressing poor performance.

How can policy drive better management in public services?

NHS England to continue its work to develop a set of standards for management and leadership across the service.

These standards should set out the minimum capability requirements at each level, and consider the skillsets necessary to achieve successful service innovation, including the successful application of new technologies. NHS England should share lessons from this process with the NHS organisations in Scotland, Wales and Northern Ireland.

It is important that this is a multi-disciplinary management and leadership framework, which cuts across all job functions and levels and, critically, across both clinical and non-clinical roles, aligning all managers and leaders with the common purpose of improving patient outcomes. Management skills are critical across a range of clinical and non-clinical roles and it is important that the future of management in the NHS and in care breaks down rather than reinforces professional silos. There is a debate about regulation of management in the NHS. Raising the bar through standards, training and development is the best way of improving management

capabilities with the backstop of regulatory action to prevent and respond to inadequate practice.

Management capability is an essential component of **public service productivity plans** and embedded in workforce planning for each service, underpinned by formal frameworks and high quality applied training. This applies across the board but especially where new technologies are developed and deployed at scale requiring shifts in organisational and service user behaviour.

Ministerial teams and MPs’ offices need to be given every opportunity to fully understand the recently published civil service line management capability standards. These standards are the foundation for implementing meaningful change across government and, with complementary ministerial management and leadership training that adheres to common principles of best practice, the next government will be best positioned to take a unified approach to managing and delivering on its missions.

BETTER WORK

Despite inflation falling to 2% and the economy exiting recession, the worst cost of living crisis in over 40 years persists. People across the UK face high energy, food, and housing costs, and living standards are declining. ONS data shows a weakening jobs market with falling employment, rising unemployment, and increasing economic inactivity, now at 2.82 million, primarily due to ill-health. This is over 700,000 more than pre-pandemic levels.²⁶ At the same time, businesses are grappling with staff shortages and retention problems, as long-term trends of low productivity and economic growth continue to undermine the labour market.

Too many people remain locked out of good jobs. Insecure jobs, characterised by low pay, unpredictable hours, poor protections, and limited career progression, are a significant concern. This job insecurity disproportionately impacts certain demographics, including women, young people, disabled individuals, and ethnic minorities, particularly in sectors like social care, hospitality, retail, and construction.

CMI surveyed 2,066 UK employees (who were not in managerial roles) for our Everyone Economy report. We found that 41% said they had witnessed colleagues being negatively affected by their background at work, 41% said they had themselves been negatively affected by their identity, and over half (52%) said they had at some point in their career been overlooked for a workplace opportunity because of their identity. For all of these statistics, the percentages were higher for minority groups and particularly high for those from Black backgrounds and those identifying as LGBTQ+.²⁷

Addressing these issues is crucial to enhancing job quality, which in turn can lead to improved productivity, employee well-being, and overall engagement.

Better managers, better work, better performance

Poor work cultures - largely influenced by leaders and managers - have a highly detrimental impact on the quality of work.

CMI research finds 1 in 3 workers report leaving jobs due to negative work cultures with almost 1 in 5 saying they wanted to report wrong-doing but feared retaliation from superiors. Workers who rate their manager as ineffective are significantly more likely to be planning to leave their organisation in the next 12 months than those who say their line manager is effective (50% vs 21%).²⁸

Good management practices can significantly enhance the quality of working life by ensuring greater autonomy, general well-being, and development and progression opportunities. Recent research from the LSE Inclusion Initiative finds that psychological safety - which is significantly influenced by management behaviour - is more important than individual initiatives to promote worker wellbeing.²⁹ This supports CMI/ Work Foundation research which found that managers are essential to delivering inclusive and productive work - for example, insecure workers who feel treated well at work are 7.5 times more likely to be satisfied with their job.³⁰

Forthcoming CMI research also finds management training makes a significant positive impact - with trained managers behaving more inclusively, and their employees

having higher rates of satisfaction, which together lead to better organisational outcomes.³¹

Managers themselves also want to support good work. This is not surprising as they often face similar challenges to their colleagues around working conditions and job security. Recent CMI polling finds 83% of UK managers surveyed believed that improving workers' rights could positively impact workplace productivity. 80% of managers surveyed think that workers' rights should be a top priority in national policies.

When polled on specific Labour policies, over 70% of managers surveyed believed the proposals within the New Deal for Working People were important to implement. The strongest support was for enhanced family-friendly policies, the introduction of a right to disconnect after work hours, protection for carers, and action plans to eliminate gender, ethnicity, and disability inequalities.

The next government should:

- 1. Establish a Good Work Taskforce and make adhering to good work standards a condition of public sector contracting.** Set up a 'Good Work Taskforce' to identify and implement international best practices for delivering good work, experimenting with behavioural change approaches to shifting employer practice, and mitigating insecure work. The taskforce would recommend how to incorporate good, inclusive work within government procurement - and how that could be assessed.
- 2. Integrate recruitment and retention strategies with a holistic employment support system.** Shift from an individual-focused to a systemic approach in employment support. Integrate recruitment and retention strategies, focusing on the needs and barriers of economically inactive people. Establish a 'Help to Hire' scheme to support SMEs in addressing biases in hiring and progression by building capability and capacity for managers to integrate and retain under-represented groups.

3. Commit to closing the Gender Pay Gap in the next Parliament.

Extend gender pay gap reporting to employers with 50+ employees and require organisations to demonstrate continuous improvement in closing gaps over time - including as a requirement of public sector procurement. Ensure adequate resources for enforcement with the Equality Hub, alongside the EHRC, setting targets, monitoring progress and sharing best practice.

CONCLUSION

Despite many policy initiatives to improve management skills in the UK over the years there has been too little concerted and systematic effort overall. Instead, apathy and inertia have been the norm. We can change that with a plan to ensure the UK is not holding itself back as we approach the second half of this decade, stalling growth by failing to address the enduring lack of management skills.

By protecting what is working currently, embedding management in plans for productivity, public service improvement and green transition and by creating a skills system that drives individual and employer demand for high level skills we can set a better course.

This Plan, based on two years of policy research undertaken by CMI and a range of partners, is our contribution to help the next government succeed. We look forward to exploring with policy-makers how best to help enable UK success. The mission is possible when the right plan for stronger UK management is in place.



REFERENCES

1. ONS (2024), [Management practices in the UK: 2016 to 2023](#).
2. CMI (2024), Management and UK 2030; CMI (2023) Better Managers Report.
3. NFER (2024), Rethinking skills gaps and solutions, Working Paper 4 of The Skills Imperative 2035: Essential skills for tomorrow's workforce.

NFER defines Essential Employment Skills as the skills that are anticipated to be most heavily utilised across the labour market in 2035. These are transferable skills, specifically: communication, collaboration, problem-solving, organising, planning and prioritising work, creative thinking and information literacy.






NFER's methodology involved measuring Skills Supply, Skills Requirements and Skills Saps related to employment, education and skills. They surveyed nearly 12,000 people aged 15-65 in 2023, estimating their Skills Supply from self-reported behaviours and the Skills Requirements of their jobs. They identified Skills Gaps by comparing these two and used future population and job projections to predict how these Skills Gaps might change from 2023 to 2035.
4. ONS (2024), [Management practices in the UK: 2016 to 2023](#)
5. ONS, [International comparisons of UK productivity \(ICP\), final estimates: 2021](#).
6. House of Commons Library (October 2023), [Industries in the UK](#).
7. Bloom, N., Genakos, C., Sadun, R. and Van Reenen, J. (2017), [Management as A Technology?](#) National Bureau of Economic Research.
8. Bloom, N., et.al. (2016), [Management and productivity in the private sector](#). Private Enterprise Development in Low Income Countries.
9. Ibid.
10. ONS (2024), [Management practices in the UK: 2016 to 2023](#).
11. Calculations based [ONS regional management scores](#) and a 4% improvement to West Midlands 2017 GVA. [Regional economic activity by gross value added \(balanced\), UK: 1998 to 2017, ONS 2018](#).
12. Ibid.
13. UUK (2023), [Busting graduate job myths](#).
14. NFER (2023), [The Skills Imperative 2035: An analysis of the demand for skills in the labour market in 2035](#).
15. John Van Reenen, Nicholas Bloom & Raffaella Sadun (2022), [Improving productivity through better management practices](#).
16. ONS, [Management practices in the UK: 2016 to 2023](#).
17. HMG (2022), [Employer Skills Survey](#).
18. CABS (2024), [BRIDGING THE GAP](#): How business schools are building pathways to success with degree apprenticeships.
19. CMI (2022), [The Future of the Apprenticeship Levy](#).
20. CMI (2023), [Levy 2.0: Towards Flexibility and Productivity](#).
21. A report for The Energy & Climate Intelligence Unit by CBI Economics (2024), [The UK's net zero economy](#).
22. Boston Consulting Group (2021), [Why Climate Action Needs a Gender Focus | BCG](#).
23. UCL (2022), [Definition of sunset and sunrise industries: The interplay of industries and their strategies at different stages of their evolution Policy Brief](#).
24. McKinsey (2015), [Changing Change Management](#).
25. CMI & SMF (2023), [A picture of health? Examining the state of leadership and management in the healthcare sector](#).
26. Aman Navani, Work Foundation (2024), [Unemployment and economic inactivity rise as labour market heads in wrong direction](#).
27. CMI (2022), [The Everyone Economy](#).
28. CMI (2023), [Better Management Report](#).
29. Jasmine Virhia, Yolanda Blavo, and Grace Lordan (2024), [The 'Beyond Workplace Wellbeing' Framework: A New Framework for the Organisation of Work to Cultivate Wellbeing and Productivity in Workplace](#).
30. CMI & Work Foundation (2023), [Managing Insecurity](#).
31. CMI research - forthcoming 2024.

Chartered Management Institute (CMI)

The Chartered Management Institute (CMI) works with business and education to inspire people to unleash their potential and become skilled, confident and successful managers and leaders. With a wealth of practical qualifications, events and networking opportunities on offer throughout the UK and internationally, CMI helps people boost their career prospects and connect them with other ambitious professionals in any industry and sector. In fact, CMI has more than **150,000** people training to be better managers right now. Backed by a unique Royal Charter, CMI is the only organisation allowed to award Chartered Manager status – the ultimate management accolade, and Chartered Management Consultant status which sets and maintains the highest standards for the management consulting profession. CMI's thought leadership, research and online resources provide practical insights on critical issues for a membership community of over **220,000** and anyone looking to improve their skills, nurture high-performing teams and help pave the way for the next generation of managers and leaders.

For more information, please visit www.managers.org.uk

Chartered Management Institute on LinkedIn, Facebook, X (formerly Twitter), Instagram and TikTok.

-  X: [@cmi_managers](https://twitter.com/cmi_managers)
-  Facebook: [@bettermanagers](https://www.facebook.com/bettermanagers)
-  LinkedIn: [Chartered Management Institute](https://www.linkedin.com/company/Chartered-Management-Institute)
-  Instagram: [@cmi_managers](https://www.instagram.com/cmi_managers)
-  TikTok: [@cmi_managers](https://www.tiktok.com/@cmi_managers)

INVESTORS IN PEOPLE™
We invest in people Platinum



Chartered Management Institute
Management House
Cottingham Road, Corby
Northamptonshire, NN17 1TT

Registered charity number 1091035
Incorporated by Royal Charter
Charity registered in Scotland number SC038105

Copyright Chartered Management Institute ©
CMI ElectionPP 2024 - July 2024

#BetterManagers

