



West Midlands Future Prosperity

Upgrading management skills for growth

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Economic growth is a key focus for the West Midlands while the region is also contending with a triple transition: the current working population is ageing,¹ and becoming more diverse whilst a large under-16 population will be looking to join the workforce imminently;² industry is shifting from more traditional forms to being increasingly knowledge-based;³ and the proliferation of technology, rise of hybrid working and move to net-zero requires new skills that will need to be constantly updated. This transition is on top of economic challenges set against the backdrop of the aftermath of a global pandemic and international insecurity.

As the region moves through this transition it is being faced with the challenge of a 'Triple Gap' – of productivity, skills and inclusivity. This challenge matters because the West Midlands is the seventh largest regional contributor to the UK economy and the gap is holding both the region – and the wider UK's growth and productivity – back.

Although only one part of a complex economic jigsaw (national industrial strategy, technology, the green transition and UK trade relations all play crucial roles), the value of management and leadership skills in delivering regional economic growth – and enabling transition – are often overlooked.

Numerous reports demonstrate the positive impact of management & leadership on organisational performance including by Haskel et al. (2007)⁴ in the UK and Bloom et al. (2013)⁵ who found better management led to increases in productivity of 13-17%. Data from the Office for National Statistics (ONS) shows that better-managed firms fared more positively during the pandemic.⁶ These skills are central to addressing the Triple Gap as they can help regional businesses and organisations build resilience as they navigate the triple transition and ensure productivity is sustained.⁷

Perhaps unsurprisingly, in the West Midlands, demand for management skills is strong and continues to grow rapidly. According to Lightcast data, over the past decade there has been a 75% increase in demand for management skills and 280% increase in demand for leadership skills listed as requirements in job postings.⁸ Management and leadership both remained in the top ten most sought-after common skills for all jobs in the West Midlands between April 2021 and April 2023. Across this period 18% of all jobs advertised required management skills (second highest common skill) and 7% required leadership skills (seventh highest common skill).



However, management and leadership skills are under-supplied in the region. Lightcast data shows that between April 2021 and April 2023, a total of 177,965 managerial job postings were advertised but only 91,902 potential employee CVs with management skills were available. This suggests there could be a mismatch between demand and supply, though it is not in itself conclusive.

The West Midlands has established a strong local commitment to raising regional productivity, skills and inclusivity, which will ultimately support local, regional and national economic growth. However, some additional initiatives could provide the region with a management upgrade. This paper recommends:

1

Establishing a partnership for West Midlands Management, working with employers, universities, training providers, chartered professional bodies and others in the region to ensure employer support is joined up and funding can be prioritised for long-term human capital productivity needs, including management and leadership development.

2

Placing management & leadership at the core of the regional skills plan, ensuring management and leadership training is prioritised alongside industry – or sector-specific skills and training provision.

3

Implementing direct funding and incentives to improve access and commitment to ongoing management and leadership development, for example, through the adult education budget, which can support people to gain the building blocks towards increasingly systematic management and leadership development.

4

Promoting apprenticeships through a West Midlands Apprenticeship Accelerator, to increase take up and completions, especially among under-served groups.

5

Continuous monitoring and evaluation of the impact of management training, looking at productivity, inclusion and lifelong learning as success measures.

1. WMCA (2022), West Midlands Local Skills Report Supporting Evidence
2. WMCA (2021), West Midlands Local Skills Report
3. J. Haskel, S. Westlake, (2018) Capitalism without Capital: The Rise of the Intangible Economy
4. Haskel et al (2007) Does Inward Foreign Direct Investment Boost the Productivity of Domestic Firms?
5. Bloom et al (2013), Does Management Matter? Evidence from India
6. ONS (2021), Management practices, homeworking and productivity during the coronavirus (COVID-19) pandemic
7. ONS (2021), Management practices, homeworking and productivity during the coronavirus (COVID-19) pandemic
8. Calculations using Lightcast data 2013-2022 looking at the total number of jobs requiring management and leadership skills between April 2013 and April 2023.

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