

TAKING RESPONSIBILITY - WHY UK PLC NEEDS BETTER MANAGERS.



**The result of a nationwide study
into the state of UK management
and leadership.**



IN THIS REPORT

Setting a better course	4
Ann Francke OBE, CMgr CCMl	
Key insights	6
Good management makes the difference	7
Throwing managers in at the deep end	9
Ineffective managers = ineffective organisations	12
Better-managed Britain - a vision for the future	15
Methodology & acknowledgements	19

SETTING A BETTER COURSE

The picture of the UK economy in recent years has been a seemingly relentless drip feed of entrenched challenges, from stalled productivity, labour shortages, skills gaps and instances of shocking behavioural failings by individuals and organisations that have catapulted the UK into the headlines for all the wrong reasons. Collectively, these factors distract organisations - be they our vital public services or in the private sector - from making the plans for future success.

But there is another, more optimistic national narrative that can be realised. The UK has the opportunity to set a positive trajectory, one that can deliver a growing economy, invigorated public services, a green transition and a healthy, inclusive society.

This landmark CMI study, conducted in partnership with YouGov, explores the impact that good management can make - to individuals, their organisations and to wider society. With responses from 2,524 employees with management experience and 2,018 employees with no management experience in the UK, this represents a significant intervention into the debate.

The findings should provoke both public discussion and close political attention. They explain in detailed terms the difference that good, ethical, inclusive leadership and management can make. And highlight the price we are paying across the country for ineffective managers. For starters, people with ineffective managers are more likely to leave their jobs, be less satisfied with their work and less motivated to do a good job. It doesn't take much imagination to draw a line from these factors to weak productivity, poor economic performance and struggling public services.

And how did we get here? It's a complex picture featuring everything from the austerity that followed the financial crisis in 2008, to Brexit, Covid-19 and the emerging geo-political threats impacting supply chains, energy security and the cost of living. Add in long-standing dismissive

attitudes towards the skills required to manage successfully and repeated examples of technical competence being valued over behaviours when leaders decide what 'good' looks like, and we have a workplace culture rife with 'accidental managers' - people who find themselves in the job, but without the training to help them succeed.

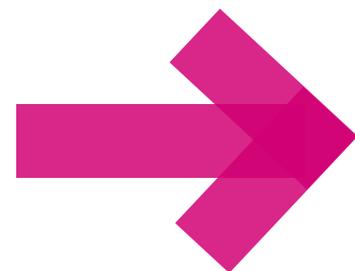
High levels of workforce sickness, burnout and economic inactivity are all above pre-pandemic levels and the UK is the only G7 country where GDP remains below where it stood before Covid-19.

The way we work has changed, as have social attitudes and the expectations placed on leaders across the economy.

Added to that are some of the downright bad behaviours in cherished institutions that have grabbed headlines, exposing serious wrongdoing, mismanagement and at times toxic cultures. These failings provided the catalyst for this piece of work in an attempt to capture the scope of what now needs to happen to identify what changes can be made to make a meaningful difference. And it is that ambition for better that this research aims to support.

In hundreds of personal witness statements, managers from across the economy describe the trust, collaboration and results that flow from good management and leadership. They're also painfully honest about the toxicity and low morale that bad managers foster, the very traits that have grabbed so many of those headlines in recent months.

Continued



Good management tells the story of improved productivity, and previous CMI research has shown that organisations that invest in management and leadership development programmes see on average a 23% increase in organisational performance, and a 32% increase in employee engagement and productivity.

Seen in this context, the findings in this report could not be more stark in laying out the challenge ahead. While one in four people in the workforce have management responsibility, we learn that very few are trained for the job, with 82% becoming managers without any formal training - these are our 'accidental managers'. Without access to quality management and leadership development, many report that they don't have confidence in their ability to do their job and deliver results.

If we are to emerge from the economic doldrums and set a path to long term growth and prosperity, a rethink of our approach and attitude towards management and leadership across government and industry is needed. The difference that skilled management can make, the results it can deliver, cannot be overstated and needs to be the starting point for a new story of British innovation and growth. To do so, we need to acknowledge that it is time to collectively take responsibility for delivering a better managed Britain.



**Ann Francke OBE, CMgr CCMI |
Chief Executive, CMI**



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KEY INSIGHTS.

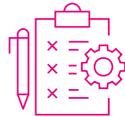
This research reveals that

82%

of managers who enter management positions have not had any formal management and leadership training – they are “accidental managers”.

Good management and leadership practices lead to better performance including better retention, creating a positive work environment and meeting business objectives.

52%



of managers do not hold any management and leadership qualifications.

AND

A third of current managers and leaders have never received any formal management and leadership training (33%), including a quarter (26%) of senior managers and leaders.

Those with formal management training are significantly more likely to trust their team, feel comfortable leading change initiatives and to feel comfortable calling out bad behaviour compared to those that don't.

Ineffective managers have a deep impact on employees including on their motivation, satisfaction and likelihood to leave their job.



Workers who rate their manager as ineffective are significantly more likely to be planning to leave their organisation in the next 12 months **than those who say their line manager is effective** (50% vs 21%). A third (33%) of all managers are likely to leave their job in the next 12 months.

BUT CMI HAS A PLAN...

Using research and compelling witness statements, we can now demonstrate the difference that good management and leadership practices make

Using this, our aim is to persuade UK organisations to identify where workforce knowledge and skills gaps lie – and invest time and resources into good management and leadership development

And we ask that the Government elevates the best management to a national priority.

The stories that came back in our research were highly instructive. Take the middle manager working in the third sector who was set the “very challenging” task of implementing a significant IT and process improvement project within one year. “Really it needed at least two,” she observed. Yet she and her team were able to deliver within the year, albeit with some inevitable teething problems mainly due to data issues and institutional culture. What made the difference – and ultimately meant the project was delivered successfully – were the actions of her own manager. Yes, he set clear, challenging goals, but he also acted as a shield against the organisational hierarchy where necessary. “He supported us when we received flak, and the system was functioning perfectly by the following year.”

Time and again, we heard a similar message. Good managers are the difference between high-performing teams and under-performing groups of individuals; between projects that get done and those that don't; between organisations that succeed and those that fail. What impact does a good manager have, asks a young woman working in a medium-sized private-sector company. “Better work ethic, better team morale, more positivity and better results.”

In high-performing, inclusive organisations, good managers set the tone, standards and culture. These managers live the organisation's values and drive good behaviours. The impact of good managers can ripple far beyond the workplace, as this senior private sector manager says: “As full-time employees spend more time at work than with their family, a good manager can really lift a person, which, in turn, can lift their home life and the life of their family. Positivity spreads.”

And our study finds that a number of business performance areas are positively correlated with formal management training. These include: meeting objectives, creating a positive work environment, fostering a culture of

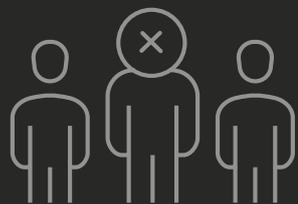
innovation and improvement, upskilling staff and promoting the best people. Good business performance is positively correlated with all elements of good leadership. In other words, where people rate their senior leadership team as good, they rate their business' performance as good across a range of metrics.

Taken together, this study shows the management and leadership that we should aspire to as a nation. If we want to build productive, innovative, inclusive organisations in which everyone can thrive and grow, we now have the blueprint.

“
A good manager creates a culture where people feel autonomous, empowered, committed to the task, able to take risks, committed to each other and the team, and driven to deliver.”

A middle manager working in the public sector

THROWING MANAGERS IN AT THE DEEP END.



82%

are “accidental managers” and a third don’t have formal management training

One of the stand-out findings of this survey is the proliferation of “accidental managers” in the UK economy. These are individuals who are promoted to run a team simply because they are popular, good at their job, or happen to be available to take charge.

We know what can happen next. Within weeks, productivity and team spirit plummet as the new boss finds themselves out of their depth trying to cope with the messy day to day reality of managing the people who now report to them. This at a time when many key functions that might once have been delegated to HR departments have moved to the frontline. Untrained, accidental managers are finding themselves responsible for their team’s individual wellbeing, careers, deployment, productivity, compliance and much more.

Over eight out of ten (82%) of newly recruited managers are such “accidental managers”. Without appropriate training, it’s no surprise they may struggle when it comes to dealing sensitively with the multiple issues facing their team members at work and in their home life. Is it any wonder almost a fifth (18%) of managers

say they aren’t confident in their own leadership abilities, with more than half (60%) saying they’re confident but need further development?

In this context, it is hard to square that 19% of the managers questioned feel they are confident in their management responsibilities and don’t need any further development at all. What’s more, male managers (22%) are significantly more likely than women (15%) to say they have already learned enough. Is this a sign of male over-confidence? Or a consequence of our finding that female managers are also more likely to be in post with no management qualifications (55%) compared to male managers (48%)?

We also know from the research that managers who have received formal training are significantly more likely to feel confident in their management abilities (83%) compared to those who have not (71%). Furthermore, they are significantly more likely to trust their team, feel comfortable leading change initiatives and to feel comfortable calling out bad behaviour compared to those that don’t have training.

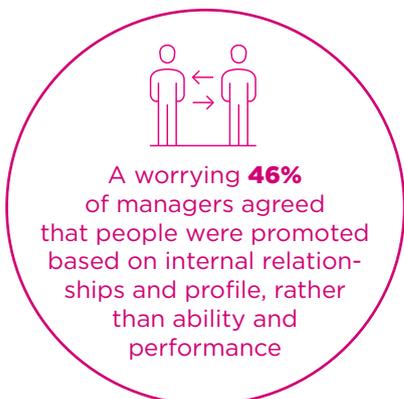
An Everyone Economy?

Is everyone being offered the same opportunities for advancement? This research detects signs of bias when it comes to promotions and recruitment.

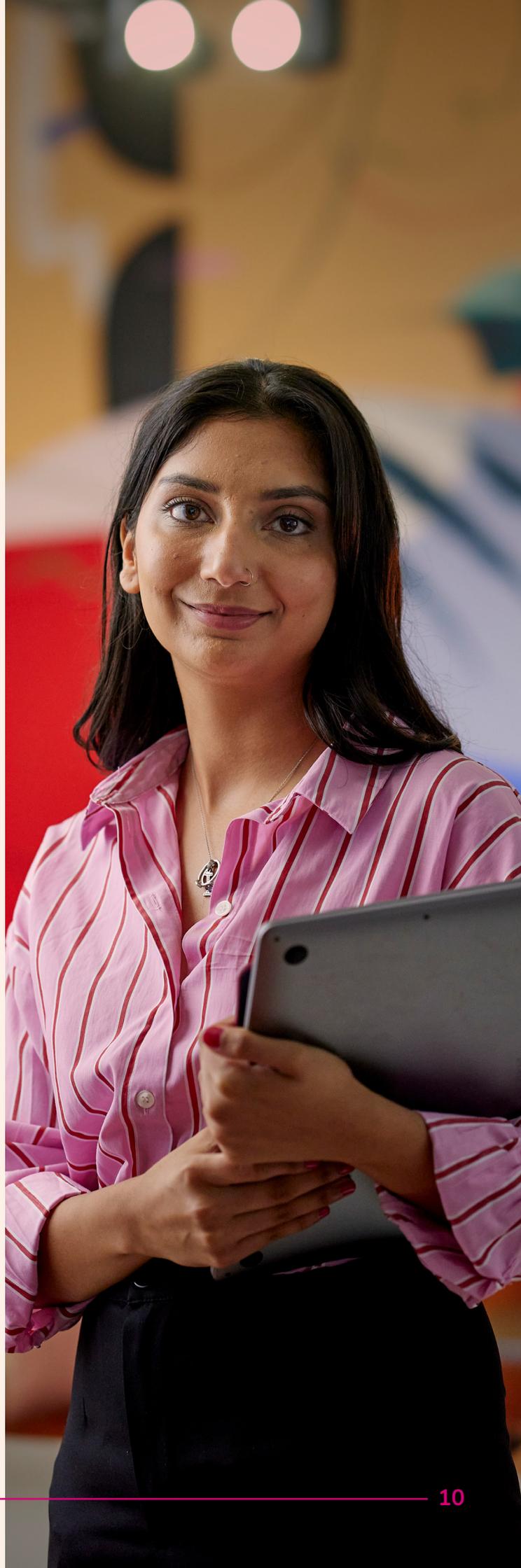
For example,



And managers from lower (57%) and intermediate (59%) socio-economic backgrounds were significantly more likely than managers from higher socio-economic backgrounds (48%) to say that they didn't have management and leadership qualifications.



And 34% agree that people who spend more time in the office/onsite are more likely to progress. This suggests that people who spend less time with their manager in the office are being overlooked for promotion.



The impact of untrained managers

A senior manager working in a support role at a university says that they've seen "a massive and positive shift in employee satisfaction" after a long-standing, untrained head of department left. Despite more than a decade in the role, the department head was not an experienced manager. "They wouldn't allow autonomy by even senior staff, and would micro-manage most projects, an issue compounded by their lack of confidence and indecision. There would be multiple meetings to discuss the same points without conclusion. Projects were completed last-minute, this would lead to stress. He'd often lose his temper. Staff members would actively avoid speaking with the department head, for fear of being shouted at or demeaned publicly, and very little innovation to help improve or modernise the service."

Today, the department has a new head who's approachable, who encourages and listens to suggestions, and actively looks at ways of getting wider departmental teams to work together and collaborate autonomously on projects." Result: a much higher-performing team. One public-sector middle manager respondent believes that accidental managers are rife in the UK. Unfortunately, she says,

““ these untrained managers are damaging organisational culture, productivity, staff wellbeing and, as a result, the national economy. She goes on: Trained managers, although not guaranteed, are still expected to have developed their emotional intelligence to support staff, create a positive environment, encourage creativity and innovation, and to ensure the organisation's sustainability. ””

INEFFECTIVE MANAGERS = INEFFECTIVE ORGANISATIONS.

Ineffective managers have a deep impact on employees including on their motivation, satisfaction and likelihood to leave.

The economy is flat. Labour markets are tight. Top talent is in high demand. Yet many UK organisations are allowing mediocre or ineffective managers to damage their prospects.

Overall, only 27% of workers assessed their manager as highly effective; 37% said they were somewhat effective; 18% rate them as neither effective nor ineffective, and 18% rate them as somewhat (12%) or highly ineffective (6%).

Staff who rate their manager as ineffective are far less likely to have job satisfaction or feel personally valued and respected. They are unlikely to feel motivated to do a good job, or to praise their company culture.



Effective managers spread positivity across organisations

Workers with an ineffective manager*

15%

I feel valued and appreciated

34%

I feel motivated to do a good job

27%

I am satisfied with my current job

47%

I find my work meaningful

21%

I would recommend my organisation as a good place to work

22%

I agree that the organisation has a good company culture

25%

I am happy with my compensation and benefits

Workers with an effective manager**

72%

77%

74%

74%

68%

67%

57%

*the net proportion of workers with a manager who they rate as ineffective who agree with the statement

**the net proportion of workers with a manager who they rate as effective who agree with the statement

It has long been said that people leave bosses, not companies. The reality may not be quite as simple as that, but this research sheds light on the stark organisational risk of failing to root out managers who are ineffective in their role. A total of half of those workers who do not rate their manager (50%) plan to leave in the next year. And 31% of managers and 28% of workers have left a job because of a negative relationship with their manager.

It's instructive to see how differently managers and their employees sometimes see things. While workers put showing empathy and understanding near the top of their list (62%), just under half of the managers did the same (46%). Workers also placed a higher priority than managers on making unbiased decisions (53% vs 38%) identifying and addressing bad behaviour (29% vs 20%) and technical expertise (22% vs 16%).

Unsurprisingly, workers rating their managers as ineffective were more likely to mark them down for their performance across the board – and most notably for not giving feedback or regularly reviewing the workload of the people who report to them.

But the risks to employers of bad managers run deeper than an employee deciding to move on. In some instances, an ineffective manager can be the reason an employee hesitates to report suspected wrongdoing or bad behaviour, effectively stymying a potential whistleblower from alerting senior management to a reputational or financial risk. Of the one in five managers (17%) who said they had wanted to raise concerns but didn't, 41% feared they would not get enough support from their superiors. Overall, 35% of managers and 32% of workers say they have left a job because of a negative work culture.

A picture of bad management

While most of the written responses in our survey celebrated good management, a number described the awful impact that bad managers can have.

““ Two years ago I was ready to leave my job because I had such a negative relationship with my manager, said a female middle manager in the private sector. “He was a micro-manager, confrontational, not supportive of development opportunities and regularly spoke negatively about his peers.” Today her current manager is “the complete opposite, he is supportive, gives me feedback to help me develop, makes me feel valued.” The bad news is, her previous manager has been promoted. “The impact this is having on the culture is palpable – it’s becoming increasingly toxic, and it’s showing in recruitment and retention figures. ””

The bottom line, said one private-sector supervisor, is that “a bad manager = a bad team.” A senior manager in a small third-sector organisation lamented that bad management “can make or break a team – and ours has just broken!” Among the words and phrases used to characterise bad management were: demotivating, undermining, micro-manager, toxic and “I dread coming to work.”

If any of this sounds familiar to you, it’s time to join us in making the case for top-quality, ethical, inclusive management...

BETTER-MANAGED BRITAIN – A VISION FOR THE FUTURE.

Trained managers improve efficiency, manage change, employ technology and build team loyalty

As this data shows, sustained good management and leadership practices are essential tools to creating a positive, productive work environment and reducing staff turnover. Happy and engaged staff will be more productive, and the business will have the impetus to meet and exceed its business objectives. In many of history's great business success stories, it was diligent managers who made the difference. In the turbulent past few years, high-quality managers have performed quiet miracles across the public and private sectors.

While the current state of UK management revealed in this research is concerning, the deficiencies it brings to light can be addressed. What can you do to make a difference now?

1 Do some digging

You may already believe in the value of top-quality, trained management and leadership. But do you know where the gaps are in your team? Leaders and organisations will need to make major efforts to discover where knowledge and skill gaps exist, and what will be needed to fill the gaps. Yes, this may require investment, but the payback will be higher productivity and engagement.

2 Commit to raising skills

High-quality training and development can equip your people with the tools to lead by example, to bring out the best in others and change their workplaces for the better. This is where paths such as management apprenticeships, CMI-accredited qualifications, Help to Grow: Management (the scheme to help SME business leaders increase productivity), and achieving Chartered Manager status come in. If you need to evidence the value of leadership training and development, just compare the confidence of those with and those without formal training when it comes to a range of skills:

- A higher proportion of trained managers ask their team members for feedback (79%, compared to 69% without formal training)
- Trained managers are more comfortable with managing change initiatives (87%, compared to 77%) and also with employing emerging technology to improve efficiency (66% vs.50%)
- Great managers also engender loyalty in their people. Almost all (72%) of those workers who rated their own manager as effective felt valued and respected. This figure dropped to just 15 per cent where the manager was ineffective
- Staff with good managers were widely more satisfied with their job (74%), felt motivated (77%), and agreed their organisation had a good culture (67%).

And how do we, as a country, lift our management and leadership to a new level?

Government needs to place better management and leadership at the heart of a plan for a strong economy, improved public services and green transition that drives growth.

As we have seen throughout the report, management best practices can increase productivity, spark innovation and improve inclusivity. This is particularly important as the UK faces increasing challenges with struggling public services, high

inflation and a cost of living crisis. Strong management and leadership is also crucial for accelerating our transition to adopt new technologies and prepare the UK for a post-carbon future.

And yet high quality, capable management has seldom been prioritised in policy. Managers are on the front-line of a stronger, more sustainable economy and vastly improved public service. We need to make high quality management a national priority.

Trained managers outperform on key leadership metrics

Managers without formal training*

Managers with formal training**



*net proportion of managers without formal training who agree with the statement (826 respondents in total)

**net proportion of managers with formal training who agree with the statement (1,551 respondents in total)

2,524 in total

The impact of Chartered

A lack of qualified managers may be holding back UK productivity. But those with the highest management qualification – Chartered Manager – are making a serious contribution.

According to a survey of its membership by the CMI released in June 2023, almost all Chartered Managers (97% vs 79% of all managers) are confident in their management abilities.

Compared to the wider research of UK managers conducted with YouGov, this CMI research reveals that Chartered Managers are significantly more likely to feel comfortable calling out bad behaviour (89% vs 78%), to feel comfortable with leading change initiatives and managing impact (97% vs 82%), and to trust their team to get their job done without supervision (90% vs 80%).

Research conducted with Oxford Economics in 2019 found that each Chartered Manager boosts their business' revenue by £310k over five years.

Concluding comments

Using a wealth of original data, this study draws on the experiences of more than 5,500 people working across every corner of the UK economy and has evidenced the importance of good management and, perhaps more importantly, the cost of getting it wrong. The risks of poor management manifest themselves in staff wellbeing, retention and the ultimate success of organisations - be it the bottom line for companies or the smooth delivery of public services for taxpayers. This research has also brought to the forefront the sheer volume of managers who are coming into the job without adequate training. Promoting people based on placing a higher value on technical skills for a role over the series of behaviours that can power a team to greater success both carries added risk and stymies opportunity.

The benefits of skilled management are vast. Our testimonials highlight that good management boosts staff morale, increases productivity and improves business outcomes. And it doesn't stop there, people with good managers feel more valued, are more satisfied and are more motivated to do a good job.

It's time for managers and organisations to take responsibility and commit to identifying where their knowledge and skills gaps lie and how they can work to address them - with strong support from government. Only through this investment can we turn the page to deliver long-term growth, improved productivity and relegate accidental managers and toxic work cultures to the past.



Methodology & acknowledgments

CMI commissioned the leading polling organisation YouGov to look at the state of UK management and leadership. The managers' survey fieldwork was undertaken between 8-14 June 2023. The survey was carried out online and was fully completed by 2,524 employees with management experience.

The workers survey fieldwork was undertaken between 5-12 June. The survey was carried out online and fully completed by 2,018 employees with no management experience.

In addition, CMI also undertook some research with managers who are members of CMI to get some insights into the qualities and impact of a good manager. The workers survey fieldwork was undertaken online between 15 June and 6 July and fully completed by 1,030 CMI managers.

Acknowledgements

With thanks to YouGov for conducting two surveys on behalf of CMI, the findings of which have largely informed this report.

The Chartered Management Institute (CMI) works with business and education to inspire people to unleash their potential and become skilled, confident and successful managers and leaders.

With a wealth of practical qualifications, events and networking opportunities on offer throughout the UK and Asia-Pacific, CMI helps people boost their career prospects and connect them with other ambitious professionals in any industry and sector.

In fact, CMI has more than **150,000** people training to be better managers right now. Backed by a unique Royal Charter, CMI is the only organisation allowed to award Chartered Manager status – the ultimate management accolade.

CMI's thought leadership, research and online resources provide practical insight on critical issues for a **200,000** plus membership community and anyone looking to improve their skills, nurture high-performing teams and help pave the way for the next generation of managers and leaders.

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