



# LEADERSHIP FOR CHANGE.

CMI's Management Manifesto.

June 2017

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# FOREWORD



The 2017 General Election has been defined by Brexit and the forthcoming UK-EU negotiations. Whatever political deals emerge, Brexit throws into sharp relief several urgent questions about the UK's economy, education and skills. They each demand answers if the UK is to thrive. They are linked by one underlying issue that is too rarely talked about: an imperative to improve the quality of management and leadership in the UK.

While the UK can be proud of many world-leading businesses, it has a long tail of poorly managed and unproductive organisations. The UK lags behind its G7 competitors' average productivity levels by some 18%. Poor management costs UK employers some £84bn a year and it is, according to authorities like the OECD, one of the biggest factors in our competitive weakness. Compare that cost to the IFS estimate of a £75bn annual hit to the economy if the UK leaves the EU single market.

So while debate rages over the future of the UK's trading rules, we risk losing sight of the prize. Improving management and leadership across the UK and closing the productivity gap could be even more important to the country's future.

Yet closing that gap will be impossible while many companies remain choked by outdated management cultures. Too many people – including middle managers – are disengaged from their work, lack trust in their leaders, and go unheard when it comes to management decision-making. We need to radically overhaul business cultures and work in ways that blend better with people's lives, give people more power to perform, and make flexibility a reality on both sides of the employment relationship.



*It's a rallying cry for government, businesses, public, educational and professional organisations like CMI to work in partnership for change.*

We also need to fix the glaring lack of diversity in so much of UK management. This is the moment to eradicate gender imbalances, adding £150bn annually to the UK economy. That means making a success of gender pay transparency and pushing change forward by ensuring that higher-level jobs are advertised as flexible by default, when only 9% currently are, or making sure that one in ten apprenticeships are used to support parents returning to work. And we need more transparency about pay and progression by employees' race and ethnic background to make sure the 'management pipeline' is rich in talent and open to all.

That is imperative because the economy needs 1.9m people coming into management jobs over the decade to 2024. Many managers fear damage from the possible end to free movement of people from the EU and restrictions on other immigration. We need to ensure employers have access to employees from abroad who bring much-needed specialist skills, and that we keep the door open for students who add huge value to our higher education sector.

Yet we clearly also need a new emphasis on home-grown skills. We have too many 'accidental managers', who are promoted into management jobs – then left to sink or swim. It's vital that people have the right opportunities to learn. We need a commitment to new high-quality apprenticeships and better access to funding, especially for small business, serving both young people and helping to upskill people already in work.

We also must do better for young people making the leap from education to work, not only with apprenticeships but also with a new school-to-work syllabus, new measurement of schools' performance on helping pupils progress into further or higher education or apprenticeships, and a higher education system that focuses on delivering the practical management and leadership skills that underpin employability. CMI supports the Teaching Excellence Framework to drive this focus on employability for all students.

Complex challenges demand collaborative answers so our Management Manifesto is not a simplistic shopping list of actions that managers demand from the Government. It's a rallying cry for government, businesses, public, educational and professional organisations like CMI to work in partnership for change. Partnership is innate to CMI. We know its value in upskilling, accrediting and qualifying the people who lead and manage organisations. That spirit of partnership now needs to shape how we tackle the challenges before us.

The good news is that many of our skills problems are eminently fixable. There is an increasing will to do something about it. This short Manifesto sets out our priorities and whether you're a politician, a business leader or a manager, we look forward to working with you to turn these aspirations into reality.

**Ann Francke MBA CMgr CCMi FIC**  
Chief Executive, CMI

# EXECUTIVE SUMMARY

Our Management Manifesto is not simply a wish list for the next Government. It is based on a vision of collaboration and partnership between policy makers, employers, individual managers, and of course CMI as the professional body for management and leadership.

We identify five key areas where collaborative action is needed.



1

## Improving Productivity Through People

**The UK's productivity lags 18% behind the average of its G7 competitors – 35% behind Germany. Closing the gap means recognising the pivotal role of management and leadership skills in improving productivity and a national focus on replacing 'accidental managers' with confident, competent, qualified managers.**

To provide this focus on improving management, CMI will work with government and key partners to build a National Management Index to track progress and demonstrate the impact on business performance and national productivity.

We need support for the new Productivity Council, which is led by business. £13m has been pledged but secure funding is needed for the next five years to allow the Council to make a difference.



2

## Building Trust Through Better Business Cultures and Governance

**Trust in leaders is at rock bottom: from the rejection of 'elite' or 'expert' views seen in the Brexit vote to a breakdown of trust in the workplace, fuelled by outdated management cultures, secretive leaders and runaway executive pay.**

We need more transparency from business, underpinned by regulation on reporting pay ratios; pay that is linked to customer and employee engagement; and increased employee voice in management decision making.

Leaders need to do much more to call out poor behaviour and be role models for high ethical standards. They need to be more transparent and communicate better, and executive pay should be aligned with the behaviours that support trust.



3

### Inclusive Leadership – Harnessing Diversity and Challenging Group Think

**The evidence is increasingly clear: diversity delivers results. Better gender balance in the workplace could add £150bn a year to the UK economy. We need to focus on the ‘missing middle’ that sees women under-represented in middle management and upwards, facing a ‘glass pyramid’ on pay and progression.**

This means making a success of gender pay transparency and pushing change forward by ensuring that higher-level jobs such as management roles are advertised as flexible by default, when only 9% currently are, and making sure that one in ten apprenticeships are used to support parents returning to work – as well as a ‘silver quota’ for the over-50s.



4

### Improving Employability – Better Access and Opportunities for Young People

**The UK needs 1.9m new managers by 2024 so we need to strengthen routes into management. We need a new school-to-work syllabus, with better engagement between employers and educators, driven by new outcome measures for schools.**

In higher education we support the Teaching Excellence Framework to drive a focus on employability for all students, and CMI will work with all of its education partners to help develop the practical skills, global mind-set and ethical behaviours that employers need. We also need to protect the access of overseas students and academics to UK’s higher education sector, a national success that must be nurtured.



5

### The Age of Apprenticeships – Get In and Go Far in Management

**The new Trailblazer Apprenticeships offer high quality learning, including degree-level programmes like the Chartered Manager Degree Apprenticeship. They meet employer needs and offer real opportunities both to young people and to those already in work, supporting lifelong learning.**

The new Government needs to back the continued roll out of these apprenticeships. We support the Apprenticeship Levy as a much-needed answer to long-standing under-investment in skills. Access to funding should be improved, in particular for small businesses. Government also needs to work with partners to improve awareness and understanding among young people, parents, employers and existing employees about the opportunities available.

# 1. PRODUCTIVITY THROUGH PEOPLE

## RECOGNISING MANAGEMENT AS THE KEY DRIVER

Management and leadership is critical to our economic success. The UK currently has an estimated 2.4m accidental and unskilled managers, promoted into leadership roles because of their functional expertise but left to sink or swim when it comes to management. As a result, poor people management has been calculated to cost the UK economy £84bn a year – £9bn more than the Institute for Fiscal Studies' estimate of the potential cost of leaving the EU single market, of £75bn a year.

Not enough employers are investing in developing the skills of their existing workforce, or training new managers to be more effective. More must be done as we prepare for a post-Brexit world of home-grown management talent.

### WHY IT MATTERS



Productivity has been identified as a major risk to the UK's growth agenda for the post-Brexit referendum world. UK productivity is currently 18% lower than the average of the rest of the G7, and a recent Investors in People report found that £84bn is wasted in the UK each year through poor people management and leadership. Only one in five UK managers today is professionally qualified. To address this, the last Government announced funding for the creation of a UK Productivity Council led by Sir Charlie Mayfield and the private sector, recognising the need for improving the quality of leadership in the UK. This is due to launch in autumn 2017.

While many assume productivity is cured through investing in technology or infrastructure, the Organisation for Economic Co-operation and Development (OECD) confirmed that the outstanding primary factor in addressing the productivity gap is improving management and leadership. The Bank of England's Andy Haldane has said that there would be "*potentially high returns to policies which improve the quality of management within companies*". However, 71% of employers admit they do not do enough to train their managers.

Productivity is also compromised by a poor quality of working life and low levels of wellbeing. Poor management can damage mental and physical health and working age ill health is estimated to cost the economy £100bn annually. More engaged and healthier employees are more productive.

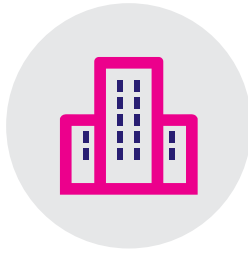


### Three key asks for Government

**Support a National Management Index** – the UK lacks clear data about the quality of management and leadership skills. As the adage goes, what gets measured gets managed; yet we lack clear measures in this vital area. The next Government should support the development of the proposed National Management Index to measure and track the nation's skills base and identify opportunities for improvements.

**Invest in management and leadership to raise productivity levels** – the Government needs to accelerate efforts to improve productivity through improving management leadership. This will require a commitment to support the work of the new Productivity Council, which is led by business, and the encouragement of collaboration and sharing of best practice. £13m has been pledged but secure funding is needed for the next five years to allow the Council to make a difference. The new Government must support sectoral and regional initiatives to drive up management and leadership.

**Drive improvements in skills and employment through the Industrial Strategy** – to deliver long-term success, the Industrial Strategy needs to fully support investment in skills, lifelong learning and the roll-out of high quality apprenticeships. Government should prioritise investment in upskilling managers to ensure they are equipped with the skills to embrace change, build trust and create working cultures with positive role models and inclusive values. The outcomes of Matthew Taylor's Review into Modern Employment Practices should be adopted in order to prevent abuse of employment rules and to support good work, and they should be joined up with the Industrial Strategy to enhance employee engagement and wellbeing.



### Three things businesses should be doing

**Invest in training** – there are 2.4m 'accidental' managers not delivering to full capability currently, who need training and development support. Organisations with effective management and leadership development programmes have on average 23% better results and are 32% more productive. 83% of Chartered Managers say they are more productive as a consequence of their training and development, and CMI calculates their average added value to an organisation is £391,443.

**Support employee wellbeing and mental health** – employers need to make sure that how they work supports health and wellbeing at a time when 41% of managers say their stress levels have risen over the last 12 months.

**Extend flexible working** – flexible working practices support wellbeing and can transform productivity. It means empowering employees, avoiding digital presenteeism, better developing line managers, improving change management and actively supporting health.



### Three things CMI is doing

**Creating confident and competent managers** – 40,000 learners registered for CMI-accredited courses in 2016/17, across more than 90 business schools and 400 education providers. Working in partnership, we both support new students and help to upskill those already in management roles, providing pathways to grow their capacity to drive up performance and meet the future needs of business.

**Building a National Management Index** – we will pioneer new research during 2017 to provide policymakers and employers with a benchmark of the UK's management and leadership skills. Collaborating with the new Productivity Council, Investors in People, the Work Foundation, the IPA, Engage for Success and key business organisations, we will measure progress over time and demonstrate the impact of management effectiveness on business performance and national productivity.

**Eliminating the accidental manager** – we will continue to showcase successful businesses who put leadership and management excellence at the heart of their culture. We will champion the new work-based apprenticeships and support managers in their lifelong learning and continuing professional development, helping young leaders bridge into employment, and providing pathways to Chartered Manager status.

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## 2. BUILDING TRUST BETTER BUSINESS CULTURES AND GOVERNANCE

Trust matters – yet in many parts of the business world, it is in short supply. Businesses have to earn trust, whether from their customers or their employees. It is imperative that leaders build (or rebuild) trust and engagement with the people in their businesses.

Doing so means changing management cultures to be more flexible, to better blend work with home life, and to allow people to make better use of their abilities in their work. Too many organisations remain trapped in hierarchical, bureaucratic and secretive cultures. We need increased transparency, for instance about executive pay, and changes to how companies are led, in ways that help strengthen business cultures to the benefit of all.



### WHY IT MATTERS

The Brexit vote can be seen as reflecting a far-reaching breakdown of trust in 'elite' politicians and business leaders. The Edelman Trust Barometer reported its biggest-ever drop in trust in government, business, the media and NGOs in 2017. Many people are concerned by runaway executive pay and perceived 'rewards for failure'.

Trust has also broken down inside organisations. Only 36% of middle managers fully trust their leaders. Those middle managers are at the heart of organisations, playing a pivotal role in engaging employees and turning strategy into action, yet just 31% feel the importance of their role in building trust is valued by their leaders.

Trust and growth go hand-in-hand. In rapidly growing organisations 68% of managers have high trust in leaders, whereas in declining organisations that number plummets to just 15%. Reforming business cultures to rebuild trust is critical for better business performance and productivity.





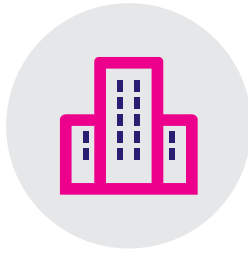


### Three key asks for Government

**Curb runaway executive pay and rewards for failure** – transparency is a powerful lever for change, so businesses should be required to publish pay ratios between the top and average levels of pay. Rewards for failure need to be stopped by reinforcing the links to performance. Leaders should be measured on how they deliver company purpose and their commitments to stakeholders including customers, employees, and communities. Government should demand increased transparency and strengthen the role of Remuneration Committees, to make sure remuneration is based on long-term evaluation of performance.

**Strengthen employee and stakeholders' voices** – CMI research shows low levels of trust within business. Corporate governance reforms should strengthen the voice of stakeholders and in particular employees at the top of companies.

**Develop human capital reporting standards** – better data on employee engagement and management behaviours help boards to direct companies and inform better decision making from investors, identifying the drivers of long-term business value. Government should consider making integrated reporting mandatory for listed businesses, through changes to Financial Reporting Council guidance.



### Three things businesses should be doing

**Create long-term purpose not myopic management** – as the Commission on Management and Leadership found in its *Management 2020* report, the best-led organisations define their social purpose – not in terms of short-term financial results, but in the long-term value they create for their customers and their stakeholders. Executive pay should be linked to measurable progress on these fronts, not just shareholder return, and should move away from complex long-term incentive plans that are weakly linked to results.

**Improve management communication** – senior leaders need to spend more time with middle managers and make themselves visible, as 64% of middle managers say they are prevented from building trust in their own teams through a lack of information from the top of their business. The top five behaviours that managers want from senior leaders are to:

- Share their thinking
- Admit to mistakes
- Encourage people to raise issues
- Be more inspirational
- Uphold company values

**Reveal leaders' thinking more openly** – the number-one behaviour that middle managers want to see from their leaders to improve trust is to understand what leaders are thinking, closely followed by admitting mistakes. Be open and transparent and involve people across the organisation in decisions. Involve middle managers in shaping communications; only 9% say they are asked for input.



### Three things CMI is doing

**Helping managers measure and rebuild trust** – we will be championing the importance of trust at work with a consumer-focused campaign exploring the issues around trust, celebrating middle management and establishing a support network for this most underappreciated group. We know that what gets measured gets managed, so we will champion trust in management through a 'net trust score', benchmarking the behaviours that create and sustain trust.

**Working with leaders to develop role models** – CMI recognises and champions excellence in management and leadership. Our Companions are role models for management and the CMI Gold Medal recognises the very best, with recent winners including champions of progressive practices like Unilever's Paul Polman and the John Lewis Partnership's Chairman, Sir Charlie Mayfield. We are also growing the number of Chartered Managers, creating committed professionals who are role models for best practices in their organisations.

**Highlighting trends in management pay** – we work in partnership with XpertHR, the UK's leading online HR resource, to publish annual information on management salaries. Based on a partnership of over 40 years, our research shines a light on trends in management pay and the links to performance.

### 3. INCLUSIVE LEADERSHIP HARNESSING DIVERSITY AND CHALLENGING GROUP THINK

The evidence is increasingly clear. Diversity delivers results. Companies with diverse leadership teams generate increased returns and reduce the risk of groupthink. Government should work with employers to increase the diversity of their workforces and reduce the under-representation in management roles of groups including women and ethnic minorities.

#### WHY IT MATTERS

Diversity adds value. Gender diverse leadership teams measured by Credit Suisse deliver an 18% Return on Equity premium. McKinsey have calculated diverse companies are 15% more likely to outperform competitors and that diversity could add \$12 trillion annually to the global economy and £150 billion a year to the UK economy by 2025.

Women face a 'glass pyramid' in the workplace with a double effect of an increasing gender pay gap and lower levels of representation at senior levels. It is clear that the talent pipeline is broken: there is a 'missing middle' of women who fail to progress from junior to senior roles. Women make up 73% of junior managers but only 32% make it to director level, and men managers are currently 40% more likely than female managers to be promoted. 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.

Business is waking up to the under-representation of ethnic minorities in management roles, with debate driven by the Parker and McGregor-Smith reviews. Ongoing CMI research suggests that most businesses lack data about their employees' ethnicity and as yet have less well-developed approaches to increasing race and ethnic diversity than for gender.



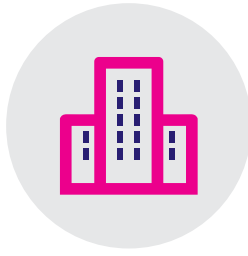


### Three key asks for Government

**Implement and extend reporting on diversity through pay and progression data** – the next Government needs to continue to engage with employers to ensure that gender pay gap reporting is fully adopted by employers. In addition to pay, we believe employers should be required to set targets and report on progress when it comes to gender balance through the management pipeline. Transparency can also improve ethnic diversity in management, and CMI will support measures proposed by Baroness McGregor-Smith for reporting on pay and progression by race and ethnic background.

**Work with business to achieve voluntary change** – the Davies review provides a template for changing business culture and behaviour. Business needs to own changes, so support those that lead the way, for instance in setting voluntary targets for change on gender diversity and or other areas, like race and ethnicity. Learn from and build on sector-based initiatives like the work led by Virgin Money's Jayne-Anne Gadhia to create the Women in Finance Charter.

**Encourage culture change by supporting changes in how people work** – CMI supports extending the period in which men are entitled to paid paternity leave. Government should also work with employers to encourage more uptake among men of parental leave by improving the packages offered to men. Continue to promote more flexible working and better-quality part-time or job-share opportunities to help people combine work with family lives.



### Three things businesses should be doing

**Using sponsorship, role models, and calling out bad behaviour.** Encourage sponsorship to help talented women and other under-represented groups access opportunities to succeed. Companies need role models for change: identify and make visible diverse leaders to encourage aspiration among under-represented groups and demonstrate openness to change. Encourage and support those who call out bad behaviour: four in five managers report they have witnessed some form of gender bias at work.

**Addressing bias in recruitment and promotion** – ensure diversity both in shortlisted candidates and in assessment panels. Male managers are currently 40% more likely to be promoted than female managers. Set and report on targets for gender balance to support decision making.

**Increase flexible working practices** – managers rate flexible working as one of the top five ways to help women progress and to create a diverse, more productive organisation. Technology has made flexible working much more straightforward and opened up whole new markets for some organisations. Make flexibility the norm, not the exception, by making flexible working the default when recruiting roles unless business needs make it impossible. Only 9% of higher-quality jobs are currently advertised as flexible.



### Three things CMI is doing

**Championing gender balance** – CMI has been championing gender balance since 1969 when we launched Women In Management. We have increased our focus on building gender diversity to drive productivity by relaunching Women in Management as the CMI Women network, now chaired by CMI Companion, Heather Melville.

**Creating a Blueprint for Balance** – CMI's innovative and free open-source platform to promote diversity in the workplace, from which managers can access best practice resources, benchmark their organisation and upload resources for others' benefit. Through this we will attempt to redress the 'missing middle' – that point in the glass pyramid at which we lose women from our management structures.

**Working to improve race and ethnic diversity in the management pipeline** – we are working in partnership with the British Academy of Management to conduct pioneering research into the experience of black and ethnic minority managers in FTSE100 companies, to identify how employers can accelerate efforts to increase diversity and inclusivity.

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## 4. IMPROVING EMPLOYABILITY

# BETTER ACCESS AND OPPORTUNITIES FOR YOUNG PEOPLE

The UK needs 1.9m new managers by 2024. We need to ensure that school leavers and graduates are engaged by employers and taught leadership and management skills as early as possible in order to open up new routes into management and leadership careers.

This will better prepare them for a working world they currently feel uninspired by and detached from, while equipping employers with a far more productive workforce. We also need to develop management and leadership skills for those people not going directly into management roles, supporting employability and entrepreneurship.

Apprenticeships are a big part of the answer to these challenges – see section five for more on their role in supporting employability.



### WHY IT MATTERS

Young people are increasingly struggling to find jobs when leaving education and want more support from employers – 35% of 16-21 year-olds do not know about employers and jobs in their local areas.

Employers have become increasingly frustrated by the failure of education institutions to provide work-ready school leavers and graduates who can easily transition into the workplace. Despite employers reporting skills shortages, youth unemployment rates remain high, and 65% of employers believe graduates lack the interpersonal skills necessary to manage people.

Post-Brexit we need to recruit and train a new generation of home-grown UK leaders and managers to address productivity, yet young people feel deeply disenfranchised in the working world and are struggling to transition from education to the workplace. The appetite is there too – 63% of 16-21 year-olds are interested in leading a team and 37% would like to start their own business.



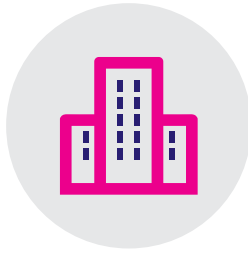


### Three key asks for Government

**Support a new school-to-work syllabus** – the next Government should make a long-term commitment to systemic change in the education system to ensure that young people in the UK can make a successful transition into the workplace and the next stage of their lives. The national curriculum needs a school-to-work syllabus to develop employability skills, including team leadership and communications skills, which should be accredited.

**Measure schools on outcomes** – better visibility of outcomes is needed so schools should be measured on the progression of pupils as they leave education, whether into further or higher education, employment or apprenticeships. Careers advice should be transformed with active promotion of new apprenticeship pathways.

**Improve employability through higher education** – all students should learn to manage and lead. Higher education can improve students' employability by improving knowledge, skills and behaviours, so government needs to encourage HE to develop connections with business and partner professional bodies to provide students with practical opportunities to develop and apply their skills. All students, not just business or management programmes, should have the opportunity to acquire practical management and leadership skills. CMI supports the Teaching Excellence Framework (TEF) to drive this focus on employability for all students.



### Three things businesses should be doing

**Providing meaningful experience of work** – 88% of 16-21 year-olds say employers should offer more experience of work, with 56% unable to get the experience they need to secure the job they want. Too much work experience is an afterthought and involves menial tasks that do not prepare young people for an actual job.

**Engaging with schools** – there are great schemes available to enable business professionals to donate time to schools, and schools are increasingly looking for role models to speak about work with classes to better prepare them for what the working world is like. Businesses need to take the time to show their work in a favourable way to young people.

**Investing in new talent** – work with schools, colleges and universities to tap into the potential of the new employer-led apprenticeships which provide cost effective ways to bring motivated young people into the world of work. With investment from the Apprenticeship Levy and grants for smaller businesses, there are lots of opportunities for employers.



### Three things CMI is doing

**Developing a school-to-work syllabus** – we are working in partnership with the EY Foundation to develop a school-to-work syllabus through the national curriculum that includes recognition of team leadership skills and work readiness. This includes a National Youth Panel dedicated to constructively challenging stakeholders to better support employability.

**Working with higher education** – CMI works with over 90 university partners to improve employability outcomes, develop practical management and leadership skills, and support student entrepreneurialism, by accrediting degrees and providing employability modules. We have developed measures to track the impact on employability and will publish data as it becomes available, supporting reporting under the TEF. We will work with our partners to support life-long learning among alumni. We look forward to supporting the development of the new T-Levels to provide recognition of team leadership skills for 16-18 year-olds.

**Supporting future leaders** – we have established a Future Leaders Panel to build a community to enable our younger members to discover their potential, explore the demands of leadership and develop the necessary skills to lead effectively. As a natural 'home' for those graduating from CMI-accredited programmes into full membership, Future Leaders will play a critical role in early management careers. Supported by CMI Mentoring and our suite of resources, like ManagementDirect, it will accelerate their development and help them grow into better leaders.

## 5. THE AGE OF APPRENTICESHIPS GET IN AND GO FAR IN MANAGEMENT

Apprenticeships are set to become a key pathway into the professions for school leavers and existing workers alike. No longer are apprenticeships restricted to introductory and lower-level programmes for new starters: the new trailblazer management apprenticeships, including the Chartered Manager Degree Apprenticeship, are high-level, prestigious, and can be used to upskill existing employees of any age. By providing new routes into the profession and opportunities for progression, they will also support improved social mobility and widen access, supporting diversity.

The new apprenticeships offer a blend of work-based learning and business education that will benefit any business. The Apprenticeship Levy is a huge opportunity to support employer investment in skills and will address the UK's long-standing productivity crisis.



### WHY IT MATTERS

Uncertainty about access to overseas skilled workers is fuelling employers' need to invest in home-grown talent. 80% of managers agree that post-Brexit investing in skills will be even more important. 67% are negative about their employers' ability to attract EU workers; yet 71% of firms admit that they fail to offer management training to first-time managers.

As of April 2017, employers with a £3m+ annual pay bill are required to contribute 0.5% of the total to the Apprenticeship Levy. Employers can use funds from the Levy to reinvest in their own management apprenticeship programmes. Managers have supported the Levy by a ratio of almost 3:1 (48% supported it, compared to only 17% who disagreed with the plans, prior to its introduction).

Research from Universities UK shows that the Chartered Manager Degree Apprenticeship is already the most popular degree apprenticeship, just ahead of engineering, accountancy and digital, with nearly 2,000 apprentices expected by the end of 2017. This is despite the fact that just 13% of parents are aware of degree apprenticeships. The potential popularity is clear: when they are explained, 61% of parents say they would rather their child took a degree apprenticeship with a major company than a traditional Oxbridge degree. 81% think it provides a better chance of getting a job than a standalone university degree.



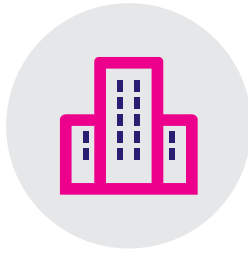


### Three key asks for Government

**Back the expansion of high-quality apprenticeships** – the next Government should maintain a strong commitment to the new trailblazer apprenticeships and the Apprenticeship Levy to create certainty and confidence in the new system for employers, providers and most importantly apprentices. The Levy should be extended to cover professional qualifications and accredited programmes to meet the wider training needs of employers. Expansion means engaging people who typically have not accessed apprenticeships including existing employees and groups such as returning parents and older workers. CMI is calling for one in ten apprenticeships to support parents returning to work and government should support companies targeting the over-50s with ‘silver quotas’.

**Improve access to funding** – bring forward the timing for extending the Digital Apprenticeship Service to small businesses, currently Levy non-payers, so that there is a single and more accessible employer-led funding system. This will better incentivise providers to target small business and would remove the need for complicated funding allocations to existing providers.

**Improve awareness** – create a national communications campaign to better raise awareness of the new professional pathways offered by apprenticeships. This should focus on reaching parents, young people and those employers who have outdated perceptions of apprenticeships. Employers should regard the Levy as a ‘Skills Investment Plan’. Too many still see apprenticeships as a low-level entry route into work, as opposed to a route for investing in high-value skills, upskilling their existing workforce and attracting the best new talent.



### Three things businesses should be doing

**Seize the Levy opportunity** – the Levy should be seen as a ‘Skills Investment Plan’ that can be used to fund management development programmes both for school leavers and existing employees. 71% of apprentices remain with the same employer after joining, and businesses employing apprentices increase their productivity by £214 per week on average. Utilise high quality programmes like the Chartered Manager Degree Apprenticeship: Chartered Managers deliver £391,443 of added value to their employers.

**Tackle misconceptions, transform the brand** – employers need to rid themselves of misconceptions about apprenticeships being a ‘second-class choice’, and ensure that employees, young people and their parents understand the opportunities. The Trailblazer initiative has ensured that new apprenticeships are of the highest quality, developed by employers for employers.

**Leverage networks** – larger employers should work collaboratively with suppliers to ensure access to apprenticeships for smaller businesses, cascading learning opportunities through their supply chains.



### Three things CMI is doing

**Promoting apprenticeships** – working with employers, education providers, schools and Government, we are promoting the value of apprenticeships to employers. We will help parents and apprentices raise awareness of the skills investment opportunity offered by the Apprenticeship Levy.

**Eliminating the accidental manager** – 65% of employers think graduates lack the interpersonal skills to manage people. We are working with universities and education providers to deliver CMI apprentices with the skills and professional recognition that employers want. CMI offers education providers a support package of professional development, curriculum enhancement and end point assessment that supports learners to achieve their apprenticeship and gain professional recognition up to Chartered status.

**Developing standards** – CMI has supported an employer-led trailblazer group of 40+ businesses, organisations and HE institutions to develop three management apprenticeships: Chartered Manager Degree Apprenticeship, Level 3 (team leader) and Level 5 (operations manager). A Master’s degree Level 7 management apprenticeship is currently in development in consultation with a large group of leading employers and universities.

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## CONCLUDING COMMENTS

Whatever the outcome of the General Election in June 2017, our nation's leaders and managers face a set of unique challenges and opportunities, not least those presented by Brexit.

What form they will take is unclear. Until a deal is secured at the EU negotiating table it's hard to predict the impact it will have on issues like the economy and access to skilled overseas workers, issues that our research show are the priorities for managers going into those discussions.

However, there is one thing for sure in this sea of uncertainty. Britain will need to build a highly productive and internationally competitive economy, and the crucial factor in doing so will be the quality of our leaders and managers.

From the Government and employers alike, we will need strong, agile and inclusive leadership. CMI's charitable mission to increase the number and standard of professionally qualified managers and leaders has never been more important. We, and our members in organisations across the UK, will play our part.

We look forward to stepping up to the task and working with the new Government. Our partnerships with employers, higher and further education institutions, and education providers will ensure that we produce managers with the skills that UK plc needs.

## FIND OUT MORE

To find out more about CMI's research, the analysis that has informed our Management Manifesto, and to sign up to our weekly Insights newsletter, please head to [www.managers.org.uk/insights](http://www.managers.org.uk/insights).



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# MEET CMI'S STAKEHOLDER ENGAGEMENT TEAM



## **Petra Wilton** – Director of Strategy and External Affairs

Petra Wilton leads CMI's thought leadership agenda and is responsible for building its brand profile and strategic partnerships. She has co-authored many reports and shares managers' views with Government, business, education and the media.

Petra has been leading work on the development of the new management and leadership apprenticeships, including the Chartered Manager Degree Apprenticeship, and also supports the CMI Women's network to help create a world-class pipeline of women into management.

[petra.wilton@managers.org.uk](mailto:petra.wilton@managers.org.uk)



## **Ali Cox** – Head of Apprenticeships and Stakeholder Engagement

Ali focuses on the exciting developments in Leadership & Management apprenticeships and working to build demand and capacity. She is also Project Manager for the Leadership & Management Trailblazer Employer Group, currently developing the Senior Leader Master's Degree apprenticeship.

Ali also leads on building relationships with key stakeholders, and increasing the engagement with and profile of our prestigious CMI Companions.

[alison.cox@managers.org.uk](mailto:alison.cox@managers.org.uk)



## **Patrick Woodman** – Head of Research and Advocacy

Patrick heads up CMI's thought leadership research programme, generating the practical insights that shape CMI's recommendations and underpin our campaigns and points of view on key issues. He's currently working on plans for our National Management Index as well as further research on diversity and inclusivity in management.

Patrick is also a regular spokesperson for CMI and he leads on several key partnerships. Recently he worked closely with the Government Equalities Office, as CMI contributed to the development of the gender pay gap reporting regulations.

[patrick.woodman@managers.org.uk](mailto:patrick.woodman@managers.org.uk)



## **Phil Wood** – Stakeholder and Companions Engagement Manager

Phil is responsible for developing CMI's stakeholder relations, building networks and relationships across CMI's key sectors. This includes engagement with CMI Companions, our most senior members. He has a particular focus on our work on young people and employability.

Phil is also responsible for CMI's Parliamentary engagement, including managing the secretariat for the All-Party Parliamentary Group on Management.

[philip.wood@managers.org.uk](mailto:philip.wood@managers.org.uk)

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# NOTES



## Chartered Management Institute (CMI)

The Chartered Management Institute (CMI) is the only chartered professional body for management and leadership, dedicated to improving managers' skills and growing the number of qualified managers.

Our professional management qualifications span GCSE to PhD equivalent levels, including the unique Chartered Manager award, which increases earning potential and improves workplace performance.

We provide employers and individual managers with access to the latest management thinking and with practical online support that helps them to embrace change, create high-performing teams and keep ahead of the curve.

With a member community of more than 130,000 managers and leaders, we promote high standards of ethical practice through our Professional Code of Conduct, and help managers to build their expertise through online networks, regional events and mentoring opportunities.

Visit [www.managers.org.uk](http://www.managers.org.uk)  
for more information, and follow us on Twitter  
**@CMI\_managers #cmi2017**

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