

MANAGEMENT 4.0

Developing the next generation of managers and leaders.



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FOREWORD.

CMI's Management 4.0 campaign seeks to answer what may appear to be a simple question: what will good management look like in the future?

But we live in an age where the only thing advancing quicker than technology is how we use it to share our experiences. New ways of communicating are shifting the balance of power within offices and companies across the country, and organisations can no longer deliver financial performance at the expense of wider corporate social responsibility without risking intense scrutiny.

In a crowded market of future-gazers, what sets Management 4.0 apart? As a chartered body, we are examining the topic from the perspective of the public good - to understand how we can best help managers at every level and across all sectors transition to a more rapidly-changing, diverse and technology-led economy without widespread disruption and undue concern.

We will be led by the need to produce robust, practical recommendations that individual managers, organisations and the Government can action to ease that transformation down the line.

Good managers know that self-awareness is a key quality of inspirational leadership, so we will also ensure that the campaign takes a look at our own management content and examines what CMI needs to do to help managers through our professional framework and qualifications.

I am excited to work with industry-leaders and role-model managers across the country to create a body of work which will both help those in management positions today to future-proof their organisations, and prepare those who will be undertaking these positions in the future.

INTRODUCTION.

Over the past two decades, digital technologies have become more available and increasingly integral to most workplaces. This disruption is set to accelerate over the next two decades, transforming the workplace and the world.

Management 4.0 seeks to understand what the Fourth Industrial Revolution will mean for the management profession, and what new skills and knowledge we need to be teaching both existing and future leaders.

“ MANAGERS AT ALL LEVELS WILL HAVE TO ADAPT TO THE WORLD OF SMART MACHINES. THE FACT IS, ARTIFICIAL INTELLIGENCE WILL SOON BE ABLE TO DO THE ADMINISTRATIVE TASKS THAT CONSUME MUCH OF MANAGERS' TIME FASTER, BETTER, AND AT A LOWER COST.* ”

The Fourth Industrial Revolution is characterised by the fusion of technologies including Artificial Intelligence (AI), automation and the Internet of Things. Digital systems are being developed that can monitor a large number of

inputs, make decisions to effect outputs, and communicate this information to other devices and systems which can undertake actions in the real world. Whereas in the past a process may require the judgement of a skilled employee, an AI system may soon be able to direct the process quicker, more efficiently, and having taken into account many more variables than a human mind could.

Much like the respective advents of steam, electricity and IT in the past three industrial revolutions, automation will transform vast swathes of the workforce. Supporters of the technology argue that digital systems will be able to take over repetitive, routine tasks, improving morale and freeing up workers to focus on the higher-value activities which require imagination and empathy. However, many ask what will happen to the employees who used to undertake these roles.

At the same time, the cultural expectations of the workforce are changing. Millennials do not expect to work at one company for their whole career, nor do they always expect to work one

job at a time. They are more environmentally aware, more socially conscious and more diverse - they recognise the changing face of society and the benefits that inclusion brings.

“ WE HEAR MUCH ABOUT DISRUPTION THESE DAYS. THE TRUTH IS THAT THE GREATEST DISRUPTION IS COMING FROM PEOPLE AND NOT ALGORITHMS.** ”

Much of the management theory used today was developed for the traditional, hierarchical structures of the past, where employees were usually in a single location, working on discrete workstreams and answering to a clear chain of command. As technology increasingly disrupts these old ways of working, what will be the new role of the manager?

These are the trends and questions Management 4.0 will explore. CMI will be leading a national conversation about the future of management, seeking to engage across industries and organisations to understand what we need to do now to prepare current and next generation leaders for the future.

* Harvard Business Review (2016), How Artificial Intelligence Will Redefine Management
<https://hbr.org/2016/11/how-artificial-intelligence-will-redefine-management>

** https://www.db.com/newsroom_news/Fuelling_Gender_Diversity_Unlocking_the_impact_of_the_next_generation_workplace.pdf

CASE FOR THE CAMPAIGN.

WHY IS THE FUTURE OF MANAGEMENT OF CONCERN TO ANYONE OUTSIDE OF THE PROFESSION?

Management should matter to all of us. Management skills and practices are key to improving the quality of work, improving organisational performance and closing the productivity gap.

The Bank of England, HM Treasury and OECD all agree that management is one of the most important drivers of productivity. The Bank of England cite a lack of management quality as an explanation for the UK's long tail of unproductive businesses 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.¹

“MANAGEMENT PRACTICE IS HIGHLY VARIABLE IN BRITAIN, AND EXPLAINS A LARGE PART OF THE UNDERLYING PRODUCTIVITY GAP WITH THE US.***”

Managers play a critical role in motivating and engaging staff, and supporting employee wellbeing. We know that productivity is 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.² More engaged and healthier employees are more productive.

We do not believe that technology will replace managers, but it may fundamentally change the role of managers and lead to new management tools and practices. For example, if we see a reduction in the number of repetitive tasks as a result of technology, the role of the manager as a source of advice to those undertaking more complex projects will become more important. Equally, if automation does result in job displacement, managers will be at the frontline of redeploying and reskilling staff throughout their organisations.

This may explain why the demand for management and leadership skills is on the rise. The latest CBI education and skills survey shows

that 73% of firms expect to grow the number of people with management and leadership skills over the next 3-5 years.³

Yet the UK is a nation of “accidental” managers. Over 70% of employers provide little or no management training⁴, with the result that 4 in 5 managers - around 2.4m managers across the country - are promoted into leadership roles but then left to sink or swim when it comes to management. The impact of this on employees, on businesses and on the economy is clear.

“THE UK IS A NATION OF “ACCIDENTAL” MANAGERS.”

This is why management, and the future of management, should be a matter of concern to all of us. Our Management 4.0 campaign will continue to make the case for investing in management and leadership skills, and ensure that we understand how best to equip managers for the challenges they will face in the future and help both managers and leaders through the transformation to come.

*** Be The Business (2018), How Good Is Your Business Really? Raising Our Ambitions For Business Performance, p.19, <https://www.bethebusiness.com/wp-content/uploads/2018/04/how-good-is-your-business-really.pdf>

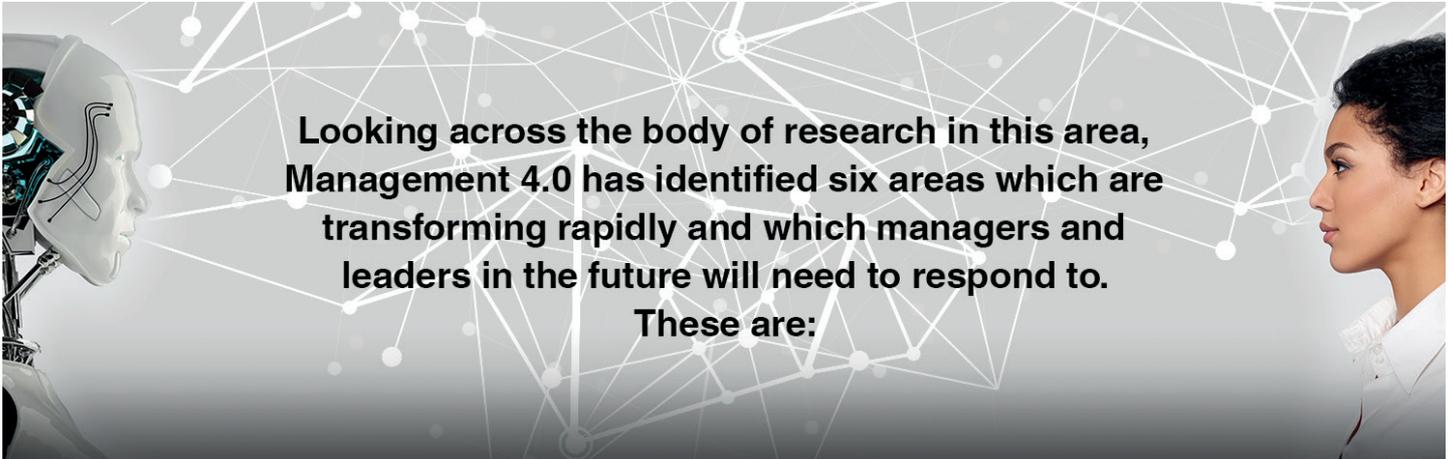
¹ ONS (2018) Management practices and productivity in British production and services industries - initial results from the Management and Expectations Survey: 2016, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/experimentaldataonthemanagementpracticesofmanufacturingbusinessesingreatbritain/2018-04-06>

² Dame Carol Black Review (2008), Working For A Healthier Tomorrow, p.10 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/209782/hwwb-working-for-a-healthier-tomorrow.pdf

³ CBI (2018) Educating the Modern World, <https://cbicdnend.azureedge.net/media/1171/cbi-educating-for-the-modern-world.pdf?v=20190418.4>

⁴ https://www.managers.org.uk/insights/management-2020/~/_/media/Files/PDF/M2020/Management%202020%20-%20Leadership%20to%20unlock%20long-term%20growth

OUR THEMES.



Looking across the body of research in this area, Management 4.0 has identified six areas which are transforming rapidly and which managers and leaders in the future will need to respond to. These are:



Technology Transformed

What will innovations like AI, automation and new ways of communicating mean for the role of a manager? Will we see the rise of the digital leader? Which industries and regions will face the greatest challenge?



Society Transformed

As the population ages and becomes more diverse, what new challenges will managers face and how will leaders adapt? How is the balance of power shifting in the workplace?



Patterns of Work Transformed

Employee expectations are changing, with a desire for more flexible, self-directed forms of work that allow better work-life balance. How will managers and businesses respond?



Lifelong Learning Transformed

Long gone are the days of spending the whole of your career at one company. Up-skilling and re-skilling will become even more important; how should we facilitate this?



Business Transformed

How can we ensure that rapid, disruptive business models are able to develop managers as they grow? What will technology mean for existing business models? Will we see increased demand for new forms of corporate governance?



Leadership Transformed

With command-and-control styles of management becoming extinct, what skills and attributes will tomorrow's leaders need to thrive? What new leadership styles will evolve? How will leaders demonstrate good practice when it comes to the ethics of AI?

We'll shortly be publishing position papers on each of our six themes, identifying the issues we want to explore and the questions we want to answer.

More information will be available online at:
www.managers.org.uk/managementtransformed

GET INVOLVED.

This paper marks the launch of a national conversation CMI wants to lead to understand how employers and managers across the country are preparing themselves for the Fourth Industrial Revolution, and what best practice looks like.

CMI will be undertaking research and hosting events across the year and partnering with a number of organisations to develop clear, robust recommendations for Government, employers, managers and leaders to ensure they are well-prepared for the future.

Change starts at home, so CMI will also be setting out what our qualifications and products need to do to future proof the next generation of Chartered Managers.

There are lots of ways you can get involved and support our campaign, for example by providing case studies, attending events, sharing insights, submitting research or written evidence or by supporting us on social media.



SO GET INVOLVED. REGISTER NOW AT:
www.managers.org.uk/managementtransformed

Chartered Management Institute (CMI)

CMI works with businesses and education providers to create skilled, confident and successful managers and leaders.

With more than 81,000 currently studying our practical qualifications and over 100,000 members dedicated to improving their management and leadership skills and performance, CMI provides the tools and resources for success.

Backed by a unique Royal Charter, CMI is the only organisation allowed to award Chartered Manager status – the ultimate management accolade.

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