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QUEEN'S UNIVERSITY BELFAST

QUEEN'S BUSINESS SCHOOL

UKRI Economic and Social Research Council

Productivity and managers: Strengthen performance in your SME

Dr David Jordan

Queen's Business School

Help to Grow Northern Ireland Alumni National Conference, 12th November 2026

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Overview

1. Why does productivity matter?
2. What are structured management practices?
3. Task: Self-assessment
4. Ways to improve your management practices
5. Conclusion

Background: The Productivity Institute

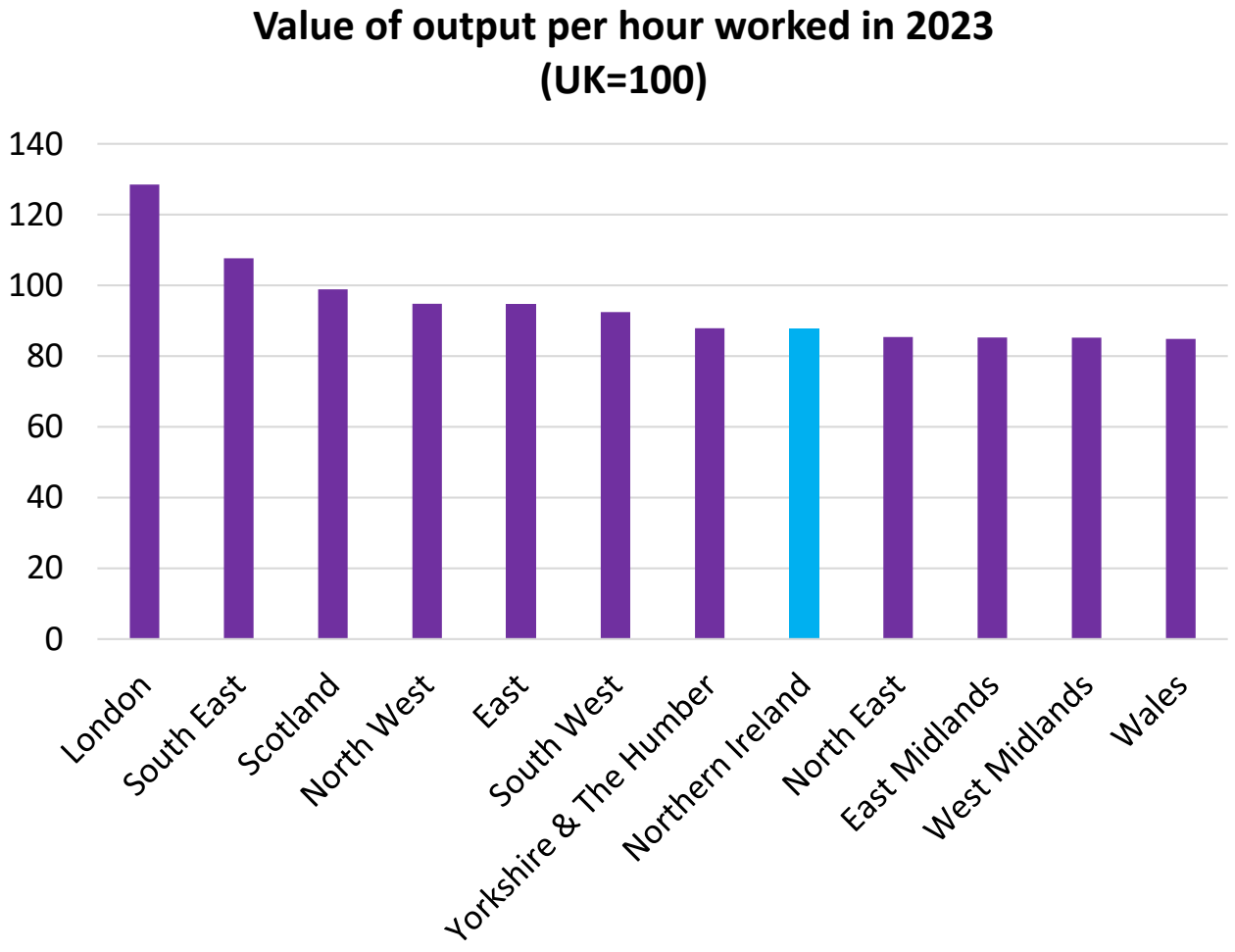
- The Productivity Institute
  - Established in 2020
  - Based at Alliance Manchester Business School
  - Examine UK's productivity performance
  - 8 regional forums
- The Northern Ireland Productivity Forum
  - Based at Queen's Business School
  - Brings together businesses, policymakers, researchers, & other stakeholders
  - Diagnose problems, suggest actions



1. Why does productivity matter?

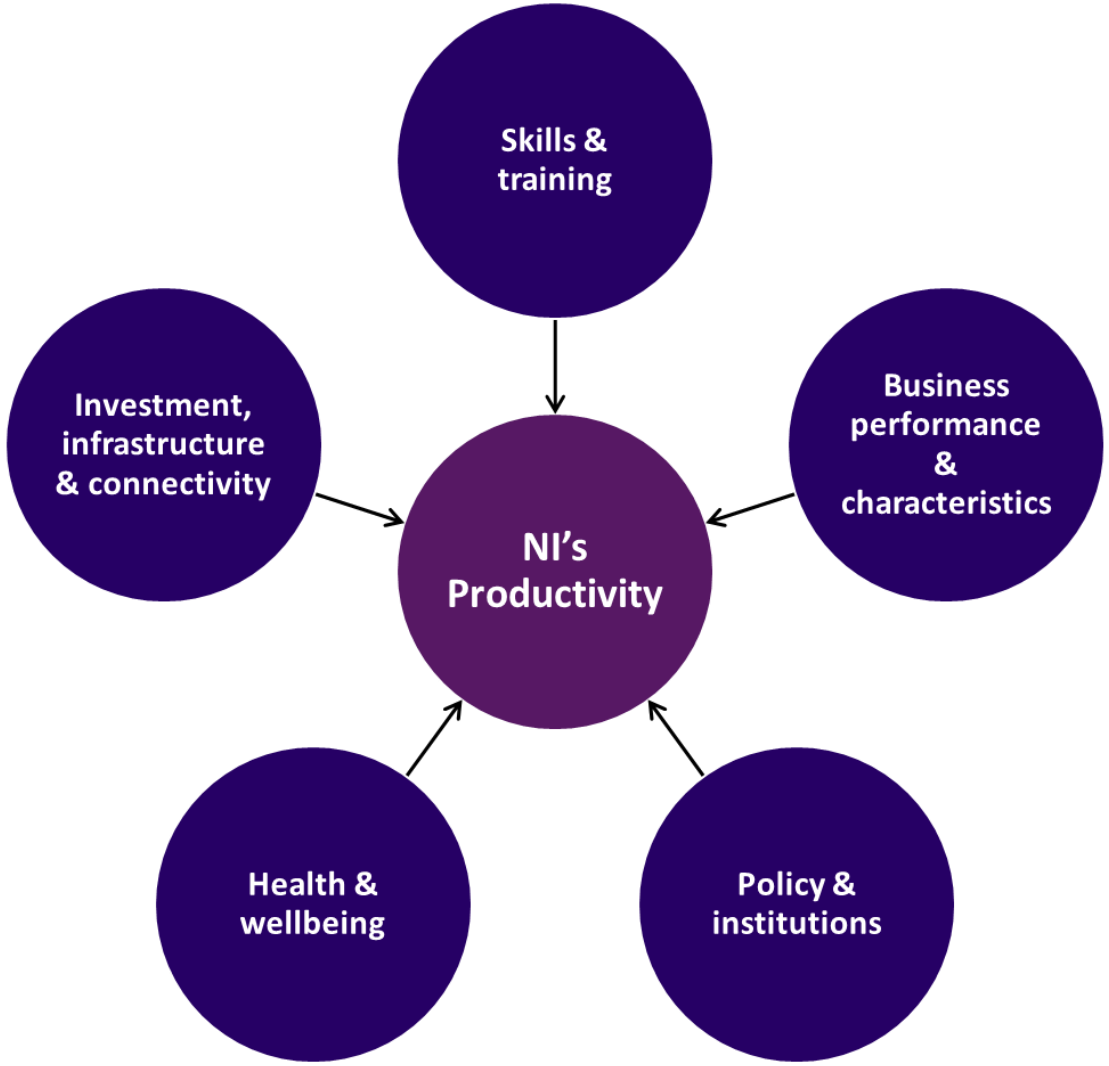
What is productivity?

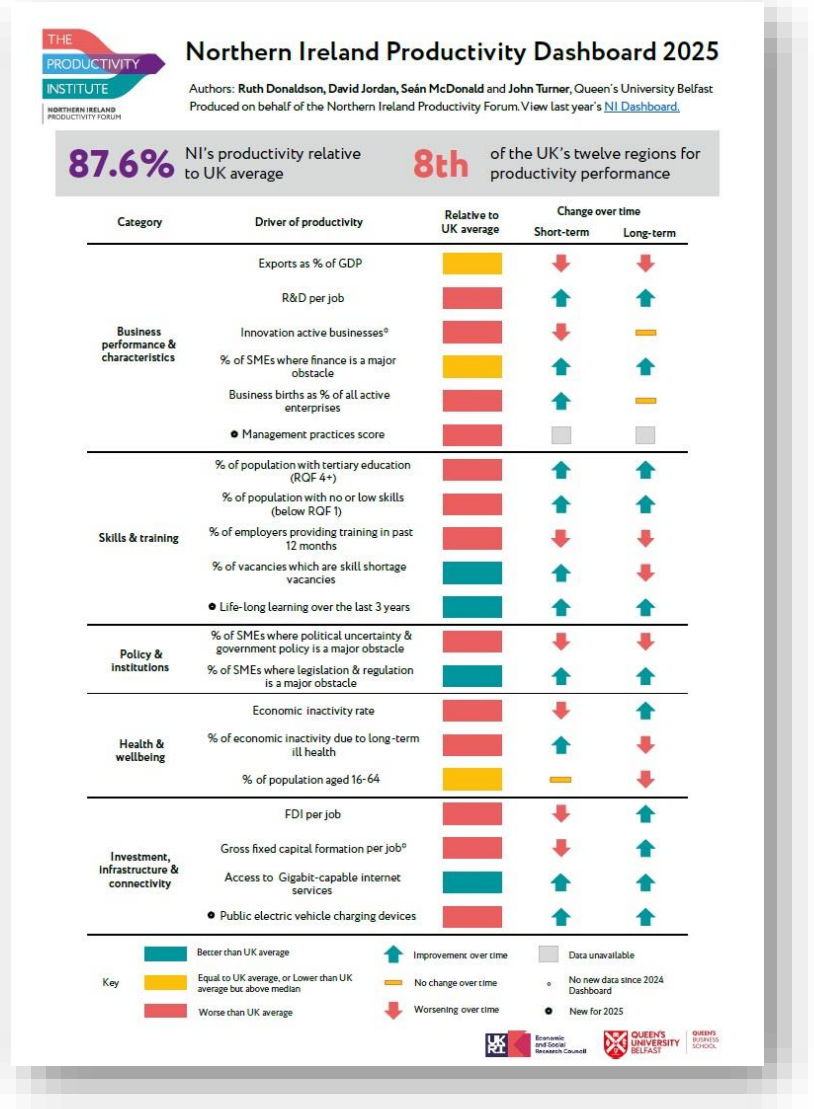
- Labour Productivity = the total value of output produced for a given amount of work
- Productivity determines:
  - Competitiveness
  - Wages
  - Living standards
- UK showing some recent signs of improvement, but still not great
- NI has also improved recently, but still lags behind



Source: ONS (2025) Subregional productivity: labour productivity indices by UK ITL2 and ITL3 subregions

What determines NI's productivity?





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Northern Ireland Productivity Dashboard 2025

Authors: **Ruth Donaldson, David Jordan, Seán McDonald** and **John Turner**, Queen's University Belfast
Produced on behalf of the Northern Ireland Productivity Forum. View last year's NI Dashboard.

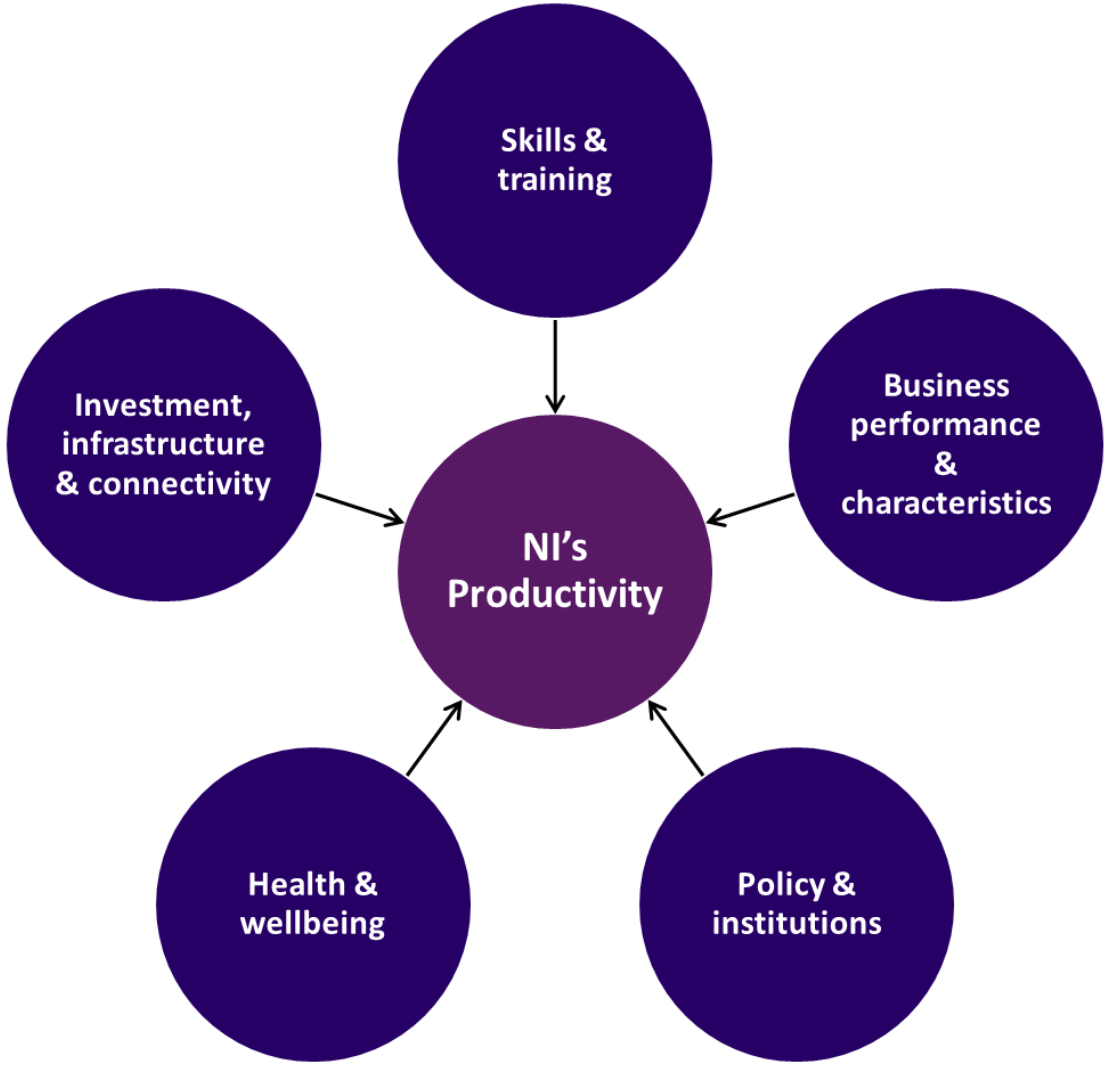
87.6% NI's productivity relative to UK average

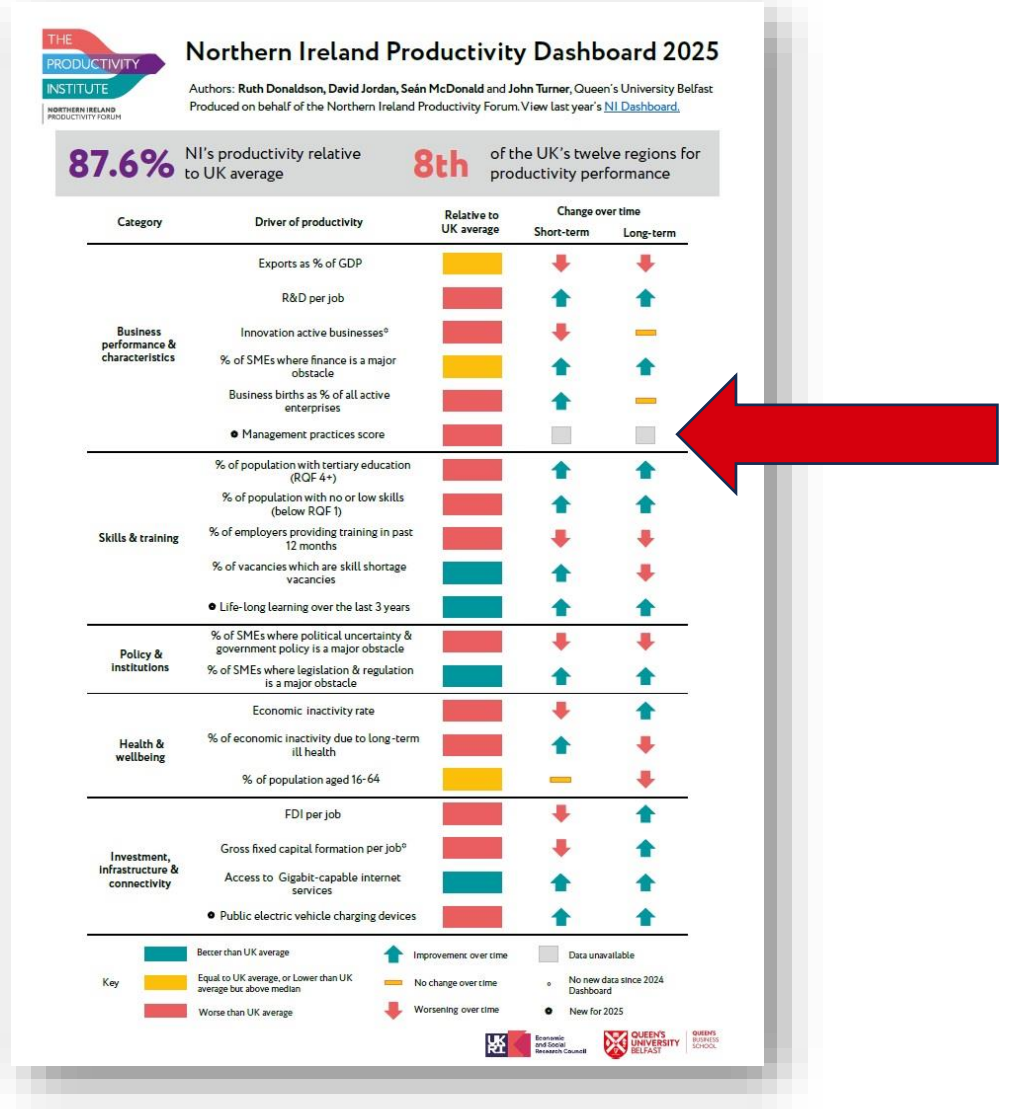
8th of the UK's twelve regions for productivity performance

Category	Driver of productivity	Relative to UK average	Change over time: Short-term	Change over time: Long-term
Business performance & characteristics	Exports as % of GDP	Equal to UK average, or Lower than UK average but above median	Worsening over time	Worsening over time
	R&D per job	Worse than UK average	Improvement over time	Improvement over time
	Innovation active businesses°	Worse than UK average	Worsening over time	No change over time
	% of SMEs where finance is a major obstacle	Equal to UK average, or Lower than UK average but above median	Improvement over time	Improvement over time
	Business births as % of all active enterprises	Worse than UK average	Improvement over time	No change over time
	● Management practices score	Worse than UK average	Data unavailable	Data unavailable
Skills & training	% of population with tertiary education (RQF 4+)	Worse than UK average	Improvement over time	Improvement over time
	% of population with no or low skills (below RQF 1)	Worse than UK average	Improvement over time	Improvement over time
	% of employers providing training in past 12 months	Worse than UK average	Worsening over time	Worsening over time
	% of vacancies which are skill shortage vacancies	Better than UK average	Improvement over time	Worsening over time
	● Life-long learning over the last 3 years	Better than UK average	Improvement over time	Improvement over time
Policy & institutions	% of SMEs where political uncertainty & government policy is a major obstacle	Worse than UK average	Worsening over time	Worsening over time
	% of SMEs where legislation & regulation is a major obstacle	Better than UK average	Improvement over time	Improvement over time
Health & wellbeing	Economic inactivity rate	Worse than UK average	Worsening over time	Improvement over time
	% of economic inactivity due to long-term ill health	Worse than UK average	Improvement over time	Worsening over time
	% of population aged 16-64	Equal to UK average, or Lower than UK average but above median	No change over time	Worsening over time
Investment, infrastructure & connectivity	FDI per job	Worse than UK average	Worsening over time	Improvement over time
	Gross fixed capital formation per job°	Worse than UK average	Worsening over time	Improvement over time
	Access to Gigabit-capable internet services	Better than UK average	Improvement over time	Improvement over time
	● Public electric vehicle charging devices	Worse than UK average	Improvement over time	Improvement over time

Key: Better than UK average; Equal to UK average, or Lower than UK average but above median; Worse than UK average; Improvement over time; No change over time; Worsening over time; Data unavailable; ◦ No new data since 2024 Dashboard; ● New for 2025

What determines NI's productivity?





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Authors: **Ruth Donaldson, David Jordan, Seán McDonald** and **John Turner**, Queen's University Belfast
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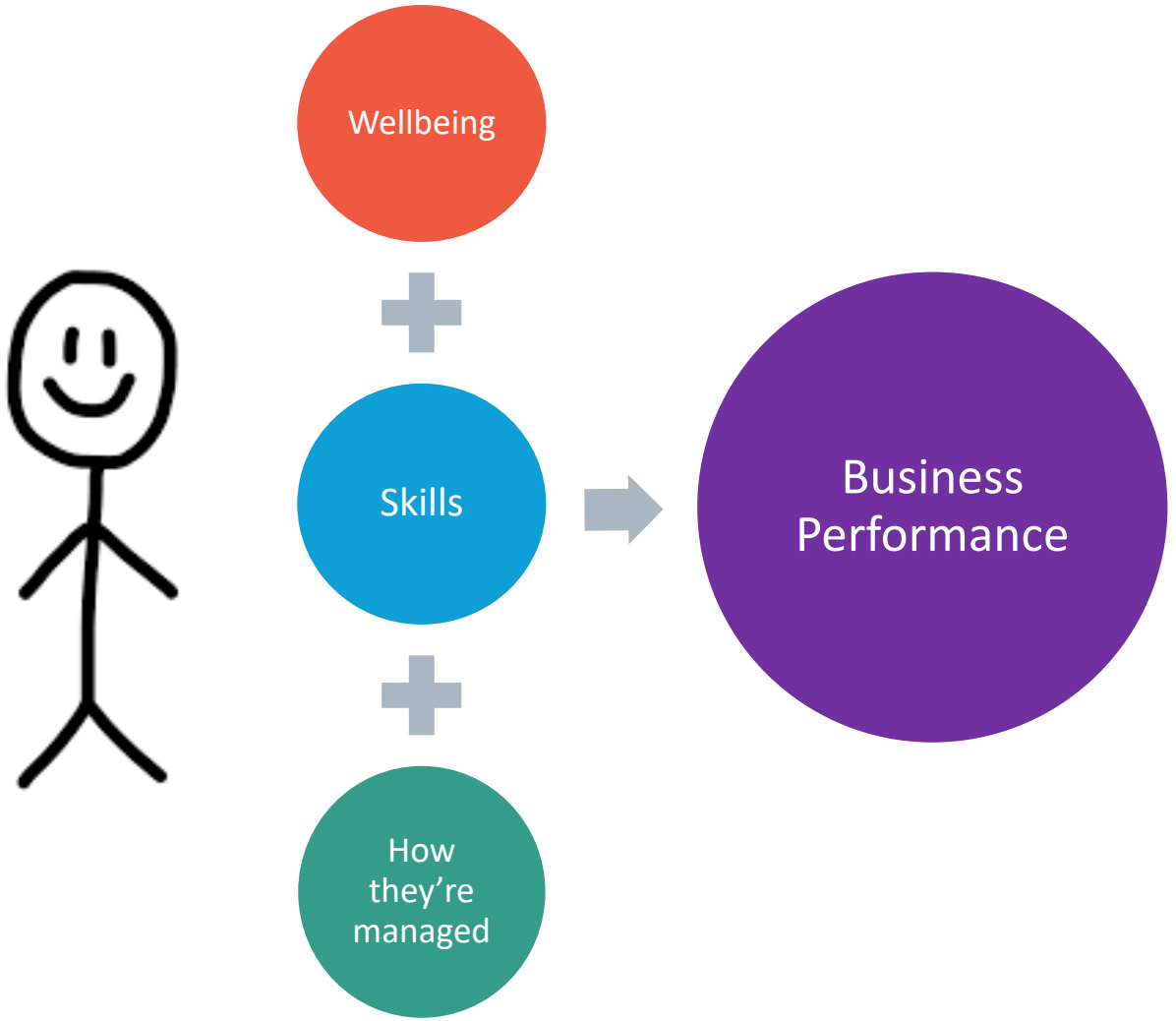
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2. What are structured management practices?

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University of Glasgow
KING'S College LONDON
MANCHESTER 1824 The University of Manchester
National Institute of Economic and Social Research
QUEEN'S UNIVERSITY BELFAST
The University Of Sheffield.
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The role of management

- What drives business performance?
  - Resources available
  - How resources are combined and used effectively
- What determines an individual's contribution?
  - Wellbeing
  - Skills
  - How they're managed



Structured management practices

- Research has examined ways to measure management quality
- Developed a systematic approach based on ‘structured management practices’
- Four key areas:
    1. Continuous improvement practices – monitoring & using information to improve
    2. Key performance indicators – how many KPIs & how often reviewed
    3. Targets – stretching, tracked, & reviewed
    4. Employment practices – training, tracking & rewarding good performance

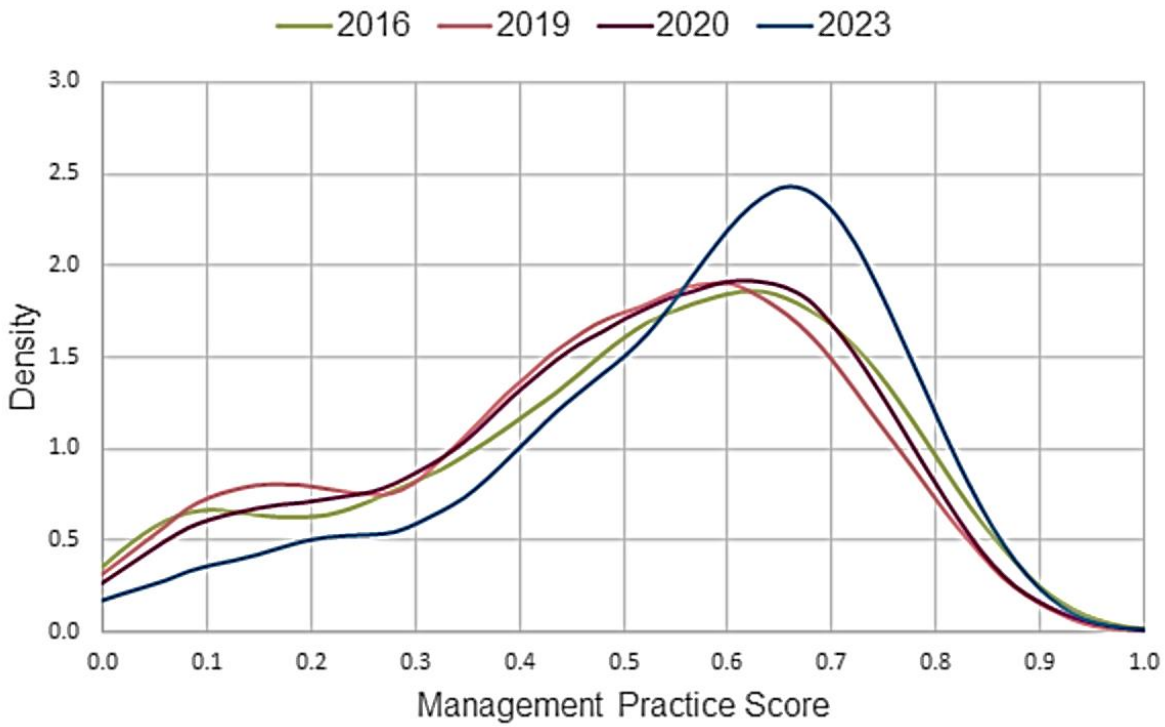
Key research

- International evidence demonstrates management practices matter for a firm's performance
- Firms with 'better' management practices have higher:
  - Profitability
  - Growth
  - Survival rates
  - Innovation
  - Productivity
- Around one-third of differences in firm productivity can be explained by management practices

UK Management and Expectations Survey

- Survey run by ONS in UK
- Firms receive a score between 0 and 1
  - 0 = furthest from best practice
  - 1 = full adoption of best practice
- Overall average score:
  - 2016: 0.50
  - 2019: 0.48
  - 2020: 0.49
  - 2023: 0.55
- Improvement between 2016 and 2023
  - Disappearance of ‘less well-managed firms’
  - More ‘outstandingly well-managed firms’

Distribution of overall UK management practices scores

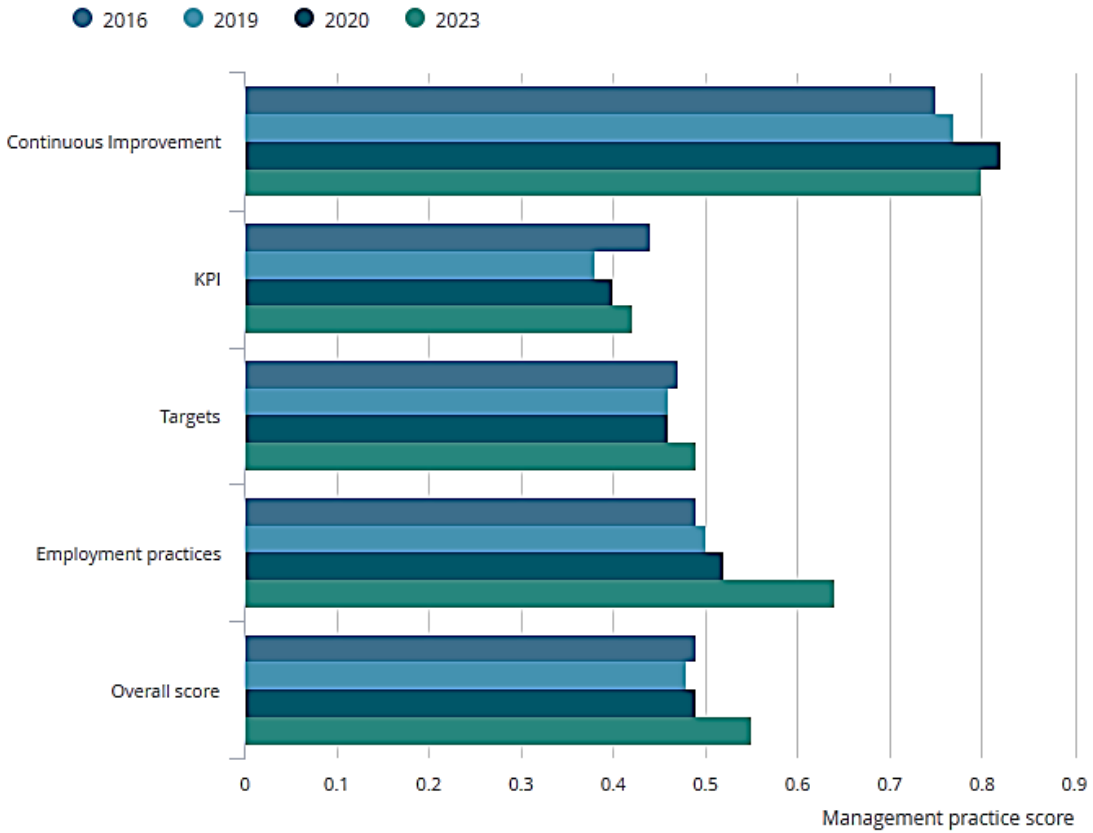


Notes: Great Britain only for 2026, 2019, 2020
Source: ONS (2024) Management practices and productivity

The components of good management

- In 2023:
  - Continuous improvement practices had the highest average score, 0.80
  - Key performance indicators had the lowest average score, 0.42
  - Targets remained relatively stable over time, 0.49
  - Employment practices saw the greatest improvement since 2020, from 0.52 to 0.64

Average management practices score by category, UK, 2016-2023

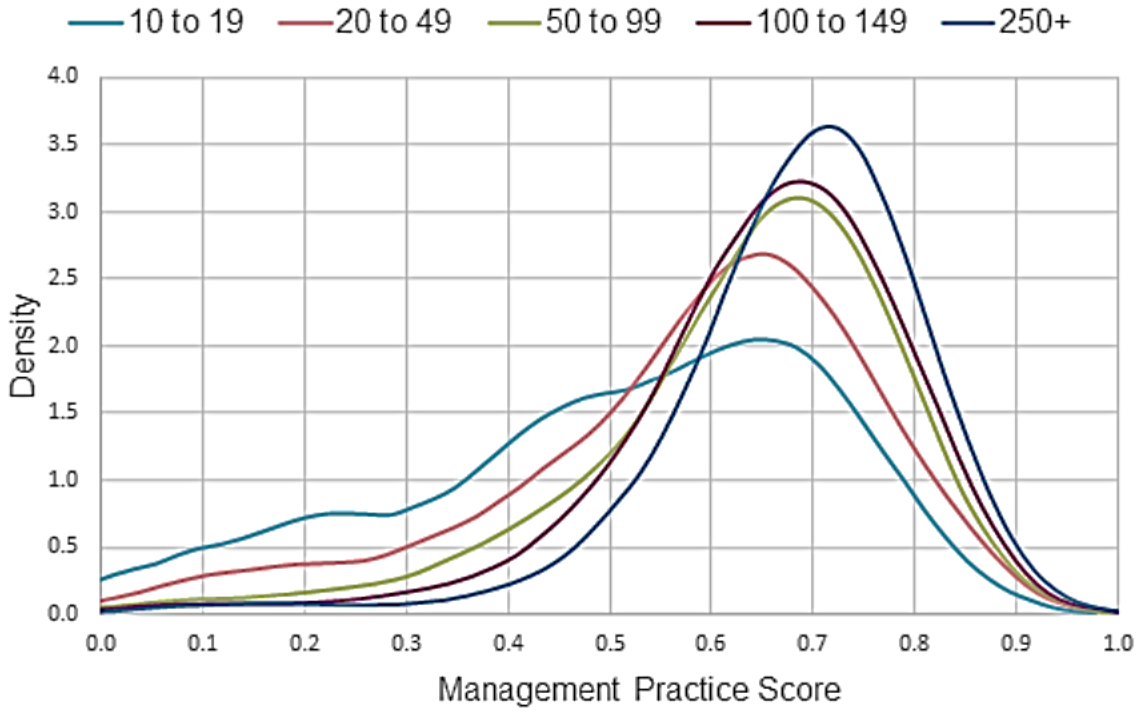


Source: ONS (2024) Management practices and productivity

Management score by firm size

- Large firms score higher than smaller firms
- SMEs & family-owned firms both underperform large companies
- Important implications when thinking about NI's performance:
  - NI has a higher proportion of small firms
  - NI has a higher proportion of family firms

Distribution of management practices score by employment size bands, UK, 2023

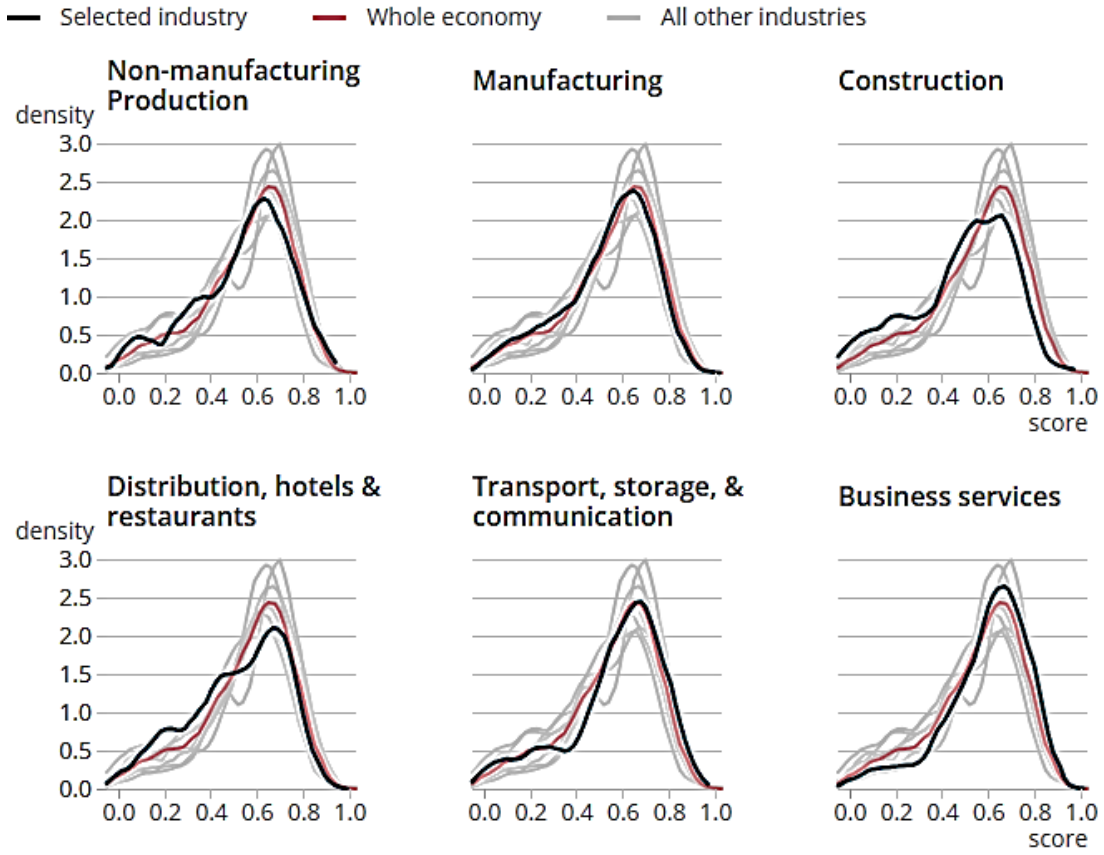


Source: ONS (2024) Management practices and productivity

Management score by industry

- Firms in service industries generally score higher (0.56) than production industries (0.52)
- Differences across industries mainly due to having a ‘long tail’ of firms with lower scores
- A firm in the lowest 10% scored:
  - 0.35 in Business services
  - 0.24 in Non-manufacturing production
  - 0.15 in Construction

Percentile distributions of management practices scores by industry, UK, 2023



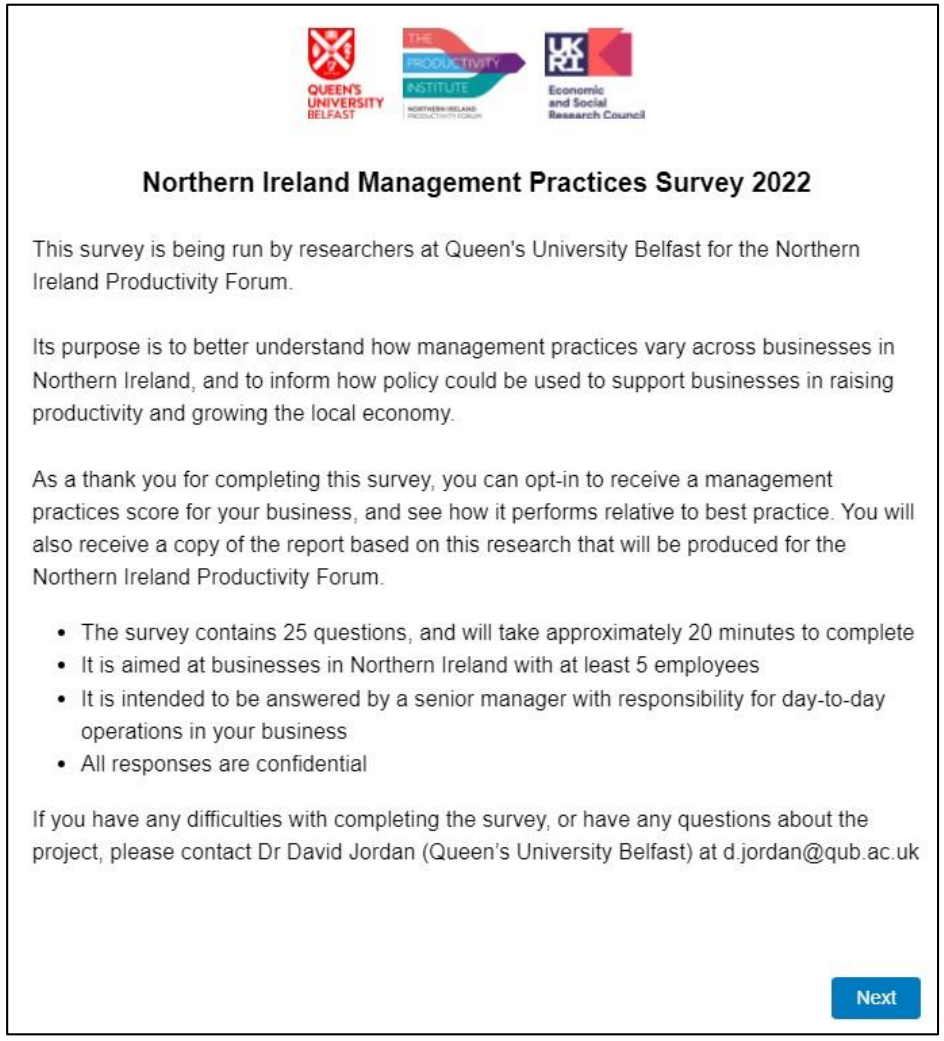
Source: ONS (2024) Management practices and productivity

Are management & productivity linked?

- Statistically significant relationship between management score and productivity:
  - 0.1 increase in management score associated with a 9.6% increase in productivity
  - Moving from 25th percentile (0.34) to median (0.53) translates to a 19% increase in productivity
  - Moving from median (0.53) to 75th percentile (0.66) translates to a 12% increase in productivity
- <u>Most important for productivity:</u> Continuous improvement practices & Employment practices

Evidence for Northern Ireland

- Northern Ireland had the lowest average score in ONS's 2023 *MES*, 0.52
- Detailed analysis for NI based on NI Productivity Forum's *NI Management Practices Survey 2022*
- 25 questions:
  - ONS MES questions
  - Extent of govt. support
  - Digitalisation
  - Links to GB & ROI
  - Working from Home (WFH)
- Firms received their own management practices score between 0 and 1:
  - 0 = furthest from best practice
  - 1 = full adoption of best practice



Northern Ireland Management Practices Survey 2022

This survey is being run by researchers at Queen's University Belfast for the Northern Ireland Productivity Forum.

Its purpose is to better understand how management practices vary across businesses in Northern Ireland, and to inform how policy could be used to support businesses in raising productivity and growing the local economy.

As a thank you for completing this survey, you can opt-in to receive a management practices score for your business, and see how it performs relative to best practice. You will also receive a copy of the report based on this research that will be produced for the Northern Ireland Productivity Forum.

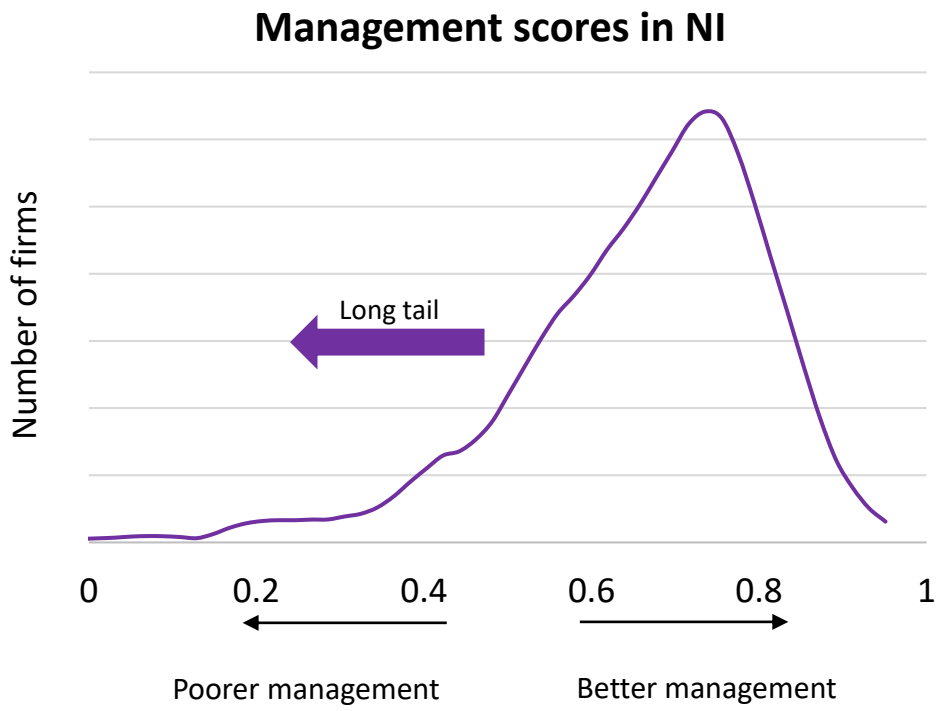
- The survey contains 25 questions, and will take approximately 20 minutes to complete
- It is aimed at businesses in Northern Ireland with at least 5 employees
- It is intended to be answered by a senior manager with responsibility for day-to-day operations in your business
- All responses are confidential

If you have any difficulties with completing the survey, or have any questions about the project, please contact Dr David Jordan (Queen's University Belfast) at d.jordan@qub.ac.uk

Next

Evidence for Northern Ireland

- Better management practices are found in:
  - Firms with a higher proportion of managers having taken a leadership course
  - Firms with a higher proportion of managers qualified to degree level
  - Larger firms
- Weaker management practices are found in:
  - Firms that generate a higher proportion of their turnover from within local NI market
  - Firms which do not provide regular leadership training for managers
  - Second-generation family-managed firms
  - Manufacturing and Real estate



Source: Jordan et al. (2023) Do managers matter? Management practices in post-COVID Northern Ireland

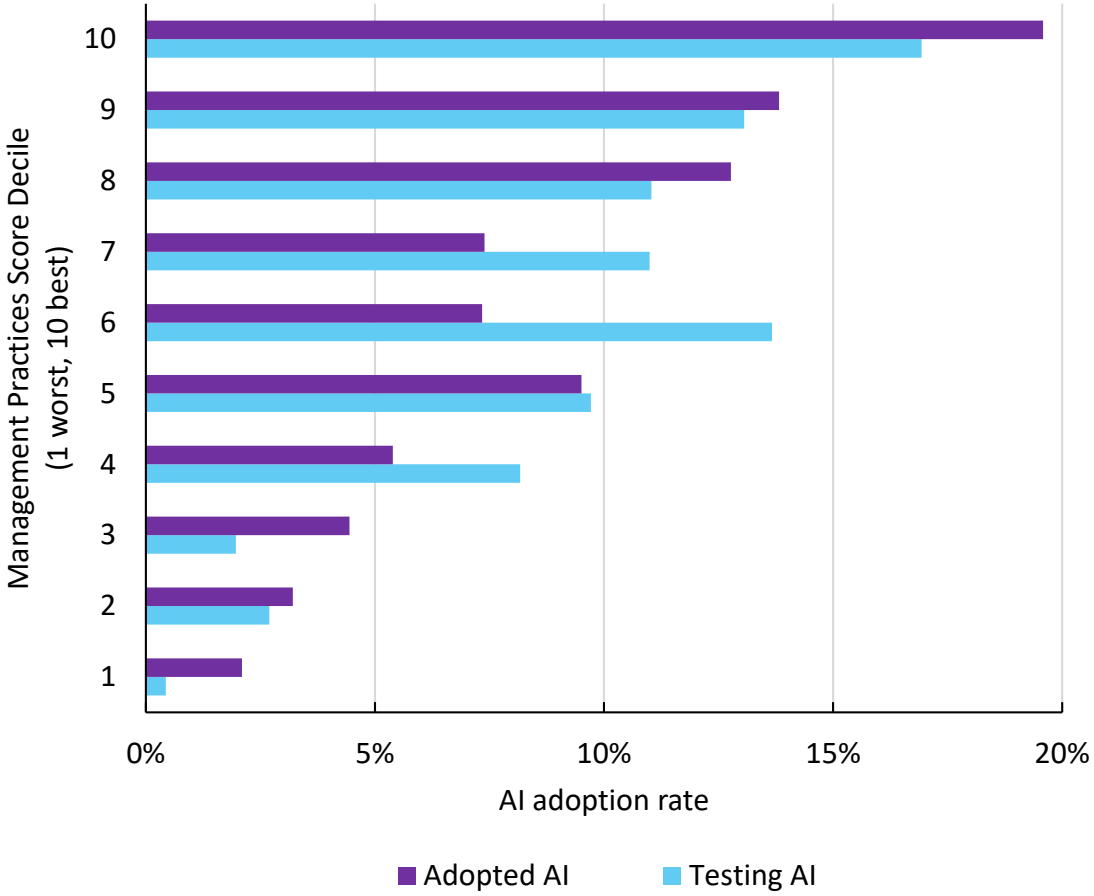
Evidence for Northern Ireland

- <u>Better managed firms:</u>
  - Tentative evidence to suggest more likely to permit managers (but not non-managers) to WFH in 2022
  - More innovative as evidenced by greater extent of digitalisation
  - Have higher productivity, but not statistically significant
  - Have higher profit margins: 0.1 ↑ in management practices score → 18% ↑ profit margin
  - Are more likely to be exporters

AI & management

- AI has the potential to boost productivity through 3 main channels:
  1. AI can improve **efficiency**, where it complements or replaces other inputs
  2. AI allows existing resources to be **redeployed** to higher value tasks or processes
  3. AI allows new tasks or processes to be completed, enabling **innovation**
- Good management is a 'complementary asset'
  - Management practices are a key predictor of AI adoption by businesses

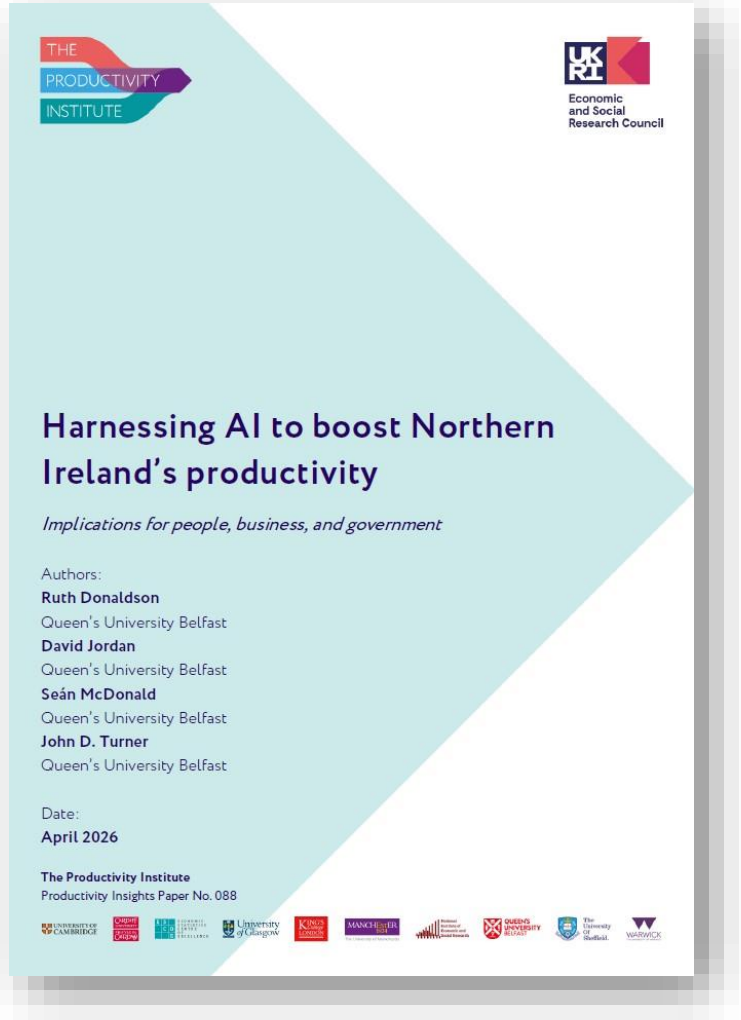
AI adoption and management practices in UK businesses



Notes: Management practices score measures how close to best practice a business's management practices are. Source: ONS, 2024

Implications of AI for NI's businesses

- Effect of AI is unlikely to be evenly spread, risk that it reinforces existing inequalities
  - Small number see productivity improvements, most join 'long tail' of underperformers
- Uncertainty on expected return from AI investment
  - Majority of businesses should adopt a 'smart second mover' strategy
  - Support for SMEs should focus on providing networks that aid practical application of AI
- Benefits of AI only realised when combined with complementary assets
  - **Management practices matter for adoption**



3. Task: Self-assessment

NI Management Booklet

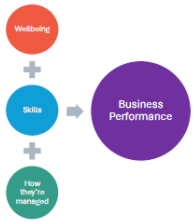
Investing in Management

How to improve management practices in your business

Authors: Ruth Donaldson, David Jordan, and John Turner, Queen's Business School
On behalf of the Northern Ireland Productivity Forum

Why does management matter?

Good management is crucial for any business. Alongside their wellbeing and skills, how employees are managed determines a business's success.



International evidence shows that good management practices are associated with:

- Higher profits
- Higher productivity
- Faster growth
- Being more competitive
- Greater resilience
- Better staff retention

What is good management?

Best practice combines leadership, culture, and ambition, to ensure people realise their full potential. There are four key areas:

1. Continuous improvement: proactively monitoring & improving processes.
2. Key performance indicators: frequently monitoring & reviewing KPIs.
3. Targets: stretching, tracked & reviewed.
4. Employment practices: hiring, training, and tracking & rewarding good performance.

How well are NI businesses doing?

The Northern Ireland Productivity Forum ran a survey of local businesses to understand management practices in NI.

While there are firms that have adopted best practice and score close to 1, the survey found there is a 'long tail' of businesses that lag behind best practice and score closer to 0.



Firms that score more poorly than their peers:

- Have fewer employees.
- Have fewer managers qualified to degree level.
- Do not provide regular leadership training for managers.
- Generate a high proportion of their turnover from the local NI market.

Key takeaways

1. Adopting best practice in management requires investment in managers, including regular leadership training.
2. Businesses with characteristics associated with poorer management practices should proactively seek opportunities to improve their managers.
3. Greater adoption of new technology is found in businesses with management practices closer to best practice.

Read the evidence: Do managers matter? Management practices in post-COVID Northern Ireland
Available at www.productivity.ac.uk

July 2024

Self-assessment

An important part of understanding your business's management practices is self-assessment.

The 10 questions below are designed to quickly evaluate how close the management practices of your business are to best practice.

Leadership

1. Does your business have regular training (at least every 12 months) for developing the management & leadership skills of your managers? ☐No ☐Yes
2. Does your business have targets with a mix of timeframes (both under and over 1 year)? (Examples include rates of on-time delivery, value of sales) ☐No ☐Yes
3. If yes to Q2, are all employees (both managers and non-managers) aware of your business's targets? ☐No ☐Yes

Culture

4. Do you have a system in place to anticipate problems, and that encourages employees to identify these, suggest improvements, and take action? ☐No ☐Yes
5. Do you provide a clear and defined pathway for career progression within your business? ☐No ☐Yes
6. Do all employees at your business have an annual performance review? ☐No ☐Yes
7. Do you have a system in place to identify and address employee underperformance? ☐No ☐Yes
8. Does your business have both a training plan and a dedicated budget for training? ☐No ☐Yes

Ambition

9. Does your business have a growth plan for the next 5 years? ☐No ☐Yes
10. Do you track more than 3 key performance indicators (KPIs) of your business's performance, and is performance against these indicators reviewed at least monthly? (Examples include sales, customer satisfaction, waste) ☐No ☐Yes

Scoring

Count the number of questions where you responded 'Yes', and match your score to the description below: Total Yes: ☐

- 0-5: While a low score does not necessarily indicate poor business performance, this suggests that your business is currently further away from best practice, and would benefit from reviewing its management practices.
- 6-8: This is a score where there is still room for improvement. It would be worthwhile taking advantage of the opportunities available to improve your business's management practices.
- 9-10: This score suggests your business has management practices close to best practice.

What support is available?

There are seven key areas you should consider when choosing management training for your business.

1. **Ways to improve**
There are 3 main ways to improve your firm's management practices:
   1. Internally: Using self-assessment to identify areas for improvement.
   2. Externally: Accessing training provided by external providers.
   3. Learning from others: Learning from the experience of others, such as within a supply-chain, from other industries, or through business organisations.
2. **Types of management training**
There are 3 main types of management training:
   1. Training courses: These cover different aspects of management and leadership, and may provide a qualification on completion.
   2. Bespoke and tailored support: Some providers offer the option of designing or tailoring training to your requirements. This may include the option to have training provided onsite at your place of business.
   3. Peer mentoring: Learning from other managers provides an additional perspective on how to run a successful team and business. For example, the Help to Grow management course includes 10 hours of one-to-one support with a mentor.
3. **Qualifications**
Certain training courses will provide a recognised qualification on completion:
   - These can include Awards, Certificates, and Diplomas.
   - Qualifications can be accredited by an external organisation, such as The Institute of Leadership & Management (ILM), the Chartered Institute of Personnel and Development (CIPD), or The Chartered Management Institute (CMI).
   - Accredited and non-accredited courses are both offered by FE colleges, universities, & private providers.
   - Depending on experience, managers may need to complete lower qualification levels before starting more advanced levels.
4. **Manager level**
Choosing the right training course will depend on a manager's level of responsibility and existing experience:
   - Courses are usually targeted at a specific level of manager (see table on next page).
   - Specific training is also available for CEOs and Directors through Invest NI and the Institute of Directors.
5. **Business size**
The size of your business will determine what training is best suited:
   - For small & medium-sized enterprises (SMEs), courses for individual managers may be most accessible: the Help to Grow programme is specifically aimed at SMEs.
   - For businesses wanting to train many managers, hiring a provider for onsite training may be more suitable.
6. **Cost**
The cost of management courses ranges from free to over £5,000:
   - Free courses are shorter and/or online, and generally do not lead to a qualification.
   - Businesses may be eligible to apply for funding towards the cost of training: some courses are partially/fully funded by the NI Department for the Economy, through recent programmes such as Skill Up.
   - Higher cost courses are often targeted at larger firms or those with more extensive training requirements.
7. **Mode of delivery**
Training courses are delivered in several ways:
   - Many courses are offered online, or online with an in-person element.
   - In-person courses are usually offered at the provider's training centre/campus. Most in-person courses are available in Belfast. Some are offered in other areas of NI, particularly those through FE colleges.
   - The numbers taking a course are often restricted, and so may require being booked well in advance.
   - Courses range from a single day, to being part-time (PT) and spread over 1 year.

Accredited management qualifications & training available in Northern Ireland

Qualification		Provider	Duration	Delivery	Cost
New & Junior managers: ILM 2 & 3 CIPD Level 3 CMI Levels 2, 3 & 4	ILM 2	Beckinridge	2 days	Online	£1,115 + VAT
	ILM 2 & 3	Elite Regional Training (NI) Ltd	4 days	Online, in-person, customised	£750-£1,500 + VAT
		The Knowledge Academy	1-5 days	Online, in-person, customised	£2,995-£5,295
	ILM 3	North West Regional College	15 weeks PT	In-person	£140-£182
		South West College	15 weeks PT	In-person	£199-£240
		Belfast Met	16 weeks PT	In-person	£280
		Northern Regional College	1 year PT	Online	£246-£336
		NICVA	6 weeks PT	Online	£365-£520
	CIPD 3	Southern Regional College	10 weeks	Online, in-person	Free-£179
		North West Regional College	32 weeks PT	In-person	£205
	CMI 2,3 & 4	The Knowledge Academy	1-4 days	Online, in-person, customised	£2,995-£5,295
Middle managers: ILM Levels 4 & 5 CIPD Level 5 CMI Levels 5 & 6	ILM 4	Think People	5 months PT	Online, in-person	£1,050-£2,275 + VAT
	ILM 4 & 5	Rutledge	4 months PT	Online	£525-£925 + VAT
		Beckinridge	2-3 days	Online	£1,115-£1,410 + VAT
	ILM 5	Elite Training (NI) Ltd	4 days	Online, in-person, customised	£850-£1,650 + VAT
		The Knowledge Academy	2-5 days	Online, in-person, customised	£2,995-£5,295
		South West College	16 weeks PT	In-person	£295
		Belfast Met	16-25 weeks PT	Online, in-person	£360-£476
		NICVA	4 months PT	Online, in-person	£705-£1,500
		North West Regional College	26 weeks PT	Online, in-person	£700-£500
		Northern Regional College	1 year PT	Online	£357-£532
	CIPD 5	Northern Regional College	1 year PT	In-person	£263-£525
		North West Regional College	35 weeks PT	Online, in-person	£1,025
	CMI 5	The Knowledge Academy	1-4 days	Online, in-person, customised	£2,995-£5,295
		South Eastern Regional College	6 weeks-1 year PT	Online, in-person	£98-£564
Senior managers: ILM Levels 6 & 7 CIPD Level 7 CMI levels 7 & 8	ILM 7	Belfast Met	14 weeks PT	In-person	£995
		NICVA	3 months PT	In-person	£300-£1,300
	CIPD 7	Southern Regional College	16 weeks-1 year PT	Online, in-person	£266-£843
	CMI 7	The Knowledge Academy	1-4 days	Online, in-person, customised	£2,995-£5,295
		South Eastern Regional College	1 year PT	Online	£1,538

Example additional courses

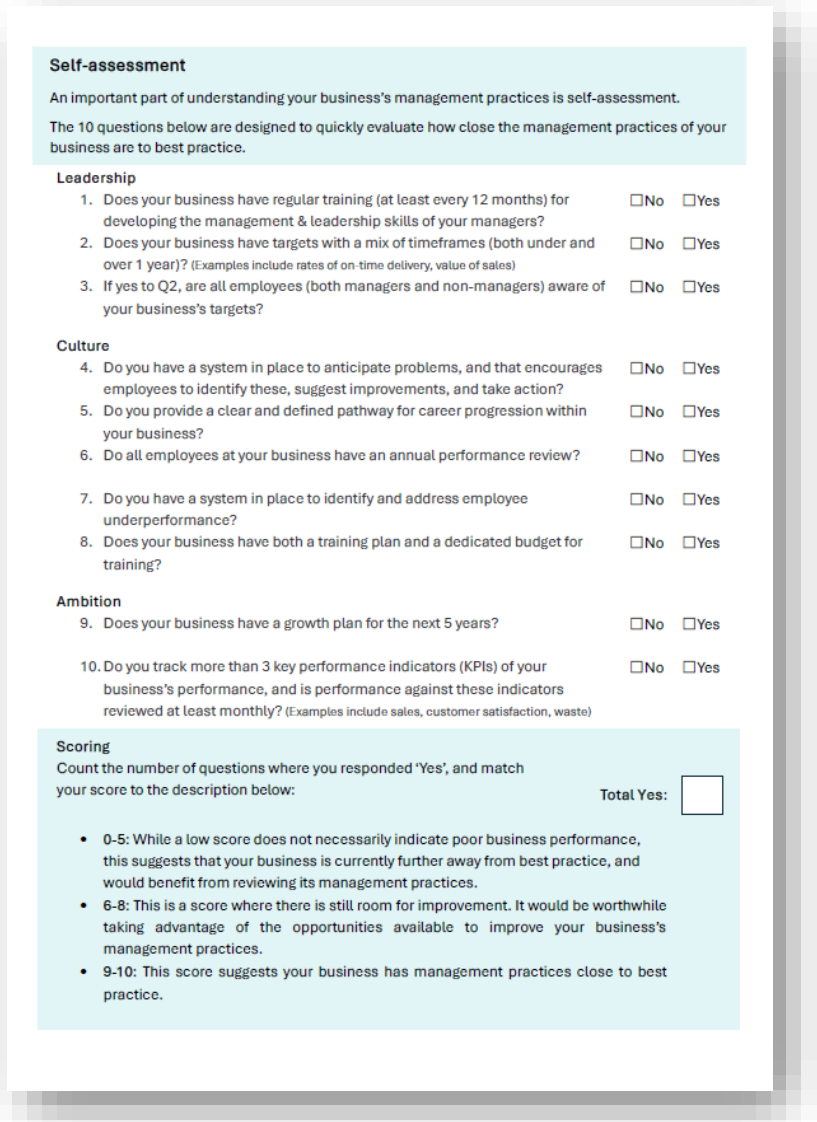
Queen's University	Help to Grow Management Course	Ulster University	Help to Grow Management Course
Open University	Developing team leader skills	Invest NI	Leader Programme
Enterprise Causeway	Lead2Grow Leadership Development	NI Chamber of Commerce & Industry	Middle Management Training
Centre for Competitiveness & Queen's University	Advanced Manufacturing Leadership Programme	Visit nibusinessinfo.co.uk for further information on staff training & development, online courses, & available government support	

Notes: It is important to research courses before applying to understand their suitability and content; PT = part-time; Course details as of July 2024.

The Northern Ireland Productivity Forum is based at Queen's Business School, and is part of The Productivity Institute (www.productivity.ac.uk), a UK-wide organisation that works across academia, business and policy to better understand, measure and enable productivity across the UK. This work was supported by the Economic and Social Research Council [grant number ES/V002740/1].

Booklet Edition: July 2024

Self-assessment (page 2)



Self-assessment

An important part of understanding your business's management practices is self-assessment.

The 10 questions below are designed to quickly evaluate how close the management practices of your business are to best practice.

Leadership

1. Does your business have regular training (at least every 12 months) for developing the management & leadership skills of your managers? ☐No ☐Yes
2. Does your business have targets with a mix of timeframes (both under and over 1 year)? (Examples include rates of on-time delivery, value of sales) ☐No ☐Yes
3. If yes to Q2, are all employees (both managers and non-managers) aware of your business's targets? ☐No ☐Yes

Culture

4. Do you have a system in place to anticipate problems, and that encourages employees to identify these, suggest improvements, and take action? ☐No ☐Yes
5. Do you provide a clear and defined pathway for career progression within your business? ☐No ☐Yes
6. Do all employees at your business have an annual performance review? ☐No ☐Yes
7. Do you have a system in place to identify and address employee underperformance? ☐No ☐Yes
8. Does your business have both a training plan and a dedicated budget for training? ☐No ☐Yes

Ambition

9. Does your business have a growth plan for the next 5 years? ☐No ☐Yes
10. Do you track more than 3 key performance indicators (KPIs) of your business's performance, and is performance against these indicators reviewed at least monthly? (Examples include sales, customer satisfaction, waste) ☐No ☐Yes

Scoring

Count the number of questions where you responded 'Yes', and match your score to the description below: Total Yes: ☐

- 0-5: While a low score does not necessarily indicate poor business performance, this suggests that your business is currently further away from best practice, and would benefit from reviewing its management practices.
- 6-8: This is a score where there is still room for improvement. It would be worthwhile taking advantage of the opportunities available to improve your business's management practices.
- 9-10: This score suggests your business has management practices close to best practice.

- Short questionnaire
  - 10 questions
  - Based on areas measured in ONS's Management & Expectations Survey (MES)
  - Grouped into Leadership, Culture, and Ambition
  - Yes/No answers
- Scoring used to give indication of performance:
  - 0-5: Further away from best practice
  - 6-8: Room for improvement
  - 9-10: Close to best practice

Self-assessment

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Self-assessment

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Self-assessment

Scoring

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Discussion

1. Which aspects of your business's management practices are you most confident about?

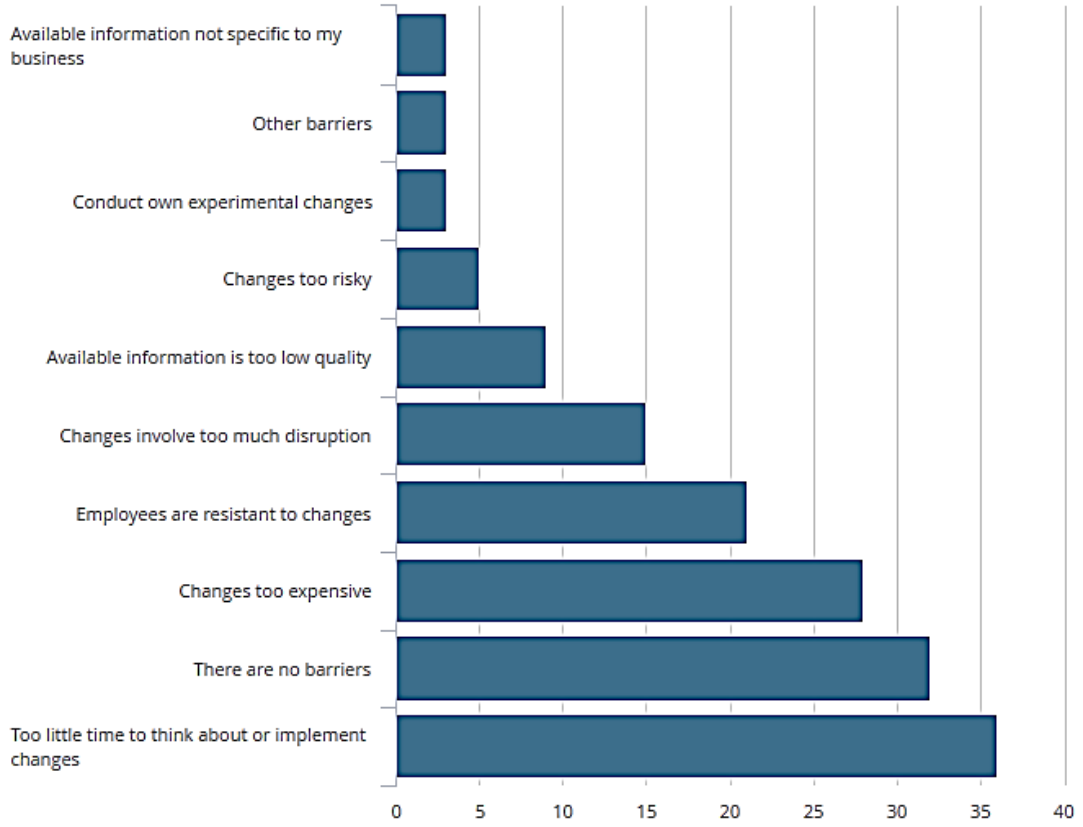
2. Which question did you find most difficult to answer 'Yes'?

3. Which area do you think would make the biggest difference to your business if you improved it?

Barriers to adopting best practice

- Why might smaller firms not adopt best practice?
  - **Costs:** upgrading management is costly, may outweigh improved productivity
  - **Effort:** greater effort is involved in adopting best practice
  - **Heterogeneity:** differing costs & benefits means one size doesn't fit all
  - **Frictions:** it takes time to learn & adapt to new innovations
  - ***Other reasons?***

Responses to "What is the main barrier to improving the way this business is managed?", UK, 2023



Source: ONS (2024) Management practices and productivity

4. Ways to improve your management practices

Continuous Improvement

Continuous improvement practices – monitoring & using information to improve

- Self-assessment question: 4
- MES question: In general, what is the most common response to problems faced within your business?

Low performer	Middle performer	High performer
No action was taken, or we resolved the problems but did not take further action.	We resolved the problems and took action to try to ensure they do not happen again.	We resolved the problems and had a continuous improvement process to anticipate similar problems in advance.

- **Example actions:**
  - Staff workshops to improve performance in their area
  - Make exposing problems in a structured way an integral part of individuals' responsibilities

Key Performance Indicators (KPIs)

Key performance indicators – how many KPIs & how often reviewed

- Self-assessment question: 10
- MES questions: How many KPIs does your business monitor? And how frequently is progress against the KPIs reviewed by managers and non-managers?

Low performer	Middle performer	High performer
0-2 KPIs, reviewed at most quarterly or annually only by managers. Tracking is an ad-hoc process (certain processes aren't tracked at all).	3-9 KPIs, which are reviewed at least monthly, involves both managers and non-managers. Formal tracking is overseen by senior management.	10 or more KPIs, which are reviewed weekly or more frequently, by both managers and non-managers. Tracking is continuous, and performance is communicated to all staff using a range of visual management tools.

- **Example actions:**
  - Performance reviewed based on tracked indicators and communicated both formally and informally
  - Formal meetings have purpose, agenda and follow-up steps clear to all, providing an opportunity for constructive feedback and coaching

Targets

Targets – stretching, tracked, & reviewed

- Self-assessment questions: 2, 3, 9
- MES questions: What are the main timeframes for achieving targets? How easy or difficult is it to achieve these targets? What proportion of managers and non-managers are aware of these targets?

Low performer	Middle performer	High performer
Either no targets, or main timeframe less than one year. Targets are either very easy or very difficult, requiring either little or extraordinary effort. Only some managers and non-managers are aware of these targets.	Main timeframe is one year or more. Targets are quite easy, requiring some effort. Most managers and non-managers are aware of these targets.	Combination of timeframes of less than and more than one year. Targets are quite difficult, possible to achieve with more than normal effort. All managers and non-managers are aware of these targets.

- **Example actions:**
  - Balance of financial and non-financial targets
  - Long-term goals are translated into short-term targets which become a ‘staircase’ to reaching long-term goals
  - Targets are stretching but grounded in solid, business-specific rationale

Employment Practices

Employment practices – training, tracking & rewarding good performance

- Self-assessment questions: 1, 5, 6, 7, 8
- MES questions: What are promotions usually based on? What proportion of managers and non-managers had a performance review in the past 12-months? What timeframe is action taken for underperformance? Are managers and non-managers supported with appropriate training and development opportunities?

Low performer	Middle performer	High performer
Promotions unrelated to performance. Fewer than half have annual performance reviews. No action taken to address underperformance. No support for training and development.	Promotions based partially on performance and partly on other factors. More than half have annual performance reviews. Action taken to address underperformance after 6 months. 5-10 days of training and development.	Promotions based solely on performance. All have annual performance reviews. Action taken to address underperformance within 6 months. More than 10 days of training and development for both managers and non-managers.

- **Example actions:**
  - Senior managers are evaluated and accountable for developing talent throughout the business
  - System to identify, develop and promote top performers
  - Training and development is tailored to employee's role

5. Conclusion

Recommendations

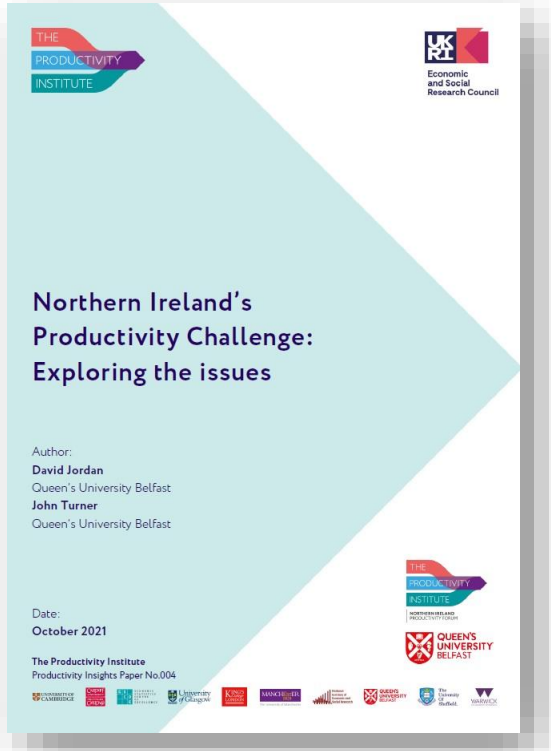
Box 1: Recommendations for government

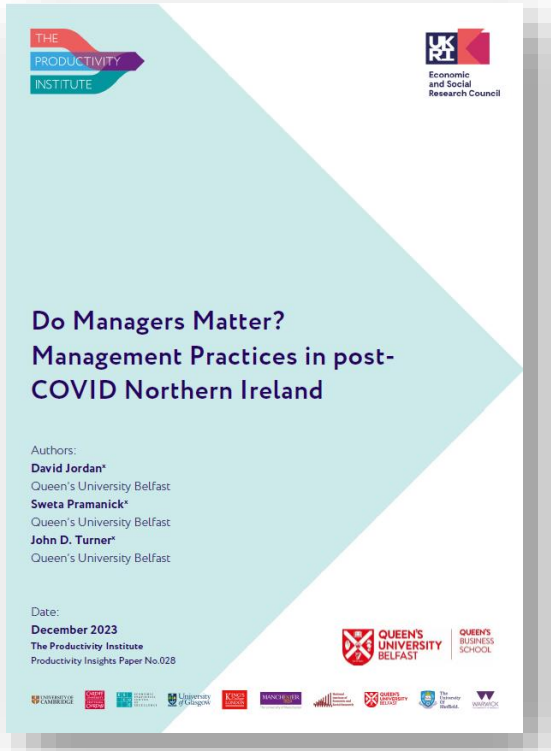
1. Improving management practices is a key element in supporting new technology adoption and greater digitalisation.
2. Enhancing the human capital of managers – through qualifications and leadership training – is key to better management practices.
3. Government policy should target improving management practices in firms which are small, second-generation family-managed, and selling to the domestic market.

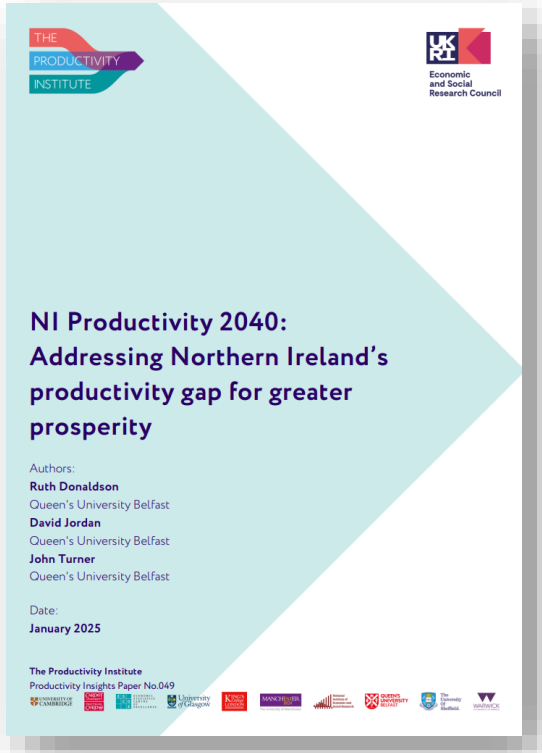
Box 2: Recommendations for business

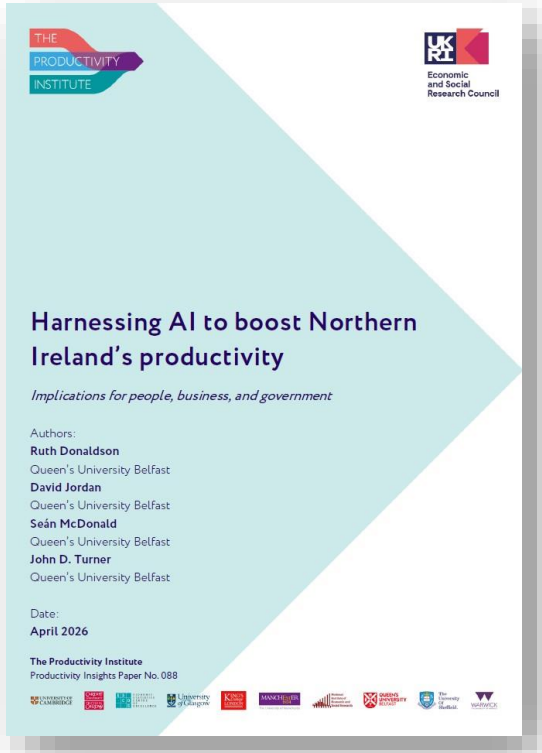
1. The ability to adopt new technology and increase digitalisation is linked to a business's management practices.
2. Adopting best practice in management requires investment in the human capital of managers, particularly regular leadership training.
3. Businesses with characteristics associated with poorer management practices should proactively seek opportunities to improve their managers.

Our reports









To find out more, please visit www.productivity.ac.uk

Or search for 'Northern Ireland Productivity Forum'