

RECOGNISING EXCELLENCE LTD

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Equipping and supporting managers is the route to business success even in challenging times

A new report provides clear evidence of the impact of investment in management capabilities on business profitability. The analysis, conducted by Cranfield School of Management, found a clear link between good management and improved business performance, in spite of the challenging economic context and the wider impact of the recession on business success.

It also showed how working with Investors in People has a strong and positive impact on management performance.

The study, which combined case studies, a survey of over 400 employers and analysis of financial performance information from Companies House, found that working with Investors in People increases profitability by enhancing managerial skills, knowledge and experience, improving the effectiveness of management development practices and increasing the performance of managers. It also inspires a high-performance management culture and an effective learning environment, both of which help to improve business performance.

Mike Bourne, Professor of Business Performance at Cranfield School of Management conducted the research. He found that Investors in People has a positive impact on management performance at all levels, from senior executives through to middle managers, and supports the development of a learning culture within organisations.

Jane Jones, Acting Chief Executive of Investors in People UK, said: "This is compelling research. This report clearly demonstrates that equipping managers, so that they can perform to the best of their ability, is critical to business success. Yet many people are expected to perform in a management role without structured development or support. Employers should take note: effective management at all levels improves business performance, so enhancing management capability will deliver tangible results."

Professor Bourne said: "The link is clear. Build management skills and you will drive up business performance. We had an open mind when we conducted this research but the empirical evidence is: Investors in People is the foundation of effective management practice and working with them is a clear route to success. Given the tough economic environment during which the research was conducted this is especially significant."

The findings follow a nine month project exploring the extent to which working with Investors in People affects managerial performance, and therefore the performance of the organisation as a whole. When investigating the key factors that determine the performance of managers the effective implementation of Investors in People appears as a key driver.

