



**Leadership and Management**  
**Labour Market Report**  
**2012**

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<b>Contents</b>	<b>Page No.</b>
<b>Foreword</b>	<b>7</b>
<b>Executive summary</b>	<b>8</b>
<b>1. Introduction</b>	<b>12</b>
1.1 Defining 'Leadership' and 'Management'	12
1.2 The importance of Leadership and Management	12
1.3 Scope of research	13
1.4 Methodological issues and information validity	13
<b>2. Profile of Managers in the UK</b>	<b>17</b>
2.1 Size of the workforce	17
2.2 Occupational analysis	19
2.3 Status of the workforce	21
2.4 Gender of the workforce	22
2.5 Age of the workforce	23
2.6 Ethnicity of the workforce	13
2.7 Disability of the workforce	25
2.8 Salary levels of the workforce	26
2.9 Qualification levels of the workforce	27
2.10 Training levels of the workforce	30
<b>3. Drivers of skill demand</b>	<b>34</b>
3.1 Economic conditions	34
3.2 Globalisation	34
3.3 Knowledge economy	35
3.4 Demographics	35
3.5 Technology	36
3.6 Policy	36
3.7 Finance	36
<b>4. Market supply - standards, qualifications and apprenticeships</b>	<b>37</b>
4.1 Leadership and management standards	37
4.2 Leadership and management qualifications	38
4.3 Management apprenticeships	43
<b>5. UK Overview</b>	<b>49</b>
5.1 Recruitment difficulties	49
5.2 Skills shortages	50
5.3 Skills gaps	51
5.4 Future skill needs	52
<b>6. England – an overview</b>	<b>53</b>
6.1 Recruitment difficulties	53
6.2 Skills shortages	58
6.3 Skills gaps	59
6.4 Future skill needs	70

<b>7. Northern Ireland – an overview</b>	<b>73</b>
7.1 Workforce profile and recruitment	73
7.2 Skills shortages	74
7.3 Skills gaps	75
7.4 Future skill needs	77
<b>8. Scotland – an overview</b>	<b>78</b>
8.1 Recruitment difficulties	78
8.2 Skills shortages	79
8.3 Skills gaps	80
8.4 Future skill needs	89
<b>9. Wales – an overview</b>	<b>83</b>
9.1 Occupations in Wales	83
9.2 Recruitment difficulties	83
9.3 Skills shortages	85
9.4 Skills gaps	86
9.5 Future skill needs	89
<b>10. Leadership and Management and the UK economy</b>	<b>90</b>
10.1 Occupational change and employment projections	90
10.2 Replacement and expansion demand	90
<b>11. Leadership and Management in the Recession</b>	<b>92</b>
11.1 Personal characteristics	92
11.2 Skills and knowledge	94
<b>12. The Way Forward</b>	<b>96</b>
<b>13. Bibliography</b>	<b>98</b>

Table 1: Standard Occupational Classification 2000 and 2010 comparison .....	16
Table 2: Percent of persons in employment by occupational group (2007-2011) .....	18
Table 3: Employment by occupation (SOC2010) sub-major group .....	19
Table 4: Employment by country (SOC2010) .....	19
Table 5: Number of managers employed in each industry by country (SOC2010) .....	20
Table 6: Corporate Managers and Directors in full-time/part time employment (SOC 2010) .....	21
Table 7: Managers and Senior Officials in full-time/part-time Employment (April-June 2011) .....	21
Table 8: Managers in full-time/part-time Employment (SOC2010) .....	22
Table 9: Employment by occupation and ethnic group.....	24
Table 10: Per cent of Managers in employment by ethnic group and country .....	24
Table 11: Employment in managerial occupations by ethnic group, 2009, UK .....	25
Table 12: Type of jobs for disabled people (percentage).....	25
Table 13: Remuneration by gender and by occupation (2008-2011: July - Sep) .....	26
Table 14: Proportion of managers qualified to Level 4+ by sector.....	29
Table 15: Training fees and associated costs, UK, 2006 .....	30
Table 16: Training of managers .....	30
Table 17: Distribution of training by occupation .....	31
Table 18: Distribution of training by occupation .....	32
Table 19: Distribution of training by occupation .....	32
Table 20: Leadership and Management national occupational standards (2009 suite) ..	37
Table 21: Awarding Bodies offering the Management or Team Leading NVQ/SVQ .....	39
Table 22: Registrations and achievement for NVQ (Quarter 1 & 2) .....	40
Table 23: Apprenticeship starts and achievement by gender and level 09/10 .....	45
Table 24: Sector subject by MA/FA and gender .....	46
Table 25: Management Apprentices performance 2010-11 .....	47
Table 26: The proportion of apprentices on the management framework by age .....	48
Table 27: Skill shortages and skills gaps for managers by country.....	50
Table 28: Top 5 skills lacking in skill shortage vacancies for managers.....	51
Table 29: Top 5 skills lacking for managers who have skills gaps .....	52

Table 30: Vacancies, SSVs and SSV density by occupation .....	54
Table 31: Profile of skill shortage vacancies by occupation within SSC .....	55
Table 32: Profile of skill shortage vacancies by occupation within sector.....	56
Table 33: vacancies, hard to fill, skill shortage by region.....	57
Table 34: Skills lacking by occupational group within skill shortage vacancies .....	59
Table 35: Skills gaps by occupation .....	60
Table 36: Skills lacking by occupational group .....	61
Table 37: Distribution of skills gaps by occupation and SSC.....	62
Table 38: Nature of skills gaps by SSC Sector .....	64
Table 39: Skills gaps for managers and management skill by SSC .....	65
Table 40: Profile of skills gaps by occupation within sector .....	65
Table 41: Nature of skills gaps by sector .....	67
Table 42: Number of skills gaps across regions .....	68
Table 43: Skills lacking by Region .....	69
Table 44: Occupation most needing up skilling by SSC.....	71
Table 45: Skills needing up skilling by occupation.....	72
Table 46: Distribution of vacancies and density of difficulties by occupation (2008) .....	73
Table 47: Length of time difficult to fill vacancies have been open.....	73
Table 48: Skills gaps by occupation .....	75
Table 49: Skills lacking by occupational group .....	76
Table 50: Reasons for skills gaps by occupational group occupational group .....	77
Table 51: Overall distribution of vacancies and recruitment difficulties by occupation... ..	78
Table 52: Occupational profile by region.....	83
Table 53: Recruitment difficulties in Wales by year .....	84
Table 54: Recruitment difficulties by occupation.....	84
Table 55: Reasons for HtFVs by occupation .....	85
Table 56: Skills gaps by occupation .....	87
Table 57: Other technical and practical skills lacking by occupational group.....	88
Table 58: Most common types of skills gaps by sector .....	89
Table 59: Projected change in total employment for managers, 2010 - 2020 .....	90

---

Table 60: replacement and extension demand for managers, 2010 - 2020 .....	91
Table 61: replacement and extension demand for managers, 2010 - 2020 .....	91

Figure 1: Number of Managers in Employment (2009 - 2011).....	18
Figure 2: Managers by occupation (SOC2010) and industry (SIC2007) .....	20
Figure 3: Age profile of managers in the UK (000s) .....	23
Figure 4: Highest qualification level held by occupational group (2008).....	28
Figure 5: Average percentage of managers with degree by country .....	29
Figure 6: Proportion of employees receiving off-the-job training by occupation .....	33
Figure 7: Off-the-job training by occupational groups .....	33
Figure 8: Management & Team Leading qualification starts and registrations (NVQs and SVQs) .....	41
Figure 9: Gap analysis of qualifications .....	42
Figure 10: Apprenticeship starts and achievements by year.....	44
Figure 11: Overall distribution of vacancies and recruitment difficulties by occupation..	53
Figure 12: Reasons for recruitment difficulties .....	58
Figure 13: Main cause of skill gaps .....	70
Figure 14: Occupation needing upskilling .....	70
Figure 15: Skills lacking in skill shortage vacancies.....	75
Figure 16: Skills lacking within skill shortages.....	79
Figure 17: Skills gaps as a proportion of employees by occupation .....	80
Figure 18: Skills lacking among employees with skills gaps .....	81
Figure 19: Reason for employee having skills gaps .....	82
Figure 20: Skills sought in connection with skills shortage vacancies.....	86
Figure 21: Occupation with skills gap effecting business objectives.....	87
Figure 22: Important personal characteristics in a recession .....	92
Figure 23: Characteristics which define a good leader (%) .....	93
Figure 24: Most important skills or specific knowledge during times of recession .....	94
Figure 25: Skills and knowledge for future managers (%) .....	95

## Foreword

This report examines Labour Market Intelligence (LMI) relating to Leadership and Management employment and the demand from employers for relevant skilled staff.

The report draws on:

- existing data from Government reports such as the National Employer Skills Surveys in England (2009), Northern Ireland (2008), Scotland (2010) and Wales (2005)
- commercial survey reports
- information included in Government datasets such as the 2009 Labour Force Survey
- national statistics websites, datasets and reports
- information from Sector Skills Councils (SSCs)

This report presents a picture of Leadership and Management across the UK. It looks at:

- the current picture of managers and leaders across the UK including workforce characteristics, training and qualification levels
- the skills challenges and skills related issues facing employers
- the types of skill shortages and gaps which managers and leaders face
- the consequences of skills problems
- what lies ahead

The principle purpose of this report is to provide a robust analysis of what Leadership and Management looks like across the UK and within each of the four Nations: England, Northern Ireland, Scotland and Wales.



## Executive summary

Since 2010, the CFA has been responsible for the skills interest of Managers and Leaders across all sectors in the UK. They define the role of managers and leaders and identify key skills that are essential for success in today's economic climate.

As the UK attempts to emerge from the recession it is managers and leaders that are being looked to as the ones who will repair and sustain the UK economy. The decisions and actions they make will often determine whether an organisation fails or flourishes in this climate. The changing nature of the economy has not made this easy, managers are constantly being faced with new and challenging situations which influences their skill needs. Research suggests that during times of economic uncertainty specific skills needs may heighten with the emphasis on managing resources, conflict, risk and governance, as well as being more innovative and a source of motivation for employees.

### The workforce

- Estimates of the managerial occupation ranges from 4.5 million to 2.8 million. Given the large number of managers working in England, Scotland, Wales and Northern Ireland, an extra 544,000 workers are expected to be needed by 2020.
- An analysis of the managerial occupation shows that managers across the UK tend to be white, male, and between 40 and 49 years old. The ratio of male to female managers is stark with almost twice as many male managers as females. Likewise the data on the ethnicity of managers shows that there are twice as many White managers as Black managers in the UK, with 21.2 per cent of managers being classified as White Irish, compared to 8.3 per cent of managers being classified as Black African. There is a great need to increase the number of female managers and others from ethnic backgrounds as well as managers who have a disability. However research suggests that there are still a number of barriers preventing these groups from reaching high levels of management.
- The managerial occupation is dominated by full time employees, although there are a growing number of self-employed managers. In addition, women continue to hold a higher proportion of part-time management positions compared to their male counterparts.

### Recruitment and Skill shortages

- There is not a great deal of difficulty with recruiting people into managerial positions in the UK compared to other occupational groups. Although, where vacancies occur for the managerial occupations, they tend to be hard-to-fill vacancies rather than skill shortage vacancies. Vacancies are hard-to-fill due to a lack of skills, experience or qualifications held by applicants of jobs.
- There is insufficient data on what specific skills are lacking in skill shortage vacancies for managerial staff; however what data is available suggests that it is a lack of management skills. Further research will need to be done to identify what specific skills within the management skills set are needed, to ensure that qualifications and training are fit for purpose.

### England

- There are 20,000 managerial vacancies in England, 5,000 are hard to fill and 4,000 are skill shortage vacancies. This low figure is encouraging considering that skill shortage vacancies for managers is amongst the lowest of all occupational groups both at an absolute level and when expressed as a proportion of employment.

## Executive summary

- There are 5 industries (construction, retail and wholesale, business services, hotel and catering and public administration and defence) and 9 Sector Skills Councils (Skillsfast, Construction skills, Skillsmart retail, Cogent, Summit skills, e-skills, Energy and utilities, Improve Ltd and People 1st) which are experiencing a higher than average problem with recruiting managers.
- The main reasons for experiencing recruitment difficulties when hiring managerial staff is that candidates lacked the necessary skills, experience or qualifications.
- Where skill shortage vacancies existed for managerial staff, they lacked specific management skills as well as technical and practical, customer handling and problem solving skills.

### *Northern Ireland*

- Recruitment difficulties for the management occupation accounts for 4 per cent of all vacancies in Northern Ireland, 6 per cent are difficult to fill vacancies and 6 per cent are skill shortage vacancies. However where vacancies occur for the management occupation this is most likely to be difficult to fill vacancies rather than due to a skill shortage.
- While there is no data regarding what the skill shortages are for the managerial occupation, 33 per cent of employers felt that candidates lacked the sufficient level of management skills.
- There are no current explanations for why there are skill shortages for managers in the UK.

### *Scotland*

- Managers have the lowest number of vacancies and hard to fill vacancies of all occupational groups in Scotland. However they have one of the highest percentages of hard to fill vacancies and skill shortage vacancies when examined as a percentage of all vacancies. Furthermore when vacancies are classified as hard to fill this is largely due to skill shortages.
- While there is no data on what the skill shortages are for the management occupation, 39 per cent of employers felt that candidates lacked the sufficient level of strategic management skills.

### *Wales*

- The management occupation in Wales accounts for a 13 per cent share of employment; 3 per cent share of hard to fill vacancies and a 5 per cent share of skill shortage vacancies. Whilst managers have one of the highest shares of employment they have the lowest share of hard to fill vacancies and one of the lowest shares of skill shortage vacancies of all occupational groups.
- The main reason for recruitment difficulties for managers in Wales is a lack of skills (44 per cent), a lack of experience (21 per cent) or a low number of applicants (20 per cent)
- While there is no data on what the skill shortages are for the management occupation, 27 per cent of employers felt that candidates lacked the sufficient level of management skills.

## Skill gaps

- A relatively small proportion of the managerial workforce has skills gaps. Again, of the evidence available the gaps are related to specific management skills. Further research will need to be done to identify what specific skills are needed.

## Executive summary

### *England*

- In 2009, 6 per cent of management staff had a reported skills gap. This is encouraging given that managers account for 18 per cent of all employment but for only 14 per cent of skills gaps.
- While a low number of managers were described as lacking in proficiency in the vast majority of sectors there were a number where the skills gaps reported for managers was higher than average. This was in Energy and Utilities, Construction Skills, Skills for Logistics, Asset Skills, e-skills and Skills for Health. While by industry the electricity, gas and water, public administration and defence, business services, construction and agricultural were industries which experienced higher than average skills gaps for their management staff.
- Where skills gaps existed for managers this was most likely to occur with management skills, technical and practical skills and problem solving skills.
- There were a number of SSCs which had skills gaps in management skills, these included: Asset Skills, Construction Skills, Creative and Cultural Skills, e-skills, Government Skills, Sempta, Skillset, Skills for Care and Development and Skills for Justice. While Public administration and defence, Business services and other services such as manufacturing, Health and Social Care, Transport, storage and communication and education also had skills gaps within the management skills occupation.
- Where skills gaps existed for managers these were most likely due to a lack of experience, staff being recently recruited and a failure to train and develop staff.

### *Northern Ireland*

- The management occupation has a 14 per cent share of skills gaps across Northern Ireland, which is in line with their share of employment (14 per cent). This is relatively high when compared to the Professionals occupation which has a 4 per cent share of skills gaps.
- Like managers in England, where skills gaps occur for managers this is most likely within the management skills area. However they also face gaps with problem solving, team working and oral communication skills.
- Where skills gaps occur this is most likely due to a lack of experience or staff being recently recruited, followed by insufficient training and development for staff.

### *Scotland*

- Only 3 per cent of the managerial occupation was reported as having a skills gap in Scotland.
- While there is no information on the specific skill lacking for managers, 30 per cent of managers in Scotland said that their staff lacked strategic management skills.

### *Wales*

- Only 3 per cent of managers report a skills gap in Wales, making it the occupation with the lowest number of skills gaps across the nation.
- Where managers have skills gaps in technical or practical skills, the skills lacking are most likely to be communication and interpersonal skills, other skills alongside finance/accounts and bookkeeping.

## Executive summary

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- The industry where management skills gaps were present were in Production, Banking/insurance/other financial and hotel/catering

### Market supply

- There are a number of management qualifications in the market, ranging from academic to professional qualifications as well as vocational qualifications. There is also a vast market of unaccredited qualifications.
- The exact figure of leadership and management take up is unknown. However, we know that managers, compared to their international competitors, are under qualified, and that there is much discrepancy in the qualification levels held by managers across sectors. This is surprising considering that on the supply side; there is no lack of management learning opportunities. It is necessary then, to identify why managers across the UK do not appear to be utilising the supply of management and leadership qualifications in the market.
- While the take up for management qualifications is unknown, we know that managers are the most likely of all other occupational groups to receive training across all the four nations.
- The management apprenticeship has seen a steady increase in the number of learners, perhaps providing evidence of the tendency for managers to use on the job training rather than off-the-job training.

### The future

- Looking to the future, the managerial occupation is expected to expand, both in terms of the number of jobs created as well as the number of jobs being replaced.
- The skills needs of managers are expected to change due to globalisation, the move to a knowledge economy, changes in demographics and the effect of the recession.
- In the future managers will be required to focus on skills which can help them survive in times of economic uncertainty.

## 1. Introduction

### 1.1 Defining 'Leadership' and 'Management'

*"Leadership and management are two distinctive and complementary systems of action...Management is about coping with complexity... Leadership, by contrast, is about coping with change." (Kotter, 2001<sup>1</sup>)*

There is no widely accepted answer as to whether the terms 'leadership' and 'management' should be used interchangeably or whether they should be used as two distinct categories. Since most 'managers' are also leaders, this tends to imply that the roles are synonymous. However, whilst the two roles are often simultaneous, research suggests that they are in fact profoundly different<sup>2</sup>. On the one hand:

- 'Leadership' is said to be linked with shaping others' goals, broadening values and creating a sense of purpose, especially in relation to change; whilst
- 'Management' by contrast, is shown as a maintenance activity, concerned with the implementation of policies and procedures with operational issues<sup>3</sup>.

In other words, a manager would *manage* processes and *lead* people. The extent to which a manager would use the same underlying skills to undertake both sets of activities is something that requires further research. Nevertheless, the debate about whether Leadership and Management differ has served a purpose in recognising that managers need to provide direction and motivate people as well as organise work.

Furthermore, Leadership and Management are '**cross sector**' skills, as they run horizontally across all sectors and industries in the UK economy. For that reason the areas of Leadership and Management are represented by CFA Business Skills @ Work standard setting organisation (SSO) who is responsible for the needs and demands of all individuals who use leadership and management skills as part of their job role.

### 1.2 The importance of Leadership & Management

Leadership & Management can be considered to be one of the most critical skills and occupational job roles in all sectors and businesses across the UK. Without good leadership and management, an organisation will fail to capitalise on potential opportunities, resulting in lost growth, a lack of competitiveness, lower productivity and, potentially, organisational failure<sup>4</sup>. If the UK is to meet its 2020 ambition of being one of the top eight countries in the world for skills, jobs, and productivity, it is important to consider how organisations are managed, and the extent to which they are competitive, innovative and high performing workplaces<sup>5</sup>.

Since 1980 there has been a concern that, in general, management capability and the deployment of managers in the UK is poor in various respects relative to competitor countries, this has led to reduced productivity and inhibited economic performance across the UK. UK productivity is already lagging behind its competitors in North America

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<sup>1</sup> Learning and Skills Improvement Service, LSIS. (2010), *Leading and managing in recession: Same or different skills?*, page 1

<sup>2</sup> Feltham, R. (2003), *Realising our potential - Leading the way*, page 1

<sup>3</sup> Learning and Skills Improvement Service, LSIS. (2010), *Leading and managing in recession: Same or different skills?* page 17-18

<sup>4</sup> *ibid*

<sup>5</sup> UK Commission for Employment and Skills, UKCES. (2010a). *Ambition 2020: World Class Skills and Jobs for the UK: The 2010 Report*, page 98-99

## 1. Introduction

and Europe<sup>6</sup>. In the *Skills for Jobs report*, UKCES identified that for the UK to challenge its international competitors economically, the UK needs to invest in skills. One area of high priority identified was a need for highly skilled workers such as managers, and the importance of management and leadership skills. These skills include; change management, people management, financial management, risk management, negotiation and procurement skills and are needed to fully respond to and exploit future challenges and opportunities in the marketplace<sup>7</sup>. It is expected that by tackling the management and leadership deficit of UK managers, it will be possible to '**unlock the doors to increased productivity, maximise the benefits of innovation and gain advantages from technological change**'<sup>8</sup>. However there is much work to be done in regards to up-skilling UK managers so that they can compete with the best in the world.

In 2007, the Management Standards Centre developed a vision for UK leaders and managers which was to develop managers and leaders to compete with the best in the world<sup>9</sup>. In order to do this it was important that current and future managers and leaders were equipped with the right skills to remain competitive in the international workplace. For this to happen, it is necessary to identify and understand the skill challenges facing managers now and in the future. Only by gaining a full picture of this occupational group can we make plans to achieve that vision.

### 1.3 Scope of research

The aim of this report is to provide an up-to-date analysis of the Management workforce in the UK. It draws on a compilation of national, regional and sectoral secondary data sources to ensure that an accurate picture of the workforce is reported on. The key sources this report makes reference to includes (but is not limited to):

- Government reports:
  - National Employers Skills Survey in England (NESS) 2009
  - Scottish Employer Skills Survey (SESS) 2010
  - Northern Ireland Skills Monitoring Survey (NISMS) 2008
  - Future Skills Wales Sector Skills Survey (FSW) 2005
- The Office of National Statistics
- The Data Services statistics
- NOMIS
- Department for Employment and Learning (DELNI)
- Skills Development Scotland

In addition to these key sources more sector specific and occupational specific data was used (*for the full list of sources please see the bibliography*).

### 1.4 Methodological issues and information validity

There are a number of methodological issues of concern which are set out below:

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<sup>6</sup> Boutall, T., & Freeman, R. (2006), *Management, leadership and enterprise learning and qualifications strategy, phase 1 report*. Management Standards Centre (MSC), pages 5 - 6

<sup>7</sup> UK Commission for Employment and Skills, UKCES. (2010), *National Strategic Skills Audit for England, Skills for Jobs: Today and tomorrow*, page 33

<sup>8</sup> Boutall, T., & Freeman, R. (2006), *Management, leadership and enterprise learning and qualifications strategy, phase 1 report*. Management Standards Centre (MSC), pages 5 - 6

<sup>9</sup> Management Standards Centre, MSC. (2007a), *2020 Vision: Learning and qualifications for managers and leaders*, page 1

## 1. Introduction

### 1.4.1 Consistency in terminology

This report presents the labour market information for the four nations: England, Scotland, Northern Ireland and Wales. Attempts were made to identify research data across the four nations which used the same measurement parameters. For this reason the majority of this report uses data from the UK Commission for Employment and Skill (UKCES) and their corresponding national skills survey. The National Employers Skills Survey in England (NESS), the Scottish Employer Skills Survey (SESS), the Northern Ireland Skills Monitoring Survey (NISMS) and the Future Skills Wales Sector Skills Survey (FSW). However where additional reports were used, attempts were made to ensure that the definition used was consistent with the UKCES definitions.

### 1.4.2 Time limits on data

When identifying suitable research data the most up to date reports and statistics were identified. However it should be noted that comparisons across the UK Employer Skills Surveys will be limited as the date of each survey is different. The statistics for Wales (FSW, 2005) presents specific methodological concerns as it was undertaken before the recession in 2008. There are also concerns for the NIMS (2008) report where field work was undertaken during the beginning of the economic downturn and thus the full impact of the recession may not have been realised. However the use of other up-to-date data sources will be used to ensure the validity of data sources reflect the current economic climate. Moreover each reference is explicitly referenced with the year of collection to ensure transparency with data sources.

### 1.4.3 Sector and Sector Skill Councils (SSCs)

There are many different ways of understanding and describing the range of activities in which employers engage. In this report, business sectors are described in two ways: by classification into 14 Standard Industrial Classifications and on the basis of Sector Skills Council. It is important to note that the extent to which there is an exact fit between SIC 2003 codes and SSC footprint varies between SSCs. In some cases defining SSCs by SIC codes excludes certain elements of a SSCs footprint, so both methods are referred to in this report.

Moreover, when looking at the data for the Sector Skill Councils (SSCs) it should be noted that this data was produced before the changes to some SSCs status were introduced. Therefore, some SSC which no longer exist are presented here to reflect the sector which they covered at that time. This applies to the following SSCs:

- Lifelong learning which was closed down on 31st March 2011
- Government skills which ceased to exist on the 1st April 2011
- Skillsfast which closed as an SSCs in 2011 and was merged with Skillset
- People 1<sup>st</sup> and Go Skills which merged on 4 July 2011

### 1.4.4 Standard Occupational Classification (SOC) Codes<sup>10</sup>

As of 2010 The Office for National Statistics (ONS) revised and updated the Standard Occupational Classification 2000 (SOC) codes, with the SOC2010. The revision focused upon particular areas of classification where changes in the organisation of work or in the type of work performed had been most apparent. These include jobs related to information and communications technologies, health, social care, education, culture,

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<sup>10</sup> *Standard Occupational Classification 2010, Office for National Statistics, 2010*



## 1. Introduction

media, sport and leisure. Particular attention was also paid to managerial occupations, given the extent to which the UK was found to differ from other EU countries in this area of classification.

### 1.4.5 Redefining managers

In the UK the title managers is frequently used to denote what would be regarded as supervisory or administrative positions in many other countries. Furthermore the title is often used in the UK to denote the management of a set of activities that constitute a specific job, rather than the broader and more strategic managerial functions that define managerial roles in other countries. For this reason, UK occupational statistical information has not been able to be compared with similar information from any other countries.

The SOC2010 has attempted to address this by changing the definition of managers from:

*'Job holders in this sub-major group formulate government policy; direct the operations of major organisations, government departments and special interest organisations; organise and direct production, processing, maintenance and construction operations in industry; formulate, implement and advise on specialist functional activities within organisations; direct the operations of branches and offices of financial institutions; organise and co-ordinate the transportation of passengers, the storage and distribution of freight, and the sale of goods; manage the operations of the emergency services, customs and excise, the prison service and the armed forces; and co-ordinate the provision of health and social care services and establishments.'* (**SOC2000 definition**)

To:

*'This major group covers occupations whose tasks consist of planning, directing and coordinating resources to achieve the efficient functioning of organisations and businesses.'* (**SOC2010 definition**)

This revised definition focuses upon the managerial occupation as one which is associated specifically with control over resources at the enterprise or organisational level and makes more explicit the strategic elements of the job rather than the day-to-day tasks.

Where the job title 'manager' is used the job description does not indicate significant responsibilities for strategic control over resources (financial, material or human), consideration was given to the relocation of such job titles and their associated task descriptions to alternative major groups.

To retain a degree of comparability with managerial groups as defined in SOC2000, certain managerial unit groups (the lowest level of the classification) have been retained in their entirety but repositioned in other major groups of the classification.

Furthermore in the previous SOC2000, the name of the group was 'Managers and Senior Officials'. The SOC2010 changed the name of the group to 'Managers, Directors and Senior Officials' to reflect the stricter definition of managers in SOC2010. The table below presents the changes in the SOC codes for managers:



## 1. Introduction

**Table 1: Standard Occupational Classification 2000 and 2010 comparison**

SOC2000		SOC2010	
<b>1</b>	Managers and senior officials	<b>1</b>	Managers, directors and senior officials
11	Corporate managers	11	Corporate managers and directors
111	Corporate managers and senior officials	111	Chief executives and senior officials
112	Production managers	112	Production managers and directors
113	Functional managers	113	Functional managers and directors
114	Quality and customer care managers	115	Financial institution managers and directors
115	Financial institution and office managers	116	Managers and directors in transport and logistics
116	Managers in distribution, storage and retailing	117	Senior officers in protective services
117	Protective service officers	118	Health and social services managers and directors
118	Health and social services managers	119	Managers and directors in retail and wholesale
<b>12</b>	Managers and proprietors in agriculture and services	<b>12</b>	Other managers and proprietors
121	Managers in farming, horticulture, forestry and fishing	121	Managers and proprietors in agriculture related services
122	Managers and proprietors in hospitality and leisure services	122	Managers and proprietors in hospitality and leisure services
123	Managers and proprietors in other service industries	124	Managers and proprietors in health and care services
		125	Managers and Proprietors in Other Services

Source: ONS (2000) Standard Occupational Classification 2000.<sup>11</sup> and ONS (2010) Standard Occupational Classification 2010

<sup>11</sup> Standard Occupational Classification 2000: Volume 1 - Structure and descriptions of unit groups, Office for National Statistics, 2000, London: Stationery Office

## 2. Profile of Managers in the UK

### 2.1 Size of the workforce

The size of the managerial population continues to be variously estimated with different studies using different definitions of 'management' with some including wider categories than others. This has led to particular problems when making international comparisons. For example, in the UK junior managers at the supervisory level have often been classified occupationally with those they supervise when this is often not the case in other countries where comparisons are made with the UK. These problems with classification make it difficult to form reliable estimates of the numbers of managers in the UK<sup>12</sup>. The introduction of the new SOC2010 codes has gone some way in reducing the difficulty of making international comparisons by ensuring that the UK definition of the managerial occupation is comparable to those used internationally.

However even within the UK's own datasets there is a great deal of variability in the estimate of the UK's managerial workforce based on which SOC code is used. During the period of Jul – Sept 2011 the *Office of National Statistics* estimated that there were around 4.5 million managers in the UK based on SOC2000 codes, while in Apr – Jun 2011 it was estimated to be around 2.8 million using the new SOC2010 code. The *Annual Population Survey* which also used the SOC2010 code also estimated that the managerial population was around 2.8 million during Jun 2010 – Jun 2011. Estimates, then, of the current numbers of those in managerial occupations vary considerable from 2.8 million to 4.5 million.

#### SOC2000 Estimated

For historical purposes, this paragraph shows the size of the managerial population based on the old SOC2000 codes. It is understood that much of the past research on the managerial occupation will have used these old codes, and for comparative purposes this report has provided a current estimate of the managerial occupation based on the old classifications.

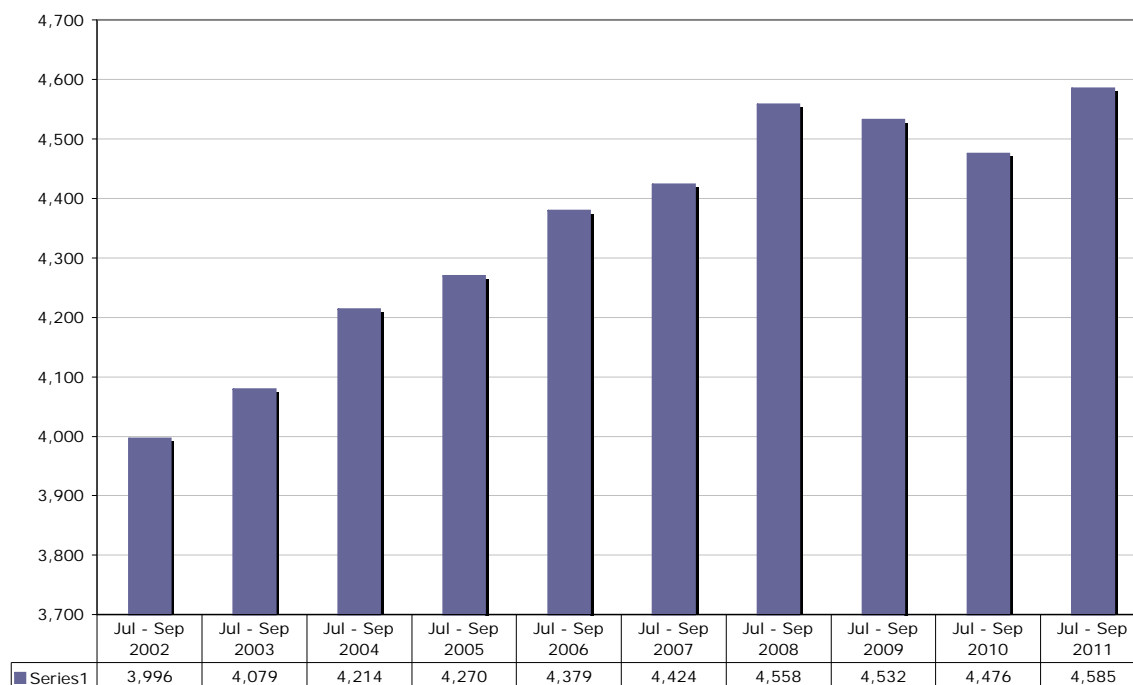
There are currently 4.5 million Managers and Senior Officials in employment in the UK. **Figure 1** presents a snapshot of the number of managers in employment from 2002 to 2011 during the same period Jul – Sep. The number of managers in employment was highest in 2011, though 2008 also had a great number of managers in employment.

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<sup>12</sup> Williams, S (2002) *Characteristics of the management population in the UK: overview report*. Lancaster University: Centre for the Study of Education and Training, page 1

## 2. Profile of Managers in the UK

Figure 1: Number of Managers in Employment (2009 - 2011) <sup>13</sup>



Source: Office of National Statistics: EMP08: All employment by occupation.

Managers and senior officials' continue to account for the largest occupational group in the UK, with more than 15 per cent of all those in work being classified as a manager and senior official.

Table 2: Percent of persons in employment by occupational group (2007-2011)

%	Manager & senior Officials	Professional Occupations	Associate professional & technical	Admin & secretarial	Skilled trades	Personal services	Sales & customer service	Process, plant and machine operatives	Elementary Occupations
Jul-Sep 2007	15.0	12.7	14.2	11.7	11.1	8.0	7.6	7.3	11.6
Jul-Sep 2008	15.4	12.9	14.6	11.3	10.9	8.2	7.6	6.9	11.5
Jul-Sep 2009	15.6	13.4	14.6	11.2	10.4	8.6	7.5	6.8	11.2
Jul-Sep 2010	15.2	13.7	14.8	10.8	10.6	8.7	7.4	6.5	11.5
Jul-Sep 2011	15.7	13.1	15.0	10.8	10.5	9.0	7.3	6.4	11.6

Source: Office of National Statistics: EMP08: All employment by occupation

### SOC2010 Estimated

The latest Annual Population survey (2011) indicated that there are 2.8 million managers working in the UK. This is made up of 2.0 million corporate managers and directors and 848,300 other managers and proprietors. Table 3 indicates that the majority of managers are employed in England (86.3 per cent), Scotland (7.4 per cent), Wales (4.0 per cent) and Northern Ireland (2.2 per cent). Interestingly in all countries except England, 'Other managers and proprietors' make up a larger share of their managerial workforce than 'Corporate managers and directors'.

<sup>13</sup> The data for the estimates from Jan-Mar 2011 have been coded using the new SOC2010 basis and then mapped to an equivalent SOC2000 basis. As a result there may be some inconsistencies with estimates prior to Jan-Mar 2011

## 2. Profile of Managers in the UK

**Table 3: Employment by occupation (SOC2010) sub-major group**

(000s)	Corporate Managers and Directors		Other Managers and Proprietors		Total	
	Number	Per cent	Number	Per cent	Number	Per cent
<b>United Kingdom</b>	<b>2,007,600</b>		<b>848,300,000</b>		<b>2,855,900</b>	
Great Britain	1,965,000	97.9	827,100	97.5	2,792,100	97.7
England	1,748,800	87.1	716,900	84.5	2,465,700	86.3
Scotland	141,900	7.0	70,000	8.2	211,900	7.4
Wales	75,100	3.7	40,200	4.7	115,300	4.0
Northern Ireland	41,900	2.0	21,200	2.4	63,100	2.2

Source: NOMIS, Annual Population Survey- July 2010 – June 2011

### 2.2 Occupational analysis

**Table 4** provides the broad occupational breakdown by country in the UK. The Professional occupational group makes up the largest occupation in the UK (5.5 million). This is followed by:

- Associate professionals and technical occupations (3.9 million)
- Administrative and secretarial occupations (3.2 million)
- Elementary occupations (3.17 million)
- Skilled trades occupation (3.14 million)
- Manager, directors and senior officials (2.8 million)

Manages, directors and senior officials makes up the 6<sup>th</sup> largest occupational group across the UK.

By country England has the largest share of managerial staff in employment (86.3 per cent) compared to all other countries. Furthermore the managerial occupation makes up the largest occupational group in England, where as in Northern Ireland it is skilled trades, in Scotland it is sales and customer service occupations and in Wales it is the caring, leisure and other service occupation.

**Table 4: Employment by country (SOC2010)**

	UK	England		Northern Ireland		Scotland		Wales	
		Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
Managers, Directors and Senior Officials	<b>2,855,900</b>	2,465,700	86.3	63,100	2.21	211,900	7.42	115,300	4.04
Professional Occupations	<b>5,567,900</b>	4,737,800	85.1	146,900	2.64	453,500	8.14	229,700	4.13
Associate Prof & Tech Occupations	<b>3,962,300</b>	3,408,000	86.0	73,600	1.86	320,400	8.09	160,200	4.04
Administrative and Secretarial Occupations	<b>3,231,700</b>	2,719,900	84.2	99,200	3.07	268,300	8.30	144,400	4.47
Skilled Trades Occupations	<b>3,144,600</b>	2,581,600	82.1	121,000	3.85	286,400	9.11	155,500	4.94
Caring, Leisure and Other Service Occupations	<b>2,620,100</b>	2,171,800	82.9	74,200	2.83	242,300	9.25	131,900	5.03
Sales and Customer Service Occupations	<b>2,369,700</b>	1,965,400	82.9	63,000	2.66	230,000	9.71	111,300	4.70
Process, Plant and Machine Operatives	<b>1,874,500</b>	1,554,900	83.0	58,500	3.12	168,100	8.97	93,000	4.96
Elementary occupations	<b>3,177,900</b>	2,665,600	83.9	82,300	2.59	281,500	8.86	148,500	4.67

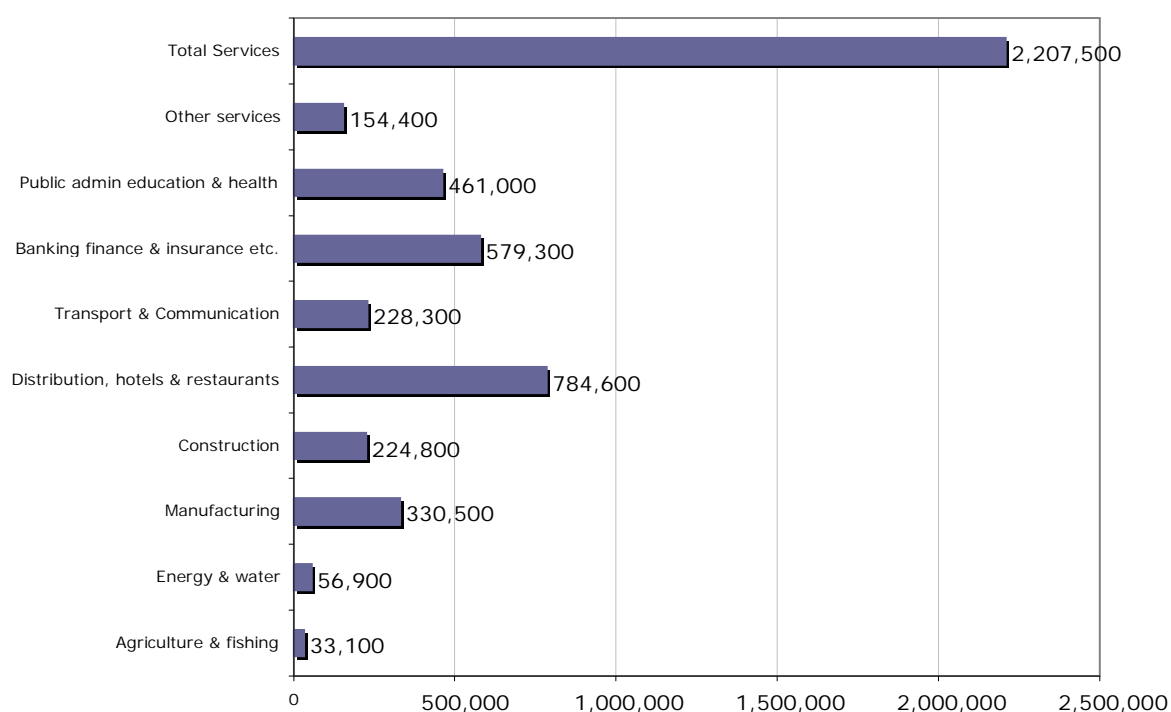
Source: NOMIS, Annual Population Survey- July 2010 – June 2011 (SOC2010)

**Figure 2** indicates that the overall distribution of managerial staff across the UK is polarised with the vast majority of managers working in the distribution, hotel and

## 2. Profile of Managers in the UK

restaurant sector, compared to the agricultural & fishing industry where managers are least likely to be working.

**Figure 2: Managers by occupation (SOC2010) and industry (SIC2007)**



Source: NOMIS, Annual Population Survey- July 2010 – June 2011 (SOC2010)<sup>14</sup>

An analysis of the occupational profile of managers by industry within each country indicates that:

- Across all countries managers are most likely to be employed in the Distribution, Hotel and Restaurant industry
- In England and Scotland managers are least likely to work in Agricultural and Fishing industry, while in Wales and Northern Ireland it is Energy and Water industries.

**Table 5: Number of managers employed in each industry by country (SOC2010)**

	Agriculture & fishing	Energy & water	Manufacturing	Construction	Distribution, hotels & restaurants	Transport & Communication	Banking finance & insurance etc.	Public admin education & health	Other services
<b>UK</b>	<b>33,100</b>	<b>56,900</b>	<b>330,500</b>	<b>224,800</b>	<b>784,600</b>	<b>228,300</b>	<b>579,300</b>	<b>461,000</b>	<b>154,400</b>
England	23,800	45,200	288,700	195,600	661,900	204,200	516,600	393,100	134,400
Wales	2,800	2,300	13,800	8,400	34,900	6,600	16,800	23,100	6,100
Scotland	6,200	8,300	20,700	16,100	61,300	14,600	38,700	34,800	11,200
Northern Ireland	*	1,000	7,200	4,700	26,500	2,800	7,100	9,900	2,700

*\*estimate and confidence interval not available since the group sample size is zero or disclosive (0-2)*

<sup>14</sup> Total services is G-U. Groups may add up to more than total services due to rounding

## 2. Profile of Managers in the UK

Source: NOMIS, Annual Population Survey- July 2010 – June 2011

### 2.3 Status of the workforce

**Table 6** establishes that 91.2 per cent of employment for corporate managers and directors is full-time, compared to only 8.78 per cent part-time. Similarly 83.6 per cent of employment for other managers and proprietors is full-time compared to only 16.2 per cent part-time.

Other managers and proprietors in Wales are more likely than average to work part-time than in any other country, while corporate managers in Northern Ireland are more likely to work part-time.

Corporate managers in England, Scotland and Northern Ireland are more likely to work full time than managers in Wales, while managers and proprietors in Scotland and Wales are more likely to work full time than average.

**Table 6: Corporate Managers and Directors in full-time/part time employment (SOC 2010)**

	Sub major group	All people	Full-time	%	Part-time	%
UK	<i>Corporate Managers and Directors</i>	2,007,600	1,830,800	91.2	176,300	8.78
	<i>Other Managers and Proprietors</i>	848,300	709,300	83.6	138,200	16.2
England	Corporate Managers and Directors	1,748,800	1,595,800	91.3	152,500	8.72
	Other Managers and Proprietors	716,900	599,500	83.6	116,600	16.2
Northern Ireland	Corporate Managers and Directors	41,900	38,800	92.6	3,000	7.16
	Other Managers and Proprietors	21,200	17,300	81.6	3,900	18.4
Scotland	Corporate Managers and Directors	141,900	130,500	92.0	11,400	8.03
	Other Managers and Proprietors	70,000	58,600	83.7	11,300	16.1
Wales	Corporate Managers and Directors	75,100	65,700	87.5	9,400	12.5
	Other Managers and Proprietors	40,200	33,800	84.1	6,400	15.9

Source: NOMIS, Annual Population Survey- July 2010 – June 2011 (SOC2010)

The latest labour market statistics indicate that most managers are employees (78.8 per cent) rather than self employed (20.2 per cent). Of those who are employees, most are likely to work full time (71.9 per cent) rather than part-time (6.9 per cent). Those who are self employed are also most likely to work full-time (16.7 per cent) than those who work part time (3.5 per cent).

**Table 7: Managers and Senior Officials in full-time/part-time Employment (April-June 2011)**

	Total in Employment (000s)	Employees			Self-employed		
		(000s)			(000s)		
		Full-time	Part-time	Total	Full-time	Part-time	Total
<i>Total employment</i>	29,069	18,301	6,680	24,980	2,860	1,091	3,951
Managers and Senior Officials	2,889	2,078	201	2,279	483	101	584
		71.9%	6.9%	78.8%	16.7%	3.5%	20.2%
<i>% of total employment</i>	9.9%	11.3%	3.0%	9.1%	16.8%	9.2%	14.7%

Source: ONS (2010) Labour Force Survey: employment status by occupation and sex, April – June 2011 (SOC2010)

The managerial occupation is dominated by full-time workers either as an employee or as self employment. Whilst most managers are more likely to be employees rather than self employed.

## 2. Profile of Managers in the UK

### 2.4 Gender of the workforce

**Table 8** shows that 67.1 per cent of the UK managerial workforce is male and 32.8 per cent are female. England, Wales, Scotland and Northern Ireland also follow a similar pattern with a larger percentage of the managerial workforce being male rather than female.

Further analysis shows that Wales has a higher percentage of female managers (36.6 per cent) in employment than all other countries, while Northern Ireland has the highest percentage of male workers (68.4 per cent).

More females than males work part time across all countries, indicating that the managerial workforce is dominated by males who continue to occupy full-time positions compared to females who continue to occupy part-time positions.

**Table 8: Managers in full-time/part-time Employment (SOC2010)**

(000s)	UK		England		Wales		Scotland		Northern Ireland	
	No.	%	No.	%	No.	%	No.	%	No.	%
<i>All employed</i>	<i>2,855,900</i>		<i>2,465,700</i>		<i>115,300</i>		<i>211,900</i>		<i>63,100</i>	
All employed full-time	2,540,100	88.9	2,195,300	89.0	99,500	86.2	189,100	89.2	56,100	88.9
All employed part-time	314,500	11.0	269,100	10.9	15,800	13.7	22,700	10.7	6,900	10.9
All male	1,919,000	67.1	1,665,300	67.5	72,900	63.2	137,700	64.9	43,200	68.4
Males employed full time	1,800,600	93.8	1,561,100	93.7	67,600	92.7	130,800	94.9	41,000	94.9
Males employed part-time	117,200	6.1	103,300	6.2	5,300	7.2	6,800	4.9	2,000	4.6
All female	936,900	32.8	800,400	32.4	42,300	36.6	74,200	35.0	19,900	31.5
Female employed full-time	739,400	78.9	643,200	80.3	31,800	75.1	58,300	78.5	15,100	75.8
Females employed part-time	197,400	21.0	166,100	20.7	10,600	25.0	15,900	21.4	4,900	24.6

Source: NOMIS, Annual Population Survey- July 2010 – June 2011 (SOC2010)

The phenomenon of the glass ceiling has been used to describe the relative absence of women in management roles<sup>15</sup>. A study by the *Institute of Leadership and Management*<sup>16</sup> found that 73 per cent of female managers believed that the glass ceiling prevented them from progressing to top management roles. The longer the career of a women, the more evident the glass ceiling becomes with 77 per cent of over 45s, 71 per cent of 31-44s and 63 per cent of 30 year olds stating that they felt that the glass ceiling was an issue. By contrast only 38 per cent of men believe the glass ceiling exists.

Other explanations on the gender imbalance focus on the fact that women face a double burden – the combination of work and domestic responsibilities and are too reticent to

<sup>15</sup> Centre D'etudes de l'emploi. (2010), *Workforce participation of low skilled women, gender occupational segmentation, and male-female earnings.* page 1-2

<sup>16</sup> Institute of Leadership and Management, ILM. (2011), *Ambition and gender at work,* page 4

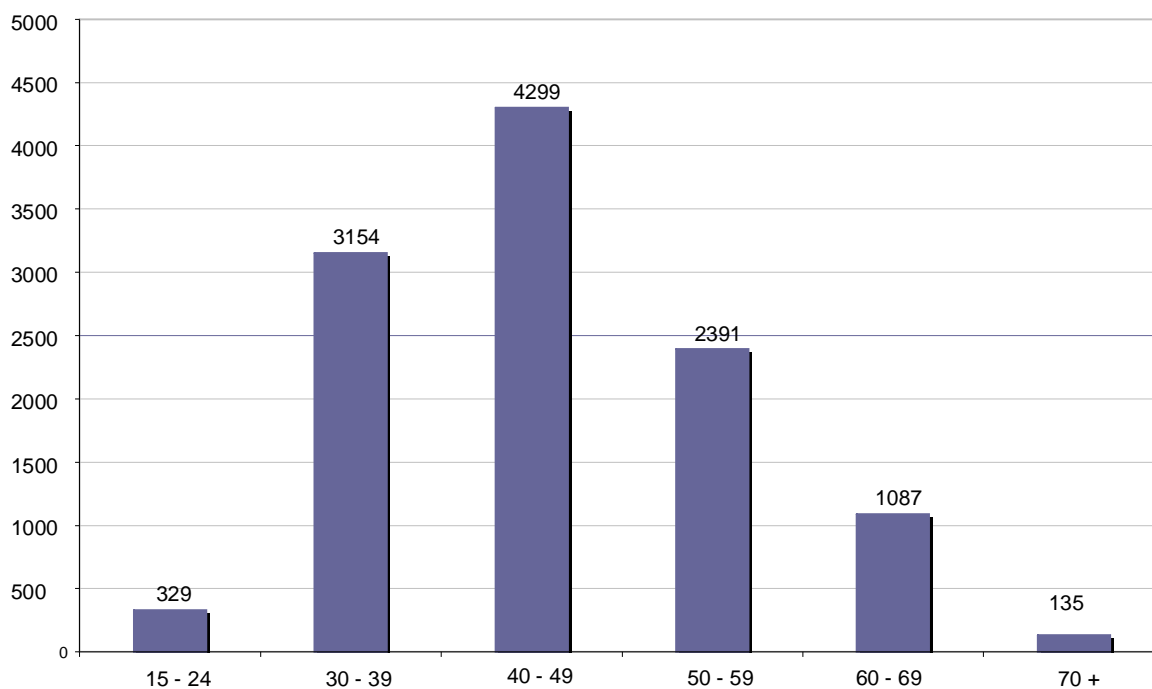
## 2. Profile of Managers in the UK

advocate for themselves. This is problematic because evidence suggests that companies with a higher proportion of women in their executive committees are also the companies which have the best performance<sup>17</sup>. It is therefore important to continue to implement measures which seek to increase the number of female managers.

### 2.5 Age of the Workforce

According to the 2009 Labour Force Survey, managers in the UK normally fall within the age bracket of 40-49. As would be expected there are few young managers between the ages 15-24 and few managers that are above 70. The large fall between managers who are in their 50s and managers in their 60s no doubt reflected the retirement age, where women could retire from the age of 60 and men from the age of 65<sup>18</sup>. However from April 2011 the Government will be phasing out the default retirement age. This may have implications for the way the age profile of managers will look in the future. Older workers may, particularly with the UK in a state of economic uncertainty, remain in jobs longer thereby creating a more event distribution of managers across the age brackets.

Figure 3: Age profile of managers in the UK (000s)



Source: ONS (2009) Labour Force Survey Annual Eurostat Dataset, 200919 (please note this data uses the International Standards of Occupational Classification)

### 2.6 Ethnicity of the workforce

The analysis from the Annual population survey shows that there are a disproportionately high number of white managers (63.5 per cent) and a disproportionately low number of mixed (0.35 per cent) managers in the UK.

<sup>17</sup> McKinsey & Company. (2010), *Women Matter*, page 6

<sup>18</sup> Directgov. (2010), *Calculating your state pension*.

[http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/DG\\_4017919](http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/DG_4017919)

<sup>19</sup> Labour Force Survey Annual Eurostat Dataset, Office for National Statistics, 2009, UK Data Archive



## 2. Profile of Managers in the UK

**Table 9: Employment by occupation and ethnic group**

(%)	Managers, Directors and Senior Officials	Professional Occupations	Associate Prof and Tech Occupations	Administrative and Secretarial Occupations	Skilled Trades Occupations	Caring, Leisure and Other Service Occupations	Sales and Customer Service Occupations	Process, Plant and Machine Operatives	Elementary Occupations
<i>All</i> <sup>20</sup>	100	100	100	100	100	100	100	100	100
White	63.5	60.3	63.4	63.0	64.2	61.4	60.8	60.9	60.1
Mixed	0.35	0.5	0.7	0.5	0.2	0.6	0.5	0.2	0.6
Indian	1.6	2.2	1.6	1.4	0.6	0.9	1.9	1.8	1.6
Pakistani/Bangladeshi	0.9	0.8	0.8	0.7	0.8	0.7	1.6	2.3	1.4
Black	0.9	1.6	1.4	1.4	0.7	2.7	1.5	1.3	2.5
Other Ethnic Group	1.6	2.2	1.4	1.4	1.4	2.1	2.1	1.6	2.4
<i>Did not state ethnicity</i>	31.1	32.4	30.7	31.6	32.1	31.6	31.6	31.9	31.4

Source: NOMIS, Annual Population Survey- July 2010 – June 2011 (SOC2010)

From the data that is available, it is possible to see that despite the fact that managers in England have one of the lowest numbers of managers who are mixed, there are actually a higher percentage of mixed managers than average (0.38 per cent compared to 0.35 per cent). This is also the case for managers who are Indian (1.8 per cent compared to 1.6 per cent), black (1.0 per cent compared to 0.9 per cent) and of other ethnic groups (1.7 per cent compared to 1.6 per cent).

England has a lower number of white managers than average (62.9 per cent compared to 63.5 per cent). Wales has the highest proportion of managers who are white (71.8 per cent) and Northern Ireland the lowest (46.7 per cent). However these numbers should be viewed with some caution as there is a high percentage of people who did not state their ethnicity.

**Table 10: Per cent of Managers in employment by ethnic group and country**

(%)	UK	England	Scotland	Wales	Northern Ireland
White	63.5	62.9	71.4	71.8	46.7
Mixed	0.35	0.38	-	0.4	-
Indian	1.6	1.8	0.5	-	-
Pakistani/Bangladeshi	0.9	0.9	0.7	1.0	-
Black	0.9	1.0	-	-	-
Other Ethnic Group	1.6	1.7	0.3	0.5	-
<i>Did not state ethnicity</i>	31.1	31.3	27.1	26.3	53.3
<i>- no data available</i>					

Source: NOMIS, Annual Population Survey- July 2010 – June 2011 (SOC2010)

The table below shows the percentage of employment that managerial occupations represent in each ethnic group. Black or black British groups had the smallest share of its total employment in managerial occupations (5.8 per cent) while the white group had the largest share (10.2 per cent). The 'India' category has the second largest share of employment in managerial occupations (9.5 per cent), followed by Pakistani/Bangladeshis (8.8 per cent), other ethnic groups (8.4 per cent) and mixed ethnic groups (8.3 per cent). Those in the black categories are the least likely of all ethnic groups to be employed in a managerial occupation.

<sup>20</sup> Total includes those who did not state their occupation

## 2. Profile of Managers in the UK

**Table 11: Employment in managerial occupations by ethnic group, 2009, UK**

	Number	percent
% 16+ whites in employment employed as managers	2,650,300	10.2
% 16+ other ethnic group in employment employed as managers	61,700	8.4
% 16+ Black or Black British in employment employed as managers	34,900	5.8
% 16+ Indians in employment employed as managers	61,900	9.5
% 16+ Pakistani/Bangladeshis in employment employed as managers	36,100	8.8
% 16+ mixed ethnic group in employment employed as managers	17,400	8.3

Source: ONS (2011) (from NOMIS), Annual Population Survey- Jan 2009 – December 2009 (SOC2010).

Further analysis shows that just under half (48 per cent) of all managers in the UK rate their career progression as excellent or good. White and those from Mixed ethnic groups were more positive than Black and Asian managers about their progress. 23 per cent of Black and 21 per cent of Asian's rated their career progression as disappointing compared to 13 per cent for White and Mixed ethnic groups. One-third of Asian and 20 per cent of Black managers indicated that racial discrimination had been a barrier to their progression, in contrast to 10 per cent of Mixed ethnicity and less than 1 per cent of White<sup>21</sup>.

### 2.7 Disability of the workforce

There is a relative lack of information about the types of jobs and sectors that disabled people are employed in. This is because many disabled people employed in the labour market are not recognised or measured in reported figures.

Based on what little evidence there is 18.7 per cent of disabled people working in the management occupation in the UK. The management occupation has one of the lowest percentages of jobs available for disabled people in the UK (professionals have the lowest). However looking at the data across countries it is possible to see that the UK has one of the highest percentages of management jobs available for disabled people. Compared with other countries the UK has a high number of managers with a disability. However within the UK there is work to be done in increasing the numbers of managers with a disability so they fall in line with the progress made in other occupations.

**Table 12: Type of jobs for disabled people (percentage)**

(%)	Legislators, senior officials and managers	Professionals	Technical and associate Professionals	Clerk	Service workers and shop and market sales	Plant and machine operators and assembler	Elementary
Austria	8.9	7.6	9.7	8.8	7.1	10.5	11.3
Belgium	10.3	9.7	10.6	12.1	11.2	16.8	16.7
Cyprus	8.3	3.5	6.1	6.7	8.4	8.8	10.3
Czech Republic	10.6	12.4	12.7	13.8	14.4	15.9	25.6
Denmark	11.0	12.0	11.4	13.2	13.7	17.7	19.9
Estonia	16.9	16.9	17.6		14.2	19.8	28.4
Finland	24.4	24.7	26.3	29.7	27.2	26.6	28.9
France	18.1	16.9	19.9	20.2	20.5	25.0	27.8
Germany	6.5	5.7	7.0	7.1	6.2	8.9	11.4

<sup>21</sup> Chartered Management Institute. (2008), *Management Recruitment: Understanding routes to greater diversity*. Department for Works and Pension and Institute for Employment Studies.

## 2. Profile of Managers in the UK

Greece	6.6	4.9	4.4	3.8	5.4	6.5	7.1
Hungary	1.5	1.2	1.9	1.9	2.0	2.7	5.0
Ireland	7.1	5.6	6.5	6.1	6.9	6.5	9.9
Italy	3.9	2.7	3.4	4.5	4.1	4.8	6.2
Lithuania					3.2		5.0
Luxembourg	6.2	5.7	6.8	8.4	5.4	12.8	11.0
Malta							
Netherlands	19.0	17.4	18.4	22.2	17.7	25.3	21.0
Norway	6.6	8.2	7.4	10.2	12.0	11.9	16.3
Portugal	14.8	9.3	10.6	10.9	12.4	14.9	20.3
Romania	2.3	1.5	1.8	3.6	1.9	1.5	1.2
Slovakia		1.7	2.0	3.0	2.5	2.6	5.1
Slovenia	10.7	8.7	9.6	13.0	12.1	16.8	24.7
Spain	3.8	2.5	2.8	3.3	3.7	4.4	6.6
Sweden	12.1	16.1	16.8	20.0	23.3	20.2	25.0
<b>United Kingdom</b>	<b>18.7</b>	<b>17.6</b>	<b>19.1</b>	<b>21.0</b>	<b>20.6</b>	<b>22.7</b>	<b>23.7</b>

Source: Greve, B (2009) *the labour market situation of disabled people in European countries and implementation of the employment policies: a summary of evidence from country reports and research studies*, page 42 – 43 Academic Network of European Disability experts

### 2.8 Salary levels of the workforce

In 2011, the average UK hourly remuneration was £12.67, which represents a £0.26 increase from 2010. Male workers were paid £1.25 more than the average; while females were paid £1.29 less than the average. This discrepancy in pay is further evidenced by the fact that men earned £2.54 more than women in 2011. This is despite the fact that women experienced a higher increase in their wages from 2010 to 2011 than men (£0.57 compared to £.033).

By occupation (see **Table 13**), managers and senior officials are the second highest paid of all occupational groups (£19.07). They are paid £0.73 less than Professionals who are the highest paid of all occupational groups (£19.80) and £11.84 more than elementary staff who the lowest are paid (£7.23). The pattern of remuneration sees those traditionally described as unskilled or semi-skilled occupations (i.e. elementary and sales and customer service) being paid less than those in more highly skilled areas.

Male managers are paid £3.74 more than female managers showing a clear imbalance in pay. Like the national pattern, female managers have had a higher increase in their wage from 2010 than male managers (£0.43 compared to £0.49), indicating that there has been some effort to rectify this.

The trend of pay for the managerial profession indicates a steady rise in pay from 2009. Whether the pay of managers will continue to increase is unknown, with pressure on employers to cut budgets it seems likely that pay levels will fall. However with the extra pressure on managers', remuneration may be a key way of attracting and keeping the best.

**Table 13: Remuneration by gender and by occupation (2008-2011: July - Sep)**

(£)	All				Male				Female			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
<b>UK</b>	<b>11.87</b>	<b>12.15</b>	<b>12.41</b>	<b>12.67</b>	<b>13.19</b>	<b>13.39</b>	<b>13.59</b>	<b>13.92</b>	<b>10.49</b>	<b>10.87</b>	<b>11.19</b>	<b>11.38</b>
Managers and	<b>18.18</b>	<b>18.14</b>	<b>18.81</b>	<b>19.07</b>	<b>19.72</b>	<b>19.40</b>	<b>20.21</b>	<b>20.47</b>	<b>15.35</b>	<b>15.86</b>	<b>16.30</b>	<b>16.73</b>

## 2. Profile of Managers in the UK

senior officials												
Professionals	18.30	18.80	19.15	19.80	19.52	20.05	19.92	20.86	16.86	17.35	18.22	18.52
Associate professionals	14.03	19.94	14.39	14.74	15.23	14.98	15.18	15.60	12.89	<b>13.01</b>	13.65	13.96
Administrative staff	9.47	9.97	10.13	10.32	9.50	10.21	11.17	11.49	9.46	9.90	9.85	9.98
Skilled trade people	9.78	9.92	10.02	10.09	10.05	10.17	10.25	10.44	7.04	7.66	7.71	7.14
Personal service	7.50	8.03	7.98	7.97	8.17	8.67	8.08	8.63	7.38	7.88	7.96	7.82
Sales and customer service staff	6.68	6.96	7.11	7.49	7.21	7.39	7.50	7.97	6.71	6.74	6.90	7.23
Machine operatives	8.90	8.98	8.90	9.41	9.13	9.18	9.12	9.62	7.48	7.57	7.41	7.67
Elementary staff	6.85	6.98	7.07	7.23	7.32	7.42	7.37	7.63	6.20	6.47	6.71	6.71

Source: ONS (2010) EARN06 part 2: Average gross hourly earnings of all employees, by occupation

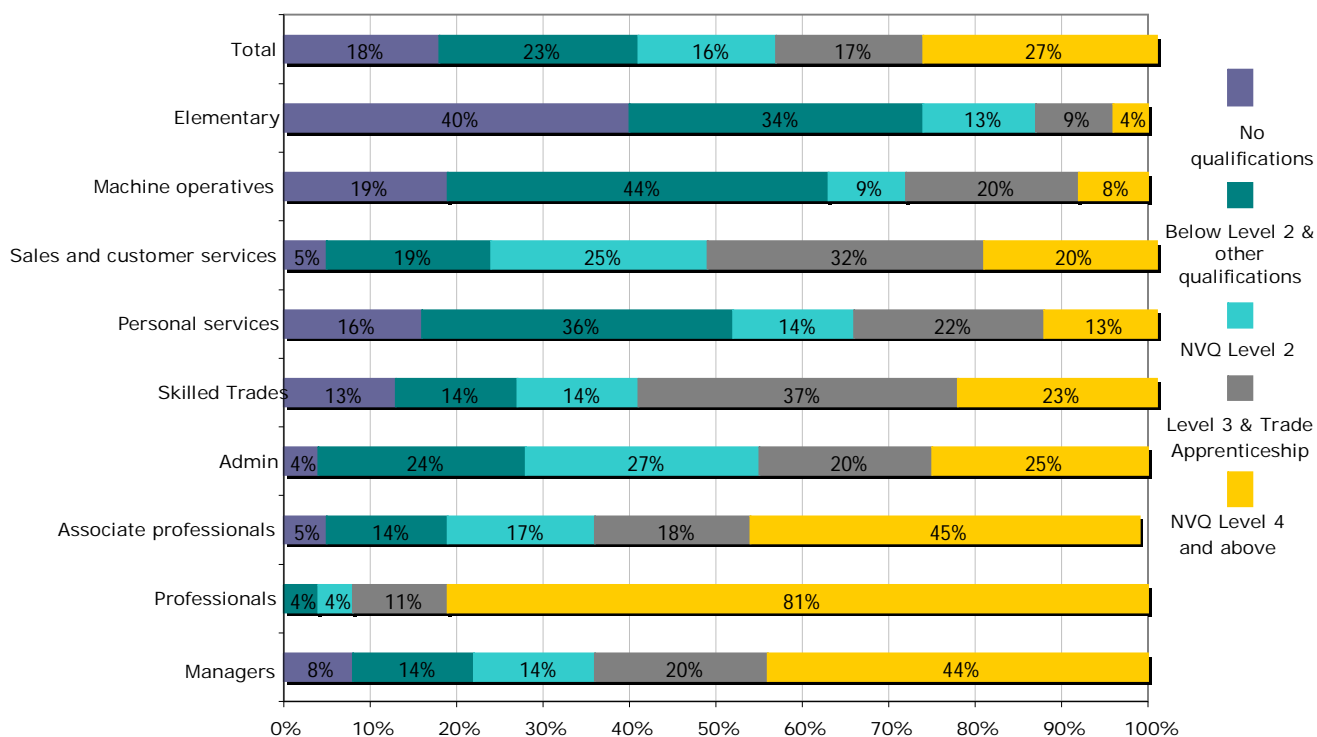
### 2.9 Qualification levels of the workforce

In the UK, managers remain significantly under-qualified compared to other professional occupations. The *UKCES Ambitions 2009 Report* revealed that 46 per cent of managers held a qualification at Level 4 and above, compared to 82 per cent of professional occupations and 55 per cent of associate professional and technical occupations. This is similar to the findings in the *Annual Population Survey* (2008) which indicated that only 44 per cent of managers held a Level 4 NVQ and above, compared to, for example, the professional occupations where 81 per cent held a Level 4 NVQ and above<sup>22</sup>.

<sup>22</sup> Highest qualification level held by broad occupational group, *Warwick National Guidance, 2008*, Warwick National Guidance Research Forum, <http://www2.warwick.ac.uk/fac/soc/ier/ngrf/Imifuturetrends/sectorscovered/propertyandfacilities/education/highest/>

## 2. Profile of Managers in the UK

Figure 4: Highest qualification level held by occupational group (2008)



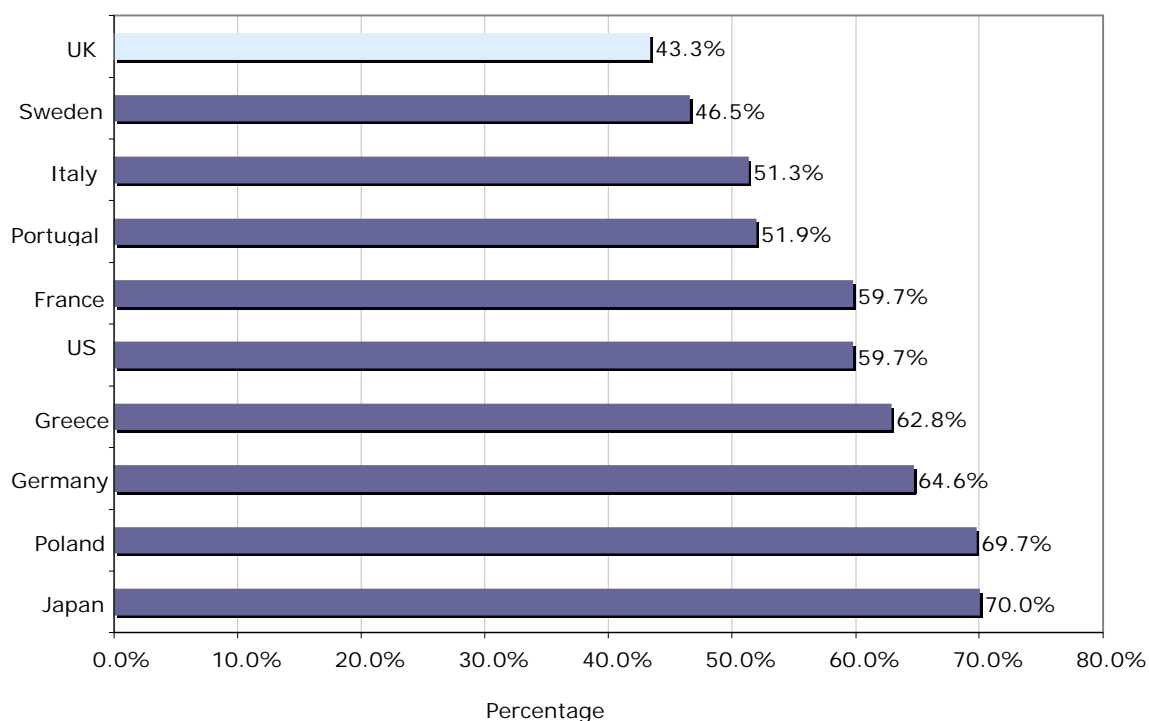
Source: Warwick National Guidance Research Forum (2008) Highest qualification level held by broad occupational group,  
<http://www2.warwick.ac.uk/fac/soc/ier/ngrf/lmifuturetrends/sectorscovered/propertyandfacilities/education/highest/>

The low qualification level of UK managers is even starker when comparing them against their international counterparts. The UK has about 43 per cent of managers with a degree, this compares to 70 per cent in Japan and 60 per cent in the USA (see Figure 10). This is an issue of great concern considering organisations where there are higher levels of qualifications and a higher proportion of managers holding them, there is an increased the probability of introducing new higher quality products<sup>23</sup>.

<sup>23</sup> UK Commission for Employment and Skills, UKCES. (2009), *Ambition 2020: World class skills and jobs for the UK - The 2009 Report*. page 131, UK Commission for Employment and Skills

## 2. Profile of Managers in the UK

Figure 5: Average percentage of managers with degree by country



Source: UKCES (2009) *The 2009 Report: Ambitions 2020*, page 133

The sectoral spread of managers' holding high level qualifications also indicates a potential problem with the proportion of managers holding a Level 4 qualification as this varies considerably across sectors. On the lowest end, 14 per cent of managers in the vehicle maintenance sector hold a Level 4 qualification; compared to, on the highest end, 63 per cent in the transport equipment sector. Moreover the public sector tends to have higher proportions of managers who have Level 4 qualification than those in the private sector<sup>24</sup>.

Table 14: Proportion of managers qualified to Level 4+ by sector

Sector	%	Sector	%
Transport equipment	63	Publishing etc	42
Electricity, gas and water	63	Post and telecoms	41
Computer and related activities	63	Textiles and textiles products	41
Health and social work	63	Other services	36
Public admin etc	62	Construction	36
Education	56	Wood, pulp etc	32
Professional & business services	55	Transport	32
Machinery & equipment	54	Wholesale trade	30
Chemicals	54	Agriculture etc	28
Mining and quarrying	53	Other manufacturing	24
Food, drink and tobacco	47	Hotel and restaurants	23
Real estate etc	46	Retail trade	23
Financial services	44	Vehicle maintenance etc	14
Metals & metal products	44		

Source: UKCES (2009) *The 2009 Report: Ambitions 2020*, page 135

<sup>24</sup>UK Commission for Employment and Skills, UKCES. (2009), *Ambition 2020: World class skills and jobs for the UK - The 2009 Report*, page 131

## 2. Profile of Managers in the UK

### 2.10 Training levels of the workforce

In the UK, the vast majority of training is funded by the employer (86.9 per cent), then self funded (17.2 per cent) and then funded by Government (3.2 per cent).

**Table 15: Training fees and associated costs, UK, 2006**

	Employers (%)	Government (%)	Self (%)
<i>All</i>	68.5	4.4	3.37
Male	74.9	2.7	25.7
Female	62.6	5.9	41.0
Managers	86.9	3.2	17.2
Professionals	64.6	5.7	34.5
Associate professionals	70.1	2.2	31.9
Administrative and secretarial	64.5	11.2	39.9
Skilled trades	65.9	4.4	38.5
Personal services	47.2	3.4	56.2
Sale	32.0	2.6	66.8
Plant and machinery operatives	48.6	0.3	49.5
Elementary occupations	82.1	0.0	17.9

Source: UKCES (2009) *The 2009 Report: Ambitions 2020*, page 63

Geographically, UK managers receive one of the lowest numbers of training days compared to their international competitors. On average UK managers stay in education for less time, are less likely to be a graduate and receive less on the job and off the job training days per year.

**Table 16: Training of managers**

	UK	USA	Japan	Germany	France
Average terminal educational age	19.5	22	21	21	22
Graduate (%)	49	74	78	72	61
Off-the-job training (days/year)	4	7	5.5	5.5	6
On-the-job training (days/year)	4.5	8	6.5	6.5	6

Source: UKCES (2009) *The 2009 Report: Ambitions 2020*, page 136

This has some profound implications for UK managers and leaders. If management responsibilities are broadening then managers will need to undertake training and development to ensure that they have both the skills and capabilities to undertake these new responsibilities. The potential problem is that, according to some commentators, UK managers are often dismissive of formal management training and are therefore unlikely to request more training days from their line managers<sup>25</sup>. With budget cuts reducing the amount spent on training, and failure by UK managers to advocate for more training, UK managers risk expanding the gap between them and their international competitors.

Nationally, the most common reason for not providing training is the belief that all staff are already proficient in their jobs. Non-trainers in Wales are more likely to believe their staff are already proficient (76 per cent) compared to 73 per cent of non-trainers in Northern Ireland, 67 per cent in England and 44 per cent in Scotland. Issues of training supply or expense are not issues of concern for employers when deciding whether their staff need training.

<sup>25</sup> Bernthal, P., & Wellins S, R. (2005), *UK Comparisons Leadership Forecast 2005 – 2006: Best practices for tomorrow's global leaders*. Chartered Institute of Personnel and Development, page 14

## 2. Profile of Managers in the UK

Outside of England, in relation to providing off-the-job training; employers in devolved administrations indicate additional barriers to providing training. Employers in Scotland, for example, felt that off-the-job training was not necessary for their business. Welsh employers, felt that they had a lack of time for training (31 per cent) and employers in Northern Ireland suggested that they preferred alternative training methods for off-the-job training. However the decision to train or not is embedded within the culture of business and the extent to which employers formally plan for the future growth and development of their business is often dependent on the employer or the sector which the staff work in.<sup>26</sup>

Whilst managers' receive more on-the-job training than off-the-job training, they are the least likely to receive both on-the-job training and off-the-job training compared to all other occupational groups.

**Table 17: Distribution of training by occupation**

	<b>% receiving off the job training</b>	<b>% receiving on the job training</b>
Managers	36	42
Professionals	52	59
Associate professionals	44	57
Administrative	32	47
Skilled trades	36	45
Personal services	52	67
Sales and customer services	27	61
Machine operatives	24	43
Elementary	26	51
<i>Weighted base</i>	<i>1,454,507</i>	<i>777,049</i>
<i>Un-weighted base</i>	<i>79,018</i>	<i>24,084</i>

Source: UKCES (2009) *The 2009 Report: Ambitions 2020*, page 78

There is a limited supply of information of the training activities of managers within the four nations: England, Northern Ireland, Scotland and Wales. However the next section gives a brief overview of the training levels experienced by managers within the four Nations. Further research will need to be undertaken to identify the level of training offered, the type of training offered, and the take up of training. Identifying these details will help in examining if there is a gap in training supply and the demand for skills.

### 2.10.1 England

In England, 2.1 million managers received training – more than any other occupational group. However, relative to the numbers employed in each occupation, managers are among the least likely to receive training (49 per cent), compared to, for example; personal services employees who receive 71 per cent of training.

<sup>26</sup> UK Commission for Employment and Skills, UKCES. (2009), *Ambition 2020: World class skills and jobs for the UK - The 2009 Report*, page 73-74



## 2. Profile of Managers in the UK

**Table 18: Distribution of training by occupation**

	Employment (000s)	Trainees in the previous 12 months (000s)	Trainees as a proportion of current employment
Managers	4,219	2,052	49%
Professionals	2,575	1,659	64%
Associate professionals	1,721	1,061	62%
Admin	3,207	1,536	48%
Skilled Trades	1,612	860	53%
Personal services	1,797	1,268	71%
Sales and customer services	3,041	1,678	55%
Machine operatives	1,571	745	47%
Elementary	3,233	1,520	47%

Source: UKCES (2010) National Employer Survey for England 2009, page 169

It is not clear why managers are among the least likely to receive training of all occupational groups, when the capability of managers have been identified as crucial for international competitiveness and economic recovery. However, in general when employers do not provide training for their staff it is because they believe that their employees are already proficient (62 per cent) or that external training courses are too expensive (6 per cent)<sup>27</sup>.

### 2.10.2 Northern Ireland

In 2008, 45,535 managers were trained accounting for 44 per cent of the managerial workforce. While managers were not the least likely to be trained, given the size of their workforce it would be expected that a higher percentage of the workforce would be trained.

**Table 19: Distribution of training by occupation**

	Numbers trained	Number employed	% of workforce trained
Managers	45,535	102,295	44
Professionals	28,151	50,758	55
Associate professionals	30,996	60,367	51
Admin	31,680	104,948	30
Skilled Trades	18,418	49,917	37
Personal services	28,591	67,862	42
Sales and customer services	19,250	90,396	21
Machine operatives	16,547	58,753	28
Elementary	27,472	137,502	20

Source: Northern Ireland Skills Monitoring Survey 2008, (2009), page 81

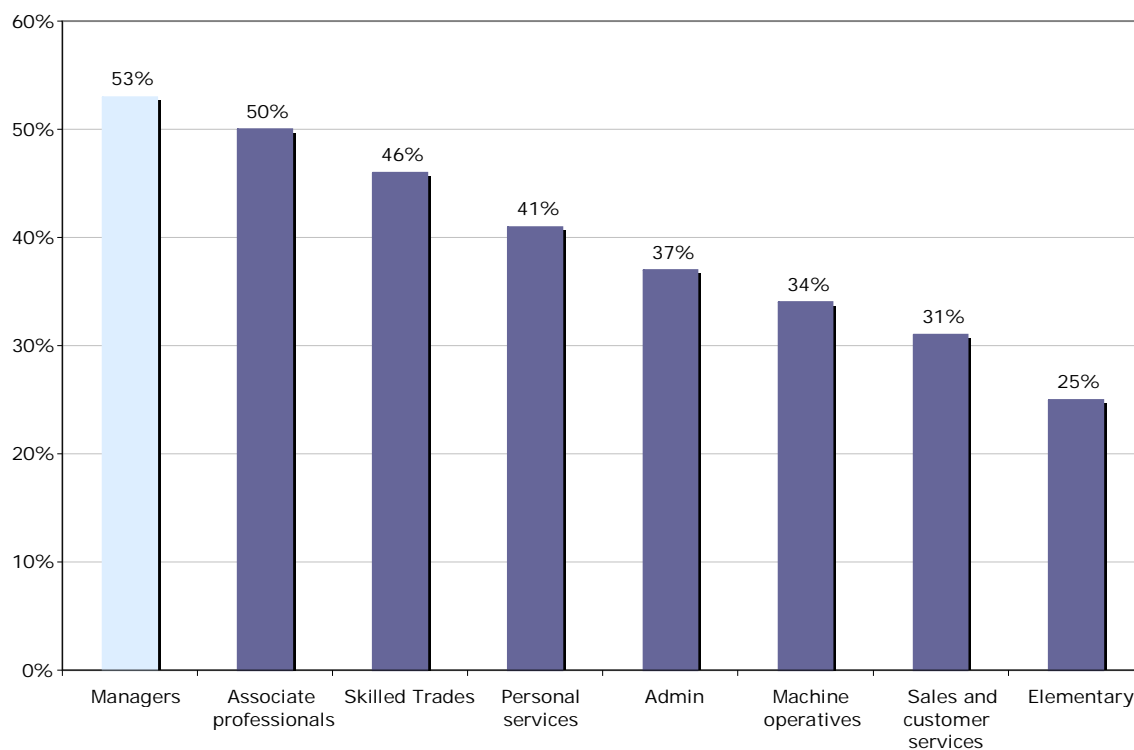
### 2.10.3 Scotland

Managers received the most off-the-job training of all occupational groups. 53 per cent of managers and senior officials receive off the job training funded and arranged by their employer. This compares with for example, elementary occupations where only 25 per cent of employees received training.

<sup>27</sup> National Employer Skills Survey for England 2009: Main report, UK Commission for Employment and Skills, 2010, page 196

## 2. Profile of Managers in the UK

Figure 6: Proportion of employees receiving off-the-job training by occupation

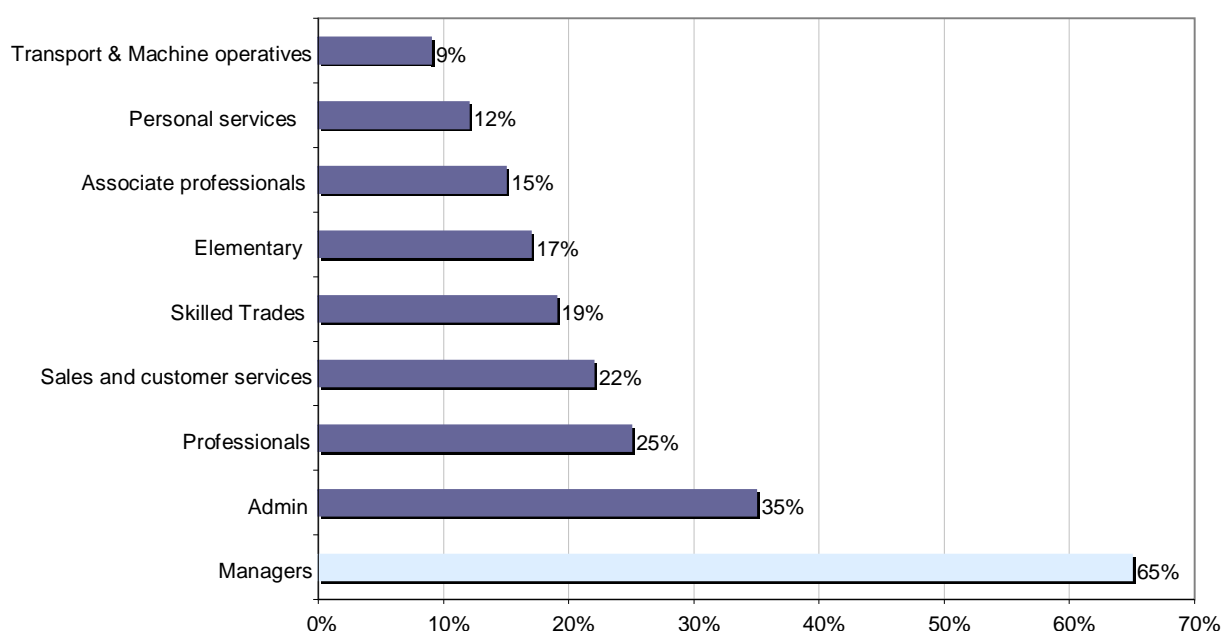


Source: *Skills in Scotland 2010 (2011)*, page 39

### 2.10.4 Wales

There is little information on the training received by managers in Wales. In 2005 research showed that around 65 per cent of employers provide off-the-job training for managerial staff, making this the occupational group that received the most training in Wales.

Figure 7: Off-the-job training by occupational groups



Source: *Future Skills Wales (2006)*, page 79

### 3. Drivers of skills demands

The following sub-sections set out the key drivers of skills demand for managers across the UK. While many of these factors such as globalisation, the economy, policy and technological advances are not unique to managers and leaders, understanding these factors can shed light on the skill requirements for the occupation.

Consideration is given to the main drivers associated with the sector, and does not provide an extensive list of drivers.

#### 3.1 Economic conditions

The economic recession in the UK has proven to be deeper and longer lasting than expected. From late 2008 to late 2009 the UK's GDP growth rate remained stagnate, with Gross Domestic Product (GPD) growth rates fluctuating in 2010. In the second quarter of 2011 UK growth figures grounded to a halt, but by the third quarter GDP in the UK expanded to 0.6 per cent<sup>28</sup>. The unpredictability of the UK economy has lead to many companies striving to identify, develop and put in place outstanding leaders and managers who can help to navigate through this trying time. Evidence suggests that in a time of economic uncertainty not only are different approaches to leading necessary, but different skills are often brought to the forefront and different decisions need to be made. Those who are managers during this time may therefore need to develop their existing skills, or learn a new set of skills in order to cope with the affects of the recession. However, as the UK economy remains uncertain, budgets are being cut, with training budgets often the first to go. If though, the role played by managers and leaders are important for increasing productivity, this should be a time when investment in their skills takes top priority.

#### 3.2 Globalisation

Over the past few years increasing globalisation of the business experience and the growing multi-cultural mix of the UK workforce and population has led to the need for better skilled managers to manage more diverse workforces. Existing managers and supervisors may benefit from the additional skills of intercultural working and languages to ensure that they can capitalise on the opportunities offered by non-English speaking business, as well as increase staff morale and cohesion during difficult circumstances.

With the Olympics taking place in London in 2012, it is anticipated that a large number of non-English speaking visitors will enter the UK; a business's ability to communicate in the visitors' language of birth could provide an opportunity for competitive advantage.

Moreover, high calibre management and leadership skills are essential skills needed for the UK to compete in 21st century global markets. However there are concerns about the quality of UK managers and their ability to navigate in the international marketplace. Comparatively, UK managers fair worse than their international competitors on all aspects of training and development<sup>29</sup>. As the marketplace continues to grow globally, UK managers will need to increase their level of skills to ensure that they catch up with the rest of the world.

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<sup>28</sup> *United Kingdom GDP Growth Rate, 2012, Trading Economics*, <http://www.tradingeconomics.com/united-kingdom/gdp-growth>

<sup>29</sup> *UK Commission for Employment and Skills, UKCES. (2009), Ambition 2020: World class skills and jobs for the UK - The 2009 Report.,page 131 -136*

### 3. Drivers of skills demands

#### 3.3 Knowledge economy

It is anticipated that there will be a dramatic shift in global economic leadership, with the transition to a worldwide knowledge driven economy. This shift will place new demands on organisations to maximise the use of their critical assets, particularly their 'people', to remain competitive.

Today, the vast majority of employees in an organisation are 'knowledge workers'. Knowledge workers are people who are employed because of their knowledge of subject matter rather than their ability to perform manual labour. Managing this workforce involves removing obstacles to performance and then channelling efforts into areas that will contribute to the accomplishments of an organisation's objective<sup>30</sup>.

Knowledge workers require leadership and direction from knowledge managers. Knowledge managers must establish a culture, structure and style of management in which the talent of knowledge workers can flourish. Since the process of influencing the performance of knowledge workers is mainly developmental, managers will need to hone skills in appraising, coaching, mentoring and providing feedback<sup>31</sup>. Failure to inspire knowledge workers may lead to a loss of 'knowledge' (as well as a human loss) which is increasingly becoming an area of competitive advantage.

It is essential that managers and leaders are developing their skills to attract and retain the best 'knowledge worker' from across the world to work for them.

#### 3.4 Demographics

Two possible changes to the demographics of the population that could affect the UK management workforce is the increasing age of the population and the reduction in migrant workers. Both factors are expected to have an impact on both the demand for, and supply of skills. 'Replacement rates' in managerial occupations is expected to increase significantly in the future (especially in England), but an increase in life expectancy, and the age at which individuals can retire, as well as the decline in the numbers of young adults, will have a profound impact on the number of people moving in and out of the occupation. If people are staying in jobs for longer (either as a result of the increase in the retirement age or life expectancy) this may mean that the anticipated replacement demand figures could be overestimated.

In addition, difficult labour market conditions, if they persist, may lead to pressure to preserve job opportunities for the domestic workforce. This will be of particular worry for those who are looking to recruit managerial staff, as UK managers consistently score less than their international competitors on issues such as: level of qualification held, training days, importance of training and variety of skills<sup>32</sup>.

Furthermore UK employers have consistently stated that there is not enough home-grown talent to fill the demand. When looking to develop a highly skilled workforce, for many organisations in the UK this means recruiting migrants. Employers need staff who

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<sup>30</sup> Serrat, O. (2008), *Managing Knowledge Workers. Knowledge Solutions*, pages 1- 2

<sup>31</sup> *ibid*

<sup>32</sup> UK Commission for Employment and Skills, UKCES. (2010), *National Strategic Skills Audit for England, Skills for Jobs: Today and tomorrow*, page 16

### 3. Drivers of skills demands

can read, write and communication properly and many young people in the UK often lack these basic skills.<sup>33</sup>

#### 3.5 Technology

A key factor driving all sectors of the economy is the increased use of digital technology in business. The skills needed to manage a more digital workforce and capitalise on digital markets will be increasing important for leaders and managers who will need to develop more innovative products and develop methods of working in order to compete in these global digital markets.<sup>34</sup>

#### 3.6 Policy

The UK is now emerging from, the largest global financial crisis and deepest international downturn seen in 80 years. In this context, the most critical policy is to focus on the means to transform and, in particular re-balance the economy to secure economic recovery, renewal and growth. A key priority for skills and employment policy is therefore to support business to create more and better jobs and, in particular, to supply the most skilled and productive people to fill them.<sup>35</sup>

#### 3.7 Finance

The availability of finance to support investment in skills is vital to the development and growth of the industry. The recession has seen many businesses cutting their training budget, and this has particular implications for managers and leaders as the UK already spends less on training than their international competitors. Research shows that better qualified managers produce better business outcomes. Therefore there is a need for UK businesses to continue spending on training in order to keep up with global competition.<sup>36</sup>

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<sup>33</sup> HR Magazine. (2011), Recruiting unemployed young Britons over migrant workers, could shrink the talent pool, employers warn. <http://www.hrmagazine.co.uk/hro/news/1019721/recruiting-unemployed-britons-migrant-workers-shrink-talent-pool-employer-warn>

<sup>34</sup> UK Commission for Employment and Skills, UKCES. (2010), National Strategic Skills Audit for England, Skills for Jobs: Today and tomorrow, page 16

<sup>35</sup> UK Commission for Employment and Skills, UKCES. (2010a). Ambition 2020: World Class Skills and Jobs for the UK: The 2010 Report, page 100

<sup>36</sup> UK Commission for Employment and Skills, UKCES. (2009), Ambition 2020: World class skills and jobs for the UK - The 2009 Report, page 131-136

## 4. Market supply – standards, qualifications and apprenticeships

### 4.1 Leadership and management standards

The National Occupational Standards (NOS), managed by CFA Business Skills at work have been developed to support the practice and development of Managers in all industries across the UK.

The NOS for leadership and management cover the functions at a number of levels of responsibility and complexity. They are relevant to anyone who has a management and leadership roles as part of their work, in all sizes and types of organisations, and in all industries and sectors.

The standards are organised in six themes:

- Managing self and personal skills
- Providing direction
- Facilitating innovation and change
- Working with people
- Using resources
- Achieving results

The latest version of the standards is the 2009 suite, although the suite of NOS will be undergoing a review in 2011/12. The most current list of national occupational standards can be seen below:

**Table 20: Leadership and Management national occupational standards (2009 suite)**

<b>A MANAGING YOUR OWN RESOURCES</b>
A1 Manage your own resources
A2 Manage your own resources and professional development
A3 Develop your personal networks
<b>B PROVIDING DIRECTION</b>
B1 Develop and implement operational plans for your area of responsibility
B2 Map the environment in which your organisation operates
B3 Develop a strategic business plan for your organisation
B4 Put the strategic business plan into operation
B5 Provide leadership for your team
B6 Provide leadership in your area of responsibility
B7 Provide leadership for your organisation
B8 Ensure compliance with legal, regulatory, ethical and social requirements
B9 Develop the culture of your organisation
B10 Manage risk
B11 Promote equality of opportunity, diversity and inclusion in your area of responsibility
B12 Promote equality of opportunity, diversity and inclusion in your organisation
<b>C FACILITATING CHANGE</b>
C1 Encourage innovation in your team
C2 Encourage innovation in your area of responsibility
C3 Encourage innovation in your organisation
C4 Lead change
C5 Plan change
C6 Implement change
<b>D WORKING WITH PEOPLE</b>
D1 Develop productive working relationships with colleagues
D2 Develop productive working relationships with colleagues and stakeholders
D3 Recruit, select and keep colleagues
D4 Plan the Workforce
D5 Allocate and check work in your team
D6 Allocate and monitor the progress and quality of work in your area of responsibility
D7 Provide learning opportunities for colleagues
D8 Help team members address problems affecting their performance

## 4. Market supply – standards, qualifications and apprenticeships

D9 Build and manage teams
D10 Reduce and manage conflict in your team
D11 Lead meetings
D12 Participate in meetings
D13 Support individuals to improve, develop and maintain their performance
D14 Initiate and follow disciplinary procedure
D15 Initiate and follow grievance procedure
D16 Manage redundancies in your area of responsibility
D17 Build and sustain collaborative relationships
<b>E USING RESOURCES</b>
E1 Manage a budget
E2 Manage finances for your area of responsibility
E3 Obtain additional finance for the organisation
E4 Promote the use of technology within your organisation
E5 Identify assess and control health and safety risks
E6 Ensure health and safety requirements are met in your area of responsibility
E7 Ensure an effective organisational approach to health and safety
E8 Manage physical resources
E9 Manage the environmental impact of your work
E10 Take effective decisions
E11 Communicate information and knowledge
E12 Manage knowledge in your area of responsibility
E13 Promote knowledge management in your organisation
E14 Support team and virtual working
E15 Procure supplies
E16 Select suppliers through a tendering process
E17 Outsource business processes
<b>F ACHIEVING RESULTS</b>
F1 Manage projects
F2 Manage a programme of complimentary projects
F3 Manage business processes
F4 Develop and implement marketing plans for your area of responsibility
F5 Recognise and deal with customer queries, requests and problems
F6 Monitor and resolve customer service problems
F7 Support customer service improvements
F8 Work with others to improve customer service
F9 Build your organisation's understanding of its market and customers
F10 Develop a customer focussed organisation
F11 Manage the achievement of customer satisfaction
F12 Improve organisational performance
F13 Manage quality systems
F14 Prepare for and participate in quality audits
F15 Carry out quality audits
F16 Manage the development and marketing of products/services in your area of responsibility
F17 Manage the delivery of customer service in your area of responsibility
F18 Prepare sales proposals and deliver sales presentations
F19 Sell products/services to customers

### 4.2 Leadership and management qualifications

There are a number of management and leadership qualifications in the UK, ranging from academic qualification (e.g. diplomas, foundation degrees and masters degree); professional qualifications (continuing professional development) and vocational qualifications (S/NVQs). As well as a vast market of unaccredited provisions such as group learning, structured remote and structured experiential.

The latest estimate of QCF qualifications based on the Register of Regulated Qualifications which contains details of regulated qualifications in England, Wales and Northern Ireland puts the number of leadership and management qualifications being offered at 870. This is made up of [as of 15 February 2012]:



## 4. Market supply – standards, qualifications and apprenticeships

- 68 qualifications which have leadership and management in its title
- 596 with management in the title
- 175 with leadership
- 31 with team leading

The high number of qualifications can be, in part, attributed to that fact that it includes similar qualifications (e.g. an NVQ diploma) offered by a range of awarding bodies, as well as non-generic management qualifications (e.g. certificate in Leisure Management/ certificate in Management for Health and social care etc).

The latest estimate on the number of management and leadership courses on UCAS<sup>37</sup> yielded a result of 4,487 courses. This was made up of [as of 15 February 2012]:

- 192 foundation courses related to management
- 25 foundation courses related to leadership
- 3871 academic courses (e.g. BA/BSc /MA/MSc) related to management, of which 289 course referred to management as a single subject
- 110 academic courses (e.g. BA/BSc /MA/MSc) related to leadership, of which 12 courses referred to leadership as a single subject

The table below provides a list of NVQ qualifications which are being used to upskill managers. Team Leading and Management NVQs are currently being offered by 14 Awarding Bodies, but the number of new awarding bodies is increasing and with that the number delivering team leading and management NVQs.

**Table 21: Awarding Bodies offering the Management or Team Leading NVQ/SVQ**

Qualification Number	Awarding Body and Qualification Title	Level	Type
500/8836/1	CMI Level 2 NVQ Certificate in Team Leading	2	NVQ
501/1698/8	EAL Level 2 NVQ Certificate in Team Leading	2	NVQ
500/8849/X	EDEXCEL Level 2 NVQ Certificate in Team Leading	2	NVQ
500/9208/X	EDI Level 2 NVQ Certificate in Team Leading	2	NVQ
600/3332/0	FAQ Level 2 NVQ Certificate in Team Leading	2	NVQ
600/3426/9	FDQ Level 2 NVQ Certificate in Team Leading	2	NVQ
600/3772/6	iCQ Level 2 NVQ Certificate in Team Leading	2	NVQ
500/9723/4	ILM Level 2 NVQ Certificate in Team Leading	2	NVQ
600/3280/7	IQ Level 2 NVQ Certificate in Team Leading	2	NVQ
600/0005/3	LAO Level 2 NVQ Certificate in Team Leading	2	NVQ
501/0935/2	NCFE Level 2 NVQ Certificate in Team Leading	2	NVQ
501/0501/2	OCR Level 2 NVQ Certificate in Team Leading	2	NVQ
600/2348/X	ProQual Level 2 NVQ Certificate in Team Leading	2	NVQ
501/1771/3	Skillsfirst Level 2 NVQ Certificate in Team Leading	2	NVQ
500/8993/6	CMI Level 3 NVQ Certificate in Management	3	NVQ
501/1769/5	EAL Level 3 NVQ Certificate in Management	3	NVQ
501/0608/9	ECITB Level 3 NVQ Certificate in Management	3	NVQ
500/8850/6	EDEXCEL Level 3 NVQ Certificate in Management	3	NVQ
500/9207/8	EDI Level 3 NVQ Certificate in Management	3	NVQ
600/3383/6	FAQ Level 3 NVQ Certificate in Management	3	NVQ
600/3430/0	FDQ Level 3 NVQ Certificate in Management	3	NVQ
600/3773/8	iCQ Level 3 NVQ Certificate in Management	3	NVQ
501/0624/7	ILM Level 3 NVQ Certificate in Management	3	NVQ
501/0994/7	NCFE Level 3 NVQ Certificate in Management	3	NVQ
501/0499/8	OCR Level 3 NVQ Certificate in Management	3	NVQ
600/2284/X	ProQual Level 3 NVQ Certificate in Management	3	NVQ

<sup>37</sup> Universities and Colleges Admissions Service, <http://www.ucas.com>



## 4. Market supply – standards, qualifications and apprenticeships

600/0616/X	Skillsfirst Level 3 NVQ Certificate in Management	3	NVQ
500/9069/0	CMI Level 5 NVQ Diploma in Management	5	NVQ
501/1703/8	EAL Level 5 NVQ Diploma in Management	5	NVQ
500/8851/8	EDEXCEL Level 5 NVQ Diploma in Management	5	NVQ
500/9219/4	EDI Level 5 NVQ Diploma in Management	5	NVQ
501/0620/X	ILM Level 5 NVQ Diploma in Management	5	NVQ
501/0940/6	NCFE Level 5 NVQ Diploma in Management	5	NVQ
501/0498/6	OCR Level 5 NVQ Diploma in Management	5	NVQ
600/0617/1	Skillsfirst Level 5 NVQ Diploma in Management	5	NVQ
600/2283/8	ProQual Level 5 NVQ Diploma in Management	5	NVQ
600/3384/8	FAQ Level 5 NVQ Diploma in Management	5	NVQ
600/3700/3	FDQ Level 5 NVQ Diploma in Management	5	NVQ
GC4922	SQA SVQ 2 in Team Leading	2	SVQ
G9MW 22	EDEXCEL Team Leading Level 2	2	SVQ
GC4623	SQA SVQ 3 in Management	3	SVQ
G9MX 23	EDEXCEL Management Level 3	3	SVQ
GC4724	SQA SVQ 4 in Management	4	SVQ
G9MY 24	EDEXCEL Management Level 4	4	SVQ
GC4825	SQA SVQ 5 in Management	5	SVQ
G9N0 25	EDEXCEL Management Level 5	5	SVQ

*CFA Awarding Body Quarterly stats (2011)*

An analysis of the registrations and achievements for team leading and management qualifications show the total number of registration and achievement for each quarter<sup>38</sup> this includes Team Leading at level 2 and Management at levels 3 to 7.

**Table 22: Registrations and achievement for NVQ (Quarter 1 & 2)**

Quarter	Qualification	Starts	Achievements
1	Team leading (NVQ)	1,638	2,309
2	Team leading (NVQ)	3,881	2,056
1	Management (NVQ)	4,282	2,725
2	Management (NVQ)	4,141	2,377
1	Team leading (SVQ)	3	20
2	Team leading (SVQ)	4	3
1	Management (SVQ)	339	354
2	Management (SVQ)	332	248

*CFA Awarding Body Quarterly stats (2011)*

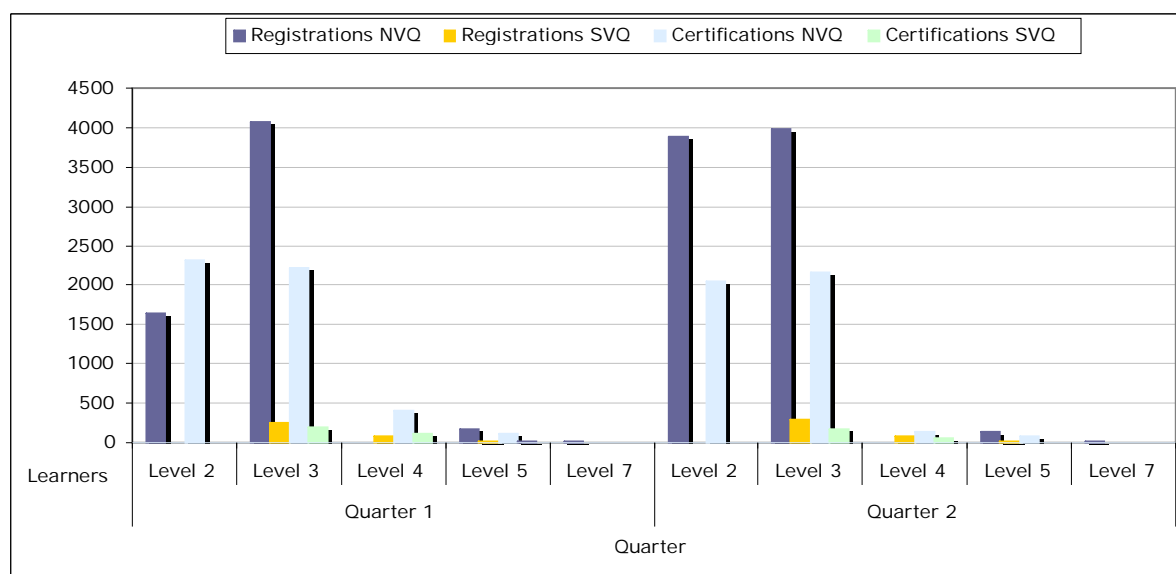
The table above shows all the NVQ stats from 7 major awarding bodies who offer Team Leading Level 2 or Management Level 3, 4, 5 or 7 qualifications from the last quarters. The list includes:

- Chartered Institute of Personnel Development
- Chartered Management Institute
- EAL
- Edexcel
- EDI
- Engineering Construction Industry Training Board
- Skillsfirst

<sup>38</sup> Data has been provided by Edexcel, CMI, EAL, CIPD, Skillsfirst OCR, EDI, ECITB

## 4. Market supply – standards, qualifications and apprenticeships

**Figure 8: Management & Team Leading qualification starts and registrations (NVQs and SVQs)**



*CFA Awarding Body Quarterly stats (2011)*

Overall there were 5920 learners registered during quarter 1 and 5034 learners certificated. In quarter 2, this number increased to 8022 registrations and fell to 4433 certifications. Across the levels, the most registrations occurred for Management Level 3.

For SVQs, there were 342 learners registered during quarter 1 and 374 learners certificated. In quarter 2, this number decreased to 336 registrations and 251 certifications. Again across the level, the highest registration occurred for Management Level 3<sup>39</sup>.

There is no shortage in the supply of management qualifications and learning opportunities. However the supply is mixed in quality, often inflexible and lacks practical application. It is also light on leadership development qualifications<sup>40</sup>.

In January 2006, the Project Advisory Group undertook a higher-level analysis of how well different types of learning and qualifications meet an agreed set of success criteria. Following discussions at the UK-wide Project Advisory Group and the Project Advisory Groups in each of the four countries, a set of success criteria were developed in order to evaluate whether the existing management and leadership learning and qualifications system was fit for purpose, and to design improvements to the system for the future. A summary of the analysis can be seen below<sup>41</sup>.

<sup>39</sup> Please note however that this data was collected based on awarding organisations submitting their quarterly statistics to CFA. So the figure may be underestimated.

<sup>40</sup> Council for Excellence in Management and Leadership (CEML). (2002), *Managers and Leaders: Raising our game*. Council for Excellence in Management and Leadership, page 4

<sup>41</sup> Management Standards Centre, MSC. (2007a), *2020 Vision: Learning and qualifications for managers and leaders*, page 23

## 4. Market supply – standards, qualifications and apprenticeships

Figure 9: Gap analysis of qualifications

	Academic						Professional		Vocational		Unaccredited				
	Certificates	Diplomas	Foundation	Bachelors	Masters	Doctorates	Professional qualifications	Accredited CPD	S/NVQ	VRQs	Group learning	Structured remote	Structured experiential	Opportunistic learning	Unaccredited learning
The M&LLQS should deliver tangible benefits for managers and leaders and their organisations	P	P	M	P	P	P	P	M	P	P	P	P	M	P	P
The M&LLQS should be based on National Occupational Standards as the common currency	D	D	D	D	D	D	P	P	M	M	D	D	D	D	P
Learning and accreditation should be available when learners require them in relatively small units which can be accumulated into meaningful qualifications	P	P	D	D	D	D	P	M	M	P	P	P	P	P	P
Learning and qualifications should be delivered in diverse formats which meet their learning needs and styles	D	D	M	D	D	D	P	M	P	P	P	P	P	P	D
Learning and qualifications should be portable	P	P	P	D	D	D	P	P	M	M	P	P	P	P	D
The M&LLQS should encourage continuing professional and personal development of managers and leaders	D	D	M	M	M	M	P	M	P	P	P	P	P	P	P
The M&LLQS should be accessible and easily understood by managers and leaders and their organisations	P	P	P	P	P	P	M	M	M	P	D	P	P	D	P
Qualifications and learning should be credible and inspire confidence in managers and leaders and their employers	P	P	M	P	P	P	M	M	M	P	D	P	D	D	P
Public funding should be used to support the development of the M&LLQS but not to finance delivery	P	P	P	P	P	P	D	D	P	P	D	D	D	D	D
Higher and Further Education Institutions should ensure those entering the workforce have the essential skills required for employment	P	P	M	P	P	P				P					

TEAL/M = meets criterion, GOLD/P = partly meets criteria, RED/D = does not meet criteria

Source: Management Standards Centre, MSC. (2007b), Management and leadership learning and qualifications strategy, page 25

The newer-style qualifications (S/NVQs, VRQs and Foundation Degrees) are those that more closely meet the criteria, together with Professional Qualifications which are based on National Occupational Standards, and Accredited CPD where this is based both on National Occupational Standards and an output model or a process of plan-do-review rather than a simple record of learning hours.

## 4. Market supply – standards, qualifications and apprenticeships

It is noted that the supply of qualifications has moved on from this review with the introduction of the QCF, the soon to be revised management and leadership NOS and the effect of the recession on skill needs and demands. However this gap analysis provides a great starting point in moving forward and undertaking new research.

### 4.3 Management apprenticeships

Apprenticeships are at the heart of the new skills system that the new government want to build. They have promised to expand the number of adult apprenticeships available by up to 75,000 by 2014-2015 leading to more than 200,000 people starting an apprenticeship each year. To fund this, they will increase investment in apprenticeships by up to £250 million. They will also seek to improve the programme, by reshaping the level 3 apprenticeship so that it becomes the level to which learners and employers aspire. In addition this will widen access to higher level skills by making a clear progression from level 3 apprenticeships to higher level skills including level 4 apprenticeships or higher<sup>42</sup>.

Management Apprenticeships are offered at Levels 2, 3 and 5 across the four UK countries. Management Apprentices can work in a range of job roles for examples:

Level 2 Apprentices could work in roles such as Team Leader; Section Leader; Floor Managers; Helpdesk Managers; Trainee Supervisor and Team Co-ordinator.

Level 3 Apprentices could work in roles such as Section Managers; First Line Managers; Assistant Managers; Trainee Managers; Senior Supervisors and Junior Non-Commissioned Officers.

Level 5 Apprentices could work in roles such as Managers, Senior Managers, Head of Departments and Directors.

Tasks undertaken by apprentices will vary depending on the level and sector in which they are employed. Tasks may include planning, allocating and monitoring the work of the team, giving feedback, briefing teams, supporting team members, managing conflict, resolving problems, procuring supplies, project management, agreeing budgets and managing and improving customer service.

The management apprenticeship also offers clear progression into and from each apprenticeship level from a wide variety of routes.

#### 4.3.1 Changes to apprenticeships

In June 2011, the old blueprint apprenticeship frameworks for management in England and Wales were replaced with a new apprenticeship that was made to comply with a new specification of apprenticeship standards for England and Wales. The Specification of Apprenticeship Standards for England (SASE) and Wales (SASW) sets out the minimum requirements which must be included in any recognised English or Welsh apprenticeship framework. Compliance with the SASE/W is a statutory requirement of the Apprenticeships, Skills, Children and Learning (ASCL) Act for all learners and training providers. The SASE was published by the Department for Business Innovation and Skills, Department for Education and the National Apprenticeship Service on 20 January 2011.

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<sup>42</sup> UK Department for Business Innovation & Skills, BIS. (2010), *Skills for Sustainable Growth: Strategy document - Full report.*, page 7

## 4. Market supply – standards, qualifications and apprenticeships

The key SASE requirements include:

1. The delivery of a competence (NVQ qualification) and knowledge based qualification (technical qualification)
2. Transferable skills – English and Maths and ICT
3. Employee Rights and Responsibilities (ERR)
4. Personal, learning and thinking skills (PLTS)
5. A minimum Guided Learning Hours (GLH)

The key SASW requirements include:

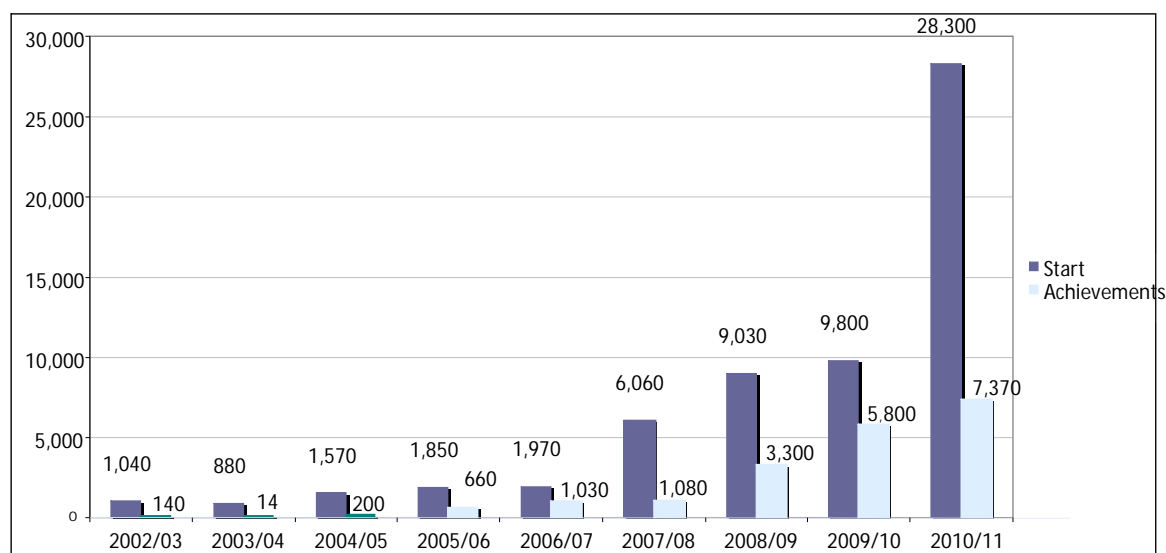
1. The delivery of a competence and knowledge based qualification
2. Employee Rights and Responsibilities (ERR)
3. On and off the job training hours
4. Essential Skills Wales – Communication, Application of numbers and ICT.

The new compliant frameworks also have information about purpose, entry conditions, job roles, progression routes and equality and diversity. Learners who were registered onto the old 'blueprint' frameworks need not undertake the PLTS element, transferable skills ICT and the minimum Guided Learning Hours (GLHs).

### 4.3.2 England

**Figure 10** presents the rise of management apprenticeship between 2002/03 to August-April 2010/11. At present there are 18,380 Apprenticeship starts, a rise of 8,580 on the previous year. While the number of Apprenticeship achievements is only 4,600 this year, it is likely that the growth in apprenticeship starts is likely to be reflected in subsequent years when apprentices finish their apprenticeship, rather than in the same year of growth. Therefore if the pattern is to continue, it is anticipated that there will continue to be an increase in management apprenticeships. This is likely to be the case giving the Governments focus on apprenticeships as an alternative route to academic pathways, the rising price of university degrees, pricing low income families out of being able to afford the cost, as well as the general need to up-skill managers.

**Figure 10: Apprenticeship starts and achievements by year**



Source: The Data Service (2011) Breakdown by geography, equality and diversity, framework and sector subject area: 2002/03 to 2009/2010 and provisional 2010/11 In-year.

## 4. Market supply – standards, qualifications and apprenticeships

The table below illustrates that in 2009/10 61 per cent of starts was at level 2 and 59 per cent were female. Likewise there were more level 2 achievements (58.9 per cent) than level 3 achievements (41 per cent), and a greater proportion of females (63 per cent) than males (35 per cent) completing a Management apprenticeship.

**Table 23: Apprenticeship starts and achievement by gender and level 09/10**

	Level 2			Level 3+			All apprenticeships		
	Male	Female	All	Male	Female	All	Male	Female	All
Starts	2,430	3,510	5,940	1,510	2,350	3,860	3,950	5,860	9,800
Achievements	1,240	2,180	3,420	800	1,580	2,380	2,050	3,750	5,800

Source: The Data Service (2011) Breakdown by sector framework code, level and gender

In order to meet the government new skills strategy, more work must be done to increase the number of apprentices starting and achieving a level 3 apprenticeship.

There is currently no data for the number of starts and achievements for the higher level apprenticeship (level5) as it has only been recently introduced.

There is no data currently available which provides a breakdown of the age, ethnicity and location of learners who undertake the management apprenticeship framework in England. However, the overall picture of apprentices, indicate that most apprentices who start or achieve an apprenticeship are between the ages of 19-24, do not have a disability and are white<sup>43</sup>. To what extent management apprentices' follow the national pattern is undetermined, and is something that will need to be examined in the future.

### 4.3.3 Wales

Three Levels of apprenticeship programmes are available in Wales: the level 2 Foundation Apprenticeships, the level 3 Apprenticeship and a level 4 Higher Apprenticeship. In 2009/10<sup>44</sup> of the 57,605 individuals who participated in a work-based learning programme, 63 per cent were on a foundation apprenticeship (L2) or apprenticeship (L3), down from 70 per cent in 2008/09 and 74 per cent in 2007/08.

The most popular sector frameworks were Health and Social care (17.5 per cent), Earlier Years' Care and Education (8 per cent) and Management (8 per cent). The Management sector framework accounted for 41 per cent of Modern Skills Diploma Learning programmes pursued in 2009/10.

There is strong demand for management skills in Wales, with 115,300 managers and senior officials currently employed. Reflecting this high level of demand, the Team leading and Management Apprenticeship programme has seen a steady rise in learners since their initial development and the Apprenticeship is in the top ten frameworks in terms of learners. In 2007/09 it was the second most popular Apprenticeship programmes (tied with Customer Service at 9 per cent and lower than health and social care at 17 per cent). The most popular sectors in Wales differ to those in Scotland. In Wales, it is the newer service sector Apprenticeships which are most popular; in contrast

<sup>43</sup> The Data Service. (2011), *Apprenticeship achievements by age, gender, learner with difficulties and/or disabilities and ethnicity (2002/03 to 2010/11)*.

<sup>44</sup> *Further Education, Work-based Learning and Community Learning in Wales Statistics 2009/10, 2011, page 3, Welsh Government*

## 4. Market supply – standards, qualifications and apprenticeships

a strong Apprenticeship tradition in the male dominated craft and technical occupations is maintained in Scotland<sup>45</sup>.

**Table 24** provides a breakdown by 15 broad sector subject areas. There were 2,290 Modern Apprentices in 2007/08 and 850 Foundation Modern Apprentices. Contrary to the pattern of Apprenticeships in Wales, there are more MA apprentices than FMA's in management and professional occupations.

**Table 24: Sector subject by MA/FA and gender**

	MA (level 3)	% male	% female	FMA (level 2)	% male	% female
Retailing and customer services	1,230	29	71	4,910	34	66
Leisure, sport and travel	375	61	39	510	64	36
Hospitality	670	46	54	2,085	37	63
Hair and beauty	500	7	93	1,495	9	91
Health care and public services	4,835	17	83	5,700	13	87
Media and design	30	17	83	-	-	-
Agriculture	155	81	19	305	89	11
Construction	2,205	99	1	3,215	98	2
Engineering	2,410	91	9	1,480	91	9
Manufacturing	95	93	7	2,145	74	26
Transportation	35	-	-	180	97	3
Management and professional	2,290	39	61	850	45	55
Business administration	3,185	22	78	3,885	37	69
Sector unknown/not confirmed	270	98	2	680	85	15
<b>Total</b>	<b>18,275</b>	<b>46</b>	<b>54</b>	<b>27,410</b>	<b>45</b>	<b>55</b>

Source: Fuller & Davey (2010), page 29

There is currently no data which provides a breakdown of the age, gender, ethnicity and location of learners who undertake the management apprenticeship framework in Wales. However general patterns in Wales indicate that the majority of apprentices (55 per cent) in the FMA (Level 2) are female. A slightly smaller majority of apprentices (53 per cent) in the MA (level 3) are female. In contrast to Scotland, a minority of all apprentices are aged 16 to 19. 18 per cent of all female apprentices are aged 16-19; while a larger proportion 32 per cent of male apprentices are 16-19. A larger proportion of female apprentices than males are older. For example, 33 per cent of female apprentices are aged between 25 and 39; compared to 26 per cent of males. Regionally, there are more FMA and MA in the south west/mid Wales than all other regions<sup>46</sup>. The extent to which management apprenticeships follow this pattern will need to be explored further.

### 4.3.4 Scotland

Currently there are three Modern Apprenticeship frameworks in Management approved for use in Scotland. These frameworks are at levels 3, 4 and 5.

Career opportunities for management apprentices vary. The range and scope of jobs within management are wide and varied, with job titles changing across all sectors in Scotland. Following the completion of the Modern Apprenticeship, candidates should be able to achieve positions such as:

- Senior supervisor

<sup>45</sup> Fuller, A. & Davey, G. (2010), *Equality and Human Rights Commission Triennial Review: Education (lifelong learning) - Equality groups and apprenticeship.*, page 27

<sup>46</sup> *Ibid*, page 29-31



## 4. Market supply – standards, qualifications and apprenticeships

- Section head
- Developer
- Manager

Apprentices may progress from Management Level 3 to Management Level 4 and subsequently from Management Level 4 to Management Level 5. They may also move into further or higher education on a part- or full-time basis. Those who complete the Management MA frameworks at any level may also undertake professional body qualifications in management at appropriate levels, for example, certificates, diplomas and advanced diplomas from the Institute of Leadership and Management (ILM) or the Chartered Institute of Management.

Over the last couple of years there has been a steady increase in the number of learners on a Management apprenticeship framework since their initial development, with the Management Apprenticeship being one of the top twenty frameworks in Scotland. Last year 2010-2011, the apprenticeships with the highest number of starts were:

- Hospitality (2,511)
- Customer service (2,254)
- Construction (2,046)
- Retail (1,799)
- Business & Administration (1,731)
- Hairdressing (1,340)
- Health & Social care (1,314)
- Management (1,250)

1,250 apprentices started on the management framework during the period 2010-11 of which 78% of those leaving their apprenticeship successfully completed their apprenticeship. While there were more male starts, leavers and apprentices in training, a higher percentage of females achieved their apprenticeship.

**Table 25: Management Apprentices performance 2010-11**

	No of starts	No of Leavers	In training from 31.03.2011	Achievement	Achievements as a % of leavers
Male	669	541	632	410	76
Female	581	520	508	416	80
<b>Total management</b>	<b>1,250</b>	<b>1,061</b>	<b>1,140</b>	<b>826</b>	<b>78</b>
Total of all apprenticeships	21,561	23,799	32,253	16,968	71
<b>% total of all apprenticeship</b>	<b>5.7%</b>	<b>4.4%</b>	<b>3.5%</b>	<b>4.8%</b>	<b>-</b>

Source: Skills development Scotland: [http://www.skillsdevelopmentscotland.co.uk/media/376468/mag\\_2010-11%20\(2\).pdf](http://www.skillsdevelopmentscotland.co.uk/media/376468/mag_2010-11%20(2).pdf)

The table below shows there were more apprentices above the age of 20+ on the management apprenticeship than there were between the ages 16-19. Again there were more males' starts in both age categories than females. Interestingly, in the age category 16-19 there were more leavers and more achievement for males than females, while in the 20+ categories there were more leaver and more achievements for females.

Overall it appears that males between the ages 16-19 are more likely to achieve the management apprenticeship than those who are 20 and above. Conversely, more



## 4. Market supply – standards, qualifications and apprenticeships

females 20 and above are likely to achieve the management apprenticeship than those 16-19.

**Table 26: The proportion of apprentices on the management framework by age**

		% of starts	% of leavers	% in training from 31.03.2011	% of achievement	Achievements as a % of leavers
<b>16-19</b>	Female	35.9	16.6	42.0	21.9	71
	Male	64.0	83.3	58.0	78.0	76
<b>Total on framework</b>		<b>189</b>	<b>54</b>	<b>200</b>	<b>41</b>	<b>76</b>
<b>20+</b>	Female	48.3	50.7	45.1	51.8	80
	Male	51.6	49.2	54.8	48.1	70
<b>Total on framework</b>		<b>1,061</b>	<b>1,007</b>	<b>940</b>	<b>41</b>	<b>78</b>

*Source: The Data Service (2011) Breakdown by sector framework code, level and gender*

There is no available data which provides a breakdown of the ethnicity and location of learners who undertake the management apprenticeship framework in Scotland.

### 4.3.5 Northern Ireland

There is no current data on apprenticeships in Northern Ireland.

## 5. UK Overview – skills, qualifications and training

This section provides an overview of the current skill needs in England, Northern Ireland, Scotland and Wales for managers and those who require management skills as part of their job.

**Terminology** used in this section is described as follows:

**Recruitment difficulties** refer to vacancies that employers describe as hard-to-fill, difficulty-to-fill or skill-shortage related.

**Hard-to-fill vacancies (HtfVs)** are vacancies classified by employers as hard to fill.

**Difficult-to-fill vacancies (DtfVs)** are vacancies classified by employers in Northern Ireland as difficult to fill.

**Skill shortage vacancies (SSVs)** are a subset of hard-to-fill (or difficult-to-fill) vacancies where the reason given for the difficulty filling the position is a low number of applicants with the required skills, work experience or qualification.

**Skill shortages** occur when organisations cannot recruit sufficient people who are appropriately qualified, skilled or experienced to fill the vacancies they have. Alternatively, hard-to-fill vacancies (HtfVs) or difficult-to-fill vacancies (DtfVs) occur because of other issues such as poor pay, conditions or remoteness.

**Skill gaps** exist when members of the existing workforce in an organisation are seen to have lower skills than are necessary to meet current business needs.

**Unweighted base** this refers to the number of respondents on which a survey is based

**Weighted base** weighting ensures that the survey results are representative of the entire population of employers.

Filling these vacancies and meeting identified gaps are important as unfilled vacancies can lead to, at an organisational level, difficulties in meeting quality standards, and developing new products and service. At an economy wide level they can affect competitiveness, inflation, and decisions on whether to remain in or move out of the UK.<sup>47</sup>

As mentioned in *Section 1* of this report, the validity in which this report can provide an accurate picture of the current skill needs of managers across the four nations is hampered by inconsistencies in terminology, the lack of up-to-date data sources, the change from SOC2000 to SOC2010 and the merger of SSCs. All of these changes have made it an especially difficult time to present an accurate snapshot of the management workforce. Nevertheless, this report pulls together all the data currently available and thus provides an accurate as possible picture of the managerial workforce.

### 5.1 Recruitment difficulties

There is not a great deal of difficulty with recruiting people into managerial positions in the UK compared to other occupations. However within the managerial occupation, vacancies are more likely than average to be considered hard-to-fill rather than a skill shortage vacancy. However when there are hard-to-fill vacancies there are likely to be due to skills related issues such as a lack of skill, experience or qualification.

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<sup>47</sup> UK Commission for Employment and Skills, UKCES. (2010a). *Ambition 2020: World Class Skills and Jobs for the UK: The 2010 Report*, page 70

## 5. UK Overview – skills, qualifications and training

In England, there are 20,000 vacancies for managers, 5,000 are hard to fill, and 4,000 per cent are skill shortage vacancies, making this one of the lowest rates of vacancies of all occupational groups in England.

Like England managers in Scotland have the lowest number of vacancies and hard to fill vacancies of all occupational groups. However when looking at its percentage as a proportion of vacancies, hard to fill vacancies are relatively high (46 per cent). This means that where vacancies occur for managerial positions in Scotland they are more likely to be classified as a hard-to-fill vacancy rather than a skill shortage vacancy (28 per cent). While this is also the case in England, there appears to be a severe issue in Scotland.

In Northern Ireland, vacancies for managerial positions account for only 4 per cent of all vacancies, making it one of the lowest of all occupational groups. Like England and Scotland where vacancies occur for managerial staff they are more likely to be classified as a difficult to fill vacancy (38 per cent) rather than a skill shortage vacancy (25 per cent).

In Wales, only 3 per cent of hard to fill vacancies are for managerial staff, while 5 per cent are skill shortage vacancies. There is no data on whether when vacancies occur for managerial staff as they are more likely to be classified as difficult to fill rather than as a skill shortages vacancy.

### 5.2 Skills Shortages

There is insufficient data on what specific skills are lacking in skill shortages vacancies for managerial staff across the UK. In England, the skill most lacking when recruiting people to managerial posts is management skills. There is insufficient evidence to show whether this is the case in Scotland, Northern Ireland and Wales.

However in Northern Ireland 33 per cent of employers indicated that management skills were lacking by candidates looking to fill any particular vacancy. In Scotland this increases to 39 per cent and Wales it falls to 27 per cent. Therefore, in all nations there is a need to ensure that an appropriate supply of candidates with sufficient management skills is available to meet the demand.

Skills shortages and skills gaps are reported in all four UK countries. The table below indicates the state of skill shortage vacancies and skills gaps by nations.

**Table 27: Skill shortages and skills gaps for managers by country**

	England (2009)	Scotland (2010)	Wales (2005)	Northern Ireland (2008)
Skill shortage vacancies	3,725	-	-	-
% of vacs that are SSVs	19%	28%	-	25%
Number of skills gaps	233	-	4,798	8,000
Share of skills gap	14%	-	-	14%

Source: All Employer skills surveys

There is incomplete data to get a full picture of the scale and extent of skills shortages and skill gaps for managers across the UK. However, the data shows that skills shortage and skills gaps exist across all four nations and are thus a UK wide problem which needs to be resolved.

## 5. UK Overview – skills, qualifications and training

Again, there is insufficient data on what specific skills are lacking in skill shortages vacancies for managers. What evidence there is suggests that the top skills missing when recruiting new managers in England are:

- Management
- Team working
- Technical & practical
- Problem solving
- Oral communication
- Customer handling.

However as **Table 28** indicates the extent to which this is similar across the four nations is unknown.

**Table 28: Top 5 skills lacking in skill shortage vacancies for managers**

England (2009)	Scotland (2010)	Wales (2005)	Northern Ireland (2008)
Management (63%)	-	-	-
Team working (57%)	-	-	-
Technical and practical (48%)	-	-	-
Problem solving (48%)	-	-	-
Oral communication (45%)	-	-	-
Customer handling (51%)	-	-	-

*Source: All Employer skills surveys*

### 5.3 Skills gaps

In England and Northern Ireland skills gaps for managers accounted for 14 per cent of all skills gaps in the country at the time of their respective employer's skill surveys. In Northern Ireland the level of skills gaps was equal to the share of employment (14 per cent), while in England managers' share of skills gaps was less than its share of employment (18 per cent). This means that a relatively smaller proportion of the managerial workforce had a skills gap compared to the size of the workforce than in Wales where it was equal to the size of their workforce.

In Scotland around 3 per cent of managers in employment had a skills gap, while in Wales this figure was also 3 per cent as a proportion of total employment. As with England and Northern Ireland, skills gaps in Scotland and Wales are more likely to occur in occupations requiring less in terms of technical skills and less in terms of qualifications and skill levels.

Looking specifically at the skills lacking within skills gaps, in Northern Ireland and England management was the skill most lacking for managerial staff. Problem solving and customer handling were also skills that appear in the top 5 skills lacking for managers in England and Northern Ireland.

England also has some technical and practical skills and literacy skills lacking for their staff, while in Northern Ireland it is team working and oral communication. This shows that there are some common skills which exist across the nations but also some differences between the countries. Therefore when addressing the skills gaps of managers there will need to be some specific skills training available for each country.

## 5. UK Overview – skills, qualifications and training

Table 29: Top 5 skills lacking for managers who have skills gaps

England (2009)	Scotland (2010)	Wales (2005)	Northern Ireland (2008)
Management (77%)	-	-	Management (75%)
Technical and practical (60%)	-	-	Problem solving (58%)
Customer handling (40%)	-	-	Team working (55%)
Problem Solving (39%)	-	-	Oral communication (51%)
Literacy (30%)	-	-	Customer handling (43%)

Source: All Employer skills surveys

There is insufficient data on whether this is the case for managers in Scotland and Wales. However it seems reasonable to assume that where managers are experiencing skills gaps this is related to specific management skills. Further research will need to be done to identify if this is the case.

### 5.4 Future skill needs

There is not a great deal of information on the future skill needs of managers across the UK. What is apparent however is that candidates looking for employment as managers do not have the relevant skills needed to fill vacancies, and there are some current skills gaps within the managerial workforce.

In England, managerial staff are the occupation most in need of upskilling, indicating both a growing recognition of their importance in the repairing the economy and the fact that they make up a large proportion of the total workforce in the country.

There is limited data on what specific skills are lacking in skill shortage and hard to fill vacancies and within skills gaps for managerial staff, though evidence suggests that they are linked to specific management skills.

Future research will need to be done to identify what specific skills both general and within the management skills set are needed by managers in the future.

## 6. England – an overview

This section provides an overview of the managerial workforce in England.

### 6.1 Recruitment difficulties

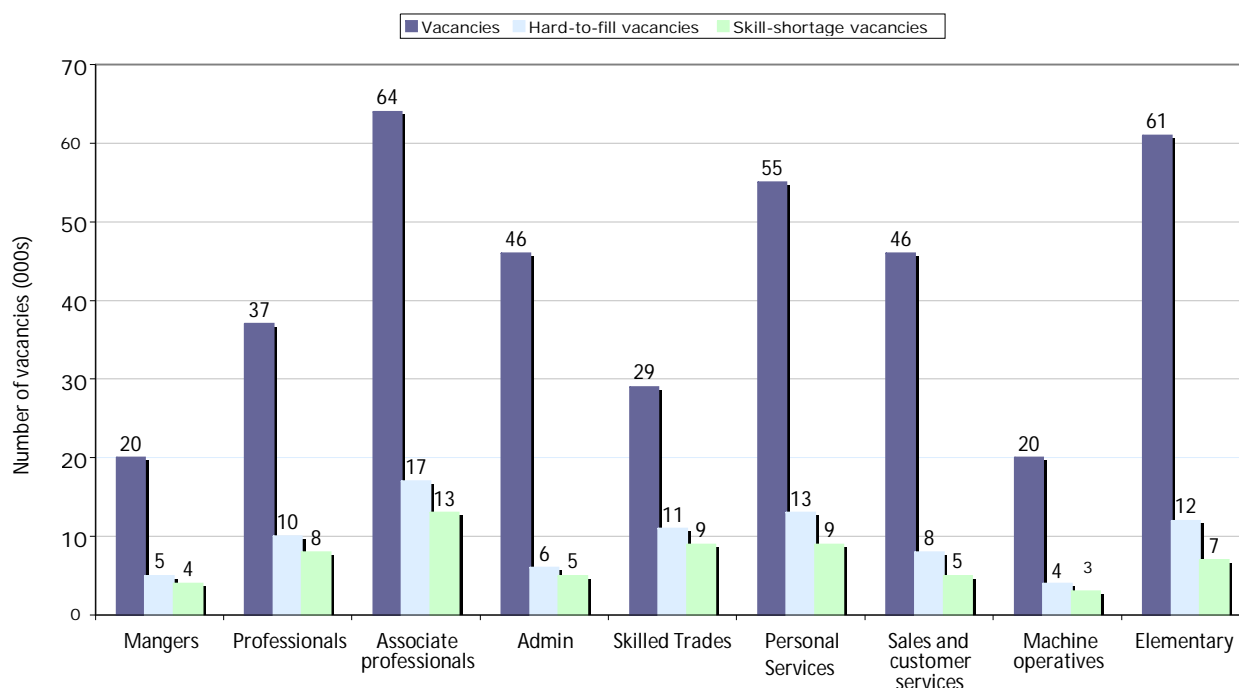
#### 6.1.1 Recruitment difficulties by occupations

In 2009, 12 per cent of employers reported vacancies in their organisation, 6 per cent lower than in 2007. HtFVs and SSVs also fell in 2009, to 3 per cent down from 5 per cent in 2007.

In volume terms, there were 385,675 vacancies, accounting for 1.7 per cent of all employment. 85,425 of those vacancies were hard to fill and 63,100 were skill shortage vacancies. Therefore when there are vacancies in England they are more likely to be considered hard to fill by employers rather than due to a skills related issue.

Like the national pattern of recruitment difficulties, vacancies for managers are more likely to be considered hard to fill rather than skills related. **Figure 11** shows that managers have one of the lowest number of vacancies (20,000), both hard-to-fill (5,000) and skill-shortage (4,000 per cent) over all major occupational groups. Like the national pattern of recruitment, vacancies for managers are more likely to be considered hard to fill rather than skills related.

**Figure 11: Overall distribution of vacancies and recruitment difficulties by occupation**



Source: UKCES (2010) National Employer Survey for England 2009, page 73<sup>48</sup>

The number of skill shortage vacancies relative to employment in the managerial occupation (0.9 per 1,000 employees) is the lowest of all occupational groups. This low figure is a reflection of the low number of vacancies. However the proportion of vacancies where skill shortages are encountered is slightly above the average (19 per

<sup>48</sup> National Employer Skills Survey for England 2009: Main report, UK Commission for Employment and Skills, 2010

## 6. England – an overview

cent compared to 16 per cent)<sup>49</sup>. This suggests that employers' face a higher than average difficulty with recruiting appropriately skilled applicants to managerial positions.

**Table 30: Vacancies, SSVs and SSV density by occupation**

	Vacancies	SSVs	SSVs per 1,000 employees	% of vacs that are SSVs	
				2007	2009
<i>Un-weighted base</i>	<i>35,310</i>	<i>5,118</i>	-	-	-
<i>Overall</i>	<i>385,675</i>	<i>63,100</i>	<i>2.7</i>	<i>21</i>	<i>16</i>
Managers	19,750	3,725	0.9	21	<b>19</b>
Professionals	36,825	8,300	3.2	28	<b>23</b>
Associate professionals	64,125	12,700	7.4	22	<b>20</b>
Administrative	45,525	4,575	1.4	12	<b>10</b>
Skilled trades	28,975	8,900	5.5	37	<b>31</b>
Personal services	54,700	9,125	5.1	21	<b>17</b>
Sales and customer service	46,325	5,475	1.8	15	<b>12</b>
Machine operatives	20,125	2,900	1.9	24	<b>14</b>
Elementary	61,300	6,925	2.1	15	11

Source: UKCES (2010) National Employer Survey for England 2009, page 75

### 6.1.2 Recruitment difficulties by sector skills council and occupation

**Table 30** shows the difficulties experienced by each Sector Skills Council (SSCs) when recruiting managerial staff in England. At 6 per cent managers have the second lowest number of vacancies across all SSCs. However there are a number of SSCs which have a higher than average number (6 per cent) of vacancies for managers:

- Skillsfast-UK (19 per cent)
- Construction skills (14 per cent)
- Skillsmart Retail (14 per cent)
- Cogent (11 per cent)
- Summit Skills (11 per cent)
- E-skills (8 per cent)
- Energy and utilities (7 per cent)
- Improve Ltd (7 per cent)
- People 1st (7 per cent)

Amongst the above, skill shortage vacancies for managers is the main problem for Skillfast only. It is the second largest skill shortage vacancy for Skillsmart and Summit skills and the third largest for People 1<sup>st</sup>. In the table below the figures in **blue** shows where vacancies for managers is their main skills shortage vacancy issue, **green** if it is the second largest skills shortage vacancy issue and **red** if it is the third largest issue.

<sup>49</sup> National Employer Skills Survey for England 2009: Main report, UK Commission for Employment and Skills, 2010

## 6. England – an overview

**Table 31: Profile of skill shortage vacancies by occupation within SSC**

(%)	Un-weighted	Weighted	Managers	Professionals	Associate Professionals	Administrative	Skilled Trades	Personal Services	Sales and Customer Service	Machine Operatives	Elementary
<i>Overall</i>	<i>133</i>	<i>2,345</i>	<i>6</i>	<i>13</i>	<i>20</i>	<i>7</i>	<i>14</i>	<i>14</i>	<i>9</i>	<i>5</i>	<i>11</i>
Asset Skills	76	1,710	3	1	10	14	2	11	18	8	31
Cogent	<b>38</b>	<b>460</b>	11	12	21	6	2	0	33	14	1
Construction Skills	<b>67</b>	<b>674</b>	14	21	16	4	31	0	1	10	2
Creative and Cultural Skills	<b>151</b>	<b>1,194</b>	4	23	51	9	1	-	8	-	2
Energy and Utility Skills	<b>239</b>	<b>3,117</b>	7	14	31	4	15	0	-	19	10
e-skills UK	<b>186</b>	<b>2,232</b>	8	25	35	8	12	-	10	1	1
Financial Skills Partnership	<b>153</b>	<b>2,201</b>	6	1	46	26	-	1	16	-	-
Go Skills	<b>116</b>	<b>1,723</b>	2	1	4	17	2	-	2	69	-
Government Skills	<b>101</b>	<b>1,839</b>	2	2	1	13	73	-	2	2	5
SEMTA	<b>36</b>	<b>366</b>	3	32	11	4	30	0	6	11	2
IMI	<b>223</b>	<b>3,961</b>	3	-	7	6	56	0	16	9	3
Improve Ltd	<b>57</b>	<b>563</b>	7	1	6	6	29	0	13	16	9
Lantra	<b>51</b>	<b>335</b>	1	13	6	3	34	8	-	14	21
Lifelong Learning UK	<b>311</b>	<b>2,273</b>	1	45	35	8	2	6	2	1	-
People 1 <sup>st</sup>	<b>178</b>	<b>902</b>	<b>7</b>	-	2	3	27	3	5	1	53
Proskills UK	<b>65</b>	<b>349</b>	0	1	24	2	54	0	9	4	6
Skills Active	<b>76</b>	<b>452</b>	4	-	31	9	10	25	4	-	15
Skillfast-UK	<b>295</b>	<b>2,369</b>	<b>19</b>	-	13	11	17	0	13	16	9
Skillset	<b>64</b>	<b>511</b>	2	6	37	4	-	2	46	-	3
Skillsmart Retail	<b>451</b>	<b>6,869</b>	<b>14</b>	2	12	10	9	-	48	-	5
Skills for Care & Development	<b>351</b>	<b>3,854</b>	5	6	17	5	2	56	2	-	1
Skills for Health	<b>797</b>	<b>7,002</b>	1	24	45	3	-	24	-	-	2
Skills for Logistics	<b>116</b>	<b>1,723</b>	6	-	35	16	8	-	22	5	7
Summit Skills	<b>127</b>	<b>1,529</b>	<b>11</b>	5	5	4	67	0	-	7	1

Notes: Skills for justice has a base size less than 25 and is therefore not shown

Those blank represent a figure less than 0.5

Source: UKCES (2010) National Employer Survey for England 2009, page 78

9 out of 24 SSCs have a problem with recruiting managers in their sector on the basis that vacancies for managers are higher than the national average. Vacancies for managers is the main issue in Skillfast UK, it is the second largest area of vacancies in Skillsmart retail and Summit Skills and the third main area for People 1<sup>st</sup>. While there is not at present, an extreme problem with recruiting managers in England, the fact that more than a quarter of SSCs are experiencing higher than average recruitment difficulties suggests that it should be an issue for concern. There is a pressing need therefore, to reduce the number of recruitment difficulties before the problem is exacerbated.

### 6.1.3 Recruitment difficulties by sector

**Table 32** shows the difficulties experienced by each sector when recruiting in England. At 6 per cent managers have the second lowest number of vacancies across all sectors. However there are a number of sectors which have a higher than average number (6 per cent) of vacancies for managers:



## 6. England – an overview

- Construction (12 per cent)
- Retail and wholesale (8 per cent)
- Business services (8 per cent)
- Hotels and catering (7 per cent)
- Public administration and defence (8 per cent)

**Table 32: Profile of skill shortage vacancies by occupation within sector**

(%)	Un-weighted	Weighted	Managers	Professionals	Associate Professionals	Administrative	Skilled Trades	Personal Services	Sales and Customer Service	Machine Operatives	Elementary
<i>Overall</i>	<i>5,118</i>	<i>63,089</i>	<i>6</i>	<i>13</i>	<i>20</i>	<i>7</i>	<i>14</i>	<i>14</i>	<i>9</i>	<i>5</i>	<i>11</i>
Agriculture	59	1,374	3	2	1	0	48	4	0	10	31
Manufacturing	532	4,409	6	20	13	4	28	0	11	13	5
Construction	159	2,739	12	11	7	5	49	0	3	9	3
Retail and wholesale	484	7,672	8	1	14	7	26	*	30	9	4
Hotels and catering	441	6,347	7	0	2	3	29	2	3	1	55
Transport, storage and communications	247	2,758	3	1	13	16	4	2	11	48	3
Financial intermediation	153	2,201	6	1	46	26	0	1	16	0	0
Business services	851	13,170	8	20	25	11	7	2	9	6	11
Public administration and defence	145	1,287	7	9	22	11	39	0	2	4	6
Education	481	3,961	1	42	24	5	1	21	1	4	1
Health and social work	1,185	10,442	3	21	30	4	1	37	1	*	2
Other services	351	4,605	3	11	32	6	3	35	2	1	8

\* denotes a figure less than 0.5 per cent

*Mining and quarrying and electricity, gas and water sectors have a base size of less than 25 and are therefore not shown.*

Source: UKCES (2010) National Employer Survey for England 2009, page 76

Skill shortages vacancies for the managerial occupation are not a main problem for any sectors. However it is the second largest problem in the construction industry and the third largest problem in hotel and catering.

### 6.1.4 Recruitment difficulties by regions

There is no current information on the difficulty of recruiting managers by region. However, when vacancies occur in England, they are most likely to be in London. London accounted for the single largest share of overall employment (18 per cent), vacancies (19 per cent), hard-to-fill vacancies (20 per cent) and skill shortage vacancies (22 per cent), all of which are higher than its share of employment. This reflects a disproportionately high level of recruitment difficulties in this region. The South East also experiences high levels of recruitment difficulties.

## 6. England – an overview

Table 33: vacancies, hard to fill, skill shortage by region

( %)	% Share of Employment	% Share of Vacancies	% Share of HtfVs	% Share of SSVs
Eastern	10	11	13	13
East Midlands	8	8	7	6
London	18	19	20	22
North East	5	6	6	6
North West	13	11	10	10
South East	16	17	16	15
South West	10	10	10	10
West Midlands	10	9	8	8
Yorkshire and the Humber	10	9	11	10

Source: UKCES (2010) National Employer Survey for England 2009, page 66

### 6.1.5 Reasons for recruitment difficulties

In England 74 per cent of hard-to-fill vacancies were the result of a skills related reason (i.e. lack of experience, skills or required qualification). A further breakdown shows that just over half (52 per cent) of all hard-to-fill vacancies are caused by a lack of skill amongst applicants; a lack of experience explains a further third (32 per cent) and a lack of qualifications almost a quarter (24 per cent)<sup>50</sup>.

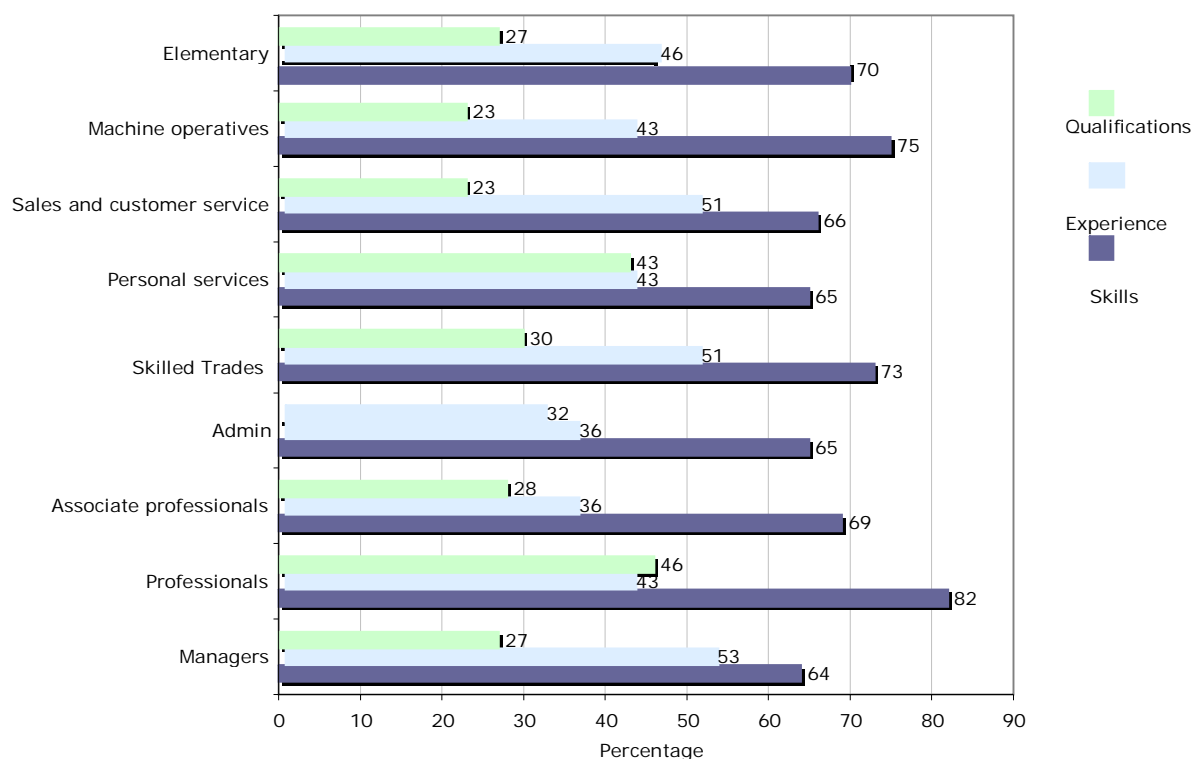
Recruitment difficulties for managerial staff follows a similar pattern, with 64 per cent of employers citing a lack of skill as a reason for their recruitment difficulty, 53 per cent mentioned a lack of experience and 27 per cent a lack of qualification. Looking across all occupational groups, employers are likely to cite a lack of experience as the main reason for having recruitment difficulties for managerial staff more than any other occupational group. Whereas a lack of skill is least likely to be cited as a reason for recruitment difficulties for managerial staff compared to any other occupational group. This is in line with the statistics on skill shortages, where managers have the lowest number of skill shortage vacancies of all occupational groups.

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<sup>50</sup> National Employer Skills Survey for England 2009: Main report, UK Commission for Employment and Skills, 2010

## 6. England – an overview

Figure 12: Reasons for recruitment difficulties



Source: UKCES (2010) National Employer Survey for England 2009, page 81

### 6.2 Skills shortages

#### 6.2.1 Skills shortage by occupation

This section details the particular skills lacking where skill shortage vacancies existed. **Table 34** shows the skills most lacking for each occupational group. Predictably, in over three-quarters of cases (63 per cent) where a vacancy was not filled for managerial staff this was due to the candidate lacking specific management skills. Candidates looking to fill managerial posts were also mostly likely to lack the following skills:

- Technical and practical skills (60 per cent)
- Customer handling skills (40 per cent)
- Problem solving skills (39 per cent)

The top three skills above were those most likely to be lacking by candidates of managerial positions. There were also a number of skills that managers lacked that were higher than average these were:

- Management skills (32 per cent compared to 63 per cent) - this was also the main skill lacking across the occupation
- Problem solving skills (38 per cent compared to 39 per cent)
- Office/admin skills (18 per cent compared to 19 per cent)
- General IT skills (16 per cent compared to 18 per cent)

## 6. England – an overview

Table 34: Skills lacking by occupational group within skill shortage vacancies

(%)	Overall	Managers	Professionals	Associate Professionals	Administrative	Skilled Trades	Personal Services	Sales and Customer Service	Machine Operatives	Elementary
<i>Un-weighted base (SSVs)</i>	5,118	300	1,035	1,098	328	614	585	356	331	440
<i>Weighted base (SSVs)</i>	63,089	3,735	8,303	12,693	4,573	8,908	9,123	5,480	2,908	6,932
Technical and practical skills	62	60	76	55	51	73	60	51	73	59
Customer-handling	41	40	37	36	49	28	45	56	24	60
Problem solving	38	39	45	28	39	42	38	41	21	45
Team working	37	25	31	31	33	41	42	41	26	54
Oral communication	35	27	17	26	46	38	46	49	27	44
Written communication	34	29	19	29	47	39	40	45	22	36
Management	32	63	29	33	30	37	24	34	11	32
Literacy	30	30	14	26	39	35	35	41	20	28
Numeracy	26	23	11	21	40	34	27	31	18	29
Office Admin	18	19	11	24	40	11	17	22	7	12
Foreign languages	18	11	28	13	17	13	19	19	8	30
General IT	16	18	9	16	31	13	15	22	9	11
IT Professional	15	13	13	15	28	10	12	20	6	19

Source: UKCES (2010) National Employer Survey for England 2009, page 84

Across other occupational groups management skills are lacking more than average for associate professional occupations (33 per cent) where it was also the third largest area for skills lacking in skilled trades (37 per cent). All other occupational groups do not have particular problems with management skills.

### 6.3 Skills Gaps

This section looks at the extent to which employers are experiencing skills deficiencies or gaps among their existing workforce.

#### 6.3.1 Skills gaps by occupation

In 2009, 19 per cent of establishments reported that they employed staff whom they considered not fully proficient, amounting to around 1.7 million workers and 7 per cent of the total workforce in England. This is a rise from 2007, where 15 per cent of establishments reported employing staff whom had a skills gap.

While there has been a change in the overall level of reported skills gaps, there has been very little change from 2007 when examining skills gap density by occupation. It remains the case that people employed in traditional occupations (i.e. unskilled or semi-skilled occupation) are most likely to be described as lacking full proficiency, while those in more highly skilled occupational areas are the least likely to be described as having skills gaps. Table 35 shows that 6 per cent of managers were reported as having a skills gap in 2009, accounting for a 14 per cent share of all skills gaps at that time.

## 6. England – an overview

While managers have a high share of all skills gaps it must also be noted that they have the highest share of employment (18 per cent). In fact, the share of skills gaps by managers is less than the share of employment.

**Table 35: Skills gaps by occupation**

	Total employment (000s)	Number of skills gaps (000s)	% of staff reported as having a skills gap	Share of employment	Share of all skills gaps
<i>All occupations</i>	<i>22,977</i>	<i>1,702</i>	<i>7%</i>	<i>100%</i>	<i>100%</i>
Managers and senior officials	4,219	233	6%	18%	14%
Professionals	2,575	147	6%	11%	9%
Associate professionals	1,721	117	7%	7%	7%
Administrative staff	3,207	219	7%	14%	13%
Skilled trade people	1,612	135	8%	7%	8%
Personal service	1,797	148	8%	8%	9%
Sales and customer service staff	3,041	311	10%	13%	18%
Machine operatives	1,571	111	7%	7%	7%
Elementary staff	3,233	282	9%	14%	17%

*Source: UKCES (2010) National Employer Survey for England 2009, page 99*

In over three-quarters of instances (77 per cent) managers were reported as lacking proficiency with management skills, making it the main area of skills lacking by managers with skills gaps. Managers with skills gaps were also likely to lack proficiency with:

- Team work (57 per cent) which was higher than average and the second largest area of skills lacking in skills gaps
- Technical/practical skills and problem solving skills (48 per cent) were the third largest area of skill lacking for managers. Problem solving skills for managers was also lacking to an extent that was higher than average.
- Written communication (39 per cent) which was higher than average
- General IT user (33 per cent) which was higher than average
- IT professional (23 per cent) which was higher than average

A lack of proficiency with management skill is also likely to occur for employees that work in professional or associate professional occupations. In professionals' occupations management skills was the second largest area for skills lacking in skills gaps.

## 6. England – an overview

Table 36: Skills lacking by occupational group

(%)	2009	Managers	Professionals	Associate Professionals	Administrative	Skilled trades	Personal services	Sales and Customer Service	Machine operatives	Elementary
Technical and practical	64	48	78	77	62	75	63	59	71	64
Customer-handling	51	43	41	48	51	33	52	70	29	57
Team working	50	57	44	49	45	37	55	45	58	57
Oral communication	46	45	42	42	45	33	48	48	45	52
Problem solving	46	48	49	49	49	42	46	42	54	42
Written communication	37	39	41	44	45	30	47	29	41	30
Management	36	77	53	44	29	23	28	20	28	21
General IT user	28	33	33	32	48	20	27	25	28	16
Literacy	24	14	17	23	25	20	39	18	36	29
Office Admin	22	28	23	25	52	12	17	16	17	12
Numeracy	21	11	16	19	21	19	27	17	35	28
IT Professional	17	23	22	28	28	10	16	13	12	9
Foreign languages	13	10	15	11	11	6	13	12	21	16

Source: UKCES (2010) National Employer Survey for England 2009, page 119

### 6.3.2 Skills gaps by sector skills council

Table 37 shows how the skills gaps are distributed by occupation within SSCs. A relatively low number of managers were described as lacking in proficiency in the vast majority of sectors however the following sectors had a higher than average number of skills gaps:

- Energy & Utility Skills (15 per cent)
- Construction Skills (20 per cent)
- Skills for Logistics (15 per cent)
- Assets Skills (17 per cent)
- E-skills (16 per cent)
- Skills for Health (15 per cent)

## 6. England – an overview

Table 37: Distribution of skills gaps by occupation and SSC

(%)	Number of skills gap (000s_	Managers	Professionals	Associate Professionals	Administrative	Skilled Trades	Personal Services	Sales and Customer Service	Machine Operatives	Elementary
<i>Overall</i>	<i>1,702</i>	<i>14</i>	<i>9</i>	<i>7</i>	<i>13</i>	<i>8</i>	<i>9</i>	<i>18</i>	<i>7</i>	<i>17</i>
Asset Skills	73	17	7	12	23	6	2	9	1	23
Cogent	22	14	6	4	12	11	-	22	21	11
Construction Skills	73	20	9	13	12	25	-	3	8	9
Creative and Cultural Skills	11	21	6	11	13	5	1	31	2	10
Energy and Utility Skills	17	15	5	3	28	23	-	9	9	9
e-skills UK	51	16	29	11	12	5	1	22	1	3
Financial Skills Partnership	82	14	10	12	25	-	-	38	-	1
Go Skills	20	13	4	5	11	4	-	17	22	22
Government Skills	22	27	9	20	34	2	-	3	2	2
SEMTA	119	13	9	11	8	23	-	9	9	9
IMI	31	12	1	2	12	37	-	24	6	6
Improve Ltd	32	10	1	2	6	4	-	22	21	21
Lantra	26	13	4	4	9	23	8	9	9	21
Lifelong Learning UK	75	12	44	9	15	2	7	4	-	7
People 1 <sup>st</sup>	180	10	1	1	3	5	1	18	1	60
Proskills UK	30	13	2	4	9	17	-	9	26	20
Skills Active	20	11	3	6	11	10	17	14	1	28
Skillfast –UK	12	13	2	6	12	4	-	22	21	21
Skillset	16	13	18	16	11	5	3	28	1	4
Skillsmart Retail	189	10	1	2	4	2	-	63	1	16
Skills for Care & Development	70	11	5	5	9	4	57	3	-	6
Skills for Health	131	15	10	7	23	1	36	1	2	5
Skills for Justice	11	13	6	38	22	1	14	2	-	3
Skills for Logistics	95	15	3	3	14	4	-	17	22	22
Summit Skills	21	12	2	3	10	61	-	3	2	6

- denotes figures greater than 0% but less than 0.5%

Source: UKCES (2010) National Employer Survey for England 2009, page 108

The table above shows that skills gaps for managers was the **second** main area of concern for the following sectors:

- Asset skills
- Construction skills
- Creative and cultural skills
- Government skills
- SEMTA
- Skills for care and development
- Summit skills

It was the **third** main area of concern for:

- Cogent
- Financial skills partnership

## 6. England – an overview

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- Go skills
- IMI
- Improve
- Lantra
- Lifelong learning
- People first
- Skillsfast
- Skillsmart

While skills gaps for managers is not a main area of concern across sectors the fact that it is the second area of concern for 7 sectors and the third main area of concern for 10 sectors shows that it is a growing problem. These skill gaps must be tackled soon to ensure that it does not become the main area of concern.

Table 38 shows the main skills gaps by SSC. The SSCs with above average skills gaps in management are as follows:

- Asset Skills
- Construction Skills
- Creative and cultural skills
- E-skills
- Go skills
- Government skills
- Sempta
- Skillset
- Skills for care and development\skills for justice



## 6. England – an overview

Table 38: Nature of skills gaps by SSC Sector

(%)	Technical and practical	Customer-handling	Team working	Oral communication	Problem-solving	Written communication	Management	General IT skills	Literacy	Office admin	Numeracy	IT Professional	Foreign language skills
<i>Overall</i>	64	51	50	46	46	37	34	28	24	22	21	17	13
Asset Skills	61	48	45	50	37	50	38	27	27	26	19	18	16
Cogent	69	40	57	48	54	40	28	34	25	22	31	14	10
Construction Skills	62	40	43	37	41	37	40	33	15	19	17	18	7
Creative and Cultural Skills	59	48	43	45	42	34	43	33	21	26	19	20	13
Energy and Utility Skills	70	55	64	63	62	66	33	42	43	15	25	20	2
e-skills UK	71	59	32	55	57	45	51	14	10	20	9	25	29
Financial Skills Partnership	81	65	43	43	39	38	34	35	15	22	14	29	22
GoSkills	43	71	77	76	69	69	45	62	55	52	52	25	35
Government Skills	62	64	66	55	49	58	59	42	38	48	25	27	2
SEMTA	76	32	52	42	55	40	41	37	27	25	26	19	12
IMI	68	43	32	39	40	28	24	30	24	24	19	17	10
Improve Ltd	75	19	54	51	52	44	26	32	34	14	38	14	27
Lantra	75	40	40	37	40	27	26	24	21	19	21	15	8
Lifelong Learning UK	76	38	45	33	39	30	39	43	25	30	22	28	8
People 1 <sup>st</sup>	59	69	57	51	48	26	33	16	21	14	24	11	17
Proskills UK	75	32	49	36	54	27	28	30	22	18	29	17	14
Skills Active	65	62	57	48	44	34	30	22	17	19	17	13	8
Skillfast-UK	52	42	43	46	36	37	27	27	29	18	32	14	20
Skillset	66	44	50	51	55	33	57	36	15	29	15	29	9
Skillsmart Retail	53	63	53	47	44	24	25	19	17	14	16	8	9
Skills for Care & Development	64	50	48	44	51	51	35	35	31	23	20	19	15
Skills for Health	64	51	55	43	43	41	37	31	32	27	25	21	11
Skills for Justice	60	45	41	59	59	66	54	38	22	48	17	18	7
Skills for Logistics	62	42	57	47	49	39	34	30	30	26	25	16	14
Summit Skills	74	32	33	27	36	28	24	23	18	19	19	17	4

Source: UKCES (2010) National Employer Survey for England 2009, page 125

Skills gaps in management are not main areas of concern for any SSC. However it is the second largest area of concern in Skillset and the third largest in construction skills.

**Table 39** shows the pattern by which skills gaps in management and skills gaps for managers are distributed across SSCs. As you would expect, some of the occupations which reported a skills gap for their managers, also had a disproportionately high level of staff that were not proficient in the management skill.

## 6. England – an overview

**Table 39: Skills gaps for managers and management skill by SSC**

SSC with a disproportionately high level of skills gaps for managers	SSC with a disproportionately high level of management skills gap
Energy & Utility Skills (15%)	Construction Skills (40%)
Construction Skills (20%),	GoSkills (45%)
Skills for Logistics (15%),	SEMTA (41%)
Assets Skills (17%),	Skillset (57%)
E-skills (16%),	Skills for Care & Development (35%)
Skills for Health (15%)	Skills for Justice (54%)
Creative and Cultural (21%)	Asset Skills (38%)
	E-skills UK (51%)
	Creative and Cultural Skills (43%)

Source: UKCES (2010) National Employer Survey for England 2009, page 125

### 6.3.3 Skills gap by sector

**Table 40** shows the distribution of skills gaps within SIC sectors. At 14 per cent managers have one of highest number of skills gaps across all sectors in the UK (lower than Elementary and Sales and Customer Service only). A relatively low number of managers were described as lacking in proficiency in the vast majority of sectors:

- Electricity, gas and water (26 per cent)
- Public administration and defence (22 per cent)
- Business services (20 per cent)
- Construction (16 per cent)
- Agriculture (15 per cent)

**Table 40: Profile of skills gaps by occupation within sector**

(%)	Number of skills gaps (000s)	Managers	Professionals	Associate Professionals	Administrative	Skilled Trades	Personal Services	Sales and Customer Service	Machine Operatives	Elementary
<b>Overall</b>	<b>1,702</b>	<b>14</b>	<b>9</b>	<b>7</b>	<b>13</b>	<b>9</b>	<b>9</b>	<b>18</b>	<b>7</b>	<b>17</b>
Agriculture	18	15	2	2	7	29	*	2	13	30
Mining and quarrying	2	13	39	4	7	16	0	1	18	2
Manufacturing	204	13	7	8	8	15	*	8	24	14
Electricity, gas and water	9	26	4	6	20	22	0	11	9	1
Construction	77	16	4	5	11	44	-	3	5	12
Retail and wholesale	293	11	1	2	7	8	*	50	5	16
Hotels and catering	165	9	1	*	3	5	1	17	1	63
Transport, storage and communications	89	13	5	4	11	3	1	22	27	13
Financial intermediation	82	14	10	12	25	*	*	38	*	1
Business services	298	20	15	13	17	7	1	14	4	10
Public administration and defence	59	22	9	21	30	3	4	7	1	2
Education	110	11	36	9	12	2	19	2	*	9
Health and social work	212	12	9	7	18	2	24	2	2	5
Other services	92	14	5	6	20	8	11	15	2	19

\* denotes a figure less than 0.5 per cent

Source: UKCES (2010) National Employer Survey for England 2009, page 103

## 6. England – an overview

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As the table above shows skill gaps for managers is the **main** area for concern for:

- Electricity, gas and water
- Business service.

It is the **second** main area for concern for:

- Public administration and defence

And the **third** area of concern for:

- Agriculture
- Construction
- Retail and wholesale
- Hotel and catering
- Transport, storage and communications
- Financial intermediations
- Health and social care

While skills gaps for managers is not a major area of concerns for all sectors, there are a number of sectors where skills gaps for managers are the second and third most pressing areas of concern. These issues need to be addressed so that skills gaps for managers do not become a major area of concern in those sectors.

The industries where management skills are most lacking are as follows:

- Public administration and defence (48 per cent)
- Business services (41 per cent)
- Other services (39 per cent)
- Manufacturing (37 per cent)
- Health and social care (37 per cent)
- Transport, storage and communications (36 per cent)
- Education (36 per cent)

## 6. England – an overview

Table 41: Nature of skills gaps by sector

(%)	Technical and practical	Customer handling	Team working	Oral communication	Problem - solving	Written communication	Management	General IT user skills	Literacy	Office admin	Numeracy	IT professionals	Foreign languages
<b>Overall</b>	<b>64</b>	<b>51</b>	<b>50</b>	<b>46</b>	<b>46</b>	<b>37</b>	<b>34</b>	<b>28</b>	<b>24</b>	<b>22</b>	<b>21</b>	<b>17</b>	<b>13</b>
Agriculture	73	34	40	38	40	24	27	22	19	15	19	13	<b>9</b>
Mining and quarrying	77	53	16	17	13	16	17	13	5	53	3	1	-
Manufacturing	73	29	52	45	53	39	37	35	29	23	30	17	<b>14</b>
Electricity, gas and water	53	25	53	32	32	43	32	36	9	21	1	1	<b>3</b>
Construction	68	35	41	34	40	32	31	28	18	19	21	14	<b>6</b>
Retail and wholesale	57	57	51	45	43	27	26	23	19	18	18	11	<b>10</b>
Hotels and catering	60	69	58	52	47	25	33	17	22	13	24	12	<b>17</b>
Transport, storage and communication	55	58	67	55	62	53	36	37	37	32	30	18	<b>19</b>
Financial Intermediation	81	65	43	43	39	38	34	35	15	22	14	29	<b>22</b>
Business Services	61	47	41	45	42	42	41	29	19	24	14	22	<b>13</b>
Public administration and defence	57	58	54	52	46	49	48	36	24	40	15	19	<b>4</b>
Education	72	38	48	37	40	34	36	40	30	25	23	27	<b>10</b>
Health and social work	66	52	51	43	49	44	37	33	32	26	22	21	<b>13</b>
Other services	67	56	55	51	48	40	39	32	28	18	25	24	9

Source: UKCES (2010) National Employer Survey for England 2009, page 122

Across all sectors skills gaps, management is not a main, second or third area of concern.

### 6.3.4 Skills gaps by region

All regions followed the above pattern of fewer skills gaps within the managerial occupation than would be expected by this occupation's share of employment. London has the highest share of employment for managers, and unsurprisingly a higher than average number of skills gap for that occupation (15 per cent compared to 14 per cent).

## 6. England – an overview

Table 42: Number of skills gaps across regions

(%)	Number of skills gap (000s)	Managers	Professionals	Associate Professionals	Administrative	Skilled Trades	Personal Services	Sales and Customer Service	Machine Operatives	Elementary
Skills gap (profile of employment)	1,702	14 (18)	9 (11)	7 (7)	13 (14)	8 (7)	9 (8)	18 (13)	7 (7)	17 (14)
Eastern	161	14 (18)	6 (10)	8 (8)	14 (14)	8 (7)	9 (8)	18 (8)	5 (7)	20 (16)
East Midlands	137	12 (17)	9 (10)	5 (6)	14 (14)	7 (8)	8 (8)	16 (11)	12 (9)	18 (16)
London	291	15 (21)	13 (16)	10 (10)	14 (15)	3 (4)	5 (5)	20 (14)	4 (3)	16 (12)
North East	61	14 (16)	5 (6)	9 (9)	11 (14)	9 (7)	8 (8)	14 (11)	8 (9)	20 (14)
North West	209	13 (17)	6 (10)	8 (8)	13 (14)	11 (7)	8 (9)	19 (12)	6 (7)	17 (16)
South East	303	14 (19)	8 (10)	6 (7)	13 (13)	8 (8)	11 (9)	21 (15)	5 (6)	14 (13)
South West	203	12 (18)	9 (11)	5 (6)	9 (13)	10 (9)	9 (8)	18 (14)	7 (7)	20 (14)
West Midlands	196	14 (18)	9 (11)	6 (6)	12 (13)	9 (8)	9 (8)	16 (13)	10 (9)	15 (13)
Yorkshire and the Humber	142	14 (17)	8 (9)	5 (7)	15 (14)	9 (8)	10 (9)	16 (13)	8 (9)	16 (15)

Base: all skills gaps (in brackets all employment)

Source: UKCES (2010) National Employer Survey for England 2009, page 114

Both London and the North East had a higher than average number of employees who were not proficient in the skill area of management.

## 6. England – an overview

Table 43: Skills lacking by Region

(%)	Overall	Eastern	East Midlands	London	North East	North West	South East	South West	West Midlands	Yorkshire and the Humber
<i>Un-weighted base</i>	158,759	13,376	10,722	26,200	7,685	16,664	29,095	22,975	21,585	10,457
<i>Weighted base (00s)</i>	1,369	134	93	225	51	156	259	175	168	109
Technical and practical skills	64	63	61	60	56	64	68	66	65	60
Customer-handling	51	50	46	62	55	51	45	49	47	54
Team working	50	53	55	59	49	56	42	43	44	51
Oral communication	46	51	48	27	51	53	37	37	36	49
Problem solving	46	51	50	53	52	52	38	38	43	46
Written communication	37	42	36	47	40	41	29	31	29	40
Management	34	33	33	49	37	31	32	29	32	30
General IT user	28	26	28	32	34	30	25	26	36	25
Literacy	24	26	23	31	30	29	17	18	21	26
Office Admin	22	23	22	27	24	26	20	17	20	20
Numeracy	21	23	22	22	28	26	15	20	20	22
IT Professional	17	13	13	21	26	16	15	17	25	10
Foreign languages	13	14	13	28	8	11	7	8	8	9

Source: UKCES (2010) National Employer Survey for England 2009, page 130

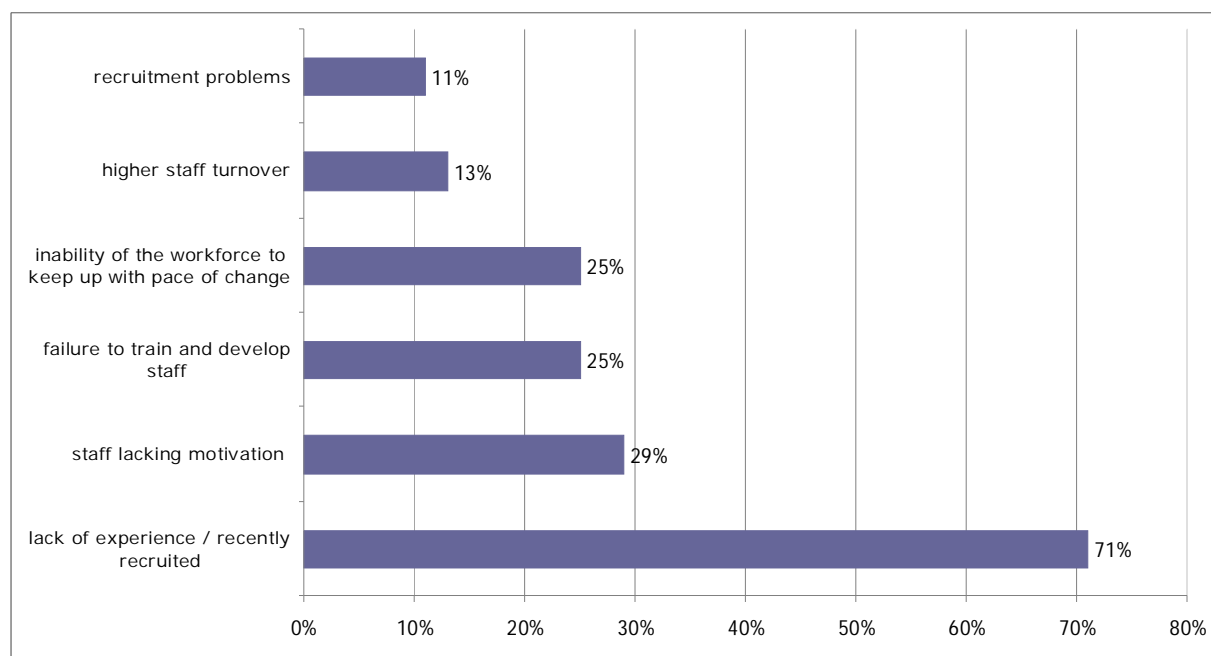
### 6.3.5 Reason for skills gaps

The main cause of skills gaps across all employers were a lack of experience / recently recruited, staff lacking motivation and a failure to train and develop staff. For managerial staff the second most common cause of skills gaps is the companies' own failure to train staff<sup>51</sup>.

<sup>51</sup> National Employer Skills Survey for England 2009: Main report, UK Commission for Employment and Skills, 2010, page 116

## 6. England – an overview

Figure 13: Main cause of skill gaps

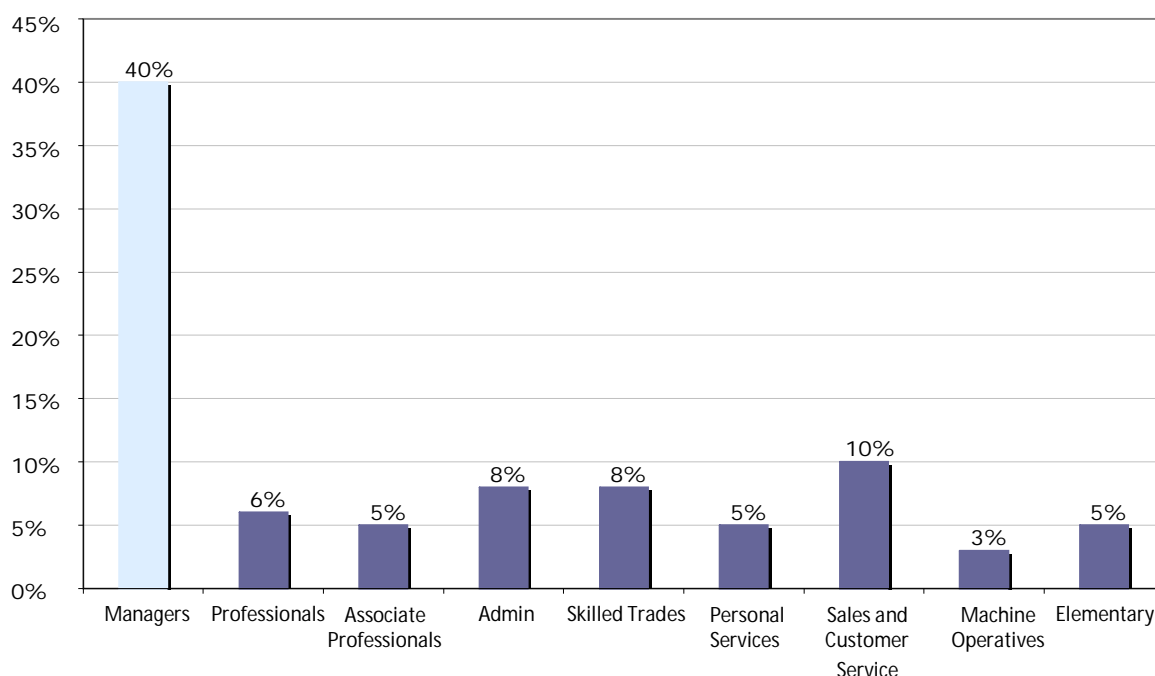


Source: UKCES (2010) National Employer Survey for England 2009, page 116

### 6.4 Future skill needs

By far the most common occupation reported for up skilling was managerial staff (40 per cent), followed by customer service staff (10 per cent), and then administrative and skilled trades positions (8 per cent).

Figure 14: Occupation needing upskilling



Source: UKCES (2010) National Employer Survey for England 2009, page 145

By SSC, in just four sectors managers were not selected as the occupation most affected by the need to up skill. Summit skills and IMI (where skilled trades occupations were the

## 6. England – an overview

most likely to be affected); Government Skills (where administrative skills were most likely to be identified); and Skill for Justice (where associate professional and administrative occupations were more likely to be identified); were the highest affected by the need to upskill than all other SSCs.

**Table 44: Occupation most needing up skilling by SSC**

SSC	Most mentioned	2 <sup>nd</sup> most mentioned	3 <sup>rd</sup> most mentioned
Lantra	Managers (44%)	Skilled trade (16%)	Elementary (8%)
Cogent	Managers (35%)	Sales and customer service (22%)	Machine operatives (13%)
Proskills	Managers (35%)	Skilled trade (15%)	Machine operatives (14%)
Improve	Managers (33%)	Machine operatives (18%)	Elementary (12%)
Skillsfast-UK	Managers (41%)	Sales and customer service (14%)	Machine operatives (9%)
SEMTA	Managers (33%)	Skilled trade (22%)	Machine operatives (10%)
Energy and Utility Skills	Managers (30%)	Machine operatives (18%)	Skilled trade (10%)
Constructions Skills	Managers (44%)	Skilled trade (16%)	Professionals (10%)
Summit Skills	Skilled trade (44%)	Managers (36%)	Associate professionals (4%)
IMI	Skilled trade (44%)	Managers (26%)	Sales and customer service (8%)
Skillsmart Retail	Managers (46%)	Sales and customer service (31%)	Admin/secretarial (4%)
People 1 <sup>st</sup>	Managers (46%)	Elementary (27%)	Sales and customer service (10%)
GoSkills	Managers (33%)	Machine operatives (25%)	Admin/secretarial (12%)
Skills for Logistics	Managers (40%)	Sales and customer service (18%)	Machine operatives and Admin/secretarial (10%)
Financial Services Skills Council	Managers (35%)	Sales and customer service (23%)	Admin/secretarial (16%)
Asset Skills	Managers (49%)	Admin/secretarial (16%)	Sales and customer service (12%)
E-skills UK	Managers (40%)	Associate professionals (15%)	Professionals (13%)
Government Skills	Admin/secretarial (26%)	Managers (13%)	Professionals (12%)
Skills for Justice	Associate professional (22%)	Admin/secretarial (21%)	Professionals (12%)
Lifelong Learning UK	Managers (35%)	Professionals (26%)	Admin/secretarial (13%)
Skills for Health	Managers (29%)	Personal services (19%)	Professionals (13%)
Skills for Care and Development	Managers (38%)	Personal services (31%)	Admin/secretarial (7%)
Skillset	Managers (47%)	Associate professionals (15%)	Admin/secretarial (6%)
Creative and Cultural	Managers (49%)	Associate professionals (11%)	Admin/secretarial (11%)
SkillsActive	Managers (45%)	Personal services (9%)	Admin/secretarial (9%)
Non-SSC employers	Managers (38%)	Personal services (12%)	Professionals (11%)

Source: UKCES (2010) National Employer Survey for England 2009, page 147-8

Across all occupation types, the skills most likely to need improving or updating were technical, practical and job specific skills. Following these: management skills, general IT



## 6. England – an overview

users, customer-handling, problem solving and team working were also cited as needing improving or updating.

It is anticipated that Managers are more likely than average to need to improve their management (45 per cent), general (41 per cent), professional level IT (27 per cent) and foreign language skills (12 per cent).

**Table 45: Skills needing up skilling by occupation**

(%)	Overall	Managers	Professionals	Associate Professionals	Administrative	Skilled trades	Personal services	Sales and Customer Service	Machine operatives	Elementary
<i>Un-weighted base</i>	52,119	19,480	4,362	3,348	4,503	5,561	3,051	6,246	2,444	3,124
<i>Weighted base (00s)</i>	937,597	414,256	62,479	50,718	81,603	87,090	51,189	106,057	28,365	55,841
Technical and practical skills	63	56	74	80	57	80	71	60	74	64
Management	38	45	41	36	32	26	34	39	20	30
General IT user	37	41	39	37	57	26	29	35	21	23
Customer-handling	37	30	28	35	37	31	48	63	29	57
Problem solving	35	33	33	37	34	36	42	42	33	41
Team working	35	30	31	31	30	31	54	45	37	54
Communication	32	27	27	33	34	26	48	45	30	47
Oral communication	27	22	22	25	27	22	42	40	25	43
IT Professional	24	27	35	33	35	16	13	17	9	11
Office Admin	23	24	17	17	39	14	18	26	12	15
Written communication	21	18	19	23	23	17	32	24	18	24
Numeracy	14	12	12	11	14	11	17	17	14	24
Literacy	13	10	12	12	14	12	22	15	13	21
Foreign languages	11	12	13	8	10	6	11	10	5	12

Source: UKCES (2010) National Employer Survey for England, page 151

## 7. Northern Ireland – an overview

This section provides an overview of the managerial workforce in Northern Ireland

### 7.1 Workforce profile and recruitment

#### 7.1.1 Recruitment difficulties by occupations

In 2008 there were 723,100 people employed in Northern Ireland, 17,400 vacancies of which 5,050 were difficult to fill and 3,100 were skill shortage vacancies.

Table 46 shows that managers have one of lowest shares of all vacancies in Northern Ireland (4 per cent). However difficult to fill vacancies for managers represent a relatively high proportion of the total number of vacancies for managers (38 per cent), as well as a relatively high proportion of SSVs (25 per cent). Vacancies are more likely to be difficult to fill for the managerial occupation and a lack of recruitment for the occupation is also more likely than average to be due to skill shortages.

**Table 46: Distribution of vacancies and density of difficulties by occupation (2008)**

	% Share of all vacancies	% Share of all DtfVs	% Share of all SSVs	%DtfVs as % of all vacancies	SSVs as % of all vacancies
<i>Northern Ireland</i>	100	100	100	29	18
Managers	4	6	6	38	25
Professionals	7	7	10	29	23
Associate professionals	13	15	17	33	24
Administrative staff	14	10	10	20	12
Skilled trade people	5	9	14	55	51
Personal service	16	22	24	40	26
Sales and customer service staff	20	16	6	24	5
Machine operatives	4	4	3	23	14
Elementary staff	15	11	10	20	12

Source: Northern Ireland Skills Monitoring Survey 2008, (2009), page 27

Vacancies for managers are only likely to be open for 2 weeks to 1 month compared to, for example Professionals where vacancies are more likely to be open for more than 6 months.

**Table 47: Length of time difficult to fill vacancies have been open**

(%)	Less than 2 weeks	2 weeks to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	More than 6 months
<i>Northern Ireland</i>	6	31	18	14	16	26
Managers	7	37	23	13	9	19
Professionals	8	11	1	28	13	40
Associate professionals	2	30	12	15	25	23
Administrative staff	5	15	30	6	21	31
Skilled trade people	2	43	8	7	22	22
Personal service	0	36	3	12	9	40
Sales and customer service staff	14	43	21	7	0	16
Machine operatives	0	21	15	21	36	7
Elementary staff	8	14	32	13	25	9

Source: Northern Ireland Skills Monitoring Survey 2008, (2009), page 28

#### 7.1.2 Reasons for recruitment difficulties

## 7. Northern Ireland – an overview

There are no explanations as to why there are difficulties for recruiting managerial staff in Northern Ireland. However, when reasons are provided for recruitment difficulties, the most common explanations are:

- Lack of required skills (28 per cent)
- Lack of required work experience (25 per cent)
- Low number of applicants (23 per cent)
- Low number of applicants with required attitude/motivation/personality (22 per cent)
- Lack of required qualification (19 per cent)

The extent to which these reasons also explain the difficulties faced with recruiting managerial staff will need to be explored further, in order to reduce the amount of vacancies that are both difficult to fill and are due to skill shortages.

### 7.2 Skills shortages

#### 7.2.1 Skills shortage by occupation

There is current no data on the particular skills lacking where skill shortage vacancies exist for the managerial occupation.

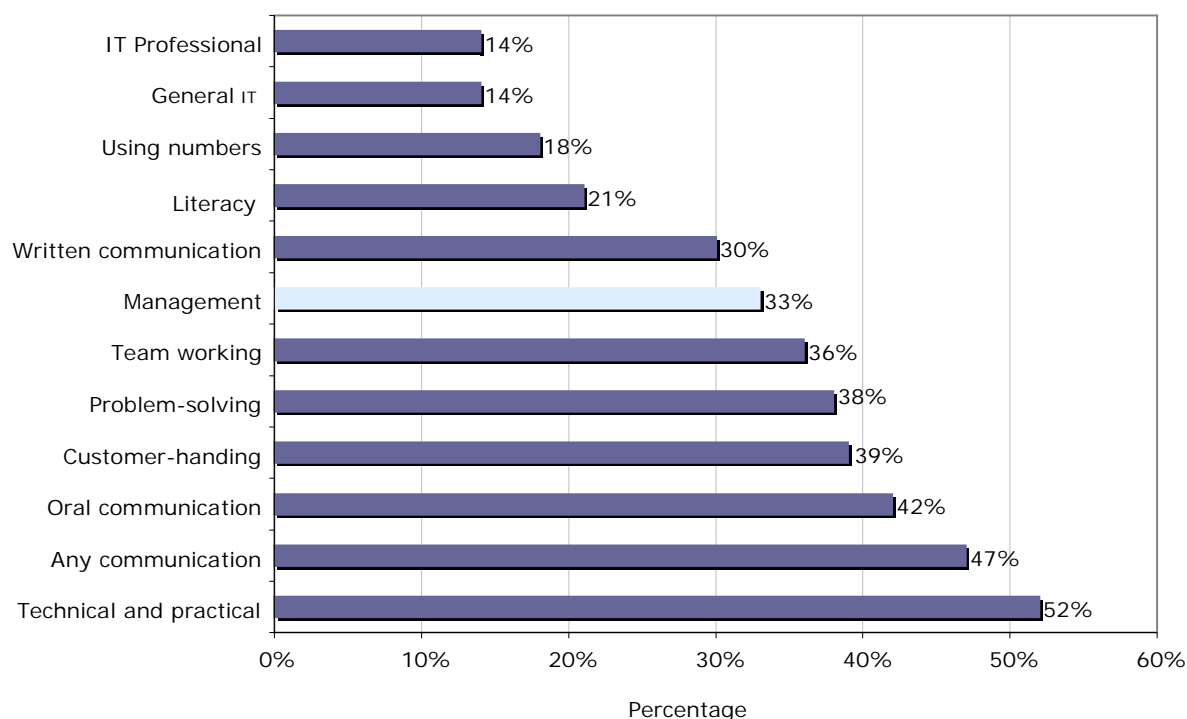
However evidence indicates that 33 per cent of employers felt that candidates lacked a sufficient level of management skills to fill a vacancy. This was lower than technical/practical skills (52 per cent) which employers indicated were the skills most lacking by candidates this was followed by communication (47 per cent), customer handling (39 per cent), problem solving (38 per cent) and team working skills (36 per cent)<sup>52</sup>.

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<sup>52</sup> *The Northern Ireland Skills Monitoring Survey 2008 Main Report, IFF Research, 2009, page 30, Department for Employment and Learning*

## 7. Northern Ireland – an overview

Figure 15: Skills lacking in skill shortage vacancies



Source: Northern Ireland Skills Monitoring Survey 2008, (2009), page 30

### 7.3 Skills Gaps

#### 7.3.1 Skills gaps by occupation

In absolute volume terms, levels of skills gaps broadly follow levels of employment, with the largest employing occupation also having the largest number of workers who are not proficient. Managers and senior officials have a fairly significant number of skills gaps (14 per cent) when compared to the Professional occupation with the least skills gaps (4 per cent).

Table 48: Skills gaps by occupation

(%)	Number of skills gaps (000s)	% share of skills gap	% share of employment	Skills gaps as % of total employment
<i>All occupations</i>	<i>58,700</i>	<i>100</i>	<i>100</i>	<i>8</i>
Managers and senior officials	8,000	14	14	8
Professionals	2,100	4	7	4
Associate professionals	4,300	7	8	7
Administrative staff	7,100	12	15	7
Skilled trade people	4,800	8	7	10
Personal service	3,500	6	9	5
Sales and customer service staff	10,900	19	13	12
Machine operatives	3,900	7	8	7
Elementary staff	14,000	24	19	10

Source: Northern Ireland Skills Monitoring Survey 2008, (2009), page 54

The share of skills gaps for managers is in line with their share of employment (14 per cent each).

## 7. Northern Ireland – an overview

As would be expected, the skills lacking for managers are closely related to the job. Management skills for example, are a factor for three quarters (75 per cent) of managers, followed by problem solving skills (58 per cent), team working (55 per cent) and oral communication (51 per cent).

**Table 49: Skills lacking by occupational group**

(%)	2008	Managers	Professionals	Associate Professionals	Administrative	Skilled trades	Personal services	Sales and Customer Service	Machine operatives	Elementary
Technical and practical	50	37	54	59	40	66	54	30	57	<b>40</b>
Customer-handling	57	43	39	60	59	32	56	69	25	<b>60</b>
Team working	47	55	30	39	41	36	44	48	47	<b>55</b>
Oral communication	50	51	42	56	45	27	59	54	44	<b>50</b>
Problem solving	60	58	52	52	56	59	55	58	49	<b>51</b>
Written communication	34	31	29	39	41	17	39	28	37	<b>26</b>
Management	36	<b>75</b>	<b>49</b>	38	38	21	18	28	8	<b>14</b>
General IT user	27	35	38	23	48	14	19	18	22	<b>10</b>
IT professional	21	29	27	31	34	9	12	10	11	<b>6</b>
Literacy	21	10	14	11	29	18	17	11	34	<b>21</b>
Numeracy	17	12	6	5	19	13	9	12	34	<b>21</b>
<i>Un-weighted numbers</i>	<i>1,186</i>	<i>298</i>	<i>71</i>	<i>120</i>	<i>328</i>	<i>176</i>	<i>107</i>	<i>299</i>	<i>115</i>	<i>292</i>

Source: Northern Ireland Skills Monitoring Survey 2008, (2009), page 56

There are also a number of skills which are lacking for managers and are higher than the national average. These are:

- Management skills (75 per cent)
- Team working (55 per cent)
- Oral communication (51 per cent)
- General IT user (35 per cent)
- IT professional (29 per cent)

Management skills, oral communication skills and team working skills are skills which are in need of particular improvement. They are skills that are lower than the national average and within the top 5 skills lacking for the management occupation.

Across occupations, management skills are the skills most lacking (in **blue**) for managers and the third largest skill lacking in the proficient occupation (in **red**)

### 7.3.2 Reasons for skills gaps

Employers were most likely to attribute skills gaps for managers due to the following:

- Lack of experience or staff being recently recruited (58 per cent)
- Insufficient training and development for staff (51 per cent)
- Training programmes partially completed (40 per cent)
- Inability of workforce to keep up with pace of change (40 per cent)

## 7. Northern Ireland – an overview

Table 50: Reasons for skills gaps by occupational group occupational group

(%)	2008	Managers	Professionals	Associate Professionals	Administrative	Skilled trades	Personal services	Sales and Customer Service	Machine operatives	Elementary
Lack of experience or staff being recently recruited	70	58	60	73	67	61	59	73	61	<b>64</b>
Insufficient training and development for staff	46	51	32	46	48	34	49	39	51	<b>44</b>
Training programmes only partially completed	45	40	36	41	42	44	54	44	39	<b>39</b>
Inability of workforce to keep up with change	33	40	35	19	31	20	21	35	38	<b>34</b>
Recruitment problems	17	17	14	13	12	10	19	18	14	<b>23</b>
High staff turnover	10	8	5	8	7	5	8	9	8	<b>18</b>
<i>Un-weighted numbers</i>	<i>1,186</i>	<i>298</i>	<i>71</i>	<i>120</i>	<i>328</i>	<i>176</i>	<i>107</i>	<i>299</i>	<i>115</i>	<i>292</i>

Source: Northern Ireland Skills Monitoring Survey 2008, (2009), page 58

This pattern follows the same line of reasoning with all employers in N.I, suggesting that a lack of experience is the most pressing problem for all employers regardless of the position in which they are recruiting for. However insufficient training and development for staff is more likely than average to be stated as a reason for skills gaps for the managerial occupation.

### 7.4 Future skill needs

Northern Ireland has a relative under-representation of managerial occupations due to a significant weakness in the occupational structure of the Northern Ireland economy.

When looking across sectors, Northern Ireland is short 50,000 managers and professionals short of what level would be expected if Northern Ireland had the same sectoral managerial and professionals concentrations as the UK average. However the shortage experienced is likely to be a function of higher end functions carried out in the regions firms<sup>53</sup>

<sup>53</sup> Oxford Economics / FGS Consulting. (2009), *Forecasting Future Skill Needs in Northern Ireland: Final report*, page XIX

## 8. Scotland – an overview

This section provides an overview of the managerial workforce in Scotland.

### 8.1 Recruitment difficulties

#### 8.1.1 Recruitment difficulties by occupations

There were 43,900 vacancies in Scotland in 2010, compared with more than 2 million employees. More than a quarter (35 per cent) of vacancies was considered hard-to-fill. Just over half (52 per cent) of the hard-to-fill vacancies occurred because of skill shortages. The remainder occurred because of either a low number of applicants, or because the applicant lacked the desired attitude, personality or motivation. Of the 43,900 vacancies, 8,000 were due to skill shortages equivalent to 18 per cent of vacancies. Thus where a vacancy exists in Scotland this is most likely hard-to-fill and due to a lack of skills by applicants.

**Table 51** illustrates the number of vacancies, hard-to-fill vacancies and skill shortage vacancies reported for each major occupational group in England.

**Table 51: Overall distribution of vacancies and recruitment difficulties by occupation**

	No of vacancies	No. of HtfVs	No. of SSV	HtfVs as a % of vacancies	SSVs as a % of vacancies	SSVs as a % of HtfVs vacancies
<i>All occupations</i>	<i>43,900</i>	<i>15,400</i>	<i>8,000</i>	<i>35%</i>	<i>18%</i>	<i>52%</i>
Managers and senior officials	1,300	600	*	46%	28%	60%
Professionals	3,800	1,100	*	26%	9%	34%
Associate professionals	4,700	1,500	900	31%	19%	60%
Administrative staff	4,200	*	300	27%	8%	28%
Skilled trade people	4,400	*	*	61%	43%	71%
Personal service	5,800	2,500	*	43%	21%	48%
Sales and customer service staff	7,000	1,100	*	16%	10%	68%
Machine operatives	3,300	2,000	*	61%	39%	63%
Elementary staff	7,100	2,400	800	22%	11%	34%

*\* Figures are suppressed as statistically unreliable*

*Source: Scottish Government Social Research. (2011), Skills in Scotland 2010, page 21*

Managers and senior officials have the lowest number of vacancies in Scotland. This means that when a vacancy is open in Scotland it is not likely to be for a managerial position. However when vacancies for managers are open they are more likely than average to be difficult-to-fill. 46 per cent of vacancies for managers are classified as difficult to fill; this is 11 per cent higher than average.

Vacancies for managers are also more likely than average to be due to candidates lacking the relevant skills to fill the position, 28 per cent of vacancies for managers were classified as a skill shortage vacancy. As a percentage of hard-to-fill vacancies, skill shortage vacancies make up 60 per cent of the total. This means that vacancies are difficult-to-fill for managers because candidates lack the necessary skills.

As such, there seems to be inadequate supplies of candidates in Scotland who have the necessary skills to fill managerial posts.

## 8. Scotland – an overview

### 8.1.2 Reasons for recruitment difficulties

Filling positions for managers is more difficult than average, and tends to be due to a lack of skill among potential candidates, with 60 per cent of all hard-to-fill vacancy being hard to fill because of a skills related issue. However, hard-to-fill vacancies also occur because of non-skill related issues. There is no data on the non skills related issues specifically affecting the recruitment of managers in Scotland. However the most common reasons for recruitment difficulties in Scotland are as follows:

- general shortage of suitable candidates (45 per cent)
- rural and unattractive location (15 per cent)
- unattractive terms and conditions of employment (12 per cent)
- wages offered are lower than those of other firms (9 per cent)
- too much competition from other Scottish employers (6 per cent)
- long/unsocial hours (6 per cent)
- problems with recruitment process (5 per cent)

The extent to which this reflects the recruitment difficulties for managers is unknown.

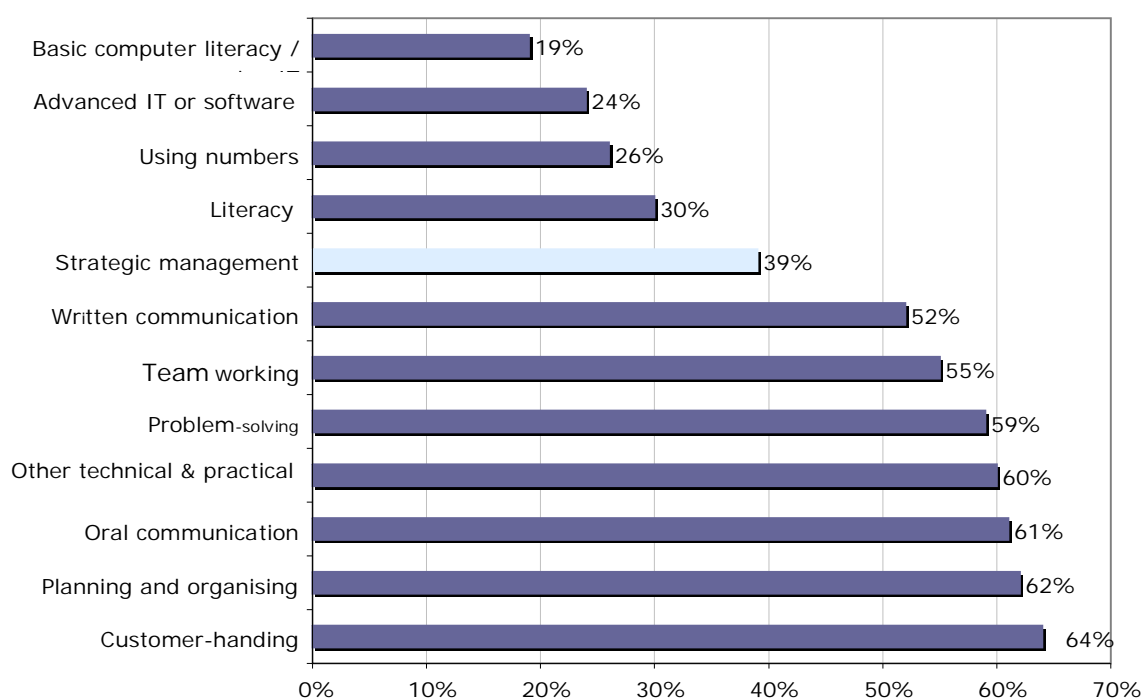
## 8.2 Skills shortages

### 8.2.1 Skill shortages by occupations

There is no current data on the specific skills lacking by candidates seeking to fill a managerial vacancy.

However the overall picture of skills lacking by candidates in Scotland puts strategic management skills as the 8<sup>th</sup> most lacking skill. The skills most lacking by candidates in Scotland can be seen in the figure below.

**Figure 16: Skills lacking within skill shortages**



Source: Scottish Government Social Research. (2011), *Skills in Scotland 2010*. page 22



## 8. Scotland – an overview

The low position of strategic management skills may be a reflection of the low number of managerial vacancies present in Scotland and the extent to which these skills are lacking by candidates looking to fill managerial positions will need to be explored by further research.

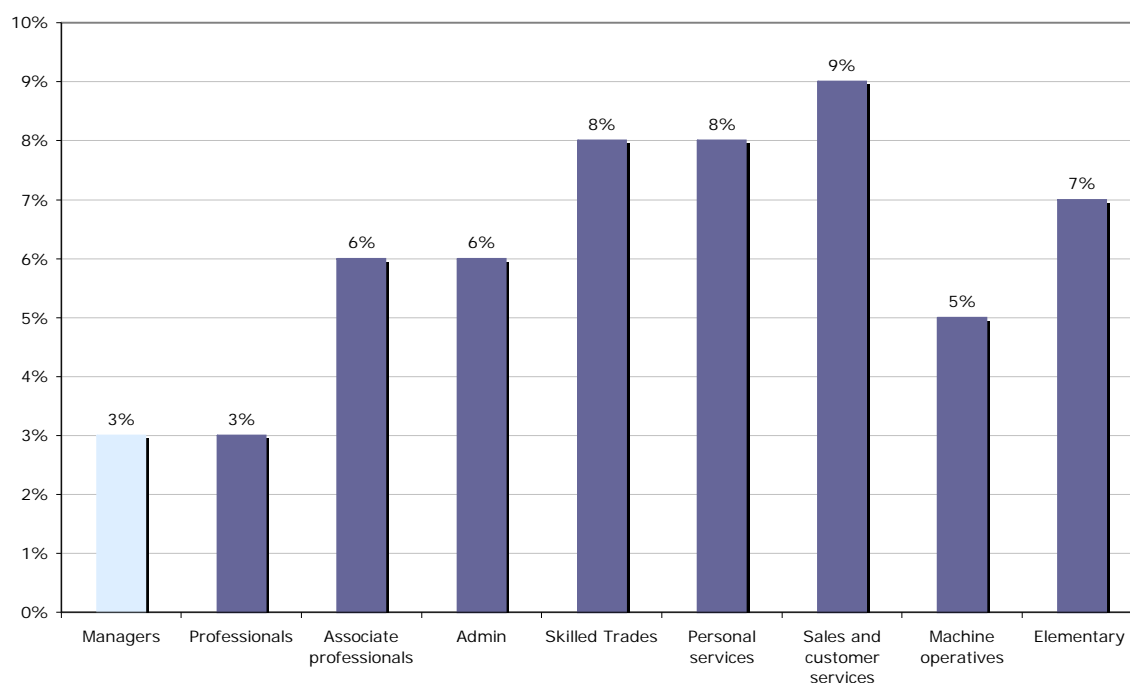
### 8.3 Skills gaps

#### 8.3.1 Skill gaps by occupation

In 2010, 6 per cent or 139,100 employees were affected by skills gaps in Scotland.

**Figure 17** illustrates that only 3 per cent of the managerial workforce has an identifiable skills gap. This is the lowest of all occupational groups (with the exception of Professional which is also 3 per cent). The trend of skill gaps shows that a higher proportion of workers have skills gaps amongst those occupations which generally require lower level of skills and qualifications. In contrast, higher level occupations such as managers and senior officials have a lower level of skills gaps.

**Figure 17: Skills gaps as a proportion of employees by occupation**

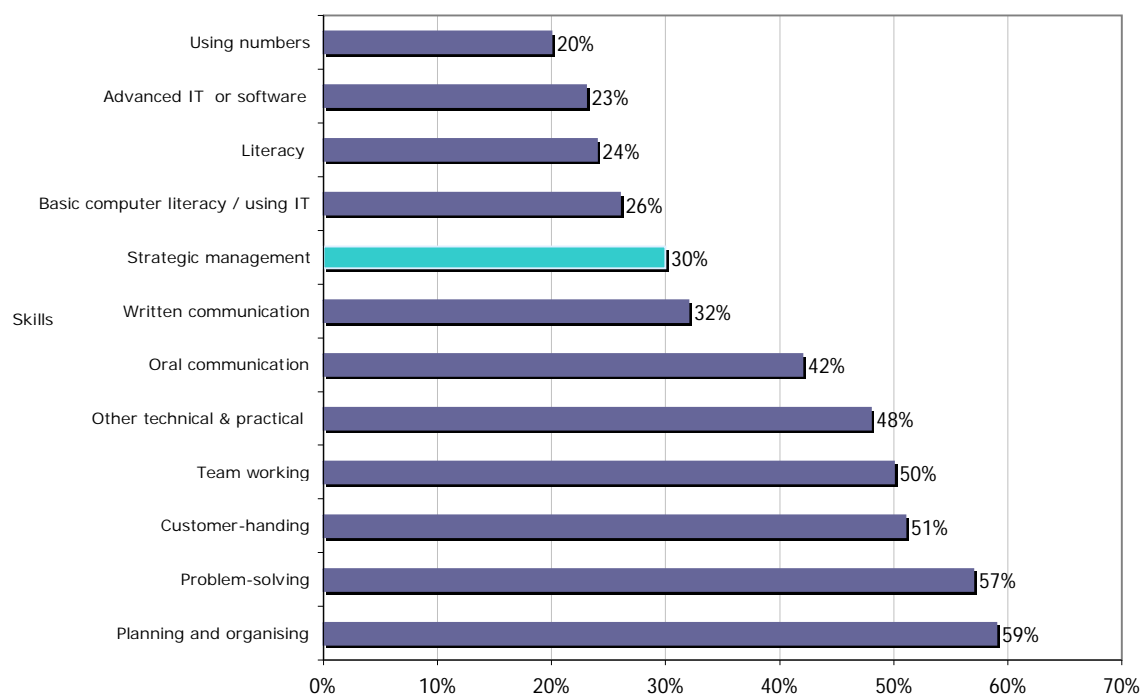


Source: Scottish Government Social Research. (2011), *Skills in Scotland 2010*, page 28

There is no information on which specific skills managers are lacking. However the graph below (**Figure 18**) shows that skills gaps mainly occur because of a weakness in softer skills. Only 30 per cent of employers said that their staff lacked proficiency with the higher level skills of strategic management. One possible reason for this is that such a high level skill is not a necessary skill for the entire workforce, whilst the softer skills are more widespread. Thus the low number of reported skills gaps for strategic management skills could represent the low density of staff that are required to have this skill.

## 8. Scotland – an overview

Figure 18: Skills lacking among employees with skills gaps



Source: Scottish Government Social Research. (2011), *Skills in Scotland 2010*, page 30

### 8.3.2 Reasons for skills gaps

While there is no explanation for why there are skills gaps for the managerial occupation. The top 5 reasons for skills gaps in Scotland are:

- People not being in their job long enough (61 per cent)
- Training programmes only partially completed (47 per cent)
- Insufficient training and development for staff (37 per cent)
- Workforce finding it difficult to keep up with change (27 per cent)
- Recruitment problems (18 per cent)

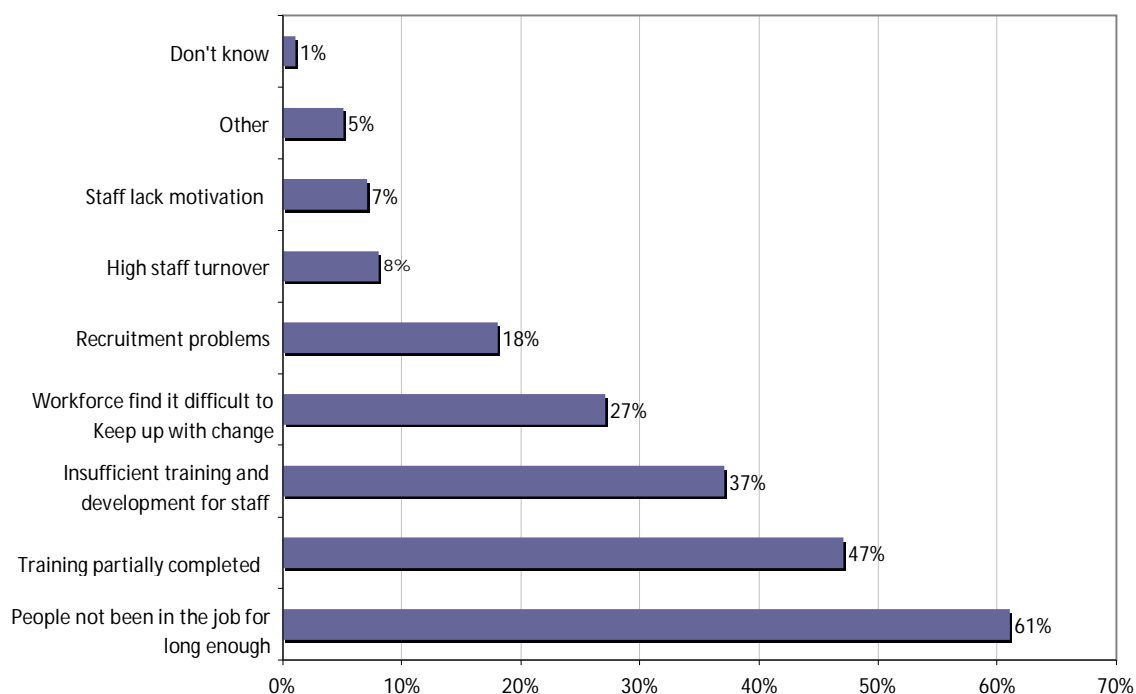
### 8.3.3 Effects of skill gaps

Reducing the number of skills gaps in Scotland is important, as skills gaps effect an organisation in a number of ways. In Scotland skills gaps are likely to effect an organisation by:

- Making it difficult to meet customer objectives (63 per cent)
- Making it difficult to meet required quality standards (53 per cent)
- Increasing operating/running costs (49 per cent)
- Making it difficult to introducing new working practices (43 per cent)
- Loss of business or orders to competitors/ delays in developing new products and services (36 per cent)
- Making it difficult to introduce technological change (24 per cent)
- Making them withdraw from offering certain products or services (18 per cent)

## 8. Scotland – an overview

Figure 19: Reason for employee having skills gaps



Source: Scottish Government Social Research. (2011), *Skills in Scotland 2010*, page 29

### 8.4 Future skill needs

There is no specific indication of what skills will be needed by managers in Scotland in the future. However, the information above tells us that there is a real difficulty with recruiting candidates into managerial positions. Candidates in the job market do not appear to have the necessary skills needed to fill managerial positions.

As such, there is a clear need to focus on identifying the specific skills lacking for managers and ensuring that those recruited into the position are suitably skilled. This will not only reduce the number of skill shortage vacancies but also work toward reducing the number of skills gaps that managers have.

## 9. Wales – an overview

This section provides an overview of the managerial workforce in Wales.

### 9.1 Occupations in Wales

Managers & senior official occupations account for 13 per cent of employment in Wales, behind professionals and sales and customer service occupations who each account for 14 per cent of employment.

There is an even distribution of managers across Wales, with a slightly higher managerial population in Mid Wales (15 per cent).

**Table 52: Occupational profile by region**

(%)	Total	North	Mid	SE	SW
<i>Unweighted base</i>	<i>158,0601</i>	<i>37,113</i>	<i>12,008</i>	<i>75,555</i>	<i>33,384</i>
<i>Weighted</i>	<i>1,083,795</i>	<i>228,350</i>	<i>75,470</i>	<i>558,970</i>	<i>221,004</i>
Managers & senior officials	13	13	15	13	13
Professionals	14	11	13	14	16
Associate professionals	7	7	7	6	8
Administrative & secretarial	11	9	10	12	10
Skilled trades	8	9	7	8	8
Personal services	8	8	10	8	9
Sales & customer service	14	15	15	14	14
Transport & machine operatives	12	14	10	13	9
Elementary occupations	12	13	13	12	13

Source: *Future Skills Wales (2006)*, page 27

Recent statistics indicate that managers and proprietors in other services industries (e.g. shopkeepers) is one of the top 10 fastest declining occupations in Wales. In 2004 there were 24,700 managers in employment; by 2009 the number fell by 6,000 to 18,700<sup>54</sup>. By 2020 the number of managers required in Wales is expected to reach 65,000<sup>55</sup>.

### 9.2 Recruitment difficulties

#### 9.2.1 Recruitment difficulties by occupation

There were 37,875 vacancies in Wales in 2005 a fall from 50,391 vacancies in 2003. 2005 also saw a fall in the number of hard-to-fill vacancies and skill-shortage vacancies from the 2003 figures.

In Wales, more vacancies were classified as hard-to-fill vacancy (13,242) than a skill shortage vacancy (5,405).

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<sup>54</sup> UK Commission for Employment and Skills, UKCES. (2011a), *Skills for Jobs: The national strategic skills audit for Wales 2011*, page 10,

<sup>55</sup> UK Commission for Employment and Skills, UKCES. (2011b), *Working Futures 2010-2020: Evidence report 41 - December 2011*. UK Commission for Employment and Skills, page 187

## 9. Wales – an overview

**Table 53: Recruitment difficulties in Wales by year**

(%)	Wales 2003	Wales 2005
per cent establishments with vacancies	25	21
per cent establishments with hard-to-fill vacancies	15	10
per cent establishments with skill shortage vacancies	9	4
Number of vacancies	50,931	37,875
Number of hard-to-fill vacancies	20,492	13,242
Number of skill shortage vacancies	11,115	5,405
Vacancies as per cent of employment	4.9	3.5
Hard-to-fill vacancies as a per cent of employment	2	1.2
Skill shortage vacancies as a per cent of employment	1.1	0.5

Source: *Future Skills Wales (2006)*, page 32

The table below shows recruitment difficulties by occupational group. Managers and senior officials accounted for 13 per cent of all employment in 2005; 3 per cent of HtfVs and 5 per cent of SSVs. Although Managers and senior officials have one of the highest shares of employment, they have the lowest share of HtfVs and SSVs suggesting that there are few recruitment problems for this occupational group in Wales. However when vacancies occur for managers in Wales they are likely to be identified as a skill shortage vacancy rather than a hard-to-fill vacancy.

**Table 54: Recruitment difficulties by occupation**

(%)	% share of total employment	% share of hard-to-fill vacancies	Total hard-to-fill vacancies as % of employment	% share of skill shortage vacancies	Total skill shortage vacancies as % of employment
<i>All occupations</i>	99	99	*	99	*
Managers and senior officials	13	3	*	5	*
Professionals	14	6	1	8	*
Associate professionals	7	15	3	23	2
Administrative staff	11	5	1	4	*
Skilled trade people	8	18	3	26	2
Personal service	8	13	2	9	1
Sales and customer service staff	14	12	1	8	*
Machine operatives	12	9	1	10	*
Elementary staff	12	18	2	6	*
note some columns do not add up to 100 due to rounding					
* less than 0.5%					

Source: *Future Skills Wales (2006)*, page 40

### 9.2.2 Reasons for recruitment difficulties

The most common causes of HtfVs for Managers and senior officials in Wales are as follows:

- Lack of skills the organisation demands (44 per cent)
- Lack of work experience (21 per cent)
- Low number of applicants (20 per cent)
- Other<sup>56</sup> (16 per cent)
- Wages lower than other firms (13 per cent)

<sup>56</sup> Other has not been specified

## 9. Wales – an overview

This finding indicates that there is a problem with the current supply of candidates. Those who apply for managerial positions not only lack the necessary skills but also the necessary experience. Therefore there needs to be more work done in the current supply of managerial candidates to ensure that they are developing the right skills for the working environment. Greater communication between businesses and educational establishments may help in alleviating this issue, as well as an increase in the number of businesses who offer apprenticeships.

**Table 55: Reasons for HtFVs by occupation**

	Total	Managers and senior officials	Professionals	Associate professionals	Administrative	Skilled trade	Personal service	Sales and customer service	Machine operatives	Elementary staff
<i>Unweighted</i>	1,543	**54	103	224	**90	258	176	195	230	208
<i>Weighted</i>	12,743	374	752	1,973	686	2,343	1,606	1,601	1,133	2,236
Lack of skills the organisation demands	28%	44%	42%	39%	13%	45%	15%	19%	36%	13%
Lack of qualifications	14%	11%	21%	27%	12%	23%	12%	1%	9%	5%
Lack of work experience	14%	21%	12%	17%	13%	26%	11%	9%	13%	7%
Low number of applicants with required attitude, etc	19%	9%	12%	11%	23%	24%	19%	32%	8%	19%
Not enough people interested in job type	27%	10%	25%	29%	22%	26%	28%	11%	29%	38%
Low number of applicants generally	15%	20%	11%	15%	8%	27%	10%	13%	6%	15%
Wages lower than other firms	9%	13%	15%	6%	8%	6%	12%	1%	18%	12%
Benefits trap/problem with benefits	3%	-	1%	-	2%	1%	3%	2%	1%	8%
Location of firm/poor transport	11%	13%	18%	12%	6%	12%	14%	3%	3%	17%
Unattractive/poor terms and conditions	4%	-	3%	2%	7%	2%	4%	7%	3%	5%
Poor career progression	1%	-	-	*	6%	*	4%	2%	1%	1%
Long hours/ shift work	13%	10%	*	5%	7%	7%	14%	14%	21%	25%
Competition from other employers	4%	6%	1%	5%	-	5%	3%	6%	4%	5%
Other	2%	16%	2%	1%	1%	*	5%	2%	2%	*
No particular reason	1%	-	-	-	5%	2%	-	-	1%	-
Don't know/not stated	5%	2%	-	2%	7%	6%	8%	6%	5%	5%

*Small base (less than 100)*

\* less than 0.5% - denotes zero

Source: Future Skills Wales (2006), page 43

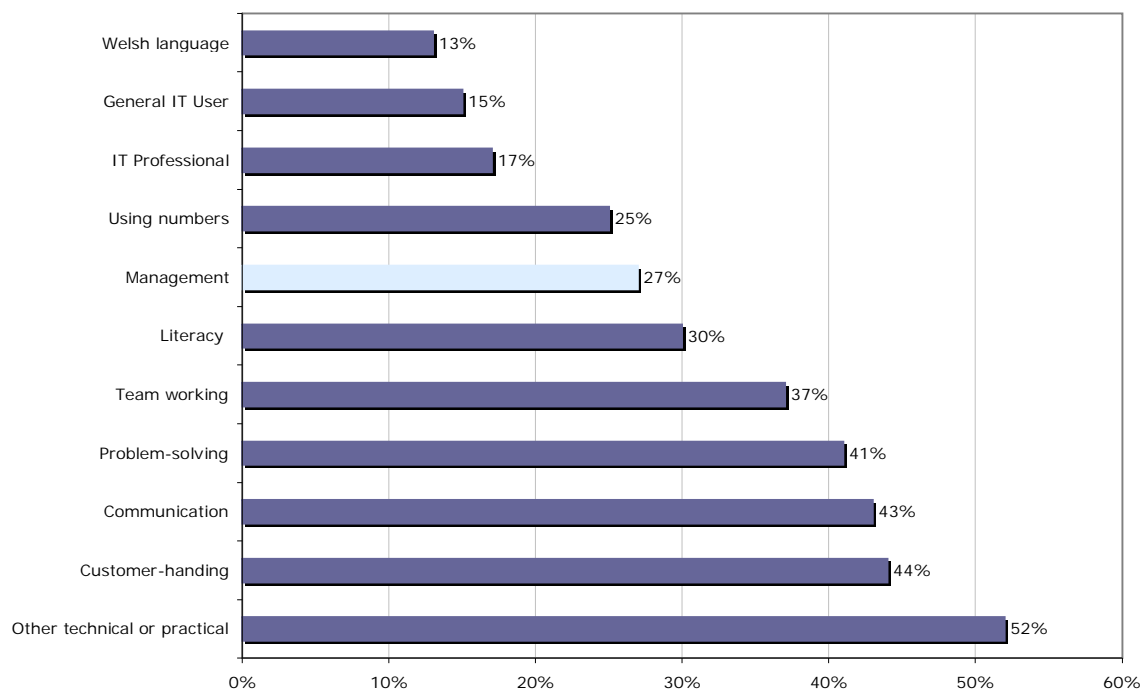
### 9.3 Skills shortages

#### 9.3.1 Skill shortages by occupations

**Figure 20** shows the skills most lacking in skill shortage vacancies. Management skills are the 6<sup>th</sup> most lacking skill (27 per cent) for individuals in Wales, behind other technical or practical skills which were the skills lacking by most candidates (52 per cent).

## 9. Wales – an overview

Figure 20: Skills sought in connection with skills shortage vacancies



Source: *Future Skills Wales (2006)*, page 48

The most up to date employer survey for Wales is the 2005 Future Skills Wales survey. There is no data available for the skills required for skill shortages vacancies for managers as the un-weighted base size was <50.

### 9.4 Skills gaps

#### 9.4.1 Skill gaps by occupation

18 per cent of establishments in Wales in 2005 reported that they employed staff whom they considered not fully proficient. The occupational category with the highest incidence of skills gaps were Sales and Customer Service (10 per cent). By comparison, manager and senior officials had disproportionately fewer skills gaps relative to the proportion of people employed in the occupation (3 per cent). As with England and Scotland, skills gaps are more likely to occur in occupations requiring less in terms of technical skills, rather than the more highly skilled jobs.

## 9. Wales – an overview

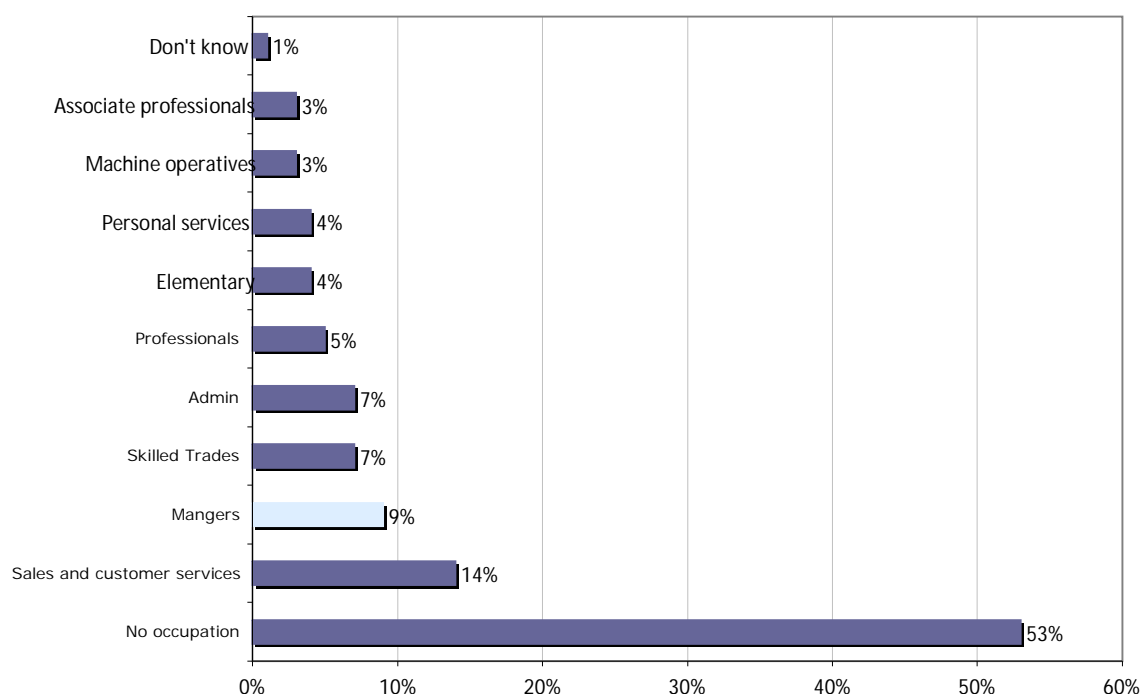
**Table 56: Skills gaps by occupation**

	Total employment (000s)	Number of skills gaps (000s)	Total number of employees with skills gaps as a proportion of total employment
Managers and senior officials	139,653	4,798	3
Professionals	147,330	4,290	3
Associate professionals	75,004	3,141	4
Administrative staff	117,897	5,873	5
Skilled trade people	91,044	6,109	7
Personal service	90,916	5,591	6
Sales and customer service staff	155,427	15,431	10
Machine operatives	132,414	11,146	8
Elementary staff	134,109	7,426	6
<i>Un-weighted base: 10,157</i>			
<i>Weighted 63:803</i>			

Source: *Future Skills Wales (2006)*, page 62

A further analysis of the skills gaps showed that just over half of employers at that time (53 per cent) said that no occupation was critical in terms of holding back business objectives. However, a small percentage of those who reported skills gaps at that time (9 per cent) stated that manager and senior officials were critical in holding back business objectives.

**Figure 21: Occupation with skills gap effecting business objectives**



Source: *Future Skills Wales (2006)*, page 63

52 per cent of employers stated that employees lacked other technical or practical skills. A close examination of these by occupation revealed that over 10 per cent of staff in each occupational group was lacking a number of skills. It should be noted that some of these skills were generic and technical and practical skill were defined as 'skills specific



## 9. Wales – an overview

to that job or industry'. For managers and senior officials the following skills were lacking:

- Communication and interpersonal skill (28 per cent)
- Other (16 per cent)
- Finance/accounts/booking (13 per cent)

**Table 57: Other technical and practical skills lacking by occupational group**

(%)	Managers	Professionals	Associate Professionals	Administrative	Skilled trades	Personal services	Sales and Customer Service	Machine operatives	Elementary
<i>Un-weighted base</i>	<i>293</i>	<i>261</i>	<i>230</i>	<i>204</i>	<i>602</i>	<i>326</i>	<i>825</i>	<i>821</i>	<i>478</i>
<i>Weighted base</i>	<i>1,627</i>	<i>1,571</i>	<i>1,497</i>	<i>1,354</i>	<i>3,320</i>	<i>2,640</i>	<i>5,107</i>	<i>4,852</i>	<i>2,906</i>
Product knowledge	7	-	-	2	6	-	13	18	4
IT/computer skills	5	3	14	18	1	17	4	-	6
Technical procedures	1	7	3	2	1	15	4	-	1
Trade skills/ building/ electrical/ construction	-	1	-	-	26	1	-	-	1
Equipment handling/ training	2	9	11	-	3	3	4	63	11
Finance /account/ book keeping	13	6	11	16	-	-	1	-	-
Communication/ interpersonal	28	-	1	11	-	-	5	1	4
Further qualifications	-	1	6	2	3	18	-	-	-
Sales / marketing	7	-	-	-	-	-	15	-	-
Customer service / handling	2	1	3	-	3	3	14	1	4
Job specific	3	8	4	2	1	-	6	1	3
Food/bar/hospitality	2	-	-	-	3	5	4	1	12
Training	-	8	11	-	1	2	7	3	1
Software / programming / databases	3	21	1	10	3	1	-	1	2
Care mechanic / repair skills	1	-	-	-	3	-	-	19	-
other	16	6	9	3	5	3	9	4	13
Don't know / no answer	<b>13</b>	<b>4</b>	<b>22</b>	<b>11</b>	<b>17</b>	<b>13</b>	<b>9</b>	<b>12</b>	<b>18</b>

- denotes zeros.

Source: *Future Skills Wales (2006), page 70*

### 9.4.2 Skill gaps by sector

There is currently no data available on the number of skills gap for managers by sector. However, the sectors where management skills were most common were:

- Production
- Banking/ insurance/ other financial services
- Hotel/catering

## 9. Wales – an overview

**Table 58: Most common types of skills gaps by sector**

Type of skills gap	Most common in:
Communication skills	Transport/communication, Production, Wholesale/Retail
Customer handling skills	Hotels/Catering, Wholesale/Retail
Team working	Hotels/Catering, Other Service, Production
Problem solving skills	Construction, Hotels/Catering
Technical and practical skills	Production, Other Services, Construction
General IT user skills	Public Admin/Education/Health, Banking/Insurance/Other Financial Services
Management skills	Production, Banking/Insurance/Other Financial, Hotel/Catering
Literacy	Public Admin/Education/Health, Construction
Using numbers	Hotels/Catering, Other Services
IT professional skills	Public Admin/Education/Health, Banking/Insurance/Other Financial Services
Welsh language skills	Public Admin/Education/Health, Hotels/Catering
Work experience	Public Admin/Education/Health, Banking/Insurance/Other Financial Services
Sales/marketing skills	Transport/Communication
Time management/keeping	Hotels/Catering
Motivation/behaviour	Hotels/Catering

*Source: Future Skills Wales (2006), page 65*

### 9.5 Future skill needs

There is no specific indication of what skills will be needed by managers in Wales in the future. However, the information above tells us that managers will need to develop the following:

- technical/practical skills
- communication/interpersonal skills,
- finance/account/book keeping and 'other' skills

Interestingly these are skills which are stated to be important in leading an organisation out of a downturn. As such it is especially important that these skills are developed through training to ensure that organisations in Wales are equipped to survive during this time of economic uncertainty.

## 10. Leadership and Management and the UK economy

### 10.1 Occupational change and employment projections

In 2010, managers, directors and senior officials accounted for 10.2 per cent of total employment in the UK, with London (21.1 per cent) and the South East (11.8 per cent) accounting for higher than average proportions. The table below shows the projected change in total employment for managers, directors and senior officials in the UK.

88.6 per cent of the growth in the UK is expected to take place in England with over half of the growth projected to occur in London (16.9 per cent), the South East (18.3 per cent), the East of England (11.2 per cent) and the South West (11.0 per cent).

Only 5.6 per cent of the growth is estimated to take place in Scotland, 3.3 per cent in Wales and 2.3 per cent in Northern Ireland.

Despite the low percentage of growth in Northern Ireland, it is predicted that Northern Ireland would have the fastest rate of growth than any other country (19.1 per cent) across the UK. Scotland has been predicted to have the lowest (13.9 per cent) rate of growth. Across English regions, the fastest rate of growth for managers is likely to be in the South East (20.9 per cent), East of England (21.0 per cent) and York & the Humber (20.0 per cent). The slowest rate of growth is expected to occur in the North East.

**Table 59: Projected change in total employment for managers, 2010 - 2020**

	All Persons			Male			Female		
	Change in (000s)	% change	% annum change	Change in (000s)	% change	% annum change	Change in (000s)	% change	% annum change
<i>United Kingdom</i>	544	18.0	1.7	224	11.1	1.1	320	32.0	2.8
London	92	17.0	1.6	37	10.3	1.0	55	30.0	2.7
South East	100	20.9	1.9	41	12.8	1.2	58	37.4	3.2
East of England	61	21.0	1.9	18	9.1	0.9	43	45.4	3.8
South West	60	22.9	2.1	28	16.2	1.5	32	35.8	3.1
West Midlands	38	16.8	1.6	11	7.5	0.7	27	35.0	3.0
East Midlands	36	17.1	1.6	21	14.1	1.3	15	24.2	2.2
Yorks & the Humber	45	20.0	1.8	17	11.5	1.1	28	36.8	3.2
North West	39	13.4	1.3	12	6.4	0.6	27	27.6	2.5
North East	11	11.9	1.1	6	9.8	0.9	5	16.1	1.5
England	482	18.4	1.7	192	10.9	1.0	290	33.5	2.9
Wales	18	16.8	1.6	10	12.8	1.2	8	25.7	2.3
Scotland	31	13.9	1.3	17	11.9	1.1	14	17.6	1.6
Northern Ireland	13	19.1	1.8	6	12.7	1.2	7	33.1	2.9

*UK Commission for Employment and Skills, UKCES. (2011b), Working Futures 2010-2020: Evidence report 41 - December 2011. UK Commission for Employment and Skills. page 182*

Looking at the change in employment patterns for men and women. It is possible to see that the rate of growth for female managers is faster than that for male managers. The rate of employment growth for female managers is more likely to occur in the South East (37.4 per cent), Yorks & the Humber (36.8 per cent) and the East of England (45.4 per cent). For male managers, the rate of employment growth is expected to be highest in the South West (16.2 per cent) and the East Midlands (14.1 per cent).

### 10.2 Replacement and expansion demand

The table below shows the replacement demand and expansion demand of the managerial workforce. In total the managerial occupation is expected to expand with a need for an extra 544,000 new managerial positions, and the need to replace 1.3 million workers who leave the occupation.

## 10. Leadership and Management and the UK economy

The regional distribution of expansion demand indicates that England (88.6 per cent) will see the highest increase in the need for managers and Northern Ireland (2.3 per cent) the least. Across regions, the South East (18.3 per cent) and London (16.9 per cent) will see the greatest number of expansion demand.

Replacement demand follows a similar pattern as expansion demand, with England (86.6 per cent), London (17.9 per cent) and the South East (15.7 per cent) seeing the greatest demand and Northern Ireland (2.3 per cent) the least.

**Table 60: replacement and extension demand for managers, 2010 - 2020**

	Expansion demand (000s)		Replacement demand (000s)		Overall requirement (000s)	
	Managers	All Occs	Managers	All Occs	Managers	All Occs
<i>United Kingdom</i>	<i>544</i>	<i>1,550</i>	<i>1,306</i>	<i>12,319</i>	<i>1,850</i>	<i>13,869</i>
London	92	355	235	1,882	327	2,237
South East	100	250	206	1,701	306	1,951
East of England	61	201	125	1,138	186	1,339
South West	60	197	116	1,046	176	1,243
West Midlands	38	109	96	1,021	134	1,130
East Midlands	36	101	91	842	127	943
Yorks & the Humber	45	79	98	995	143	1,073
North West	39	87	126	1,336	165	1,422
North East	11	4	38	462	49	466
England	482	1,383	1,132	10,422	1,614	11,805
Wales	18	71	47	539	65	610
Scotland	31	51	96	1,024	127	1,075
Northern Ireland	13	44	31	334	44	379

*UK Commission for Employment and Skills, UKCES. (2011b), Working Futures 2010-2020: Evidence report 41 - December 2011. UK Commission for Employment and Skill, page 187*

Expansion demand for managers is expected to account for 35.0 per cent of all expansion demand, and 10.5 per cent of all replacement demand in the UK. Within this group, the corporate manager's category has been the main source of employment growth historically and it expected to continue to grow over the coming years. This is despite the amendment to the occupational classification, which has aimed to tighten up the definition of what constitutes a managerial job. The other category within this group is other managers & proprietors. This category has also experienced steady growth in the past decade. This is expected to accelerate over the coming decade.

**Table 61: replacement and extension demand for managers, 2010 - 2020**

	All occupations	Corporate managers and directors	Other managers and proprietors
Base employment level (2010)	30,458	2,015	1,000
Expansion demand	1,550	391	153
% of base	5.1	19.4	15.3
Replacement demand (retirements & mortality)	12,319	834	472
% of base	40.4	41.4	47.2
Net requirements (exc occupational mobility)	13,869	1,226	625
% of base	45.5	60.8	62.5

*UK Commission for Employment and Skills, UKCES. (2011b), Working Futures 2010-2020: Evidence report 41 - December 2011. UK Commission for Employment and Skills, page 98*

## 11. Leadership and Management in the Recession

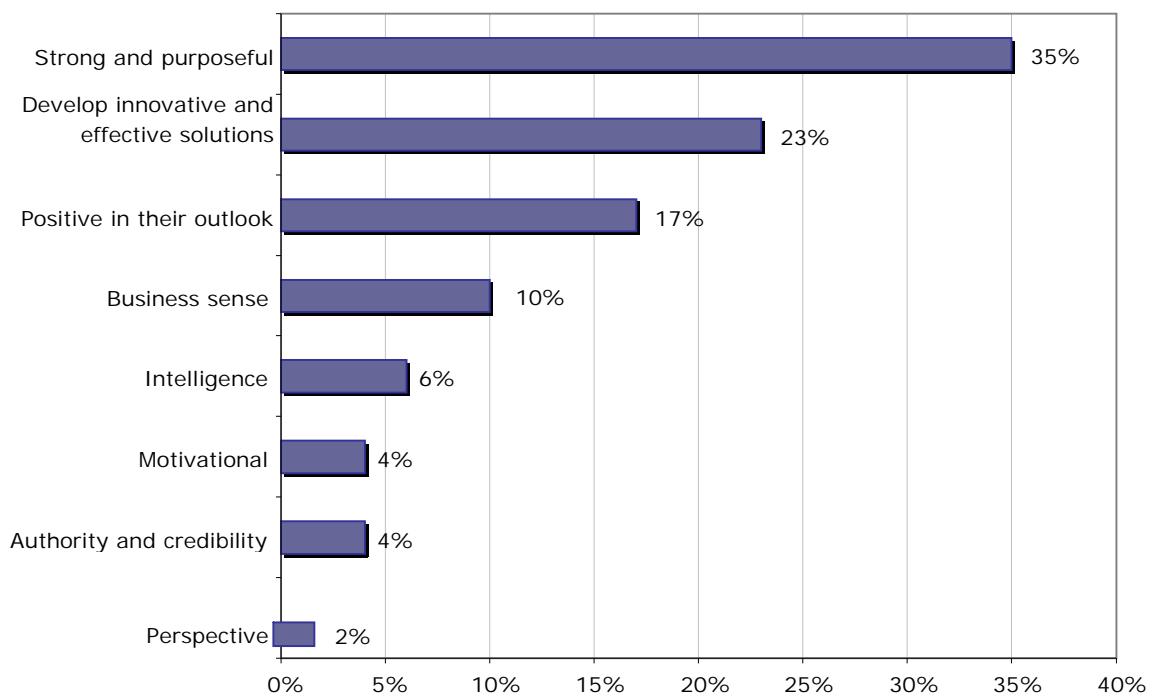
Back in 2010, official figures showed that the UK emerged from the recession after the UK economy grew by 0.1 per cent in the last three months of 2009. At the height of the recession all sectors of the economy showed lower levels of productivity and despite signs of improvement, gross domestic product (GDP) has failed to return to pre-recession levels. Some commentators have suggested that the UK may experience a 'double dip', returning to the recession after a short period of slow growth<sup>57</sup>. While this may or may not be the case, it is evident that managers are operating in an extremely volatile situation. Therefore to ensure that organisations in the UK remain resilient during this time of economic uncertainty, UK managers must possess the necessary skills, knowledge and personal characteristics to make a difference.

This section presents important skills, knowledge and behaviours for the current and future circumstances that managers may face in managing and leading their business out of this economically uncertain time.

### 11.1 Personal Characteristics

The most important personal characteristics a manager should have during times of economic uncertainty are presented in **Figure 22**. Over a third (35 per cent) of employees believe that their managers should have a strong, purposeful approach, while 23 per cent stated that they should be able to develop innovative and effective solutions to problems and 17 per cent said they should have a positive outlook.

**Figure 22: Important personal characteristics in a recession**



Source: Institute of Leadership and Management, ILM. (2009). *Delivering in a downturn: What does it take?*, Page 8

<sup>57</sup> *Recession and Recovery*, UK Parliament, 2012, <http://www.parliament.uk/business/publications/research/key-issues-for-the-new-parliament/economic-recovery/recovery-from-recession/>

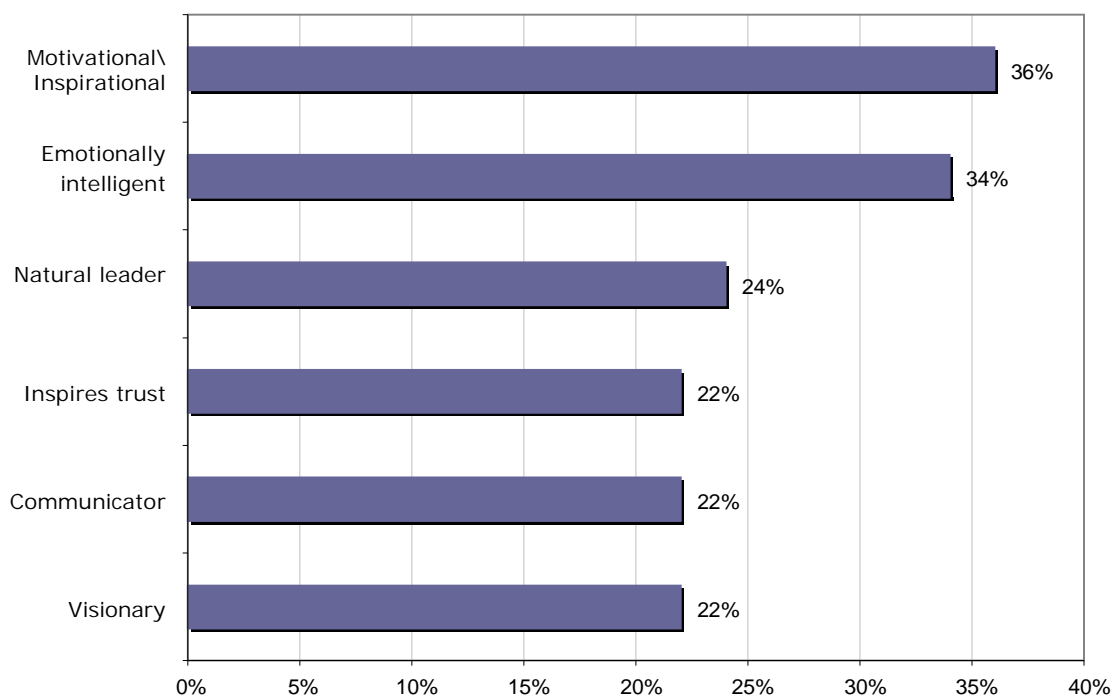
## 11. Leadership and Management in the Recession

It is believed that a strong, purposeful approach, demonstrated by the following personal characteristics of drive, resilience, tenacity, discipline, commitment and initiative is essential for moving the business forward, overcoming obstacles and making the most out of opportunities<sup>58</sup>.

Likewise, in order to develop innovative solutions, managers need to be flexible, creative, problem solving and pragmatic. In a time of economic uncertainty when budgets come under constraint, temptation may be to cut back on innovation; however innovation and creativity often lead to competitive advantages while the need for flexibility enables managers to shift more quickly in changing times<sup>59</sup>.

Looking ahead to the future ILM's research on creating future leaders indicted that future managers needed to be visionary, motivational and inspiring people who are emotionally intelligent, trustworthy, natural leaders and communicators and are also driven and ambitious.<sup>60</sup>

**Figure 23: Characteristics which define a good leader (%)**



Source: Institute of Leadership and Management, ILM. (2010), *Creating future leaders*, page 4

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<sup>58</sup> Institute of Leadership and Management, ILM. (2009). *Delivering in a downturn: What does it take?*, page 8-11

<sup>59</sup> *ibid*

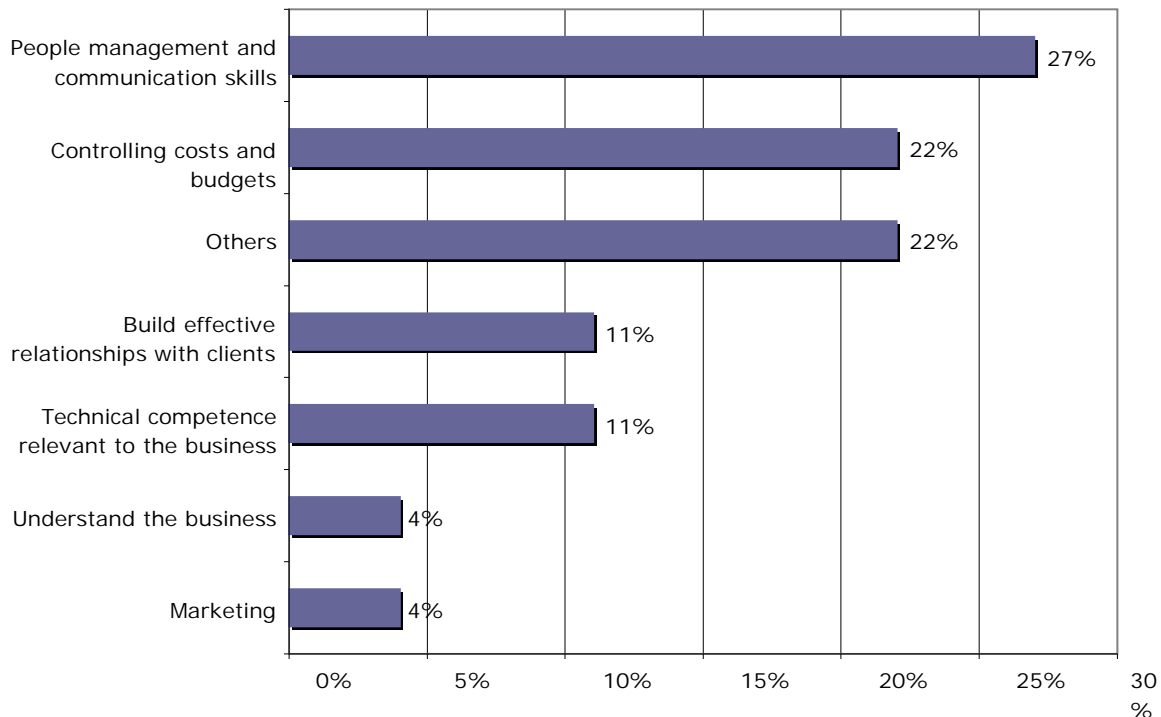
<sup>60</sup> Institute of Leadership and Management, ILM. (2010), *Creating future leaders*.

## 11. Leadership and Management in the Recession

### 11.2 Skills and Knowledge

The figure below shows the skills and knowledge required by managers during a recession:

**Figure 24: Most important skills or specific knowledge during times of recession**



Source: Institute of Leadership and Management, ILM. (2009). *Delivering in a downturn: What does it take?*, page 12

The three most important skills are described below:

**People management and communication skills** are considered to be the most important skills for a downturn. These are the skills that underpin the relationships necessary to drive efficient productivity. Managers are the ones who must deal with tensions and conflict in the workplace and need to encourage people to behave in more committed ways during times of uncertainty. Managers must also be able to communicate effectively with employees at a time when situations can change very rapidly. Poor communicators will struggle to inspire and motivate others.

**Controlling costs and budgets** specifically financial literacy, budgeting, financial management and cost controls are also important. It is the job of the manager to keep a company financially healthy. Managers must be financially literate enough to assess the financial health of suppliers and customer, and must be willing and able to take cost cutting measures. To keep the business viable future managers must know how to analyse and understand financial data, and use this information to assess the financial impact of their decisions.

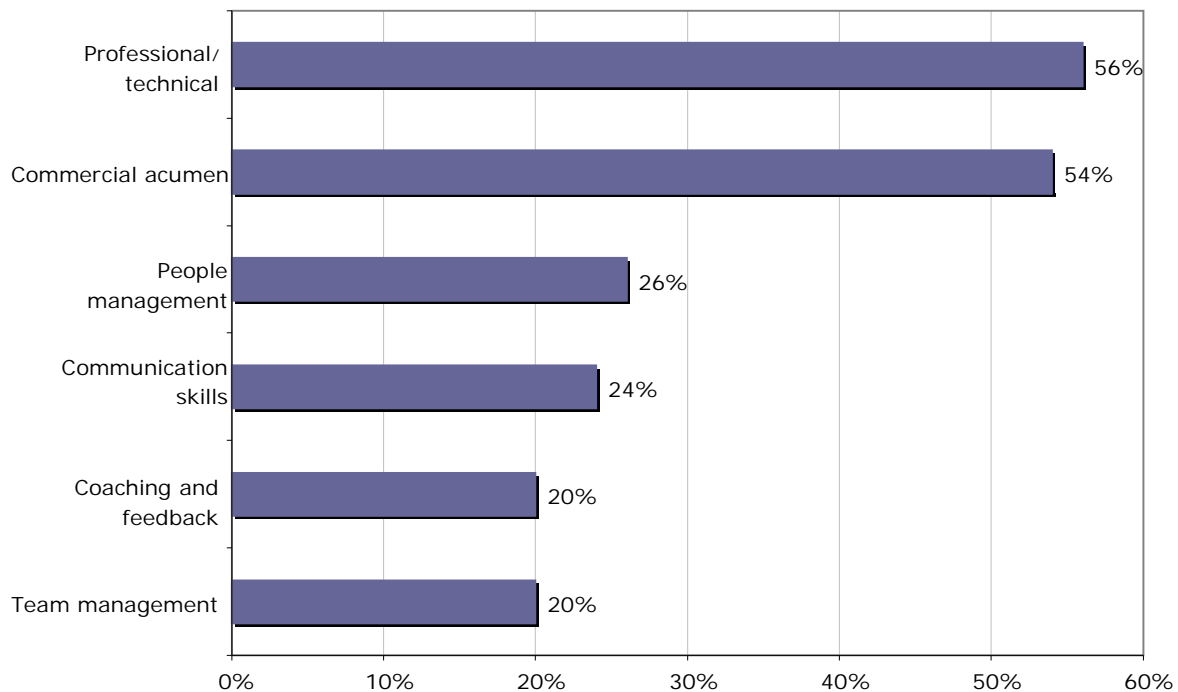
**Building effective relationships with clients** are essential skills for seeking out and capitalising on new opportunities. Managers must build better relationships with existing clients as new business becomes harder to come by. They must also focus on business development forming new business links and crossing into international markets as competition becomes global.

## 11. Leadership and Management in the Recession

The future leaders report by ILM also indicates the growing importance of the following skills:

- Professional / technical skills - law, accounting, engineering etc
- Commercial and financial skills
- People management
- Communication
- Coaching and feedback
- Team management

Figure 25: Skills and knowledge for future managers (%)



Source: Institute of Leadership and Management, ILM. (2009). *Delivering in a downturn: What does it take?*, Page 12

Looking back at the skills lacking within vacancies and skills gaps, it is possible to see that the skills needed during times of economic uncertainty are not new, many of the skills listed above are skills that managers should already have. However when looking at the skills lacking for managers across the UK it is interesting to see that they are similar to the skills needed by managers in times of economic uncertainty.

Management, team working, technical and practical, problem solving, oral communication, customer handling and literacy skills, were all identified as skills lacking by managers in the UK, they are also identified as skills needed during turbulent times.

Therefore it is vital that the skills lacking in skills gaps and vacancies are dealt with to ensure that managers are capable of leading their organisation out of the downturn, and turning their workplace into high productivity environments.



## 12. The Way Forward

Leadership and Management are critical to achieving the UK's ambition for world class skills and jobs. As mentioned in the report there has been some concern that, in general, management capability and the deployment of managers in the UK is poor in various respects relative to competitor countries and that this has contributed to reduced productivity and inhibited economic performance across the UK<sup>61</sup>. As such developing leadership and management capability is of crucial importance.

The key priorities for the sector are:

### ***Priority 1: Ensuring that suitable supplies of candidates are in the market to fill managerial vacancies across the UK.***

#### Issues:

- Managers in the UK stay in education for less time compared to their international competitors.
- The sectoral spread of managers holding high level qualifications varies from 14 per cent holding a level 4 qualification to 63 per cent.
- Potential candidates lack the skills, qualifications and experience necessary to fill managerial vacancies.
- Potential candidates for managerial vacancies lack specific management skills as well as a number of 'softer skills'
- Ensuring that there is greater access to the management apprenticeship

### ***Priority 2: Ensuring that managers have both a good supply of, and access to training to allow them to upskill***

#### Issues:

- Managers in the UK receive less training days, off the job and on the job training days compared to their international competitors.
- There is a vast supply of leadership and management qualifications, although much of this is unaccredited.
- There are many more management qualifications than leadership qualification.
- The number of learners undertaking high level qualifications is small. There is a need to ensure that more learners undertake level 4, 5 and 7 qualifications.
- Managers lack specific management skills, as well as a number of 'softer skills'

### ***Priority 3: Enhancing the perception of leadership and management as distinct skills***

#### Issues:

- Management and Leadership are often thought of as synonymous, but they actually refer two distinct categories
- When talking about skill gaps or shortages for managers, there is a tendency to refer to a lack of 'management' skills, but this does not indicate whether this refers to both management and leadership skills or specific management skills e.g. project management.

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<sup>61</sup> UK Commission for Employment and Skills, UKCES. (2010a). *Ambition 2020: World Class Skills and Jobs for the UK: The 2010 Report*, page 98

## 12. The Way Forward

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- Being a good manager means more than just having a developed set of specific skills and knowledge but also involves developing a set of personal characteristics associated with great leadership
- Leadership skill development is lacking in comparison to management skills development

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