

## THE NEXT TERM

### Introducing the Management Agenda

#### Driving productivity

Looking ahead over the Parliamentary term, action is needed to create organisational cultures that can grasp opportunities to innovate, change and grow. The focus now needs to be on improving management and leadership skills. This is especially true in the context of increased global competition and rapid technological change and applies equally to the public and voluntary sectors.

Workforce development should not just be about skills development, but also requires effective *use* of skills in the workplace, and excellence in management and leadership is vital to ensuring this happens.

#### Management skills: are they meeting the need?

Extensive research has highlighted the significance of management skills, emphasising their role in influencing performance and enhancing UK competitiveness. Research has also highlighted the skills deficiencies and the lack of capacity among UK management. Indeed, a high proportion of managers lack formal qualifications and many undertake only limited amounts of training:

- one in three employers report a skills deficiency amongst their managers
- one third of small businesses close within the first three years - the key reason cited is poor management skills
- less than a quarter of managers have a management qualification
- UK Competitiveness Indicators show that management skills hold back innovation.

#### A license to manage?

Better management can have a noticeable impact on business performance and can significantly affect the quality of working lives of those they manage and also their customers.

We expect other professionals such as doctors, lawyers and accountants to be professionally qualified, yet only a quarter of managers have any relevant qualifications. This needs to be addressed. Already in industries such as construction and care homes, where health and safety issues are paramount or vulnerable people are potentially at risk, there are demands for evidence of management competence, with a requirement for managers to hold qualifications.

The Government should now lead by example by requiring those managing across the public sector to prove both their competence and commitment to high standards of management and leadership.

#### Managers: in growing demand

There are currently 4.3m managers in the UK. The demand for management skills, both within the managerial occupational group and beyond, has increased significantly in recent years and will continue to do so. More than 2 million new managers will be needed by 2012\*.



A manager is anyone with managerial responsibilities as part of their job - they may be actually called managers, although many are not. They will work in many professions, but as part of their role they manage people or issues. They may be a production engineer who oversees the shop floor or a school principal, who primarily manages a school and its staff. Many could be described as "accidental managers" - who arrived in a management position by excelling at their core discipline. These managers also need to be encouraged to realise that they can get better at managing and that ultimately there are qualifications to demonstrate management proficiency.

The Government's current funding regime, supporting adult basic skills up to Level 2, creates a bias against secondary disciplines such as management and other professional skills. Government needs to ensure that a greater proportion of funding encourages investment in skills at Level 3 and above.

### **The demographic imperative**

An ageing population and concerns on pension provision will mean that many people may need to work longer while the reported skills gap raises issues around training and development. These factors are driving greater diversity of the workforce: the proportion of women at work is increasing; the participation of older workers is being encouraged, and managed migration is helping to offset the growing skills crisis.

New flexible working practices are being developed to help balance work, home and community commitments. The most successful companies are those who respect their people as their greatest asset. They listen and empower their people by being responsive, communicating values clearly and creating a positive culture of opportunity. The Government must encourage employers to make their working practices more responsive to the needs of employees, while protecting the flexibility of the UK's labour market.

### **Government working with the professional bodies**

There are nearly 400 professional associations in the UK. In aggregate they deal with millions of learners through their membership and the provision of qualifications and training. As such they have a considerable reach across many thousands of employers. The recognition of professional skills through the Chartered designation is a key route to raising individual performance and standards and is a route that employers understand.

The Government must include the Chartered Professional Bodies as major partners in the National Skills Strategy together with the Sector Skills Councils in order to support the promotion of the professional skills needed to drive both increased competitiveness and public sector reform.

### **About the Chartered Management Institute**

The Chartered Management Institute is the leading organisation for professional management. As the champion of management, the Institute shapes and supports the managers of tomorrow. By sharing the latest insights and setting standards in management development, the Institute helps to deliver results in a dynamic world. The Institute has 71,000 individual members and 450 corporate members.

For more information, visit the website: [www.managers.org.uk](http://www.managers.org.uk). For enquiries about the Institute's policy activities, please call 020 7421 2704 or e-mail [policy.development@managers.org.uk](mailto:policy.development@managers.org.uk) or write to:

Petra Cook  
Head of Public Affairs  
Chartered Management Institute, 2 Savoy Court, Strand, London, WC2R 0EZ