

The critical contribution of Level 6/7 Management Apprenticeships

This short brief draws on the available evidence to demonstrate the inherent economic value of level 6/7 management apprenticeships amid ongoing discussions around restricting the use of Apprenticeship Levy funds for higher levels.

John Van Reenen and Nicholas Bloom of the World Management Survey suggest that more than half of the productivity gap between the UK and America can be attributed to poor management practice.¹ In their ranking of organisational performance as measured through established managerial practices, the UK sits below an elite group that is headed by America and also includes Japan, Germany, Sweden and Canada. The issue was recently examined in detail by [The Economist](#).

Level 7 apprenticeships, including in management, address long-term skills needs in the economy. CMI analysis of labour market trends suggests that the UK would need 10% more management job postings requiring high-level management skills by 2030 if we are to close the gap with the world's most productive economies.

And given that the majority of level 6 and 7 management apprentices are in public services, they are critical for the public service improvement and productivity agenda and, therefore, fiscal sustainability. Contrary to popular myth, CMI data indicate that less than 10% of level 7 apprentices are in FTSE 350 companies. The potential impact on public services can be seen in the following breakdown of CMI management apprenticeship by public, private and voluntary sector:

	Private	Public	Third
Level 3	46%	45%	7%
Level 5	50%	41%	8%
Level 6	32%	61%	7%
Level 7	33%	59%	8%

There is no current trade-off between level 7 and lower-level apprenticeships: both can be accommodated within the existing levy scope without the need for risky and potentially damaging changes to the “all ages, all levels” principle of the English apprenticeship system.

¹ <https://www.nber.org/papers/w29591>

Therefore CMI proposes:

1. **Given the evidence of the value to UK growth and productivity associated with increasing the provision of higher level qualifications, the principle that Apprenticeship Levy funding can be used at all levels and at every stage of working life needs to be fully maintained.**
2. **We also recognise that there is the potential for greater flexibility in the use of the Levy and the delivery of management apprenticeships at higher levels. CMI would be happy to work with the DfE and IfATE to develop shorter, more flexible, modular management apprenticeships which, whilst maintaining standards, would enable most efficient delivery against Levy funds.**
3. **Where significant change is proposed, it is important to allow time for transition to enable providers to continue to meet existing employer needs whilst preparing to meet future demand in the context of any regulatory changes.**

Data highlights

- Level 7 Apprenticeships are vital to both developing and reskilling managers and leaders in the industries critical to UK growth, including digital and technology solutions specialists, AI specialists, post-graduate engineers and clinical practitioners.
- There is [growing evidence](#) that essential public services, most notably the NHS, cannot be improved without concerted investment in management and leadership training. Recent [government data found that 30% of level 7 senior leader apprenticeships are in Human Health and Social Work](#) and 24% are in Education.
- Higher level apprenticeships support social mobility, enabling people who have missed out on - or been denied - a chance at HE to regain access. According to CMI data three in five level 7 senior leader apprentices come from the 50% most deprived areas in the UK.
- The [ONS](#) found that the largest positive contributor to productivity growth has been workers with higher-level qualifications.
- [CMI data](#) indicates that degree-level management apprenticeships can lead to more than 20% productivity gains, with private sector productivity gains estimated at 27%.

Progression and developing future leaders in the industries critical to UK growth - across the economy

- Among CMI management apprenticeship data, 32% of management apprentices had a role that was either in health and adult social care, a green role, and/or a STEM role.
- CMI management apprenticeship data shows that level 7 senior leader apprentices are predominantly working in the public sector:

- 66% work in the public sector or not for profit (59% in the public sector and 8% not for profit). Only 33% work in the private sector.

Making a positive contribution to social mobility

- 71% of CMI management apprentices come from families where neither parent went to university.
- 41% of Chartered Manager Degree Apprentices (CMDA) and 32% of Senior Leader Master's Degree Apprentices (SLMDA) were from lower socioeconomic backgrounds, compared to 36% in the UK labour force as a whole and 27% in higher education, according to Higher Education Statistics Agency (HESA) data.
- 3 in 5 level 7 senior leader apprentices come from the 50% most deprived areas in the UK.

Productivity and the economy

- [CMI's report](#) on The Future of the Apprenticeship Levy found that degree-level management apprenticeships deliver productivity gains, exceeding 20%, with private sector productivity surging by an estimated 27%. Nine out of 10 surveyed management apprentices (sample of 800+) reported tangible productivity improvements within their organisations.
- The World Management Survey suggests that more than half of the productivity gap between the UK and America can be attributed to poor management practice.

Myth busting

X *They're not teaching generic skills*

Management apprenticeships deliver high quality, rigorous training based on clear standards. The evidence shows that they deliver significant productivity gains for organisations and higher wages and prospects for individuals.

Management apprenticeships teach people - often those who are managing people for the first time or middle managers and senior leaders that have never been trained in management skills - how to manage projects, plan and monitor workloads and resources, deliver operational plans, resolve problems, and build relationships internally and externally.

Management apprentices overwhelmingly (97%) say that their apprenticeship has increased their commitment to training and development of their direct reports.

X *They're not MBAs for Chief Executives*

The MBA element of the Level 7 senior leader apprenticeship standard was removed in 2020. Levy funding cannot go towards an MBA.

X *They're not dominating apprenticeship levy spending*

Despite how they are often portrayed, management apprenticeships are not crowding out other apprenticeship starts. Reports which suggest that higher level apprenticeships are overwhelming the system are one sided. [In 2022/23](#), **level 7 senior leader apprenticeships made up just 1.6% of all apprenticeship starts, and level 6, 0.8%**. Of management apprenticeships, more than seven out of 10 (72.4%) starts were at levels 3 and 5 and fewer than one in five (18.4%) were at level 7. At current levels of levy spend there is no trade-off between high level management apprenticeships and other apprenticeships.

Management roles are in demand with more than 20% of job ads being management roles.

In 2021/22 just 12% of apprenticeship starts were at level 6 and level 7. 46% of level 6 apprenticeships were in Health, Public Services and Care. Accountancy or Taxation Professional accounts for 48% of all level 7 apprenticeships. Just 25% are level 7 management apprenticeships.

The NHS Workforce plan

A CMI analysis of the West Midlands labour market discovered that NHS manager roles were often left unfilled and had to be repeatedly re-advertised, indicating severe shortages. The NHS Long-Term Workforce Plan notes:

“Expanding apprenticeship routes can help address key workforce shortages and particularly benefit those professions that historically lack a consistent route for training and career development, such as non-clinical professionals in corporate services, estates and facilities and general management. Equally, they are beneficial for clinical professions such as learning disability nursing, therapeutic radiography and operating department practitioners, which may not be as visible to school leavers, and may be of more interest to people with greater life experience.”

It further notes that management needs to be embedded alongside clinical practice:

“Portfolio careers of senior medics balances clinical responsibilities with educational, leadership, management and research roles, a practice that when replicated for doctors in training would generate a more generalist, agile medical workforce.”