

MANAGEMENT APPRENTICESHIPS BOOST PRODUCTIVITY

EXECUTIVE SUMMARY

Productivity has flatlined in the UK since the financial crisis. To ensure the UK's economic prosperity we need to address the productivity gap relative to other G7 countries, and between regions in the UK.

Countless studies have demonstrated the link between management practices and productivity. For example, Bloom et al state "variation in management practices can account for as much, or more, of the variation in productivity as a number of other factors associated with successful business, such as technology adoption".¹ As a country we need to invest in more and higher quality leadership and management training and also for this take-up of training to increase. Anyone who has worked for a bad manager can attest to this fact - it is demotivating and frustrating and leads to employees doing the bare minimum to get by.

Management apprenticeships offer an excellent, flexible and accessible route to upskilling and reskilling including building capacity in firms and regions of the UK to drive business improvements.

There has been some criticism that this growth is due to government subsidising second degrees, and that this has been offset by a reduction in professional training spend from business – essentially making this 'deadweight spend.'

There is no evidence to suggest that this deadweight argument is true in anything but small isolated cases. Indeed, there is a wealth of anecdotal evidence from employers, training providers and learners that this is simply not the case in general. Instead, the apprenticeship reforms and development of these high quality courses have created new routes and allowed take-up that would not otherwise have happened – both from existing employees and new hires. Crucially management apprenticeships allow older workers to re-train and upskill in leadership - critical given the growing number of 'accidental managers' and skills gaps reported by employers.

We need policy stability. Tinkering with the rules may be easy from DfE or Treasury but has real impact on individuals, employers and providers. Curbing such a successful policy would be shortsighted. Reforms which undermine the flexibility, employer-led nature and quality of provision of the apprenticeships programme - for example placing restrictions on the levels of courses which are eligible for funding or reducing the funding levels of individual courses, may drastically impact the number of starts and the number of employers engaging positively with the scheme. This in turn will be detrimental to the government's ambitions to address the productivity gap.

¹ <https://voxeu.org/article/management-practices-and-productivity>

1. WHAT ARE MANAGEMENT APPRENTICESHIPS?

Apprentices combine working and learning, spending at least 20% of their time in off-the-job training - and the other proportion of their time practically applying their learning in their day to day job: this ensures that the learning is relevant and impactful to their job and employer.

Good managers are essential to the success of any business or organisation. In 2012 the Department for Business, Innovation and Skills stated “organisations with a more qualified management workforce and a dedicated programme of management development perform better and have more sophisticated and higher quality produce market strategies”.²

Management apprenticeships help to deliver good managers by teaching the theory as well as the practical application of key skills and tools including influencing others, managing change and conflict problem solving, business improvement and project management.

2. THE UK'S PRODUCTIVITY CHALLENGE

The UK has a widely acknowledged and longstanding productivity gap with international competitors. Even before the financial crisis labour productivity was on average 13% higher in the rest of the G7 countries compared to the UK³. This gap has shown little sign of narrowing. In 2016, output per hour worked in the UK was 16.3% below the average for the rest of the G7 advanced economies.⁴

UK productivity has also flatlined since the financial crisis compared to its pre-crisis trend, which has puzzled economists and policymakers.

There is also a significant productivity gap between regions. According to the ONS, productivity in London was 31.6% above the UK average: indeed beyond London only the South East of England had productivity levels above the UK average. The lowest levels of productivity were found in Wales and Yorkshire and the Humber (17.2% and 16.5%).⁵

² BIS (2012), *Leadership & Management in the UK - the Key to Sustainable Growth*, p.10

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/32327/12-923-leadership-management-key-to-sustainable-growth-evidence.pdf

³ ONS cited in HM Government (2019), *Business Productivity Review*, p.10

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844506/business-productivity-review.pdf

⁴ ONS (2018), *International comparisons of UK productivity (ICP), final estimates: 2016:*

<https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/bulletins/internationalcomparisonsofproductivityfinalestimates/2016>

⁵ ONS (20202019), *Regional labour productivity, including industry by region, UK: 2018*

Regional and Sub-Regional Productivity in the UK: February 2019

<https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/bulletins/regionallabourproductivityincludingindustrybyregionuk/latesthttps://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/regionalandsubregionalproductivityintheuk/february2019>

Overall productivity is, in large part, determined by firm level productivity.⁶ Although the UK has many world-leading businesses, it has a long tail of poorly managed and unproductive organisations, with significant untapped potential – particularly SMEs.⁷

3. INVESTING IN MANAGEMENT AND LEADERSHIP DEVELOPMENT IS ESSENTIAL TO POWER THE UK'S PROSPERITY

To power UK economic growth we must tackle poor productivity. As the Financial Times reported recently, the government's goal to boost economic growth rates to postwar levels will only be achievable if there is “a transformation in the UK's dismal performance on productivity growth — raising it from near zero now to its pre-crisis average of above 2 per cent per year”.⁸

Improving leadership and management skills is vital to address this productivity gap and management apprenticeships are essential to delivering on this ambition.⁹

Strong leadership and management practices, including activity such as effective monitoring, setting targets, incentivising performance and continuous improvement of operations, have been shown to be strongly correlated to firm-level productivity - with even small improvements in management practices being associated with up to a 5% increase in the growth rate of a business's productivity.¹⁰ These practices are often the stepping stone to businesses adopting other productivity improvements such as digital adoption and better working practices.

⁶ HM Government (2019), *Business Productivity Review*, p.10

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844506/business-productivity-review.pdf

⁷ BEIS Committee (2018), *Small Businesses and Productivity*, p.5

<https://publications.parliament.uk/pa/cm201719/cmselect/cmbeis/807/807.pdf>

⁸ FT, 'Is Sajid Javid's economic growth goal attainable?', 20 January 2020,

<https://www.ft.com/content/f2fe8ce2-3c6c-11ea-b232-000f4477fbc>

⁹ <https://www.managers.org.uk/~media/Files/Apprenticeships/New/Increasing-workplace-productivity-2019.pdf>

¹⁰ Bryson et al (2018) and BIS (2012) cited in HM Government (2019), *Business Productivity Review*

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844506/business-productivity-review.pdf

Case Study: Andy Almey, SLMDA apprentice at SME, North West England

As a result of their degree apprenticeship, the Head of Research and Development at an SME in the North West identified that the company had never had a defined process of recording and addressing quality issues, resulting in £100's of quality costs and no visibility of recurring quality issues. The apprenticeship introduced him to tools and resources that helped the company to address these issues by implementing a new process to record quality issues which were able to log and report on a day-to-day basis.

The new process immediately highlighted the problem and as a result, changes were made to the process that reduced costs from £15k a month to less than 2% of this amount at a cost of £270. His dissertation for his apprenticeship will build on this project by looking at how to apply continuous improvement to reduce quality cost.

Case Study: Managing Director, SLMDA apprentice at the same SME:

As a result of the apprenticeship and being able to identify and implement improvements, the Managing Director has seen a doubling in company turnover from 2017/18 - 2018/19 - which will also involve the company doubling the corporation tax it pays. The growth in the business has also enabled the company to take on 7 new staff into brand new roles with plans to grow further.

The [Bank of England](#) corroborates this finding, citing a lack of management quality as an explanation for the UK's poor productivity 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. However, in global comparisons, the UK is ranked well behind countries such as the US, Japan and Germany,¹¹ and in ONS surveys of management skills in UK firms, foreign-owned firms score higher than domestic-owned firms.¹²

This evidence suggests continuing to grow public and private investment in management and leadership skills will be vital to help meet economic growth and regional rebalancing.

CMI's own analysis using 2017 Labour Force Survey data and the findings from our 2014 Commission on the future of management and leadership estimated there were around 2.4m "accidental managers" - those first time managers who report receiving inadequate or no training at all to prepare for leadership roles. This is likely an underestimate given the recent growth in the population of people in roles with some leadership responsibility.

CMI has long argued that closing our productivity gap means recognising the pivotal role of management in improving productivity and placing a national focus on replacing these 2.4m "accidental managers" with competent, confident, conscious leaders.

This need for investment in leadership and management is most acute in SMEs. Despite evidence on the importance of management skills to improve productivity, SMEs in the UK are less likely to use formal

¹¹ Leadership and management in the UK – the key to sustainable growth (BIS, 2012)

¹² Management and Expectations Survey of 25,000 UK enterprises, (ONS)

management practices than large businesses, and the UK ranks only 5th in the G7 on this. In particular, UK SMEs compare particularly unfavourable on people management – the factor most correlated to productivity.¹³

Since three fifths of employment and half of turnover in the UK private sector are in SMEs, investing in management and leadership development represents huge potential productivity gains.¹⁴

And we know that investing in leadership and management development reaps dividends. For example, firms who deliver on a strong commitment to management and leadership development programmes see on average a 23% increase in organisational performance, and a 32% increase in people performance.¹⁵ An independent report by Oxford Economics for the CMI in 2019 found that Chartered Manager accreditation has a significant impact on individuals, business revenue and the UK economy: nearly a quarter of Chartered Managers report receiving a pay rise following their Charter, with the average boost to pay for those managers receiving a pay rise around £13,000, those Chartered Managers that do receive a pay rise help to create an estimated boost to their firm's revenue of £62,000, and £310,000 in net present value terms over the average five years that they remain in their roles and each Chartered Manager who receives a pay rise contributes an additional £22,400 in GVA to the economy, on average.¹⁶

4. MANAGEMENT APPRENTICESHIPS BOOST PRODUCTIVITY

A key driver of the 2017 apprenticeships reforms was to improve the quality of training including: ensuring courses are flexible, employer designed and led, with longer average duration, more off-the-job training and high quality assessment upon completion.

The Richard Review stated:

“ **The focus of apprenticeships should be on the outcome.** There should be recognised industry standards at the heart of every apprenticeship. They should clearly set out what apprentices should know, and be able to do, at the end of their apprenticeship, at a high level which is meaningful and relevant for employers. ”

While the levy is still a very young policy with limited impact data simply because we have not yet seen large numbers of apprentices completing, there are lots of positive signs that investing in management apprenticeships are boosting productivity:

¹³

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844506/business-productivity-review.pdf

¹⁴ <https://www.fsb.org.uk/uk-small-business-statistics.html>

¹⁵ CMI (2012), The Business Benefits of Management and Leadership Development

<http://www.noblelearning.co.uk/wp-content/uploads/2015/12/Business-Benefits-of-MLD.pdf>

¹⁶ <https://www.managers.org.uk/~media/Files/PDF/cmgr/Infographics%20-%20Chartered%20Manager%20%20pager.pdf>

Evidence from Corndel, an independent training provider based in London, delivering apprenticeships for employers across the country

Surveying their level 3 and level 5 apprentices Corndel recently found that:

Apprentices' confidence in their ability to do their job effectively rose from 6.3/ 10 to 8.4/ 10 (before/ after their apprenticeship) and their rating of their effectiveness rose from 6.5-8.5/ 10 before and after their apprenticeship. 92% said that the course met the objectives they had set for their own personal development and 70% of apprentice completers had achieved one or more of the below:

- Promotion: 32%
- Pay rise: 26%
- Role expansion (taking on additional responsibilities within your existing role): 45%
- The adoption of the work based project or other recommendations made as a result of the course into business practises: 20%

Evidence from CMI

CMI surveyed 2,291 management apprentices in January 2020. We found that:

- 98% of all MAs agreed that their apprenticeships helped them to gain at least one of CMI Professional Standards Management Competencies. These were
 - Communicating and influencing (92%)
 - Managing yourself (92%)
 - Developing people and capabilities (91%)
 - Making decisions (88%)
 - Providing purpose and direction (88%)
 - Achieving results (88%)
 - Building relationships and networks (87%)
 - Leading change and innovation (87%)
 - Managing resource and risk (84%)
- **Over 9 in 10 apprentices** (91%) of apprentices agreed that their apprenticeship was or is helping them to develop the skills they need to be more productive at work
- **Nearly 9 in 10 apprentices** (88%) of apprentices agreed that their apprenticeship was or is giving them better career prospects
- **Nearly three quarters** (74%) of apprentices agreed that their apprenticeship was or is giving them the skills they need to achieve promotion in their current role
- **Just over 9 in 10** (91%) completed apprentices agreed that their apprenticeship has had a positive impact on their contribution to the organisation that they work for.

All management apprentices doing their End Point Assessment with CMI will be on the route to Chartered on completing their apprenticeship. We know from our research that Chartered Managers have extra productivity benefits as detailed above.

Management apprenticeships also help to deliver on wider policy aims by improving the diversity of the management pipeline and boosting social mobility. For example, 49% of management apprentices are women¹⁷ and 46% come from the country's 50% most socio-economically deprived areas.¹⁸ The National Audit Office (NAO) have previously stated that "the Department's targets for widening participation among under-represented groups lack ambition."¹⁹

Evidence finds that investing in management skills through apprenticeships can rebalance economic growth across the country and support the 'leveling up' agenda. Research by the Centre for Vocational Education Research found, looking at historical data, that northern regions have higher levels of apprenticeship training intensity (17-20 starts per 1,000 in employment in 2017/18), while London is the region has lowest level of training intensity (7 starts per 1,000 in employment).²⁰ This could bring particular productivity gains to 'left behind' places and regions.

There is a real need to retrain and upskill the existing workforce at an unprecedented scale. A recent government report found that 'by 2022 the number of people in the workforce aged 50 to State Pension age will have risen to 13.8 million and the number aged 16-49 will have reduced by 700,000.'²¹ At the same time, McKinsey estimates that by 2030 as many as 375 million workers, around 14 percent of the global workforce, may need to switch occupational categories as digitization, automation, and advances in artificial intelligence disrupt the world of work.²² The demographics speak for themselves: upskilling and retraining is essential to boost productivity and apprenticeships are an excellent policy lever to enable us to do this.

For example, we know that the CMDA is upskilling and reskilling older workers with over 70% of those on the CMDA 25 or over.²³ The government's 'New Vision for Older Workers' report specifically highlights mature apprenticeships as a good way to retain older people in the workforce and support them to retrain and upskill. The report highlights the return on investment for retaining people in the workforce - it increases spending power in the economy and this has a knock on impact on the number of jobs created which benefits younger as well as older workers.²⁴

¹⁷ CMI analysis of DfE dataset Apprenticeship framework/standard, demographic and sector subject area PivotTable tool: starts and achievements 2018 to 2019 and Apprenticeship framework/standard, demographic and sector subject area PivotTable tool: starts and achievements 2018 to 2019, sourced on 08/01/20 at

<https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>.

¹⁸ CMI, analysis of CMI administrative apprenticeship data up until the end of the 2018/19 academic year: analysis has been undertaken for all CMI registered apprentices with a postcode

¹⁹ <https://www.nao.org.uk/wp-content/uploads/2019/03/The-apprenticeships-programme.pdf> (p.8)

²⁰ CVER (2020), Exploring Trends in Apprenticeship Training Around the Introduction of the Apprenticeship Levy: emerging evidence using a matched apprentice-employer dataset, p.17 <http://cver.lse.ac.uk/textonly/cver/pubs/cverbrf011.pdf>

²¹

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/411420/a-new-vision-for-older-workers.pdf

²² <https://www.mckinsey.com/featured-insights/future-of-work/retraining-and-reskilling-workers-in-the-age-of-automation>

²³ CMI analysis of DFE data, op cit

²⁴

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/411420/a-new-vision-for-older-workers.pdf

Case study: Chartered Manager Degree Apprenticeships, Henley Business School and the NHS

In 2016 Henley Business School, part of the University of Reading (UoR), began supporting one of the UK's largest NHS hospital trusts to respond to a 'requires improvement' CQC rating.

The Trust's needs suggested new forms of training would be required. Its past experience of apprenticeship frameworks was mixed and while short courses minimised service disruption, the Trust was keen to explore how apprenticeship standards could make a lasting impact on its HR and Organisational Development strategy objectives.

Design workshops with Trust managers enabled a draft programme based on the Chartered Manager Degree Apprenticeship to be developed in early 2017, with on- and off-the-job training mapped to the standard and contextualised to the Trust's needs. After the launch in late 2017, apprentice data captured by UoR systems came together with the Trust's HR KPIs to analyse the progress of learners and the whole programme in delivering its objectives. Feedback from apprentices and managers is excellent, with the CQC highlighting the programme in its most recent inspection report. This report, which found the Trust's main hospital – where all apprentices are based – to now be 'outstanding'.

CMI's Management 4.0 campaign will report in June 2020 and is already identifying that management & leadership skills will become more, not less important, given increasing pace of change and uncertainty.

The apprenticeship levy has been instrumental in increasing employer commitment to training and development and encouraging companies to retain and train existing employees as well as new ones.

Case Study: Level 3 management apprentice, Corndel

A team manager at Wincanton identified that the methods for recording and analysing late deliveries within her organisation could be improved. She focused on this challenge for her work-based project – the final project that learners complete on the Corndel Diploma in Management. Using the frameworks and new skills she learnt on her Diploma, she tasked herself with an objective to understand and improve the delivery schedule. She found there were some valid and easily remediable reasons for lateness, such as time restrictions on the first drop of the day, which set everything else out, so she worked with the Planning Department to reschedule these.

As a consequence of her project, deliveries are rarely late at Wincanton and schedule adherence targets are largely met. The approach to reporting has been rolled-out across the organisation and is now the standard way of reporting.

Case Study: Level 5 management apprentice, Corndel

A Food Operations Manager at Planet Organic embarked on the Corndel Level 5 Diploma in Leadership and Management. Part of this role was to ensure the profitability of the business through competitive pricing strategies. The Diploma teaches tools and frameworks to perform comprehensive competitive reviews, so he decided to apply these new-found skills to reviewing the coffee marketplace. As a consumer, he had noticed that competitor brands offered limited milk choices that were not organic and they charged considerably more than Planet Organic. It had been several years since Planet Organic had implemented a price increase and there was a reticence to do so because of the risk of customer attrition.

Initially, using frameworks taught on the Diploma, he ran a competitor cost/profitability analysis, a price sensitivity analysis and a business impact report. He found there was scope to retain the quality and variety of the product by increasing prices, which would significantly increase profits whilst retaining its competitive costing model.

He presented his proposal to revise the menus and change the pricing of all coffee products across the brand to the CEO of Planet Organic.

The CEO felt the pricing proposed would risk customer attrition, so he revised his proposal and put a customer attrition contingency and communications plan in place. The proposal was accepted and implemented.

Profitability has increased across all stores. Customers were clearly communicated to and understood that to maintain the quality and diversity of the product, prices needed to rise. They fed back that they still consider the product to be great value and superior to competitor brands. To date, there has been no customer attrition, so the contingency plan hasn't been required.

Case Study: CMDA Apprentice, Youthforce and the Open University

Youthforce is a training provider which specialises in science. It is a national provider of niche training, with a head office in Brighton and was founded in 2005 by Chief Executive Officer, Charlotte Blant. As a small company, there was a need to develop 'all-rounders' who can understand how the business works end-to-end and bring new talent into its senior leadership team. Charlotte recognised the potential in Georgia Widdowson, who held a role in the operations team. Georgia had not had the opportunity to go to university as part of her education and Charlotte felt the Chartered Manager Degree Apprenticeship through the Open University would be the perfect fit for the business's needs and Georgia's personal development.

Charlotte said: "Degree apprenticeships are an exceptionally good fit for SMEs in particular. An SME gets to see the immediate impact of what apprentices are learning and what they're doing and can put it into practice right away. You're developing someone that can understand how the business works, end-to-end and so they can lend their hand to just about anything, which is what an SME needs."

Since starting the programme, Georgia has been promoted to a management position and has taken a leading role in the company's finance and strategy. She attributes her promotion to everything she learnt on her degree apprenticeship which she says gave her the skills to think critically and challenge the company to do things differently which the CEO sees huge value in.

25

5. ADDRESSING THE CRITICISMS

As we know, having a first degree does not necessarily prepare you for management roles and attaining leadership responsibility – for example the distinction between having a nursing qualification and then going on to manage a ward.

And there is a critical need for upskilling and re-training existing workers - even those newly qualified. A CIPD report found that having a university degree is no guarantee of being prepared for the workplace.²⁶ More employees said they were under-skilled for their role compared to those without a degree, highlighting the importance of ongoing training and development in the workplace - even for graduate hires. CMI research identified skills particularly valued by employers that required more development beyond an initial degree. These included managing people, having difficult conversations and taking responsibility.²⁷

²⁵ <http://www.open.ac.uk/business/case-studies/private-sector/youthforce>

²⁶ https://www.cipd.co.uk/Images/over-skilled-and-underused-investigating-the-untapped-potential-of-uk-skills_tcm18-48001.pdf

²⁷ https://www.managers.org.uk/~media/Files/Reports/insights/research/21st_Century_Leaders_CMI_Feb2018.pdf

According to other CIPD research, there has been a 20% decline in work-related off-the-job learning between 1998 and 2018, while in around a third of all businesses a significant proportion of the training that takes place is either health and safety or induction based.²⁸

There has been some public criticism that levy funding is being used by employers to fund management training for existing employees - training which would previously have been funded from employers' professional training and development budgets.

Reports from employers, learners and training providers suggest that this is simply not the case. Provisional findings from CMI's own survey of management apprenticeship employers²⁹ suggests that the levy reforms have enabled the development of a higher quality and more flexible management training offer - which is helping employers fill skills gaps and has allowed a broader and more diverse cohort to attain leadership training and exposure. This has the potential to improve retention within businesses. Further research when the current approach to apprenticeship has had time to embed will help further evidence this.

Providers also reported growth in new partnerships with employers. For example, Manchester Metropolitan University, a provider of management degree apprenticeships in the North West, now works with over 300 employers. Prior to the introduction of Degree Apprenticeships they were only working with one of these companies. They also report that those on their SLMDA programme are not "city fat cats earning £100k+" but instead come from a wide range of roles and sectors including from SMEs, and within the NHS, managing massive change programmes as well as small social enterprises within Manchester.

Management apprenticeships now enable many SMEs (and individuals) to get access to the high quality management and leadership training and essential employability skills that were previously only available through the types of graduate schemes available at large corporates or the civil service.

An annual survey of CMI apprentices, broadly representative³⁰ of our overall apprentice population, also found that CMI apprenticeships are giving opportunities for promotion, and people management and leadership exposure that they may not have had. Just over half (56%) of apprentices who had finished their training reported managing or supervising staff prior to their apprenticeship: after their apprenticeship 81% reported these duties in their role, whilst 40% of apprentices still in training will seek a promotion within their firm after they complete.

Evidence from employers also suggests that delivering management training through an apprenticeship can improve retention. A CEBR report for the then SFA in 2015 found 80% of companies who invest in apprentices reported an increase in staff retention, while 92% of employers said that apprenticeships lead to a more motivated and satisfied workforce.³¹

²⁸ https://www.cipd.co.uk/Images/addressing-employer-underinvestment-in-training_tcm18-61265.pdf

²⁹ CMI, Apprenticeship Employer Survey, Jan 2020, unpublished

³⁰ CMI, Annual Apprenticeship Survey, Jan 2020, unpublished

³¹ CEBR (2015), The Benefits of Apprenticeships to Businesses, p.17

The CMDA itself is popular with employers and apprentices, with around 2,300 starts in 17/18 and around 2,800³² starts in 18/19.³³ Universities UK has stated that Chartered Manager is one of the top five degree apprenticeship standards.³⁴

As mentioned above, management apprenticeships also widen participation. Since its introduction the CMDA has seen strong uptake with older workers, women and those from lower socio-economic backgrounds. 43% of those on the CMDA are from the from the country's 50% most socio-economically deprived areas socio-economically deprived areas;³⁵ 54% are female;³⁶ and around 70% of those on the CMDA are 25 or over.³⁷

In our most recent survey 56% of all apprentices told us they did not have qualifications above A levels or equivalent. For CMDA alone this figure was 77%.³⁸

6. RECOMMENDATIONS

- Providers don't currently collect consistent data on impact measures of apprentices. We would recommend the Education and Skills Funding Agency starts to collect this data as standard to help really understand the impact of apprenticeship training and the apprenticeship reforms. We propose measuring, recording and reporting on the following:
 - The Apprentice gains a pay rise;
 - The Apprentice gains a promotion;
 - The Apprentice's workplace project or other learning gained from the apprenticeship is adopted across the organisation;
 - The Apprentice takes on extra responsibility in their role.
- Improving clarity and providing policy stability for all participants – apprentices, employers and providers. The Levy is just starting to be understood by business and we are seeing a broader range of employers engaging with the apprenticeship programme than ever before. A period of stability is required to ensure so the system can continue to embed and evolve.
- The levy must remain employer-led. If employers' choice is too constrained, through narrow eligibility criteria, employers may instead write the levy off as a tax, as happened in the first year of the levy, with risks to quality of provision and connection to the needs of the labour market and employers.

³² CMI analysis of DfE dataset Apprenticeship framework/standard, demographic and sector subject area PivotTable tool: starts and achievements 2018 to 2019, sourced on 08/01/20 at

<https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

³³ CMI analysis of DfE dataset

Apprenticeship framework/standard, demographic and sector subject area PivotTable tool: starts and achievements 2014 to 2015 to Q3 2018 to 2019, sourced on 08/01/20 at <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

³⁴ Universities UK (2019), The Future of Degree Apprenticeships, p.28

<https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2019/future-degree-apprenticeships.pdf>

³⁵ CMI, analysis of CMI administrative apprenticeship data up until the end of the 2018/19 academic year: analysis has been undertaken for all CMI registered apprentices with a postcode

³⁶ CMI analysis of DfE dataset Apprenticeship framework/standard, demographic and sector subject area PivotTable tool: starts and achievements 2018 to 2019, sourced on 08/01/20 at

<https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

³⁷ Ibid.

³⁸ CMI, Annual Apprenticeship Survey, Jan 2020, unpublished

- Reducing bureaucracy in the system. Guidance for employers and providers runs to hundreds of pages, with eligibility rules spread over multiple documents. SMEs understandably find this hard to navigate.

ABOUT CMI

The Chartered Management Institute (CMI) works with business and the education sector to train workers to improve their leadership and management skills. CMI has more than 80,000 people in training across the organisation's UK and international partner networks. Our thought leadership, research, events and online resources provide practical insight for our membership community of more than 132,000.

Backed by a Royal Charter, the CMI is the only organisation able to award Chartered Manager status. We have a range of further and higher education [partners](#) across the country including Dudley College, University of Huddersfield and University of Birmingham. We also work with private training providers such as Corndel, WhiteHat and Hawk Training.

CMI has actively engaged with the apprenticeship programme from the very beginning. We helped set the standards for management apprenticeships through the Management Apprenticeships Trailblazer Group - a 40-strong employer-led group including Barclays, the BBC, the Civil Service, Sainsbury's and Serco – and have created a high quality suite of management apprenticeships. This comprises a Level 3 Team Leader Apprenticeship, Level 5 Operations Manager Apprenticeship, Level 6 Chartered Manager Degree Apprenticeship and Level 7 Senior Leader Master's Degree Apprenticeship for executive and C-suite development. All CMI accredited apprenticeships put apprentices on the pathway to Chartered. For level 6 and 7 the Chartered Manager award is embedded.