



MANIFESTO 2019

**TO POWER THE UK'S
SUCCESS, IT'S TIME
TO ELIMINATE THE
ACCIDENTAL MANAGER**



CONTENTS

2 WHO WE ARE

Why it matters

3 INVESTING IN MANAGEMENT AND LEADERSHIP DEVELOPMENT HAS NEVER BEEN MORE TIMELY

What is CMI doing to help?

4 EMBED EMPLOYABILITY AT EVERY STAGE OF UK EDUCATION

What do we say?

What do we want?

5 DRIVE UP MANAGEMENT AND LEADERSHIP SKILLS

What do we say?

What do we want?

6 MAKE THE UK NO.1 FOR INCLUSIVE WORKPLACES

What do we say?

What do we want?



WHO WE ARE

The Chartered Management Institute (CMI) is the UK's professional body for managers and leaders. We work with business to help define what excellence looks like and we partner with education providers to deliver the skills businesses need, by creating practical qualifications to transform learners into skilled, confident and successful managers.



WHY IT MATTERS

You've definitely met them before: managers who struggle to manage and lead because they have been promoted without any coaching or support from their employer. At CMI, we call them 'accidental managers', and we estimate there are more than 2.4million of them across the UK.

Accidental managers represent a significant cost to the UK economy: the Bank of England cites a lack of management quality as an explanation for the UK's poor productivity¹ and the ONS, when scoring UK companies on management effectiveness, found that merely improving that score by 0.1 per cent was linked to a near 10 per cent increase in productivity.² Indeed, the Government's 2017 Industrial Strategy highlights the importance of management skills in closing the productivity gap.³

The important thing to note about investing in management and leadership skills is that it's within an employer's power to make a difference. And we know that it reaps dividends: firms who deliver on a strong commitment to management and leadership development programmes see on average a 23% increase in organisational performance, and 32% increase in people performance.⁴ Imagine if every company in the UK was almost one quarter more productive!

Creating better led and managed organisations also means creating more diverse, balanced and inclusive workplaces and we know this will deliver economic benefits to the UK. McKinsey, for example, has calculated that improving gender diversity could add £150 billion a year to the UK economy by 2025.⁵ We welcome the commitment from all main political parties to do more to boost flexible working practices and parental leave but think we should go further to incentivise companies to be global leaders in inclusive and diverse workplaces and sanction those who don't make progress.

¹ <https://www.ft.com/content/7bbc54f0-0d96-11e7-a88c-50ba212dce4d>

² ONS (2018) Management and Expectations Survey, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/experimentaldataonthemanagementpracticesofmanufacturingbusinessesingreatbritain/2018-04-06>

³ HMG (2017) Industrial Strategy, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/730043/industrial-strategy-white-paper-print-ready-a4-version.pdf

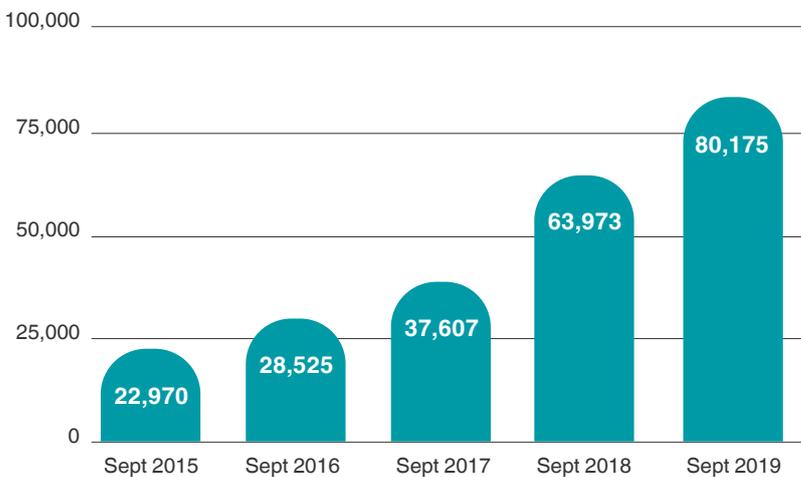
⁴ CMI (2012) The Business Benefits of Management and Leadership Development

⁵ McKinsey (2016) The power of parity: Advancing women's equality in the United Kingdom

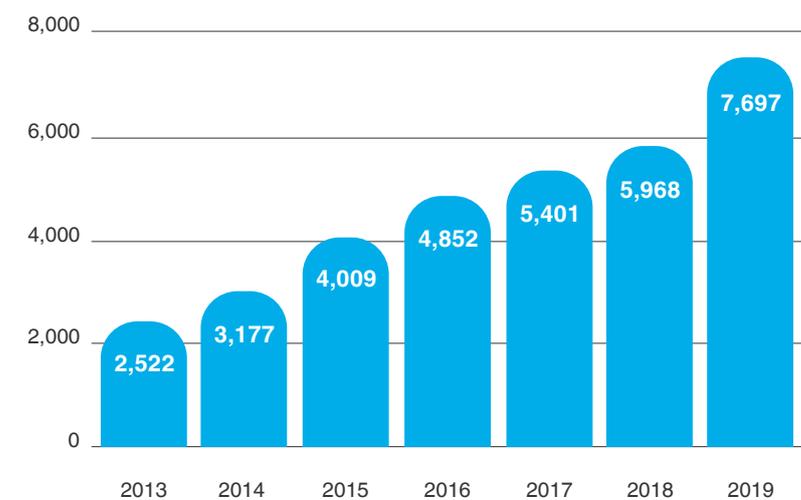
INVESTING IN MANAGEMENT AND LEADERSHIP DEVELOPMENT HAS NEVER BEEN MORE TIMELY

The Brexit policies of the two main parties mean that, whoever forms the next government, uncertainty over our future relationship with the EU is set to continue. As we've seen in the past three years, this will cause damage to business confidence and lead to a cooling off of investment decisions. Against this backdrop, the next government must seek to use every lever available to maximise the UK's productivity and weather a slow-growth future. Upskilling the UK's managers would give this tangible economic benefit.

Growth in Number of Active Learners 2015-2019



Growth in Number of Chartered Managers 2013-2019



WHAT IS CMI DOING TO HELP?

CMI is at the forefront of tackling the accidental manager, and we are making progress. Since 2018, we've seen a **55% growth in our learner community to 81,183**, made up of both students taking their first steps towards a career in management, and current managers who want to up- or re-skill.

We also saw a **10% increase from 2018 to 2019 in the number of Chartered Managers** - the best and most skilled managers - who our research shows add an average £62k to their business' revenue every year and £310k over five years. Those Chartered Managers also make an individual, additional contribution of £22.4k to the wider economy.⁶

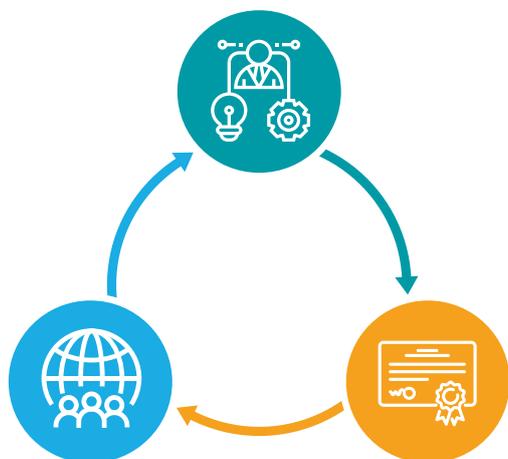
We're not just another business body. We work in true partnership with nearly 600 education providers - from universities and colleges, to employers and private training providers, to change people's lives. Through our nationwide regional board structure, our network of c-suite CMI Companions, and our thought leadership, we regularly communicate with thousands of managers at all levels and stages of their careers. We know that partnership is about complementing and amplifying the great work that is being done across the country. The result is practical insight built on individuals and real business practices, rather than theory.

In this manifesto we set out our ambitions for the next government. We know that driving up management and leadership training in the UK, embedding employability at every stage of the education system, and making the UK the most diverse and inclusive workplace in the world would be transformative and have multiplier benefits. We're ready to work in partnership with the next government to deliver these aims.

⁶ <https://www.managers.org.uk/charteredmanagerinfographic>

OUR PRIORITIES FOR THE NEXT GOVERNMENT

DRIVE UP MANAGEMENT AND LEADERSHIP SKILLS



MAKE THE UK NO.1 FOR INCLUSIVE WORKPLACES

EMBED EMPLOYABILITY AT EVERY STAGE OF UK EDUCATION

EMBED EMPLOYABILITY AT EVERY STAGE OF UK EDUCATION

WHAT DO WE SAY?

CMI has long been a champion of aligning education and employment and has been at the forefront of connecting education and industry needs:

- ▶ CMI has always embedded employability at the heart of our qualifications and through relationships with the nearly 600 universities and education providers who partner with us, because they know that management and leadership qualifications add value: our analysis of DHLE data suggests that a degree course accredited by CMI provides a 10% employability boost over a non-accredited business course.⁷
- ▶ We helped set the English Apprenticeship standards for management apprentices through the Leadership and Management Trailblazer group because we could see the huge value it would

bring to learners' employability and business productivity.

- ▶ But the world is changing rapidly, especially technology - for example, by 2030, robots will replace 800 million workers across the world.⁸
- ▶ The UK will need 1.9 million new managers by 2024.⁹ As things stand, CMI research shows that around two thirds of employers believe graduates lack the interpersonal skills to manage. These are: taking responsibility, people management, honest and ethical, problem solving and critical analysis and collaboration and team working.¹⁰
- ▶ Young people want to lead but lack confidence in their abilities to do so. Our research found that 63% are interested in leading a team and 40% would like to become the boss of a company yet only 25% think they are very good at communicating what they think or taking initiative, key skills for leading teams and projects.¹¹
- ▶ Work experience can help to bridge the gap between skills and confidence but we know that access to work experience is skewed by socio-economic status and is often too short term to make an impact.¹²
- ▶ Employability skills must be embedded into the core curriculum. To ensure that the next generation of managers and leaders are better qualified and more productive than the current generation, young people must be taught management and leadership skills as early as possible.
- ▶ UK education needs to keep up with quickly changing employability needs. Recent policy interventions, for example to boost the quality of technical education routes, are welcome but T-levels are yet to be rolled out and many people are confused about the value and relevance of different routes. We know that in schools, for example, there are still big gaps in how apprenticeships and technical education are perceived and presented.¹³
- ▶ It is therefore essential for government to continue working closely with industry and industry experts - to ensure that the UK education system delivers the skills, knowledge and behaviours that individuals need to thrive in the working world of the future. Management and leadership education provides many of the skills crucial to thrive in the world of work.

⁷ <https://www.managers.org.uk/makinganimpact>

⁸ <https://www.managers.org.uk/technologytransformed>

⁹ Working Futures 2015-2024, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/514285/Working_Futures_Headline_Report_final_for_web_PG.pdf

¹⁰ <https://www.managers.org.uk/21stcenturyleaders>

¹¹ <https://www.managers.org.uk/ageofuncertaintyreport>

¹² EY Foundation (2017) A Framework for Success: connecting Young People with Employers from School to Work

¹³ Independent panel report to the Review of Post-18 Education and Funding, May 2019

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/805127/Review_of_post_18_education_and_funding.pdf

EMBED EMPLOYABILITY AT EVERY STAGE OF UK EDUCATION

WHAT DO WE WANT?

In recognition of the importance of management skills for driving performance and productivity we would like to see the next government commit to:

- 1 Ensure all graduates complete a minimum level of professionally accredited management and leadership training as part of their degree. This might be in the form of a module integrated into their degree or the opportunity to use extra curricular activity to demonstrate the management and leadership competence that employers are demanding, as evidenced in CMI's '21st Century Leaders' report.¹⁴
- 2 Work closely with professional bodies on the roll out of new education routes (such as T-levels) and in the development of occupational standards, ensuring they are fit for purpose for the sector as a whole, and are not too restrictive.
- 3 Government should involve professional bodies in a national awareness raising campaign around the different routes through higher level education - covering, holistically, T-levels, Higher Technical Qualifications, degrees and degree apprenticeships. This should link to continued pressure on schools to provide effective careers guidance covering all educational routes and options.

DRIVE UP MANAGEMENT AND LEADERSHIP SKILLS

WHAT DO WE SAY?

- ▶ The Fourth Industrial Revolution is disrupting the workplace. By 2030, 375 million workers worldwide, around 14% of the global workforce, may need to find new jobs and new careers as automation and advances in AI transform the world of work. Some existing roles and occupations will disappear, and many new ones will be created. Some forecasts predict that 85% of the jobs in 2030 do not exist yet. This will require retraining and reskilling on an unprecedented scale.¹⁵
- ▶ At the same time, low productivity is a £300bn problem for the UK and poor leadership and management skills are a key factor holding back productivity.¹⁶ Productivity is a particular problem for UK SMEs, who are over-represented on the 'long tail' of low productivity.¹⁷ BEIS/ HMT's joint Business Productivity Review concluded that "leadership and management practices therefore represent one of the greatest opportunities for firm-level productivity growth in the UK."

- ▶ Management and Leadership qualifications and Apprenticeships have been important for driving up productivity:^{18, 19}

APPRENTICES



92% of CMI management apprentices agree that they are acquiring the skills needed to be more productive at work.



49% of management apprentices are women



46% come from the country's 50% most deprived areas.²⁰

¹⁴ CMI (2018) 21st Century Leaders

¹⁵ Management 4.0 Lifelong Learning Discussion Paper, <https://www.managers.org.uk/~media/Files/Management%2040/Lifelong-Learning.pdf>

¹⁶ Time for action: skills for economic growth and social justice, L&V, 2019

¹⁷ BEIS/HMT Business Productivity Review (2019)

¹⁸ CMI (2019) Increasing workplace productivity, <https://www.managers.org.uk/~media/Files/Apprenticeships/New/Increasing-workplace-productivity-2019.pdf>

¹⁹ CMI (2019) Infographics: The Value of Chartered Managers

²⁰ CMI (2019) Increasing workplace productivity

CHARTERED MANAGERS

81%

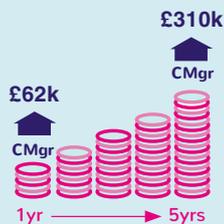


81% say their management skills have improved

78%



78% say that since becoming Chartered, they have had a positive impact on the wider team in their organisation (such as increased employee engagement)



Each Chartered Manager boosts their business' revenue by £62k every year and £310k over 5 years

- ▶ The apprenticeship levy is a great investment in the economic productivity of the UK. Its success should tell us that the investment is needed, valued and must be continued.
- ▶ We believe there is also a role for supporting and incentivising individuals to take up learning opportunities throughout their lifetime.
- ▶ This investment will ultimately be offset by productivity gains and will allow us to compete in a rapidly changing, globalised world, where large numbers of people already in work will need to up- and re-skill throughout their lives.
- ▶ Government has a key role in ensuring that education and training providers meet the highest standards, but the employer and individual must retain the purchasing power. This is essential if we're to plug skills gaps and avoid training for training's sake.

WHAT DO WE WANT?

- 1 Government must continue to champion apprenticeships at all levels to boost productivity and support social mobility and employability for all. To send a signal that investment in skills is a priority and applies to all workers at all levels we would like to see government rebrand the Apprenticeship Levy to make it clear it is inclusive and relevant to the modern knowledge economy, where key skills gaps are in areas such as management, leadership, digital and data, not just traditional apprentice occupations. We suggest something along the lines of a 'Brighter Future Fund'.
- 2 We want to see a long-term funding commitment for technical and vocational education and training to include the importance of management and leadership development so that education providers and employers can invest with confidence in on- and off- the job training.
- 3 The apprenticeship levy is an important opportunity to cement employer investment in skills and address UK productivity challenges and we welcome increased flexibility to reduce bureaucracy and support employer choice as argued for in our 10-point plan with the British Chamber of Commerce.²¹ It is essential that the levy continues to be employer-led and is not rationed or artificially managed. We also support calls to introduce lifetime learning allowances for individuals to support re- and up-skilling with approved education and training providers.
- 4 Government should champion standards such as Chartered Manager including the Chartered Manager Degree apprenticeship, which prove practical competence and enhance an individual's management accountability.

²¹ CMI (2018) The CMI and BCC: Ten urgent reforms to transform the apprenticeship landscape

WHAT DO WE SAY?

- ▶ Inclusive workplaces are important: they support employee wellbeing, company creativity and innovation, and customer engagement.²²
- ▶ Managers and leaders have a crucial role in delivering inclusive workplaces, with a responsibility to set the tone for the organisation, establish trust and promote ethical practice.
- ▶ There is also a strong business case for supporting inclusion. For example, McKinsey has calculated that improving gender diversity could add £150 billion a year to the UK economy by 2025.²³ Companies with diverse leadership teams also generate increased returns and reduce the risk of groupthink.
- ▶ Despite this, it is clear that the talent pipeline remains broken. For example, women make up 73% of junior managers but only 32% make it to director level, and male managers are currently 40% more likely to be promoted than female managers. Future projections show the scale of the challenge: with the economy needing 1.9m new managers by 2024, 1.5m would have to be women in order to achieve gender balance. The challenge faced by ethnic minority managers is even greater, although many businesses lack data about their employees' ethnicity. Most also have less well developed approaches to increasing race and ethnic diversity than for gender.
- ▶ The UK Corporate Governance Code mandates that in their annual report, companies must explain their policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives. However, research in 2018 found that only 15% of the FTSE100 reported on all four of these items²⁴ and there are no sanctions if companies do not comply. We think this is a missed opportunity.
- ▶ Other policies that could support inclusive workplaces - for example, flexible working and shared parental leave, have not had the impact they should have had: only 1 in 4 managers fully understand flexible working legislation,²⁵ and government data suggests take up of Shared Parental Leave, as a means to increase the time men spend with their new child, may be as low as 2%.²⁶ Our recent survey showed that only 11% of managers have had someone they manage take Shared Parental Leave in the last 24 months, compared to 33% for paternity leave.²⁷
- ▶ At CMI, we believe the best way to improve workplace practices is through better management and leadership: the best employers go beyond the minimum statutory requirements and have systems and processes in place to actively support all employees in a holistic way - be that through mental health interventions or supporting those with long term illness, or by supporting differing ways of working.

²² CIPD (2019) *Building Inclusive Workplaces*

²³ McKinsey (2016) *The power of parity: Advancing women's equality in the United Kingdom*

²⁴ FRC (2018) *Board Diversity Reporting*

²⁵ CMI research - *Managers Voice 2018*

²⁶ HMG (2018) *New 'Share the joy' campaign promotes shared parental leave rights for parents* <https://www.gov.uk/government/news/new-share-the-joy-campaign-promotes-shared-parental-leave-rights-for-parents>

²⁷ CMI research (forthcoming - 2019)

WHAT DO WE WANT?

- 1** We want to see the [government commit to increase the number and standard of qualified managers and leaders](#) across the UK. This will ensure inclusive workplaces are embedded in working culture as well as boost productivity.
- 2** We need to [accelerate work to close pay gaps](#). This will mean extending reporting requirements to include more organisations and requiring employers to set targets for closing the gap and to report annually on progress including additional measures such as ethnicity, availability and use of flexible working and shared parental leave and pay. Government should also consider introducing incentives for firms to invest in female leaders and upskilling women returners.
- 3** We want to see government take a much firmer approach with those businesses who continue to fail to meet their diversity obligations. [CMI believe it is time for 'Transparency with Teeth'](#): when firms fail to meet their transparency and reporting commitments regarding diversity and inclusion, the government should have the power to impose sanctions such as limiting access to contract opportunities or extracting fines that could be used to fund programmes with a demonstrable impact on, for example, closing gender and ethnicity pay gaps.



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 Asia-Pacific, 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 **79,000** 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.

CMI's thought leadership, research and online resources provide practical insight on critical issues for a **132,000** plus membership community 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, Twitter and Instagram.



Twitter: @cmi_managers



Facebook: www.facebook.com/bettermanagers



LinkedIn: Chartered Management Institute



Instagram: @cmi_managers



Chartered Management Institute
Management House, Cottingham Road,
Corby, Northamptonshire, NN17 1TT
Incorporated by Royal Charter
Registered charity number 1091035
Charity registered in Scotland number SC038105

#BetterManagers

November 2019

