State of the Nations research series

MANAGEMENT PRACTICES IN THE CREATIVE INDUSTRIES

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The Creative Industries Policy and Evidence Centre (Creative PEC) works to support the growth of the UK's creative industries through the production of independent and authoritative evidence and policy advice. Led by Newcastle University, with the Royal Society of Arts and funded by the Arts and Humanities Research Council, Creative PEC comprises a core consortium of Newcastle University, Work Advance, the University of Sussex and the University of Sheffield.

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About the State of the Nations research series

Creative PEC's State of the Nations research series analyses the latest data across four thematic areas to inform the development of policies relating to the creative industries. The scope is the whole of the United Kingdom, and wherever possible data is presented for all the nations and regions. Regular reports on each area will be published annually over the five years of the Arts and Humanities Research Council (AHRC) funding. The themes and corresponding Research Partners are:

- R&D, Innovation and Clusters (University of Sussex)
- Internationalisation (Newcastle University)
- Arts, Culture and Heritage Sectors (University of Sheffield)
- Education, Skills and Talent (Work Advance)

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MANAGEMENT PRACTICES IN THE CREATIVE INDUSTRIES

State of the Nations research series

Foreword

One factor consistently cited by economists to explain the UK's 'productivity puzzle' is a shortcoming in the quality of its management. A recent academic review article reported that half (thirteen of twenty-six) of the surveyed experts believed firm management quality has contributed to the UK's slow productivity growth post-2007, and eleven of these thirteen experts considered this to be one of the five most important factors involved.

The idea that the UK has a management quality problem in some areas is supported by a now considerable number of official data sources on the subject, including the Employer Skills Survey, the Management Expectations Survey and the Longitudinal Small Business Survey. But what do these sources have to say about the quality of management practices in the creative industries specifically? Are there distinct areas in which creative industries managers are lagging behind or leading in practice? What impact do management practices have on firm performance in this sector, and what are employers doing – or not doing – to address shortcomings?

These are the questions our latest State of the Nations report sets out to tackle, providing a baseline for future reports and tracking progression in an area that UK policymakers have identified as an industrial policy priority. I welcome your feedback!

Professor Hasan Bakhshi,
Director, Creative PEC

Executive summary

This State of the Nations report explores management practices and capability in the creative industries, analysing the latest data from three government-backed national business surveys. The research starts by building a picture of management practices across the creative industries and how they vary with business demographics. It aims to understand what drives the uptake of different practices and how management influences various business outcomes. It then explores the actions that creative industries firms are taking to improve their management practices, and the barriers they face in doing so.

The report builds on previous Creative PEC research, such as the Good Work Review (Carey et al, 2023) and wider skills research (Giles et al, 2025). It is expected that this report will form the beginning of a suite of outputs (including future State of the Nations reports and further research) examining management practices, which will provide a comprehensive evidence base to inform future policy focused on enhancing management practices, including through the UK Industrial Strategy and Creative Industries Sector Plan.

The UK economy is experiencing a substantial and long-standing productivity challenge, and there is ongoing interest in the role of management practices in securing productivity improvements in future. Although there is a lack of consensus about the precise causes of the productivity problem (National Institute of Economic and Social Research [NIESR], 2022), resulting in a so-called productivity puzzle (Haldane, 2017), there is considerable evidence that management capability is one crucial driver of this (Scur et al, 2021; ONS, 2024).

Recent policy developments have focused on enhancing management practices and capability across the economy, including the UK Industrial Strategy 2025, the Technology Adoption Review and the Making Work Pay initiative. Management skills are also a policy priority within different national skills systems and have been identified as a priority for the creative industries, as set out in Creative PEC's Good Work Review (Carey et al, 2023) and the Creative Industries Sector Plan (UK Government, 2025). There is growing recognition that it is important to customise interventions to reflect varying sector needs, so this research offers insights on the distinct picture of management practices and capability in the creative industries.

The analysis used official statistics from three government-backed national business surveys to review overall management practices and more focused dimensions of management, including continuous improvement, the use of key performance indicators (KPIs) and targets, and people-oriented employment practices (Scur et al, 2021), associated with high-performance workplace (HPW) practices (Belt and Giles, 2009). The research seeks to better understand what drives the uptake of different practices, whether there is any association between management practices and firm performance and what actions creative industries firms are taking to strengthen their management approach.

In doing so, the research provides insight on the management practices and capabilities that might strengthen business performance in future, and in turn, the direction of future management policy interventions. While the research provides a useful starting point, management remains a complex issue and so it is also important to identify where there is a need for further research. The analysis has revealed four key findings.[1]

Summary of findings

1. **Creative firms tend to display stronger management practices than their counterparts across the economy, but there are key areas for improvement**. While it is necessary for multivariate and causal analysis to control for factors like firm size, our initial analysis of official sources finds that the creative industries has better management practices scores compared to the economy as a whole, overall and for some management domains. However, a closer examination suggests creative businesses are adopting some key management practices more than others. For instance, creative industries firms score more highly for using measures of continuous improvement than for using quantitative targets (i.e. KPIs). While the creative sector is relatively more innovative than the wider economy, only a minority of small and medium-sized enterprises (SMEs; 26%) in the creative industries are refining their business processes. Creative firms have lower uptake of practices associated with the organisation cluster of HPW practices, such as employee consultation and accredited management standards. While technology adoption is comparatively high among firms in the creative industries, there is scope to strengthen the use of some technologies, such as enterprise resource planning, HR management, project management and customer relationship management software.

   Further, the rate of adoption of different management practices varies depending on the characteristics of the firm: smaller, single-site, home-based and family-owned firms demonstrate weaker management practices, both in the creative industries and across the wider economy.

1. The survey sample size enabled robust analysis of the data for the creative industries, but precluded a more detailed analysis in some areas (e.g. for sub-sectors of the industry, nations or regions) for some variables, particularly those based on questions asked of a subset of the sample. This is an important gap for future research to address, as discussed in section 5.

2. **SMEs in the creative industries adopting stronger management practices also tend to perform better on measures of business performance**. The research finds that training, process innovation and technology adoption are all positively associated with indicators of firm performance, such as past and expected future growth in turnover and employment, product or service innovation and plans to invest in workforce skills and leadership capability. While further research to explore the relationship between management practices and business performance is needed, this study provides an early indication that management practices matter for future growth of the creative industries.

3. **Multiple indicators point to sustained underinvestment in management skills and management development**. Employers in the creative industries are statistically significantly less likely to provide management and supervisory training for their staff than employers across the economy . Rates of training for managers in the creative industries (33%) fall short of the average for the UK economy (44%) and have declined since 2017. Further, both then and now, managers are among the least likely staff to receive training compared to other occupations, pointing to a sustained period of underinvestment. Of further concern is that employers in creative industries are less likely than employers across the economy to anticipate a need to upgrade management and leadership skills amongst their workforce in future, raising questions about whether creative industries employers are making management development enough of a priority and recognising management capability as a key driver of business success.

4. **Creative firms with the weakest management scores are the least likely to take action to improve the running of their business**. More than nine in ten creative businesses with ten or more employees are taking some action to improve business management. However, the types of actions creative firms are taking tend to be internally focused and few seek external expert advice in driving improvements in business management, either from consultants or by engaging with government-funded training programmes.

   Further, those businesses with the highest management scores are also more likely to take action. This is a common trend across the economy, and while we are unable to control for firm characteristics at this stage, we have found that only a little over half (53%) of creative firms with the weakest management practices are seeking to drive improvements in the future.

Research insights and policy recommendations

Several high-level policy recommendations have been identified from the research.

First, the government-backed national surveys reveal strengths and weaknesses of the management approach of creative industries businesses, which in turn can inform future policymaking. In particular, the research suggests that, despite relatively strong levels of innovation and technology adoption, there is a need for creative firms to strengthen their formal management practices (e.g. use of KPIs) and to increase their appetite to drive improvements, particularly among those firms that currently display the weakest management practices.

Many of the challenges creative industries firms face are common to other sectors, so there is scope for government and industry stakeholders to promote further engagement among creative industries businesses with mainstream management programmes in each of the devolved nations. Examples include the new Business Growth Service in England, Scottish Enterprise and Business Gateway in Scotland, Business Wales and NI Business Info in Northern Ireland, as well as place-based programmes, such as local Growth Hubs, and mayoral initiatives such as the Good/Fair Work Charters in London, Manchester and Liverpool. Additionally, national and subnational government and industry stakeholders could explore how to further customise policy interventions and business support services to take account of the distinct needs of the creative industries.

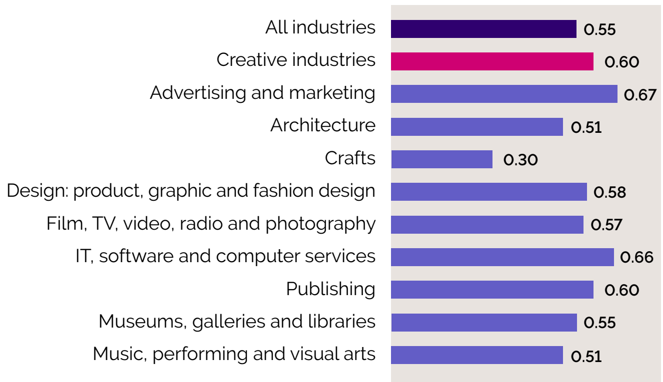
Second, given the considerable variation in the strength of management practices within the creative business population – not least by sector, firm size and ownership structure – there is scope for government and industry stakeholders to advance new management and business support programmes that promote the diffusion of good practice from frontier firms that demonstrate the strongest management practices to those with comparatively weaker management practices. International practices point to the benefits of promoting stronger networking between firms and convening communities of practice, where employers work together towards shared goals (Organisation for Economic Co-operation and Development [OECD], 2021). For instance, in Ireland, PLATO Business Development Networks were established almost thirty years ago; these networks allow groups of SMEs to share information, expertise and experiences, and have been shown to improve management capability, firm productivity and performance. Other international examples, such as Korea's POSCO Consortium, Japan's J-GoodTech programme and France's competitiveness clusters (OECD, 2023), demonstrate how peer-to-peer support programmes can promote knowledge transfer between large firms and SMEs in their supply chain.

Finally, the research points to a pressing need to strengthen policy interventions that promote management training and development, in order to address persistent underinvestment in this area. This raises an important strategic question about how publicly funded interventions offered by universities, colleges and broader providers across the different national skills systems can be supported, funded and hence preserved. There is also scope to consider customising the design, content and delivery models of mainstream programmes to maximise value and address the barriers to uptake reported by creative firms, as well as to co-design new, industry-focused management training – for example, building on programmes such as Arts Council England's leadership programme, the WorkWise programme being piloted in the screen industries, and the workplace innovation programme delivered by Scottish Enterprise. New initiatives could also be developed, designed in partnership with industry stakeholders, national and subnational policymakers and place-based delivery partners.

In aggregate, the management practices of creative industries firms are relatively strong but there are areas of management that could be improved

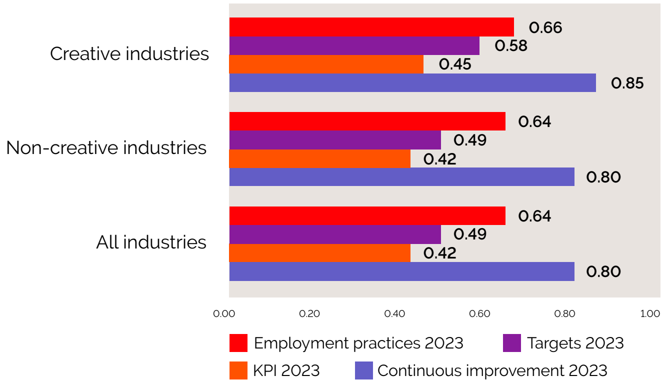
Management practices vary across creative sub-sectors

(Mean management score,* 2023)



The adoption of different practices also varies

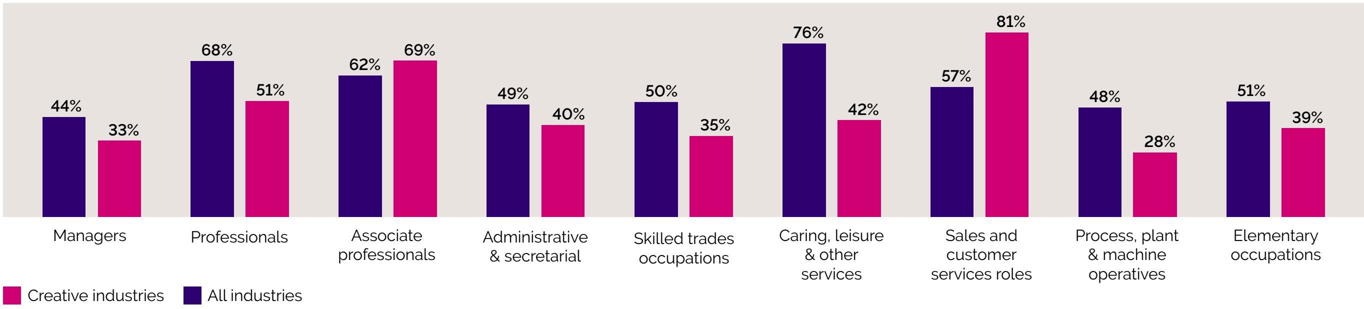
(Management score by dimension,* 2023)



Source: Authors' elaboration based on the Management Expectations Surveys (ONS, 2023)

Managers in the creative industries are amongst the least likely occupations to have received training

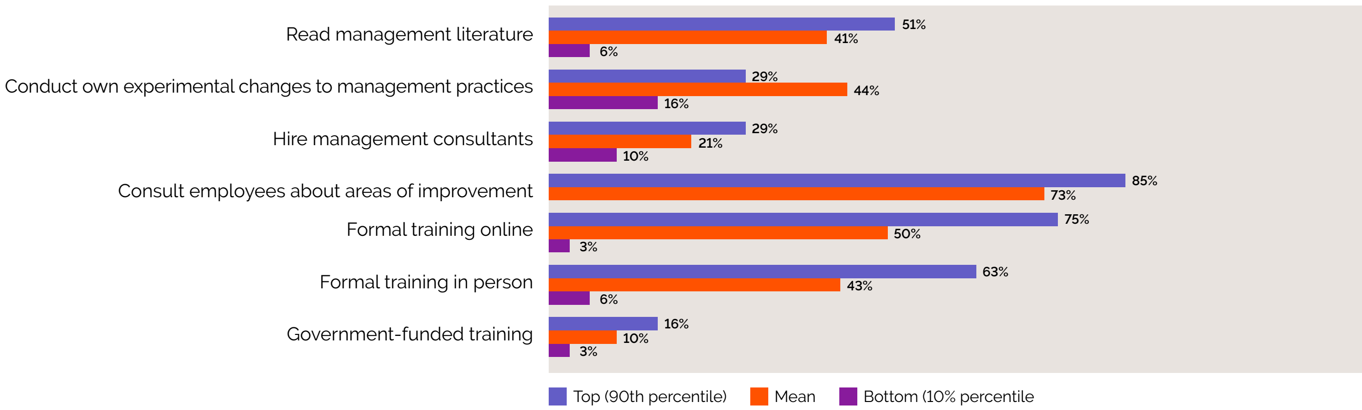
% of staff in these roles who received employer training over the last 12 months+



Source: Authors' elaboration based on the Employer Skills Survey 2022 (DfE, 2023)

Creative industries employers are already taking action to improve their management approach

% of employers taking these actions, 2023 †



Source: Authors' elaboration based on the Management Expectations Surveys (ONS, 2023)

Notes: * The overall management practices score (management score) is an average of the scores along the four measured dimensions of management practices: continuous improvement, KPIs, targets and employment practices. + Q: Over the last 12 months, which occupations have you arranged or funded training for, whether on or off the job? Establishments with two or more employees. Base: all employment and all establishments [n = 3231]. Q: In 2023, what do managers commonly do to improve the way this business is managed? Firms with ten or more employees. Bottom and top deciles refer to firms below the 10th percentile of management score and those above the 90th percentile of management score, respectively.

1 Introduction

1.1 Overview

This State of the Nations report from the Education, Skills and Talent theme examines management practices and capability in the creative industries, to understand how management can contribute to future performance improvements in the sector.

It aims to use official statistics, analysing the latest data from three government-backed national business surveys to compare management practices in the creative sector to those in the economy as a whole, and to explore what drives differences in practice and performance within this sector, which is one of the UK government's priority sectors. It also aims to draw insights that will enhance future policies seeking to strengthen management capability (Department for Business and Trade [DBT], 2025). It is expected that this State of the Nations report will form the beginning of a suite of outputs (including future State of the Nations reports and wider research) looking at different dimensions of management in the sector and how they might be improved.

1.1 Background and context

Due to ongoing pressures on productivity performance in the UK economy, there has been growing interest in the quality of management practices within firms, and the role management plays in unlocking improved business productivity and future success (The Productivity Institute [TPI], 2023). In this context, past research by Creative PEC and others (Armstrong and Page, 2015; Carey et al, 2023) has called into question the adequacy of management capability and practices in the creative industries and the degree to which this is holding back the performance of the sector.

Productivity matters because it stimulates higher profits and wages and is key to driving public revenues and improving long-term prosperity and living standards. Consequently, it remains central to policy priorities, as seen recently in the UK Industrial Strategy 2025 (DBT, 2025). However, the UK economy is currently experiencing a significant productivity challenge, marked by a long-running productivity slowdown since the financial crisis in 2008, and growth has not yet returned to the rates seen in the past (TPI, 2023). Furthermore, the latest figures show that UK productivity performance persistently lags behind that of other leading economies; the UK fell into the bottom half of OECD rankings for this in recent years, well below France, Germany and the USA (ONS, 2023).

The state of the UK's productivity performance is believed to be due to a persistent long tail of underperforming UK firms in different localities and sectors, and the creative industries are no exception (House of Lords, 2023). Despite the top 10% of frontier businesses continuing to be highly productive, overall performance is pulled down by the underperformance of the vast majority of firms, especially among small businesses, which predominate across the creative industries. Not only is the gap between the most and least productive firms substantial, exceeding levels seen abroad, it has also been growing over time (TPI, 2023).

While there is not a consensus on the causes of the problem (NIESR, 2022) – resulting in a so-called productivity puzzle (Haldane, 2017) – there is considerable evidence that management capability is one crucial determinant of this (Scur et al, 2021). Recent analysis by the ONS confirmed a strong link between robust management practices (e.g. continuous performance, people management, use of targets) and a range of business outcomes, such as labour productivity, profitability and business survival (ONS, 2024). One important factor that explains the UK's productivity gap compared to its international counterparts is a significant deficit in management quality (Bloom et al, 2024).

In light of these business challenges, this research reviews the picture of management practices across the creative industries compared to the UK economy as a whole. A core objective is to offer insights on which management practices and capabilities might support performance improvements and international competitiveness across the sector.

1.3 Research aims and approach

The research examines management practices across the creative industries[2] compared to the UK economy as a whole and explores how these practices vary with business demographics. In particular, it seeks to understand what is driving the uptake and use of different practices and how management influences business outcomes.

The research seeks to address the following questions:

- **What is the current picture of management practices and capabilities in the creative industries?** What types of practices are deployed? What is the strength of the overall management approach? How does this vary with business demographics? What are the differences between the creative industries and the UK economy as a whole (as the data allows)?
- **How can management practices be improved to enhance future business success?** What types of creative industries businesses are performing better (e.g. have growth in employment and output)? What inhibits them from doing so? What might be done to strengthen the management approach in different firms within the creative industries moving forward?

2. Further information on the Department for Culture, Media and Sports (DCMS) definition of the creative industries, which is used for national statistics, is available on Creative PEC's website.

The research deploys up-to-date data from the UK's government-backed national business surveys, which provide a robust and common baseline of information about the creative sector. Thus, the creative industries can be consistently compared to other sectors of the economy and regularly reviewed, updated and tracked. The use of economy-wide data also enables the identification of evidence gaps, thus guiding future data collection and research.

A scoping phase identified three key sources:

- **Management Expectations Survey (MES)**: a UK-wide survey managed by the ONS since 2016, which collects information from businesses about their management practices and expectations for their business in the future. While the design has evolved over time, since 2023 the MES has surveyed businesses at an enterprise level with more than ten employees, in both the services and production industries. The latest survey in 2023 achieved a sample size of 14,000. The ONS utilise a framework of eighteen structured management practices (see discussion below). Given the size and focus of the 2023 survey, this has been the primary source for this study.
- **Longitudinal Small Business Survey (LSBS)**: a telephone survey of UK businesses in the private sector with fewer than 250 employees, run by the DBT since 2015. Two separate reports are published, and in the 2024 survey this included one for SME employers (a sample of 8396 firms) and one for businesses with no employees (2192 firms). The purpose of the LSBS is to understand the management, challenges and growth of smaller businesses across the UK economy. Given the size of the 2024 survey, the research has focused on the SME dataset only to provide a more consistent level of analysis for the creative industries.[3]
- **Employer Skills Survey (ESS)**: a UK-wide, establishment-based survey commissioned by the DfE, conducted with employers with two or more employees. The 2022 survey is the sixth since 2011 to cover England, Wales and Northern Ireland (the 2019 survey excluded Scotland). The sample for the 2022 survey was 72,918 employers. The survey provides data on skills challenges and wider management practices, capturing HPW practices, with a particular interest in training and anticipated needs for skill development. It does not examine the skills issues employers face when working with self-employed freelancers. The survey was updated in 2024, but the sample size was too small to support analysis for the creative industries. As a result, this research focuses on the 2022 dataset.

The research team has analysed data from customised tables of the LSBS24 and the ESS22. The sample size from the LSBS24 for the creative industries is 627 responses, and for ESS22 3231 employers. The data presented from these two surveys is weighted to be representative of the UK business population. The unweighted base is noted under each figure. Data based on an unweighted sample of fewer than thirty establishments has been suppressed. Data has been subject to significance testing (z-test at a 95% confidence level), comparing data for the creative industries to other sectors of the UK economy.

The MES23 is investigated using bespoke analysis produced by the ONS, deploying official statistics in development. This includes overall management scores across the framework of eighteen structured management practices and averages for four sub-categories of management practices. The ONS's applied design accounts for differences in sampling and response rates. The analysis uses the same reporting conventions as ONS guidance (ONS, 2024).

3. The sample for the businesses with no employees was not big enough to provide sufficiently robust data for the creative industries.

1.4 Report structure

This report sets out the results from the research:

- **Section 2** provides a background to the study, setting out key literature on management practices and their association with productivity and firm performance.
- **Section 3** examines the current picture of management practices and capabilities in the creative industries compared to the UK economy, and how this varies with business demographics.
- **Section 4** explores management practices and firm performance and the barriers faced by creative firms in driving improvements.
- **Section 5** draws conclusions, discusses policy considerations and identifies areas for future research, including for Creative PEC's Education, Skills and Talent theme.

2 Management practices as a driver of firm performance

2.1 Introduction

This section provides a background to the study, setting out key literature on management practices and their association with productivity and firm performance. It explores the evolution of approaches to measuring management practices, the evidence of their importance in explaining the UK's 'productivity puzzle' and the growing focus among policymakers in each nation on interventions that support a stronger management approach.

2.2 Understanding and measuring management practices

While researchers have been interested in the role of managers and management practices for some time, robust data was not initially widely available, especially for understanding how management practices impact firm performance and productivity (Feng et al, 2025). Early work relied primarily on case studies, seeking to understand how differences in the adoption of management 'best practices' affect business outcomes. Initially, the focus was principally on human resource management (e.g. Guest et al, 2003) and how the workforce could be effectively managed and motivated to improve productivity and performance.

Over time, this evolved into studying HPW practices to capture a broader and more 'holistic' approach to managing people, and considering a wider range of employment practices that could stimulate more effective employee involvement and commitment to achieving high levels of performance (Belt and Giles, 2009). A core intention was to move away from simple notions of best practice, from being too prescriptive or implying a universal, one-size-fits-all approach. Instead, research theoretically and empirically sought to recognise and understand how varying and distinct bundles of HPW practices in different firms and contexts work together to create an approach that seeks to maximise business success through people. In the UK, measurement of HPW practices began in 2011, with a fuller suite of metrics featuring in the 2015 ESS.

The OECD has conducted international measurement through its own surveys, such as the OECD Programme for the International Assessment of Adult Competencies (PIAAC) Survey (OECD and International Labour Organization [ILO], 2017). Together these surveys have pointed to deficits in management in the UK and highlighted areas for improvement. Previous Creative PEC research has used such evidence to draw insights for creative industry employers (Carey et al, 2023).

BOX 1: Measuring high-performance working in the UK

The UK ESS has measured the uptake of HPW practices for over a decade. The last full assessment for the UK in 2017 included a series of questions exploring twenty-one recognised HPW practices. In 2022, the list of HPW practices was reduced to eleven as follows:

21 HPW practices

- On/off-job training
- Work shadowing/stretching/supervision
- Holds ISO 9000
- Employee consultation
- Creates teams to work on projects
- Task variety
- Task discretion
- Flexible working
- Equal opportunity policy
- Trade union consultation
- Training needs assessment
- Awards performance-related bonuses
- Individual performance-related pay
- Flexible benefits
- Training plan
- Training budget
- Processes to identify high-potential or talented individuals
- Annual performance review
- Formally assesses performance after training
- Investors in People
- Business plan

11 HPW practices

- On/off-job training
- Work shadowing/stretching/supervision
- Holds ISO 9000
- Employee consultation
- Creates teams to work on projects
- Task variety
- Task discretion
- Flexible working
- Equal opportunity policy
- Trade union consultation
- Training needs assessment

Source: Authors' elaboration based on the Employer Skills Surveys 2017 and 2022 (DfE, 2018, 2022)

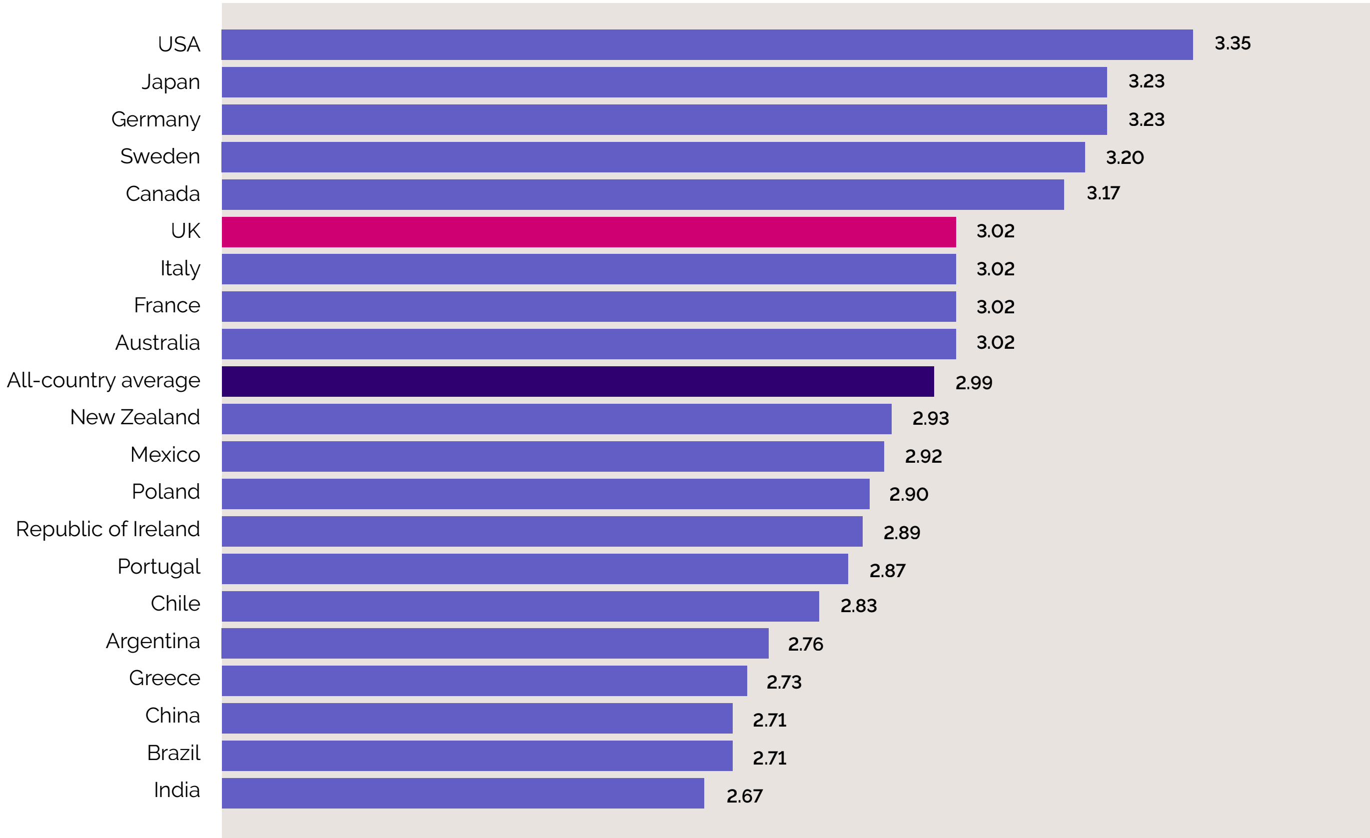
However, given the limits of quantitative empirical research for capturing differences in management practices across firms and industries in the UK, there has been a growing focus on strengthening the management evidence base more broadly (Feng et al, 2025). In particular, research has sought to better understand the differences between, and effects of, a wider range of structured management practices, such as performance monitoring, target setting and incentive systems, beyond people-centred HPW practices, and to research the relationship between management and firm productivity. In this context, one influential source has been the World Management Survey (WMS) project.

Over the last two decades, the WMS has been developed into a systematic survey measurement tool to research the management practices used in organisations in different countries. While the objective has not been to develop a universal definition of good management, a core intention has been to establish a foundation for understanding business management and how management practices influence firm performance in different business contexts. Since 2002, the WMS project has gathered the largest cross-country dataset, spanning over thirty-five countries. Not only has it been key in providing large-scale evidence on how managerial structures are deployed, it has established a positive correlation between structured management practices and firm performance globally, whether measured by productivity, profitability, innovation, technology adoption, skills or growth (Scur et al, 2021).

For example, previous analysis of the WMS has shown that, on average, around one third of cross-country performance gaps can be accounted for by management practices (Scur et al, 2021).[4] Furthermore, a positive association has been established between a stronger management approach and a range of business outcomes. For example, there is a close connection between the uptake of stronger management practices, especially continuous process practices, and firm-level innovation, absorptive capacity, technological adoption (Bloom et al, 2019) and a highly skilled workforce (McKinsey Global Institute, 2023). This growing body of evidence has allowed for cross-country comparisons and the sharing of insights around how and where to make improvements. While the management practices score of UK businesses exceeds the all-country average, there is still room for improvement compared to consistently world-leading countries such as the USA, Japan and Germany.

4. For example, for the UK and the USA, about one third of the productivity gap between high-performing and low-performing firms is due to management practices. Management has a greater effect in some countries, such as Italy and Portugal, accounting for 50% of the difference, and a lesser effect in other countries, like Japan and Sweden, where it accounts for closer to 10%.

Figure 1: Management practices scores by country



Source: World Management Survey (Bloom et al, 2012; Scur et al, 2021)

In the UK, structured management practices have been measured through the MES since 2016, based on an adaption of the WMS survey instrument. However, given that small and medium-sized businesses are becoming an increasingly important component of global economies, it is vital that management research sufficiently explores developments in smaller businesses too. Indeed, the UK business population is overwhelmingly dominated by SMEs, which make up nearly 99.9% of all private sector businesses, and non-employing sole traders, which make up around 74% (DBT, 2024). Clearly this has implications for the creative industries, where a much greater share of businesses are freelancers, sole traders and micro-businesses than is average across the economy as a whole (Giles et al, 2025). In such a context, in the UK, the broader management evidence can be enhanced via dedicated surveys such as the LSBS, run by the DBT.

BOX 2: Assessing structured management practices in the UK

The influence of management practices on firm performance across the UK has been regularly reviewed by the ONS in their MES (run in 2016, 2019, 2020 and 2023). Within this survey, the ONS utilises a framework of eighteen structured management practices developed from the WMS project (Scur et al, 2021). This tool assesses variations in management practices individually and together to understand the shape of the overall management approach. It also refers to the international context, considering differences between the UK and other countries (Bloom et al, 2024).[5] The survey focuses on businesses with ten or more employees.

This framework includes questions that capture four dimensions of management practice:

- **Continuous improvement**: focuses on whether firms have proactive monitoring of their business operations, processes for improvement through innovation and how businesses respond to problems;
- **Employment practices**: the degree to which firms promote and reward employees based on performance, managing employee underperformance and providing adequate training opportunities related to promotion, training and employee underperformance;
- **The use of targets**: explores how stretching targets are and whether they are tracked and appropriately reviewed; and
- **The use of KPIs**: how many KPIs the firm has, how they are used in decision-making and how often they are reviewed.

Source: Authors' elaboration based on the Management Expectation Surveys from 2016 to 2023 (ONS, 2024)

5. For example, the latest assessment from the WMS 2024 draws comparisons between 38 countries, including in addition to the UK: the USA, Canada, Australia, China, India, Singapore, France, Germany, Sweden, Spain, Portugal and Ireland.

BOX 3: Assessments of the performance of small businesses

The LSBS has been running since 2015; the 2024 survey was the tenth wave. The survey asks senior managers or owners about a wide range of topics to better understand the experiences and challenges facing small businesses in the UK economy. These cover a range of areas concerning management, business challenges (e.g. tax, energy, finance) and growth, as follows:

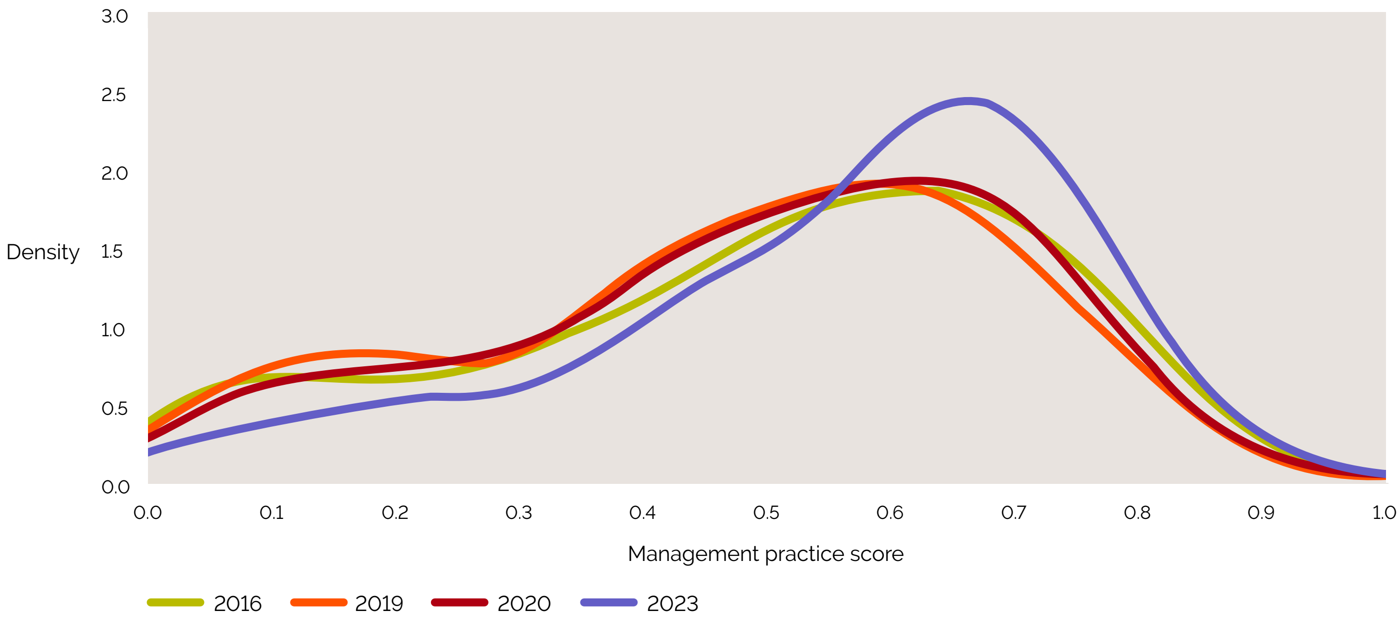
- **Business performance**: current and expected turnover and employment levels;
- **Growth ambitions**: plans for expanding sales or entering new markets over the next three years;
- **Business practices**:
  - Training: investments in workforce development;
  - Innovation and technology adoption: the extent of developments in new working practices and processes to support the introduction of new goods and services;
- **Obstacles to business improvements**: major barriers to business management and success, such as taxation, competition, skills, energy prices and regulations; and
- **Support services**: Use of external finance, trade credit issues and the seeking of professional advice.

Source: Authors' elaboration based on the Longitudinal Small Business Survey (DBT, 2025)

While the LSBS does not capture management practice as comprehensively as sources such as the MES and the ESS, it does provide supplementary evidence of the experiences and challenges of smaller businesses. Therefore, it is an important source of insights for policymakers into how they might improve business support services for smaller businesses.

In common with the picture of productivity across the economy, the existing evidence in the UK points to a wide variation in the uptake of management practices between businesses. This is illustrated by results from the MES (ONS, 2024), which suggests that, while management practices are stronger among leading frontier businesses, there are limits to how best practice from leading firms is diffused among the longer tail of businesses, where management practices could be improved.

Figure 2: Distribution of overall management practices scores (whole sample, Great Britain and UK), 2016–2023



Source: Management Expectations Survey (ONS, 2024)

Thanks to the growing body of evidence that shows the variations in management practices across firms in different countries, there has been considerable interest in the drivers of management: firm size, competition, knowledge and skills, and business ownership (TPI, 2024). There is a strong association between management approach and:

- **Firm size**: larger businesses have higher management practices scores, and smaller firms have lower management practices scores (Forth and Bryson, 2018);
- **Greater competition**: in particular export orientation (ONS, 2018); firms that operate in more competitive and specifically global environments have to adopt stronger management practices to survive, especially exporting firms and multinationals (Bloom et al, 2019);
- **Greater knowledge and skills among both managers and workers**: higher levels of skills, education and training enable staff to take working practices forward effectively (ONS, 2018), and management training is key to enhancing the delivery of management practices (Chartered Institute of Personnel and Development [CIPD], 2023); and
- **Independent business ownership**: non-family-owned businesses are more likely to appoint and develop talented managers and formal management structures, compared to family-owned businesses (Feng et al, 2025).

A greater understanding of the drivers of management improvements is therefore key to strengthening management practices in the economy in future. At the same time, strong management practices already exist among communities of businesses, and there is an interest in supporting faster diffusion from these frontier businesses to the rest, not least through greater collaboration (TPI, 2023). This can facilitate knowledge sharing between businesses, in order to understand and address business challenges and to enhance the spread of good management practices more widely. Such concerns are crucial for future management policy developments.

2.3 The role of management policy interventions

Given the strong link between management practices and positive business outcomes, recent policy developments have focused on enhancing management practices and capability across the economy as a vital mechanism to stimulate productivity growth.

Indeed, in the UK's Industrial Strategy 2025 (DBT, 2025), the UK government committed to building partnerships with eight priority sectors to explore interventions for improving management skills and practices. Each of the individual sector plans provide a chance to customise national programmes more closely to distinct parts of the UK economy and to complement the existing sector strategies in each nation. In developing areas of innovation policy such as the recent Technology Adoption Review (UK Government, 2025), there is a recognition of the vital role of management in securing continuous improvement in UK firms in future. Further, the Making Work Pay initiative, which includes a strong employment rights framework,[6] aims to enhance employment and working practices.

Through these policy initiatives, the UK government aims to work with industry and wider partners across the UK to explore interventions that promote better management skills and practices, in turn enhancing future technology adoption, innovation, productivity and firm performance. The intention is that activities will be targeted specifically at senior leaders in priority industries such as the creative industries.

6. The key interventions are summarised in the Department for Business and Trades Employment Rights Act 2025 Factsheet.

Strengthening management skills and practices is also a priority in the devolved nations.[7] Government and wider partners across the UK are taking steps to enhance the management advice available to the business community, especially for smaller businesses, and to deliver bespoke management improvement programmes and/or business development services, often customised to distinct national or local needs – for example, Scottish Enterprise and the Business Gateway in Scotland, Invest Northern Ireland and NI Business Info in Northern Ireland, Business Wales in Wales, and the new Business Growth Service and local Growth Hubs in England. This is a chance to integrate and tailor services more closely to business requirements across a range of policy areas, such as: skills, innovation and digital adoption, investment and growth, and employment, labour regulation and enforcement.

A wide range of tools across the UK provide information, advice and guidance to assist businesses with improving their management practices, such as Investors in People and the ISO 9000 management standards. Many of these are used in a devolved context and often target specific practices such as employment and HPW practices, including the Fair Work Framework in Scotland and various regional frameworks, like the Mayor's Good Work Standard in London, the Greater Manchester Good Employment Charter and the Liverpool City Region Fair Employment Charter. These have been supplemented with tailored programmes for management development, such as the Help to Grow programme, which receives continued support through the Backing Your Business Strategy 2025 in England.

In addition, the separate national skills systems across the UK are working to support a range of publicly funded interventions offered across the skills landscape by universities, colleges and broader providers that can enable the ongoing development of management capability. In many areas these are accredited by professional and industry bodies such as the Chartered Management Institute (CMI) and the Arts Council England leadership programme to ensure their quality and relevance.

Further, the UK government's progression of the devolution agenda has strengthened investment in local ecosystems and sector clusters, supporting business development, innovation and skills, and thus also enhancing management capability and the diffusion of management practices (Reeves, 2024). In particular, there is an opportunity to support interventions that promote collaboration, networking and knowledge sharing between co-located firms across business communities, such as local business support services like Growth Hubs. Traditionally networking initiatives have prioritised knowledge exchange around science- and technology-based innovation, but more recently there has been international growth in the promotion of workplace innovation programmes.[8] This includes a focus on improving management practices. An example of support for UK businesses in workplace innovation can be found in Scotland's business enterprise agency Scottish Enterprise.

7. See, for example, the separate skills strategies for the different UK nations. In the Scottish skills system, reforms are being directed by the ten-year National Strategy for Economic Transformation (Scottish Government, 2022), which builds on Scotland's Future Skills Action Plan (Scottish Government, 2019). In Northern Ireland, the strategic skills priorities have been set by the recent skills strategy Skills to Succeed for a 10x Economy (Department for the Economy, 2022). In Wales, strategic skills priorities are being progressed through the Welsh Government's Plan for Employability and Skills for a Stronger, Fairer and Greener Wales (Welsh Government, 2022). In England, current reforms are being overseen through the post-16 education and skills white paper (DfE, 2025).

8. European Commission (2014) Workplace Innovation: Concepts and Indicators and its dedicated Workplace Innovation network.

3 Variations in management practices and capability in the creative industries

3.1 Introduction

In this section, we use up-to-date evidence from some of the UK's national business surveys to understand the current picture of management practices and capabilities in the creative industries. This includes considering: the types of practices that are used and how they vary with firm characteristics; the strength of the overall management approach; and how management practices vary between different parts of the creative industries and the UK economy as a whole (as the data allows).

3.2 The general uptake of management practices across the UK

The MES, which has run in the UK for nearly a decade, has become a vital mechanism for tracking developments in the adoption and use of structured management practices in firms across the UK, and for assessing the strength of business management overall (ONS, 2024). Its influence in policy circles is clearly reflected in the range of policy interventions by the UK government to strengthen management in businesses.[9] As such, the survey offers an important starting point for exploring management practices within the creative industries, and how they compare to other parts of the UK economy.

As we saw earlier (section 2), the analysis deploys data from the MES23 based on the responses of senior executives in businesses surveyed across the UK. The responses are organised by the framework of eighteen structured management practices, based on the WMS, covering the four management dimensions: continuous improvement; employment practices; the use of KPIs; and the use of targets.

Survey responses are converted into management practices scores for individual firms. Each of the eighteen management practices is scored on a scale between zero and one, depending on the extent to which the practice is embedded in the firm. An average is then generated to create an overall management practices score. Scores are also provided for each of the four management dimensions. Higher scores imply that a firm has adopted a stronger set of structured management practices, either taken together for the overall score or relative to each of the individual management dimensions.

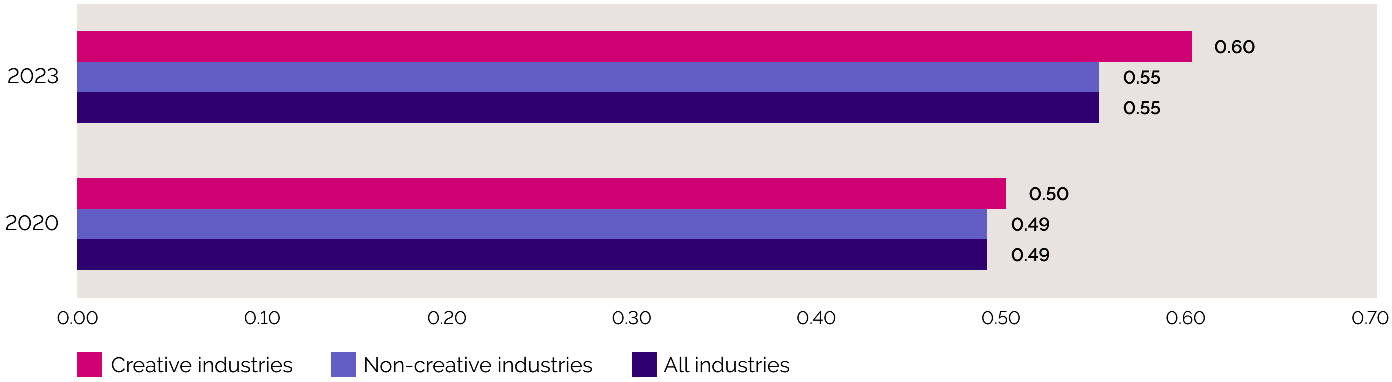
This assessment of management practices in the creative industries compared to all industries, on a scale of 0–1, gives an overall mean score for the creative industries of 0.60 – higher than the economy-wide score for the UK and Great Britain (0.55), and the score for the non-creative industries as a whole (0.55).

A comparison of the results from the 2023 and 2020 surveys[10] suggests that, overall, management practices have improved since 2020. For the creative industries, the management practices score increased from 0.50 in 2020 to 0.60 in 2023. There was also a comparable increase in the overall mean score for firms across all industries (from 0.49) and for the non-creative industries (0.49). The ONS suggests that this improvement was primarily driven by the disappearance of poorly managed small firms during the Covid-19 pandemic (ONS, 2024).

9. See, for example, the latest commitments from the UK Industrial Strategy and Technology Adoption Review, and initiatives such as the Help to Grow management programme, which has drawn on the survey data as a key source for fostering better management as a route to enhancing investment and economic growth.

10. Northern Ireland was only included in the survey in 2023., The 2020 survey covered only Great Britain (i.e. England, Scotland and Wales).

Figure 3: Mean management scores over time, 2020–2023

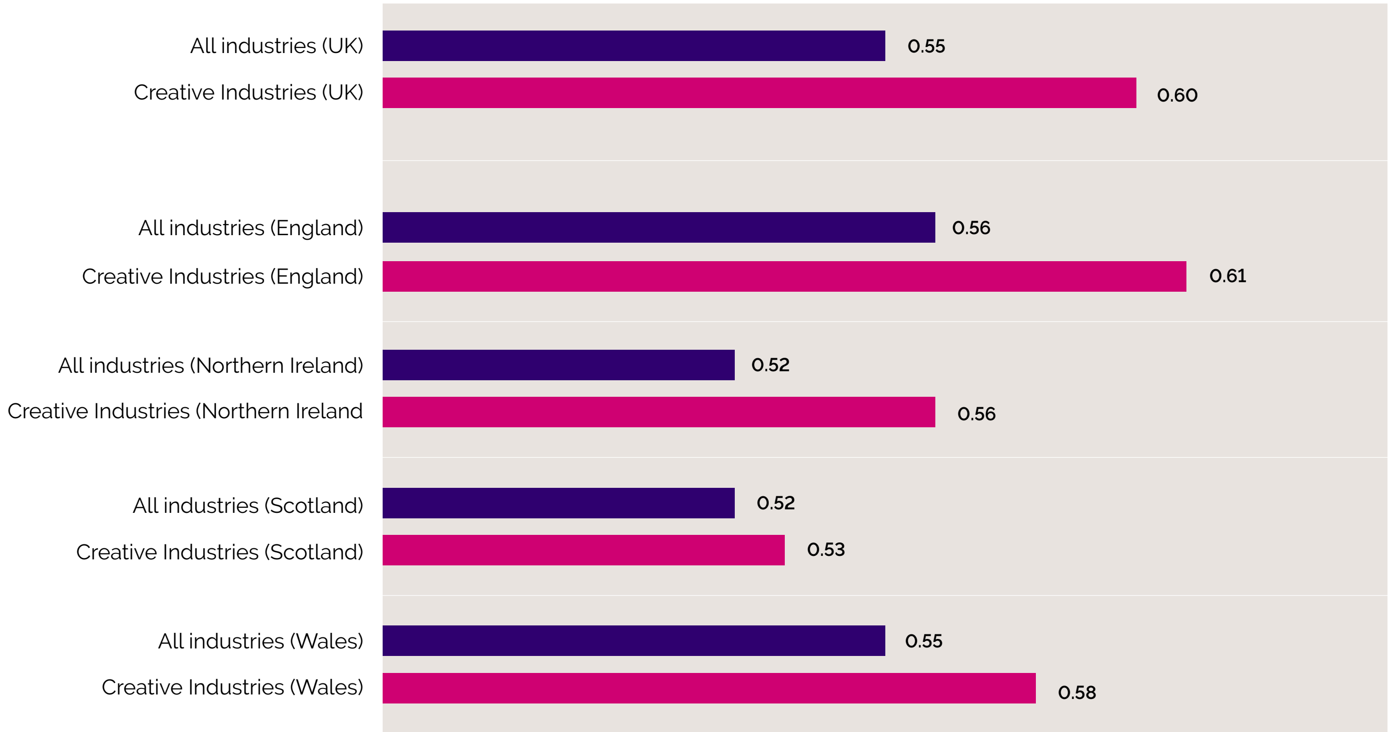


Source: Authors' elaboration based on the Management Expectations Surveys (ONS, 2023)

Notes: The overall management practices score (management score) is an average of the scores along the four measured dimensions of management practices: continuous improvement, KPIs, targets and employment practices. Data includes firms with ten or more employees only.

It is of interest to understand how management approaches differ geographically across the UK. There is a degree of variation, with mean management scores for creative industries being higher in England (0.61) and Wales (0.58), where they are on a par with the UK average for the sector (0.60). Scores for management practices are the lowest in Scotland (0.53), although care should be taken when interpreting these results, given that the aggregate management practices scores will be considerably impacted by the sub-sectoral composition and size of firms in the creative industries in each nation.

Figure 4: Mean management scores by country, 2023

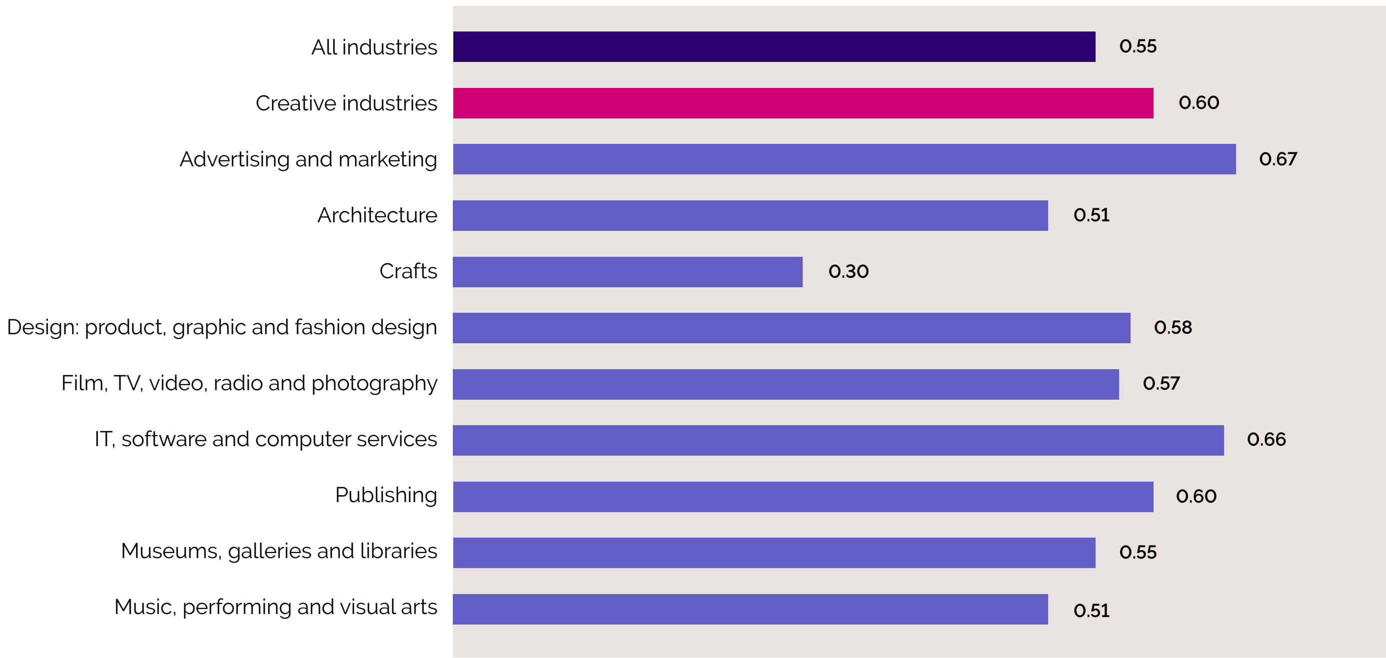


Source: Authors' elaboration based on the Management Expectations Surveys (ONS, 2023)

Notes: The overall management practices score (management score) is an average of the scores along the four measured dimensions of management practices: continuous improvement, KPIs, targets and employment practices. Data includes firms with ten or more employees only.

A comparison of the mean management practices scores between sub-sectors of the creative industries shows notable variation. The sub-sectors with the highest scores – exceeding the creative industries sector average – are advertising and marketing (0.67) and IT, software and computer services (0.66). A further group with mean management scores at or around the average rate for the creative industries include publishing (0.60), design (0.58) and film, TV, video, radio and photography (0.57). The sub-sectors with the lowest scores, below the all-industry average, are crafts (0.30), music, performing and visual arts (0.51) and architecture (0.51).

Figure 5: Mean management score by creative industries sub-sectors, 2023

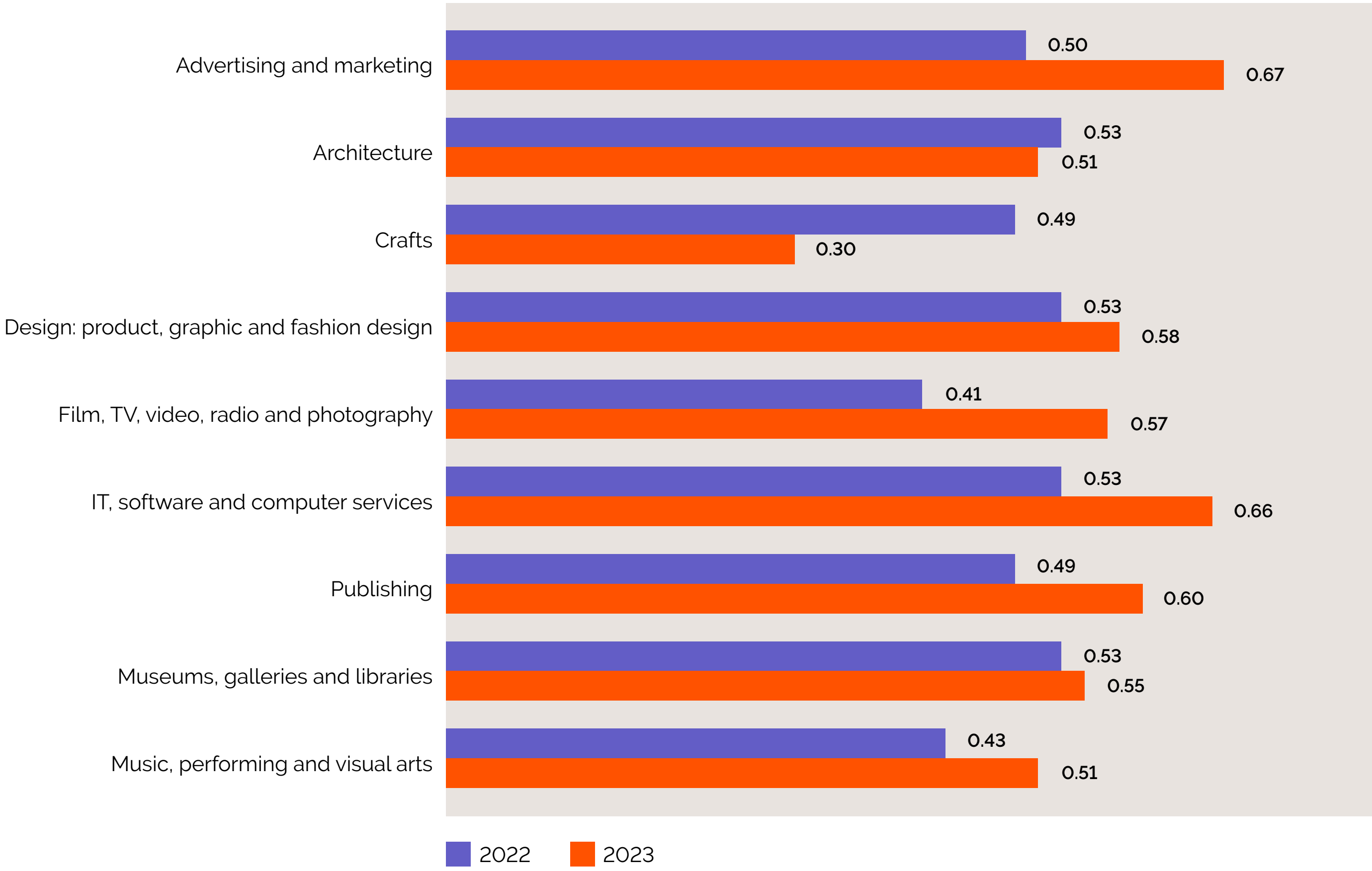


Source: Authors' elaboration based on the Management Expectations Surveys (ONS, 2023)

Notes: The overall management practices score (management score) is an average of the scores along the four measured dimensions of management practices: continuous improvement, KPIs, targets and employment practices. Data includes firms with ten or more employees only.

Interestingly, these scores have not remained static over time. While most sub-sectors have followed the general trend of the economy since 2020 and improved their management approaches over time, some sub-sectors have been able to advance their lead. For example, advertising and marketing, and IT, software and computing services, have made more significant advancements than the sector as a whole. In contrast, others have bucked the general trend and fallen further behind, such as architecture and crafts.

Figure 6: Changes in mean management score by sub-sector over time, 2020–2023

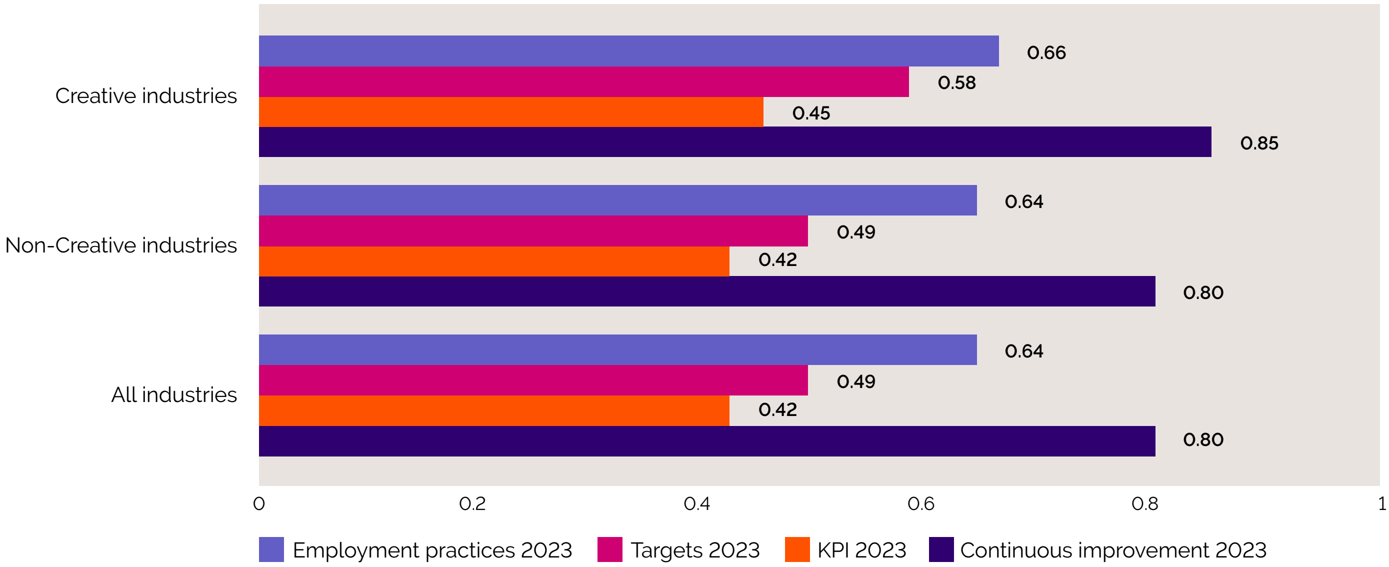


Source: Authors' elaboration based on the Management Expectations Surveys (ONS, 2023)

Notes: The overall management practices score (management score) is an average of the scores along the four measured dimensions of management practices: continuous improvement, KPIs, targets and employment practices. Data includes firms with ten or more employees only.

A closer look at the nature of the management approach reveals a noticeable variation between the different clusters of management practices. Across the four categories of management practices defined by the MES, there has been higher adoption of the continuous improvement component. As a result, this dimension has the highest mean score of 0.85. This is followed by the adoption of employment practices (0.66) and then use of targets in management (0.58). In contrast, use of KPIs has seen the lowest levels of adoption and thus has the weakest management practices score (0.45).

Figure 7: Distribution of management scores by management type, 2023



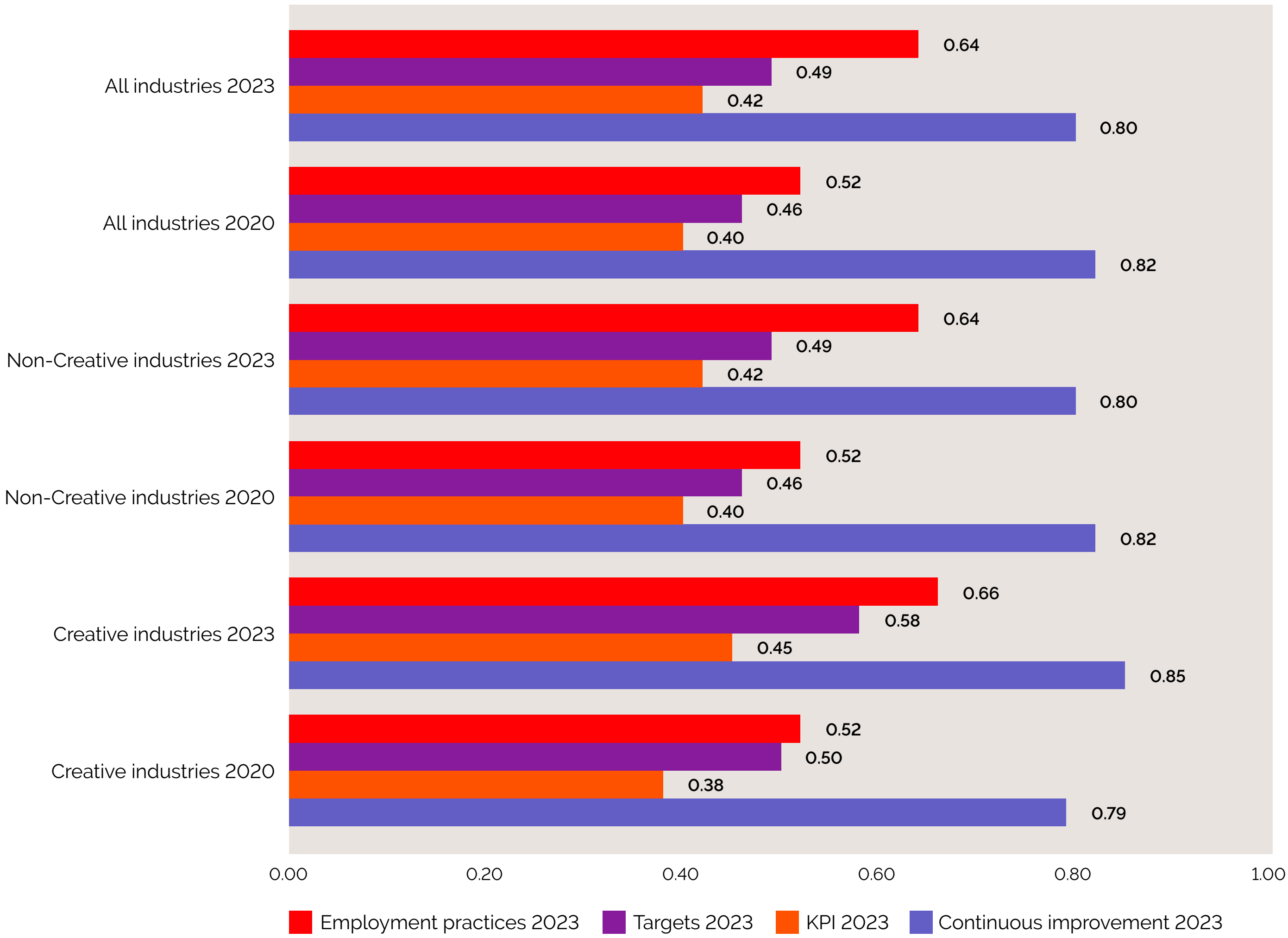
Source: Authors' elaboration based on the Management Expectations Surveys (ONS, 2023)

Notes: The overall management practices score (management score) is an average of the scores along the four measured dimensions of management practices: continuous improvement, KPIs, targets and employment practices. Data includes firms with ten or more employees only.

Looking at the changes over time reveals that the overall improvement in management scores between 2020 and 2023 was particularly driven by enhancements in the scores for employment practices. Indeed, employment practices scores for the creative industries increased by 0.14 points over this period, from 0.52 to 0.66. ONS research suggests that, across the economy, improvements in these types of management practices over time have been influenced by an increase in the number of firms addressing underperformance and ensuring promotion is based on stronger assessments of performance and ability (ONS, 2024).

A more detailed examination of the uptake of clusters of management practices by creative sub-sectors reveals a similar pattern to the overall picture.

Figure 8: Variation in management scores by type over time, 2020–2023



Source: Authors' elaboration based on the Management Expectations Surveys (ONS, 2023)

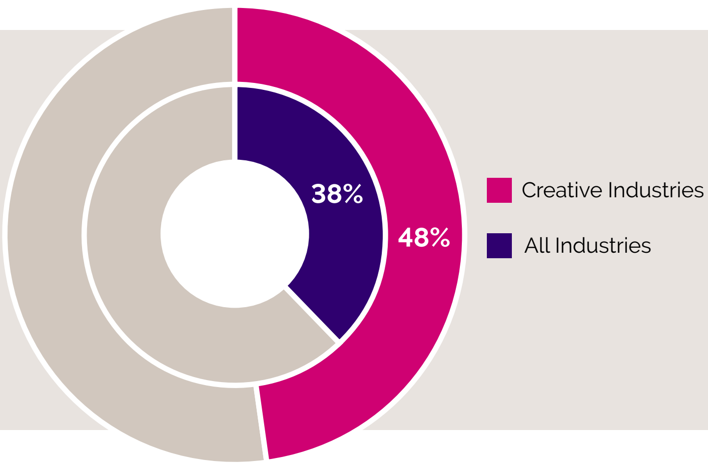
Notes: The overall management practices score (management score) is an average of the scores along the four measured dimensions of management practices: continuous improvement, KPIs, targets and employment practices. Data includes firms with ten or more employees only.

3.3 A closer look at management practices supporting innovation

The LSBS24 provides an opportunity to further explore the extent of innovation and continuous improvement in creative firms, building on the earlier MES findings for this dimension. The LSBS also extends the evidence base by capturing smaller firms (1–249 employees).

The survey examines the degree of continuous improvement with respect to business management processes and the development of goods and services. This reveals that, in line with the earlier results, SMEs in the creative industries are more innovative than small firms across the whole economy, with 48% of firms in this sector introducing new products, services or processes compared with 38% of SMEs across all industries.[11] The results for the creative industries are statistically significant compared to other sectors.

Figure 9: SMEs innovating in products, services & processes, 2024



Source: Authors' elaboration based on the Longitudinal Small Business Survey 2024 (DBT, 2025)

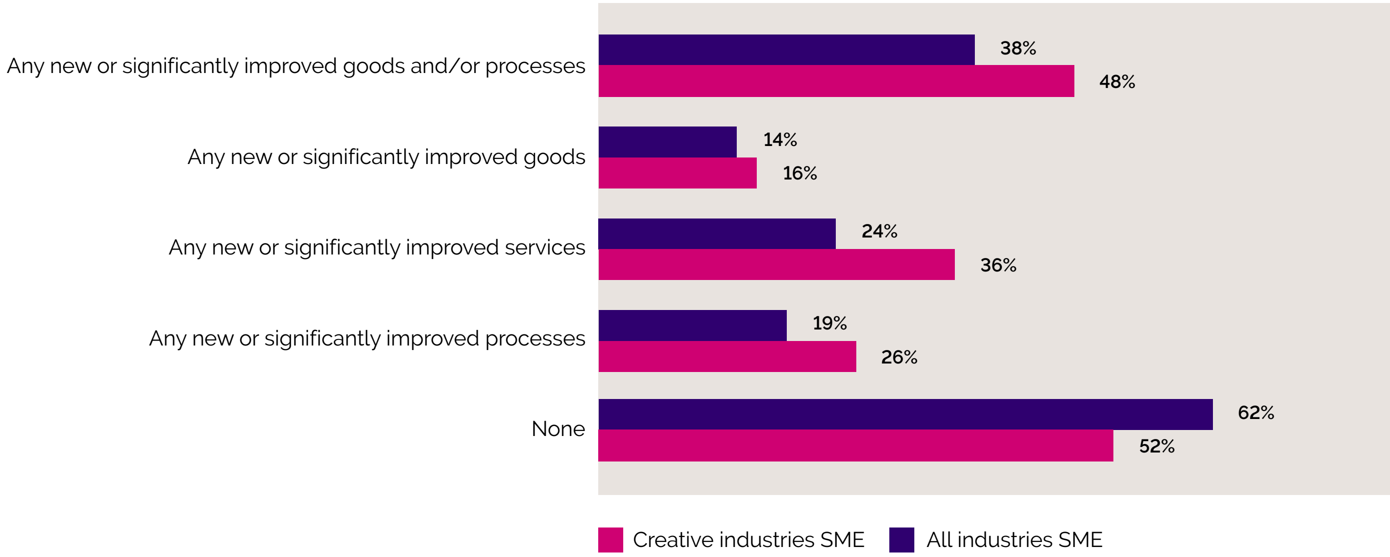
Notes: Employer base: all employers in Cohort[12] B [n = 187]. SMEs (1–249 employees) only.

In addition, a statistically significantly higher share of creative industries SMEs (26%) developed new or significantly improved processes, compared to only 19% of SMEs across all industries. The vast majority of these new processes were new to the business (97%). Relatedly, a greater share of creative industries SMEs had also improved processes in the last three years. These trends are broadly aligned with wider research examining innovation behaviour via the UK Innovation Survey, which found that creative industries firms are more likely to have engaged in activities relating to innovation than other services businesses (albeit less so than in manufacturing) (Nana-Cheraa and Roper, 2025).

11. Conversely, this means over half of creative industries SMEs (52%) are not innovating at all.

12. Some survey questions are only asked of a sub-set (or 'cohort') of the survey sample.

Figure 10: Extent of continuous improvements in ways of working, 2024 (% SMEs)

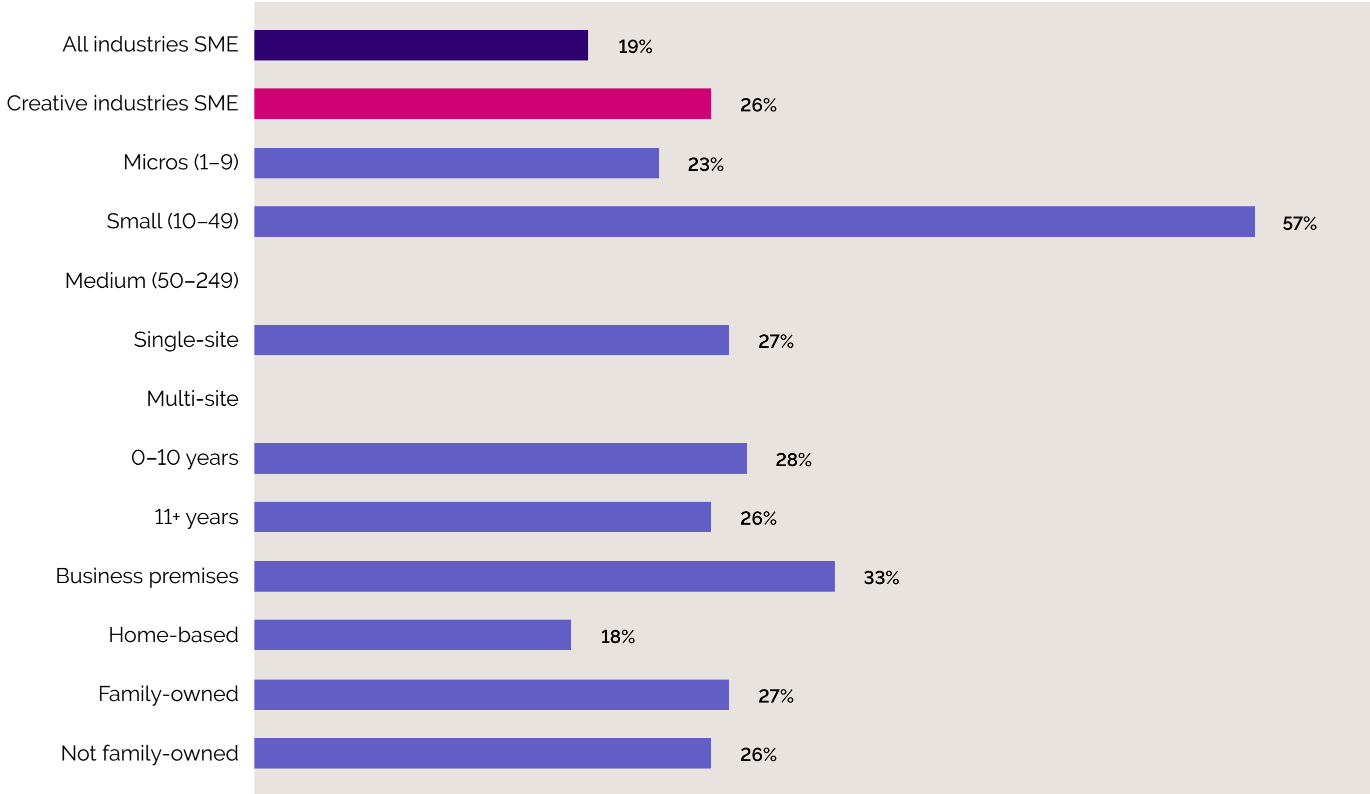


Source: Authors' elaboration based on the Longitudinal Small Business Survey 2024 (DBT, 2025)

Notes: Q: Has your business introduced any new or significantly improved goods/services/processes for producing or supplying goods or services in the last three years? Employer base: all employers in Cohort B [n = 187]. SMEs (1–249 employees) only.

A closer look at the characteristics of employers who are more likely to improve their working processes suggests that there is greater innovation in larger businesses, younger businesses (operating for ten years or fewer), and businesses where employees work at business premises rather than at home. The results for smaller businesses, those operating from business premises and family ownership are statistically significant.

Figure 11: Characteristics of firms driving business improvements, 2024 (% SMEs that have introduced new or significantly improved processes)



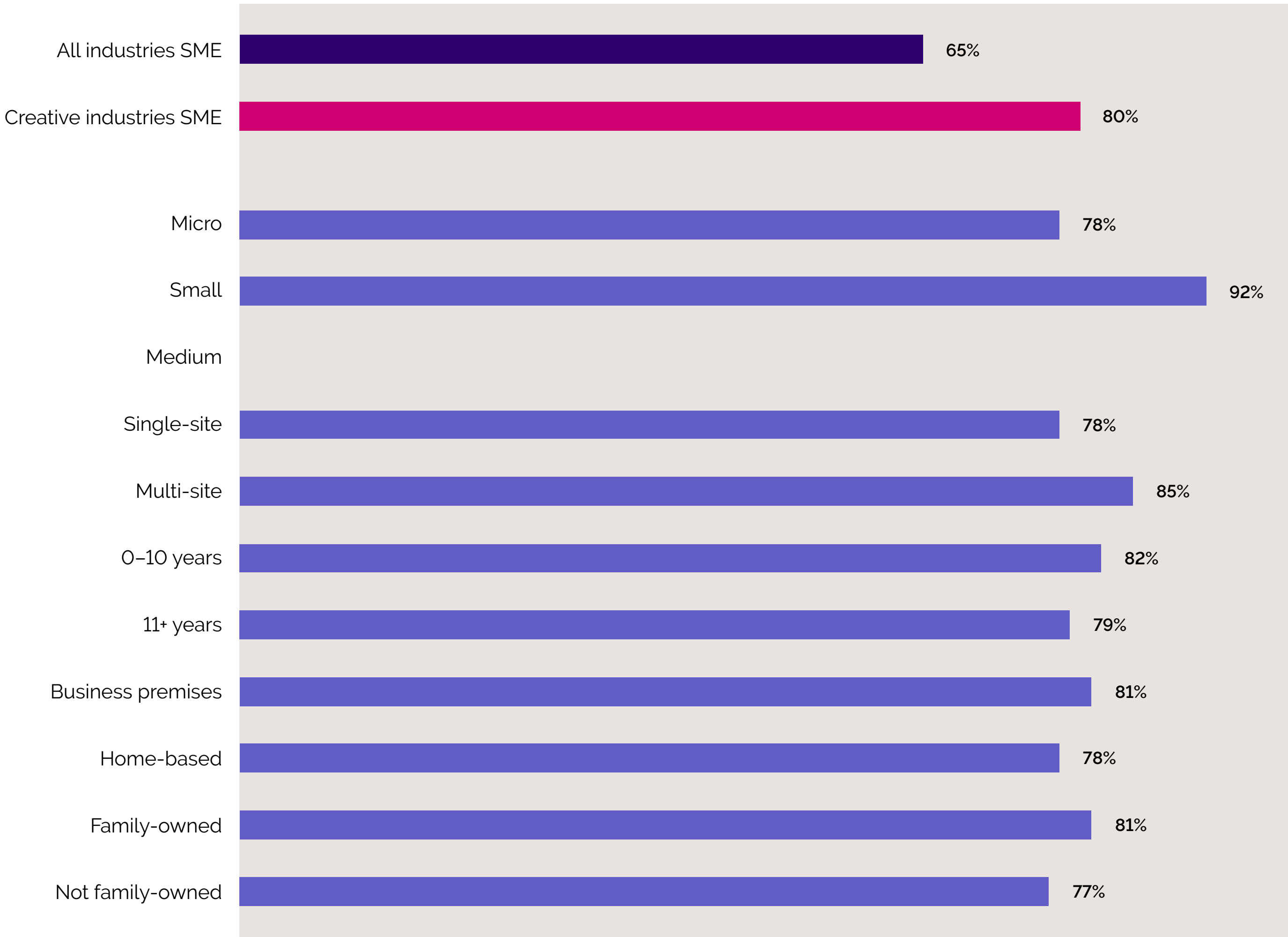
Source: Authors' elaboration based on the Longitudinal Small Business Survey 2024 (DBT, 2025)

Notes: Q: Has your business introduced any new or significantly improved processes for producing or supplying goods or services in the last three years? Employer base: all employers in Cohort B [n = 187]. SMEs (1–249 employees) only. Responses for medium-sized business (50–249 employees) and multi-site establishments are too low to report.

The extent of innovation in management and working practices can also be examined via the LSBS24 by exploring the use of technologies to manage a firm's business. As seen in the earlier findings, a higher share of SMEs in the creative industries deploy technologies as part of their ways of working compared to SMEs across the whole economy, thus suggesting that they have a higher absorptive capacity (TPI, 2023). Indeed, a statistically higher share of creative industries employers (80%) reported that they used technologies in their business processes compared to employers across all industries (65%).

A more detailed examination of those employers shows that a greater share of technology adoption is seen in creative businesses that are larger, multi-site, younger, have dedicated business premises (rather than being home-based) and are family-owned. Note that the sample size for home-based and younger businesses are relatively low, so should be interpreted with caution. All these results were statistically significant compared to other sectors.

Figure 12: Characteristics of firms deploying technologies to manage their business, 2024 (% SMEs using technology for sales or management)



Source: Authors' elaboration based on the Longitudinal Small Business Survey 2024 (DBT, 2025)

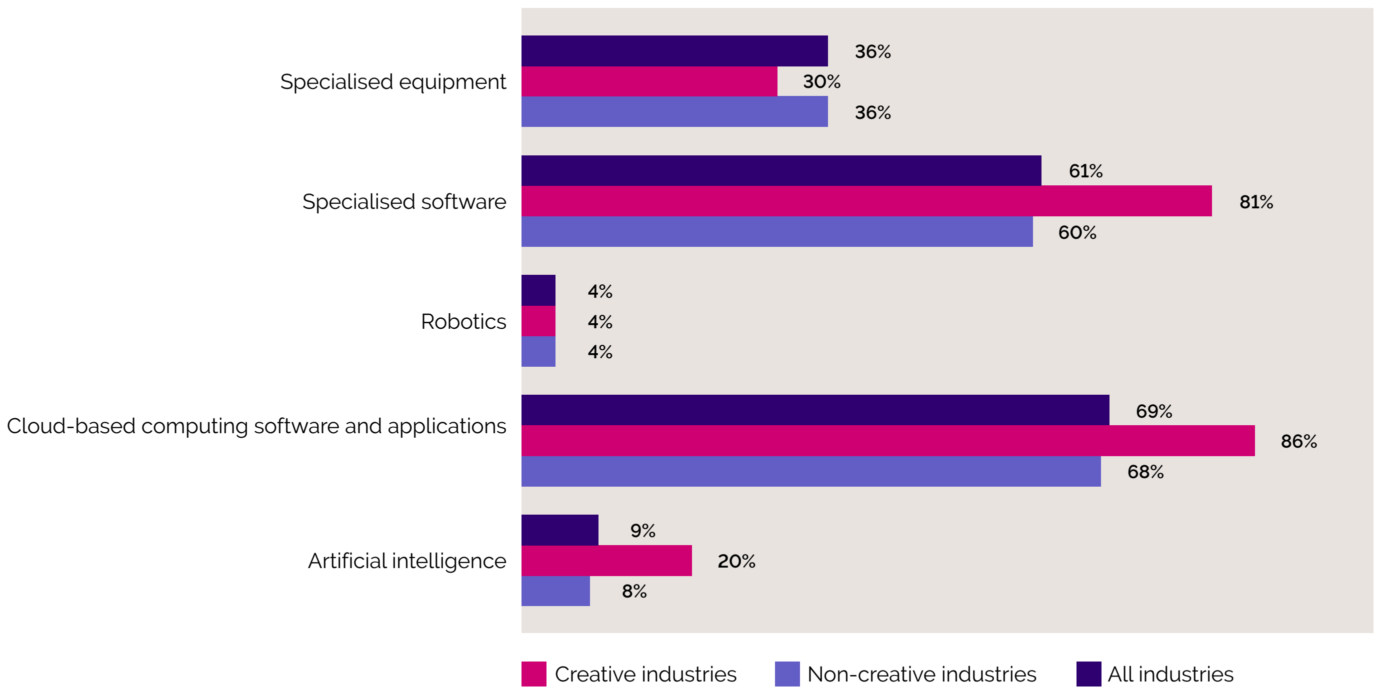
Notes: Q: Do you use any technologies or web-based software to sell to customers, or for use in the management of your business? Employer base: all employers in Cohort C [n = 213]. SMEs (1–249 employees) only. Responses for medium-sized business (50–249 employees) are too low to report.

The MES23 and the LSBS24 also enable assessment of the different types of technology used by firms in the creative industries to manage their businesses, compared to other sectors.

The MES23 provides insights on broad technologies adoption amongst firms. It shows higher rates of adoption of most technologies in the creative sector compared to the economy as a whole/the non-creative sector, except for robotics, where uptake is low across the board. Considerably higher shares of creative industries employers report using cloud-based computing software and applications (86%) and specialised software (81%) compared to employers in non-creative businesses and in the economy as a whole. Employer engagement with these technologies is around 68% for non-creative employers and 69% for all industries for the former, and 60% and 61%, respectively, for the latter.

Further, there are signs that creative industries firms are adopting AI more quickly than firms in other parts of the economy. Though the rates of adoption of these emerging technologies at the time of the survey (2023, before the introduction of more advanced GenAI models) were relatively low compared to more established technologies, creative industries firms were more than twice as likely to adopt AI (20%) compared to the economy as a whole (9%). This is in line with published data from the Business Insights and Conditions Survey, which suggests creative industries firms are more likely to use AI than other firms, in particular text generation from large language models, visual content creation and data processing and machine learning (ONS, 2026).

Figure 13: Variations in broad technology adoption across the economy, 2023 (% employers having used these technologies in 2023)



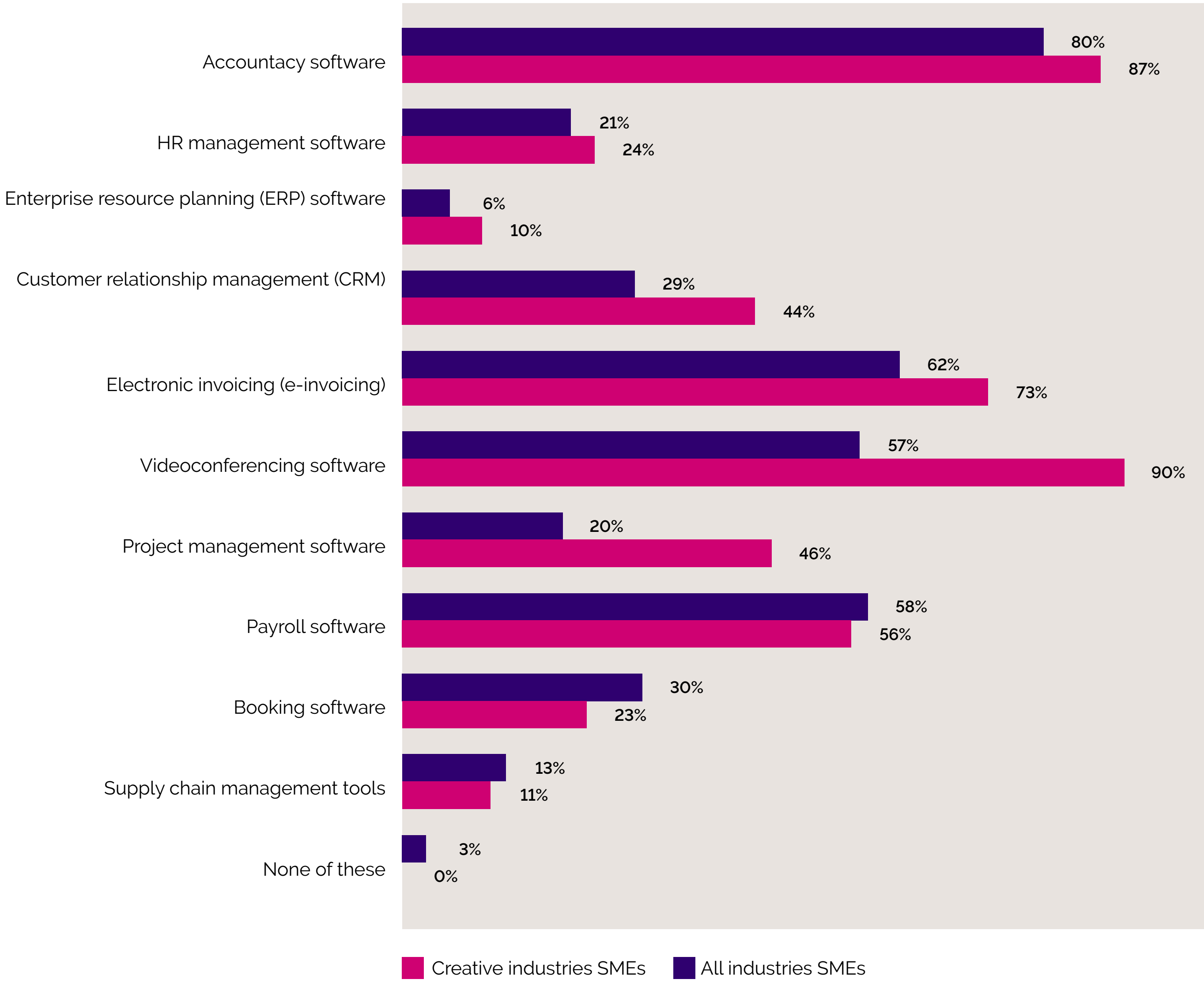
Source: Authors' elaboration based on the Management Expectations Surveys (ONS, 2023)

Notes: Q: In 2023, has this business used the following technologies? Firms with ten or more employees.

A closer examination of technology use, including among smaller businesses, is provided by the LSBS24, which explores variations in the uptake of specialised software for different business applications and management activities. There is greater adoption of this in the creative industries, as seen in the MES, typically to improve business processes and working practices, in many areas in a considerable way. More SMEs in the creative industries compared to all industries make use of: videoconferencing (90% vs 57%), accountancy software (87% vs 80%), electronic invoicing (73% vs 62%) and project management software (46% vs 20%). These higher levels of adoption are statistically significant relative to other sectors.

However, it is not the case that the creative industries use all types of specialised software more than the all-industries average. Fewer creative industries businesses, compared to the economy as a whole, use booking software (23% vs 30%, statistically significant) and supply chain management tools (11% vs 13%).

Figure 14: Types of technology used to run the business, 2024 (% SMEs using these technologies)



Source: Authors' elaboration based on the Longitudinal Small Business Survey 2024 (DBT, 2025)

Notes: Q: Which of the following, if any, do you use? SMEs (1–249 employees) only. Employer base: all employers who use technology in business processes [n = 182].

While SMEs in the creative industries are more likely to use customer relationship management software (44% vs 29% across all industries), HR management software (24% vs 21%, not statistically significant) and enterprise resource planning software (10% vs 6%), the rates of adoption of these technologies compared to adoption of wider business software are relatively low.

In the context of improving HPW and employment management practices, this might point to an avenue for product development and testing of new technological applications, especially in the light of developments in wider HPW practices. For example, short-term, modular training and the delivery of micro-credentials and skills passports offer significant potential for firms to adopt and use more people-centred digital solutions to improve the management of their employees. This may cover areas such as online training, training needs assessment, digital badges and records of achievement (OECD, 2025).

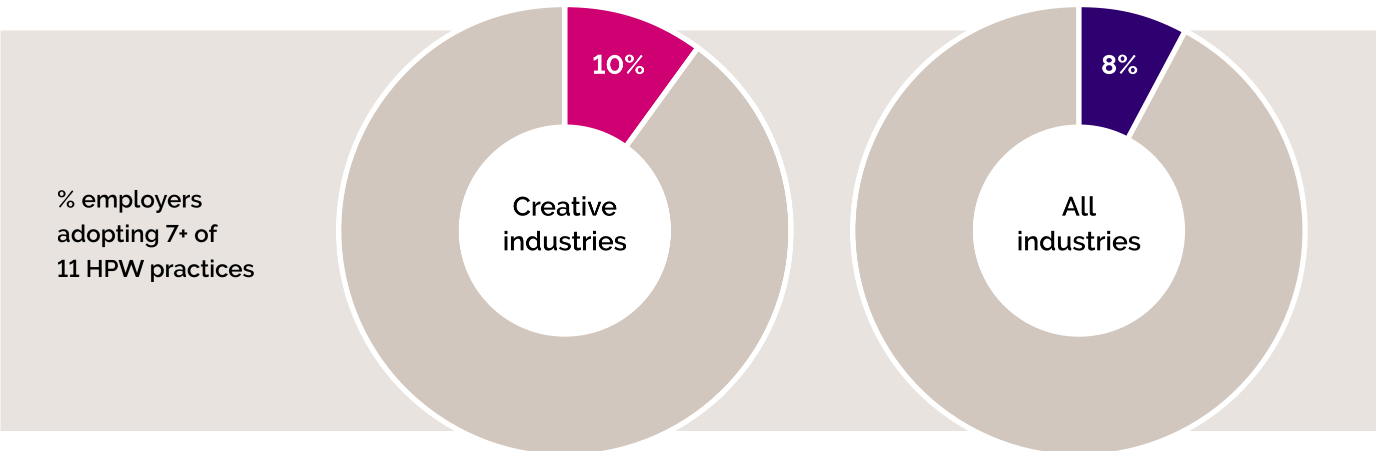
3.4 A closer look at employment management practices

The latest results from the ESS22 provide a further measure of employment management practices, extending the understanding of people-centred practices that are key to promoting good or fair work. As we saw earlier (section 2), assessments of HPW practices draw on an extensive evidence base that seeks to encourage businesses to make the best use of their people's skills and capabilities, and hence improve the contribution of the workforce to business performance.

More specifically, this evidence base highlights the organisational and management practices that are known to improve an organisation's capacity to effectively attract, select, hire, develop, retain and use high-performing personnel (Belt and Giles, 2009; OECD and ILO, 2017; OECD, 2019).

The ESS22 provides the most up-to-date data for the creative industries across the UK. It reviews the uptake of eleven management practices among firms with two or more employees, ranging from having a business plan to providing employees with task discretion and autonomy. In the 2022 survey, data was only collected for Wales, Scotland and Northern Ireland (not England). For companies to be recognised as HPW employers, they must adopt at least seven of the eleven practices (see the earlier presentation of the specific practices in Section 2.2).

Figure 15: High-performance workplace (HPW) practices in the creative industries vs all industries, 2022 (% of employers, devolved nations only)



Source: Authors' elaboration based on the Employer Skills Survey 2022 (DfE, 2023)

Notes: Various questions. Establishments with two or more employees. Employer base: all establishments in Northern Ireland, Scotland and Wales [n = 110].

BOX 4: Summary of key clusters of HPW practices

A holistic approach to HPW practices captures a range of management practices that support the development and deployment of people. These can operate on an individual level, to support the effective management of people, and/or can come together to work across the organisation as a whole (Belt and Giles, 2009). Considering these different dimensions, previous analysis of the uptake of HPW practices across the UK using the ESS (Industrial Facts and Forecasting [IFF], 2018) has categorised these practices into five groups or clusters: planning (e.g. training plans, annual performance reviews), organisation (e.g. ISO 9000 trade union consultations), skills (e.g. on- or off-the-job training), autonomy (e.g. task variety) and rewards (e.g. performance-related pay). These are outlined in more detail below and are considered in this analysis.

Factor grouping	HPW practices
Planning	Business plan Annual performance review Training plan Training budget **Training needs assessment** **Equal opportunities policy** **Work shadowing/supervision**
Organisation	Investors in People **ISO 9000** **Trade union consultation** **Employee consultation** **Creates teams to work on projects** Process to identify talented individuals
Skills	**On- or off-the-job training** Formal performance review after training
Autonomy	**Task variety** **Task discretion** **Flexible working**
Rewards	Bonus scheme Performance-related pay Flexible benefits

Recent surveys have moved towards measuring eleven practices rather than twenty-one, and so there has been a reduction in practices focused on the individual level, especially with reference to rewards.

Source: Authors' elaboration based on the Employer Skills Survey 2022 (DfE, 2023)

Note: The eleven practices in bold indicate those measured in the ESS22.

Only 10% of creative industries employers in the devolved nations adopted seven or more HPW practices – slightly higher than employers across all industries (8%), although the difference is not statistically significant (Giles et al, 2025). While this number has increased slightly since the last assessment of HPW practices within firms across the UK in 2017 (only 5% of firms in the creative sector compared to 9% for all industries), the assessment of what constitutes HPW practices has changed, so is not directly comparable.[13]

A closer examination of the uptake of management practices between the creative industries and other sectors reveals some interesting findings. While employers in the creative industries and across all industries are equally committed to skills interventions (in both cases, 61% of employers in the devolved nations provide on-the-job training, off-the-job training or both) and planning (90% for the creative sector vs 89% for all industries), there are some important differences. For example, echoing findings from Creative PEC's Good Work Review, the data suggests that employers in the creative industries are more likely to offer workers greater autonomy (85%) than employers across all industries (72%), reflecting a greater propensity to engage individual employees – a statistically significant difference compared to other sectors. This is evident in the higher rates of flexible working in the sector (65% for creative industries employers compared to 36% for all industries), task discretion (50% vs 45%) and variety (69% and 53%). The results for task variety and flexible working are also statistically significant.

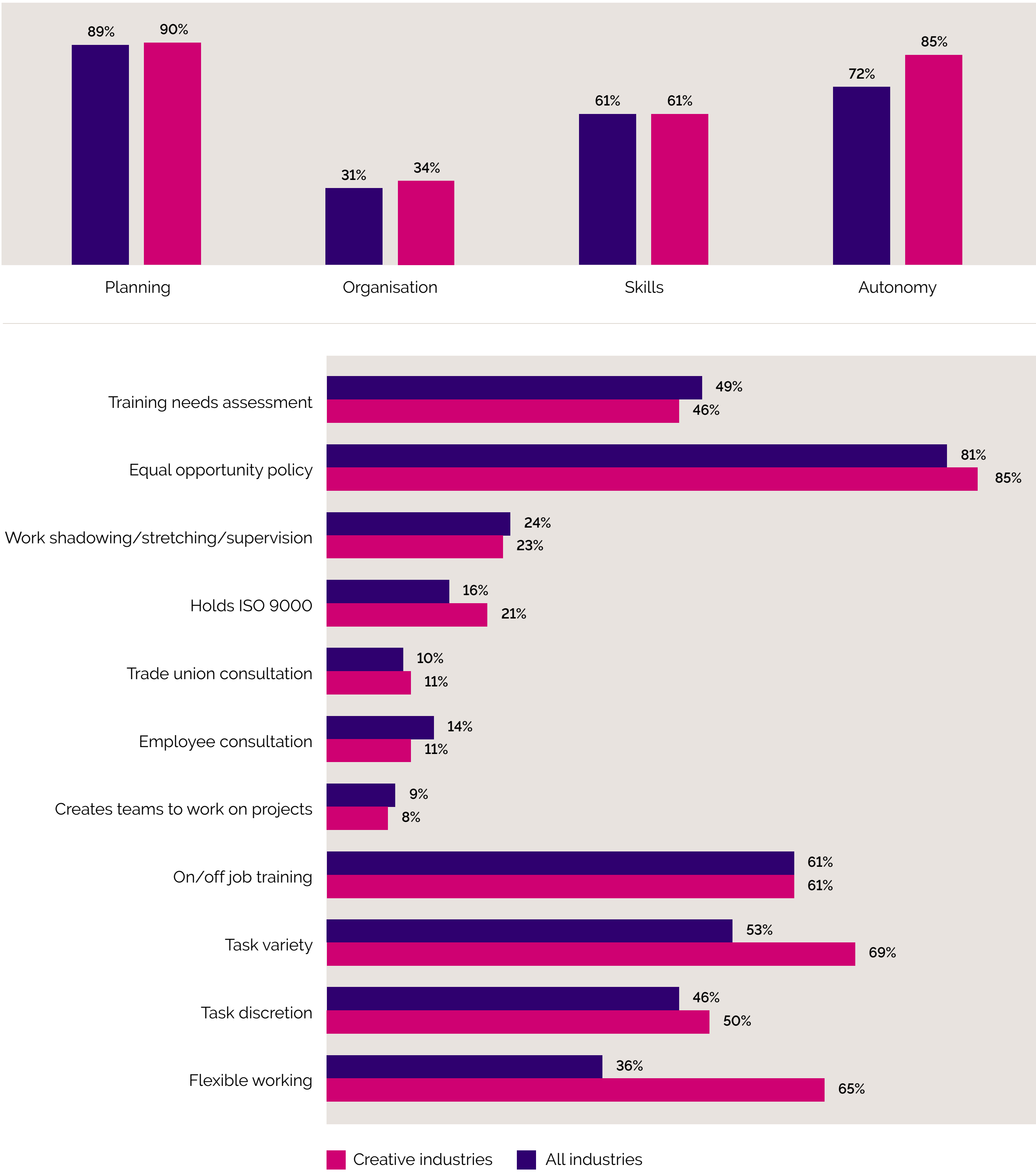
The ESS22 only captured 11 HPW practices indicators, and so the measure for rewards has been lost, but the last UK-wide assessment of HPW practices in 2017 revealed a higher adoption of reward practices among creative industries employers (65%) relative to all industries (59%) (Giles et al, 2020).

According to the ESS22, company-wide practices associated with planning and organisation for creative industries firms are broadly in line with those across the economy; any differences are not statistically significant. For instance, regarding planning, creative industries employers are slightly more likely than average to have an equal opportunities policy in place compared to the whole economy (85% vs 81%) and slightly less likely to conduct training needs assessments (46% vs 49%). Similarly, regarding organisation, a higher share of employers in the creative sector hold ISO 9000 compared to all industries (21% vs 16%), but a smaller share of employers use employee consultations (11% vs 14%) to engage with their workforce.

Overall, there are lower levels of engagement with the organisation cluster compared to other types of HPW practices, suggesting that businesses in the creative sector are less likely to pursue company-wide, formal management standards and accreditations and/or consultation frameworks. This replicates management behaviours seen in the results from 2017 (Giles et al, 2020) and may indicate that there is scope to strengthen such management practices in future.

13. In previous years, 21 HPW practices were recognised and the threshold for HPW was higher (14 of 21 practices).

Figure 16: Detailed High-performance workplace (HPW) practices in the creative industries vs all industries, 2022 (% of employers, devolved nations only)



Source: Authors' elaboration based on the Employer Skills Survey 2022 (DfE, 2023)

Notes: Various questions. Establishments with two or more employees. Employer base: all establishments in Northern Ireland, Scotland and Wales [n = 110].

3.5 A closer look at training and management development

The LSBS24 provides recent data, including from smaller businesses, to explore the training provided by creative firms compared to employers across the economy. This reveals that just over two fifths of creative industries employers (44%) offered training to their workforce in 2024, similar to employers across all industries (45%).

The extent of employer training is lower than recorded elsewhere, but this likely reflects the higher concentration of smaller businesses captured by the LSBS24 (Giles et al, 2025).[14] The data from the ESS22 presented earlier, which includes larger businesses, suggests that around three fifths of creative industries employers have provided on- and off-the-job training (similar to the economy as a whole). The ESS has also pointed to areas of improvement for the sector compared to the economy, because the training is of shorter duration, does not reach all parts of the workforce (e.g. only 56% of the workforce are trained) and is less likely to be accredited, such as through formally recognised qualifications (Giles et al, 2025). In addition, in line with trends seen in other datasets (such as the ESS), the LSBS24 suggests that levels of training have reduced over the past decade, by around 10 percentage points since 2015 (DBT, 2025). This reinforces concerns about falling levels of training investment at a time when there is continual economic disruption and a need for training to increase or at least be sustained.

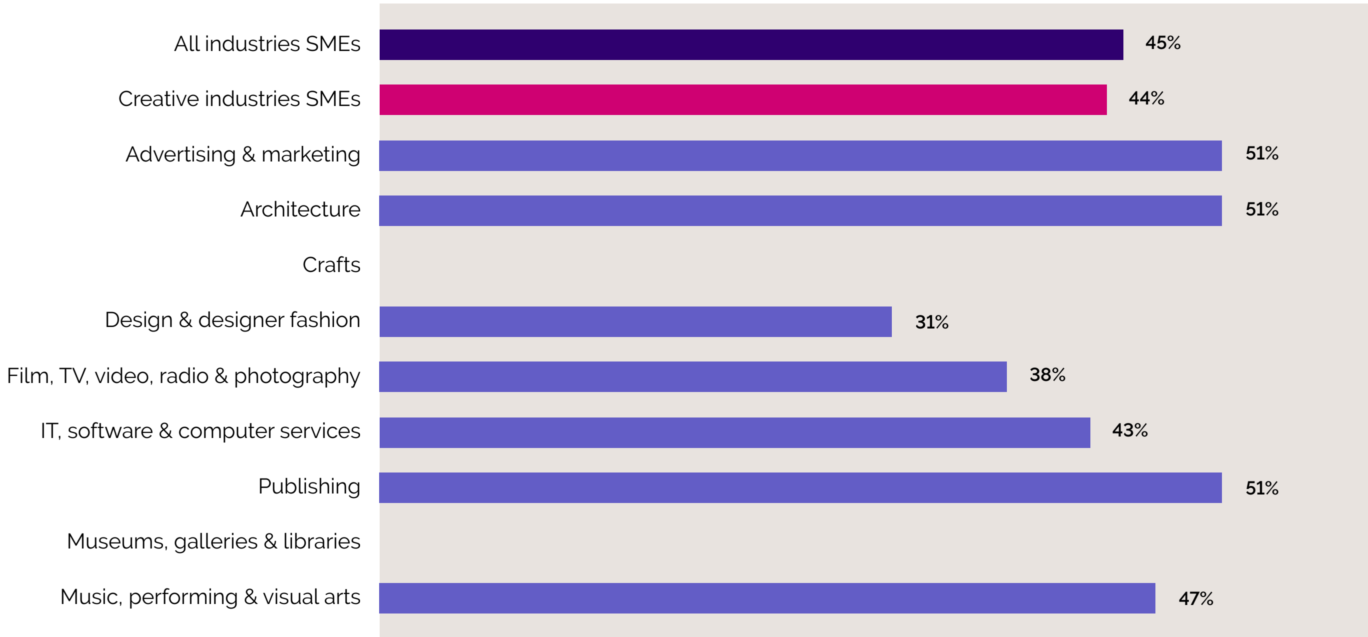
A more detailed look at how training varies by creative sub-sector reveals some differences (as the data allows). Those sub-sectors with levels of training higher than the creative industries as a whole (44%) include: architecture (51%), advertising and marketing (51%) and music and the performing and visual arts (47%) (these are not statistically significant differences). In contrast, training tends to be lower among SMEs in the design and screen sub-sectors (statistically significant). This is consistent with patterns of provision reported in other surveys, such as the ESS22 and the Creative Industries Employer Skills Survey 2025 (Carey et al, forthcoming).[15]

A closer examination of the characteristics of creative industries employers who provide training shows that trainers are more likely to be larger, be multi-site, have a dedicated business premises (rather than being home-based) and not be family-owned. Results by business size, for multi-site businesses and for those that are family-owned are all statistically significant. There is less variation in training practices among firms of different ages, and the shares of employer training are similar to levels for the creative industries as a whole.

14. For example, the ESS in 2022 found that 55% of creative industries employers across the UK had delivered training in the last 12 months compared to 60% of all employers.

15. While the publishing sub-sector reports higher levels of training among creative SMEs, this is inconsistent with other sources (e.g. the ESS and the Creative Industries Employer Skills Survey) and should be viewed with caution due to having a lower sample size.

Figure 17: The provision of training in the last year by sector, 2024 (% SMEs providing training)

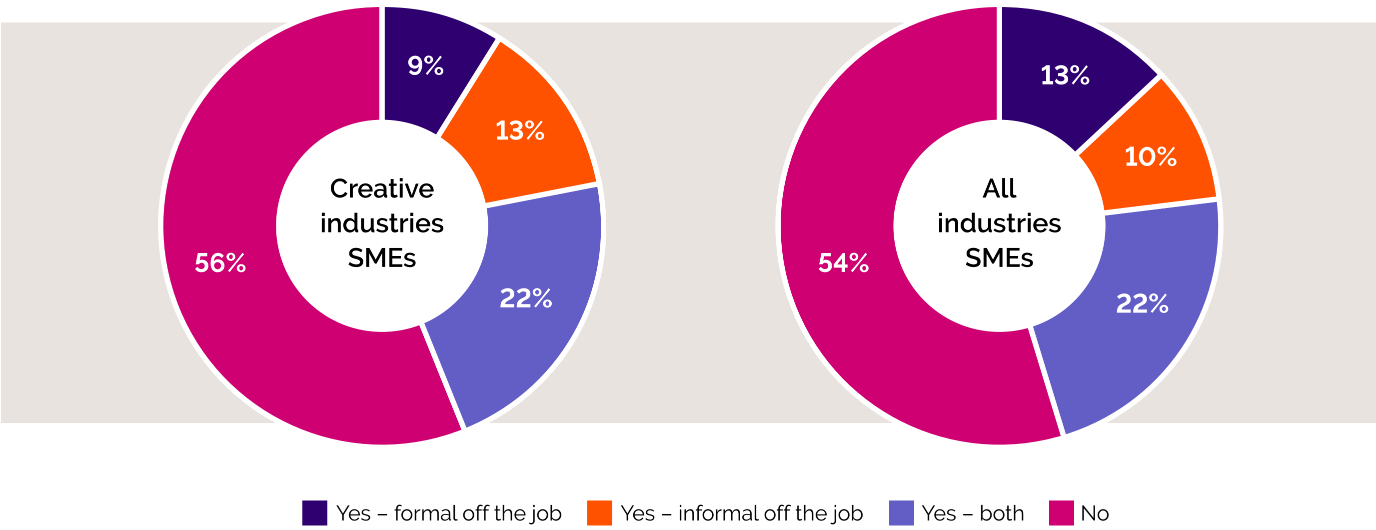


Source: Authors' elaboration based on the Longitudinal Small Business Survey 2024 (DBT, 2025)

Notes: Q: Over the past 12 months, has your business arranged or funded any formal off-the-job or informal on-the-job training or development for employees? SMEs (1–249 employees) only. Employer base: all establishments providing training [n = 356]. Responses for the crafts and the museums, galleries and libraries sectors have been suppressed due to low responses.

In line with the evidence from wider surveys (Giles et al, 2025), a common approach to providing training both within the creative industries and across the broader economy is to deliver both on- and off-the-job training – this applies to just over one fifth of SMEs in the creative industries (22%) and across all industries (22%). In addition, relatively fewer employers deliver only off-the-job training (9%), which is more likely to be associated with formal qualifications and external accreditation. The types of training offered by creative industries employers are not statistically different to the whole economy.

Figure 18: Variations in the type of training, 2024 (% SMEs providing training)



Source: Authors' elaboration based on the Longitudinal Small Business Survey 2024 (DBT, 2025)

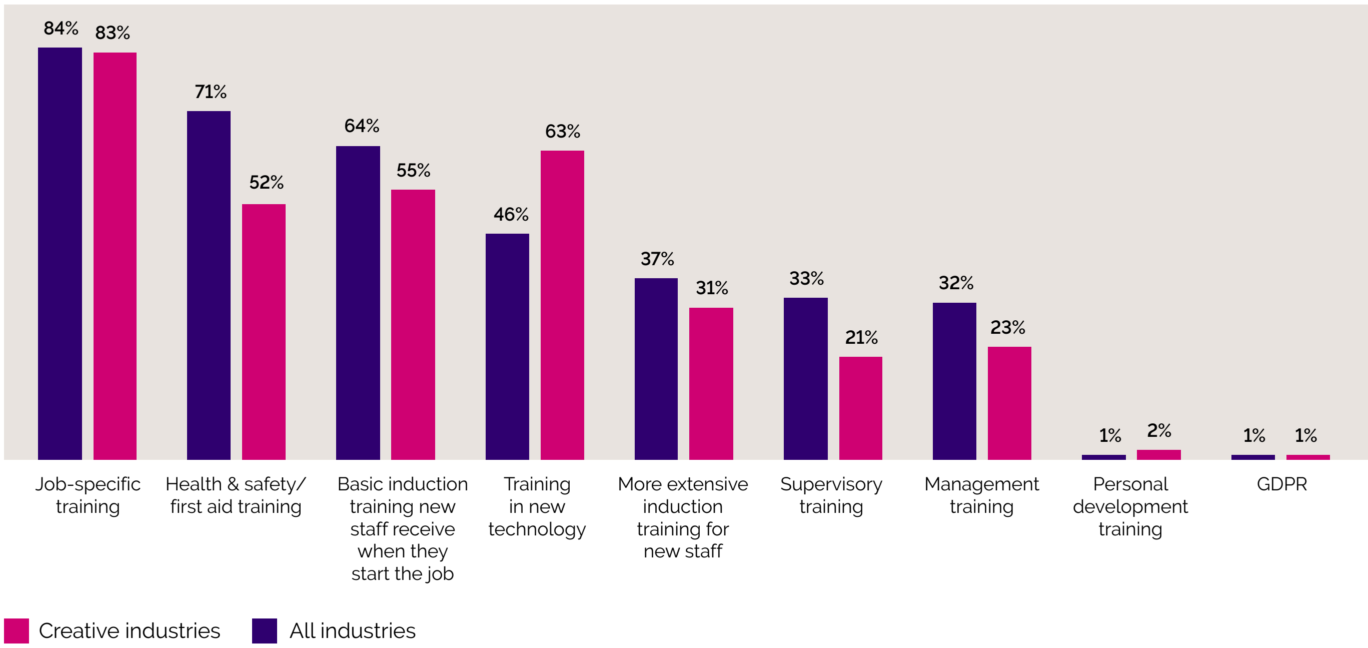
Notes: Q: Over the past 12 months, has your business arranged or funded any formal off-the-job or informal on-the-job training or development for employees? SMEs (1–249 employees) only. Employer base: all establishments providing training [n = 356].

While it is a little more dated, the ESS22 data enables a closer look at the nature of training and the degree to which it supports management development needs. It reveals that dedicated management development activities are of a lower priority compared to other forms of training. Given the importance of highly skilled staff to the sector in technical professional and associate professional roles (Giles et al, 2025), it is to be expected that there would be a high focus on job-specific training. Indeed, this was offered by 83% of the creative industries employers who provided training.

In addition, the emphasis on using technology points to a significantly higher provision of training in technological areas in the creative industries relative to all industries (63% of creative businesses compared to 46% in all industries).

Yet management development is much less of a priority. For instance, only one in five creative industries employers surveyed provided management and supervisory training for staff (23% and 21%, respectively) – a much lower level than that provided across all industries (32% and 33%, respectively; both results are statistically significant). Furthermore, the levels of provision within the creative industries have fallen slightly since 2017, from 24% and 22%, respectively (Giles et al, 2020).

Figure 19: Type of training in the creative industries, 2022 (% employers who provided training, offering training in these areas)

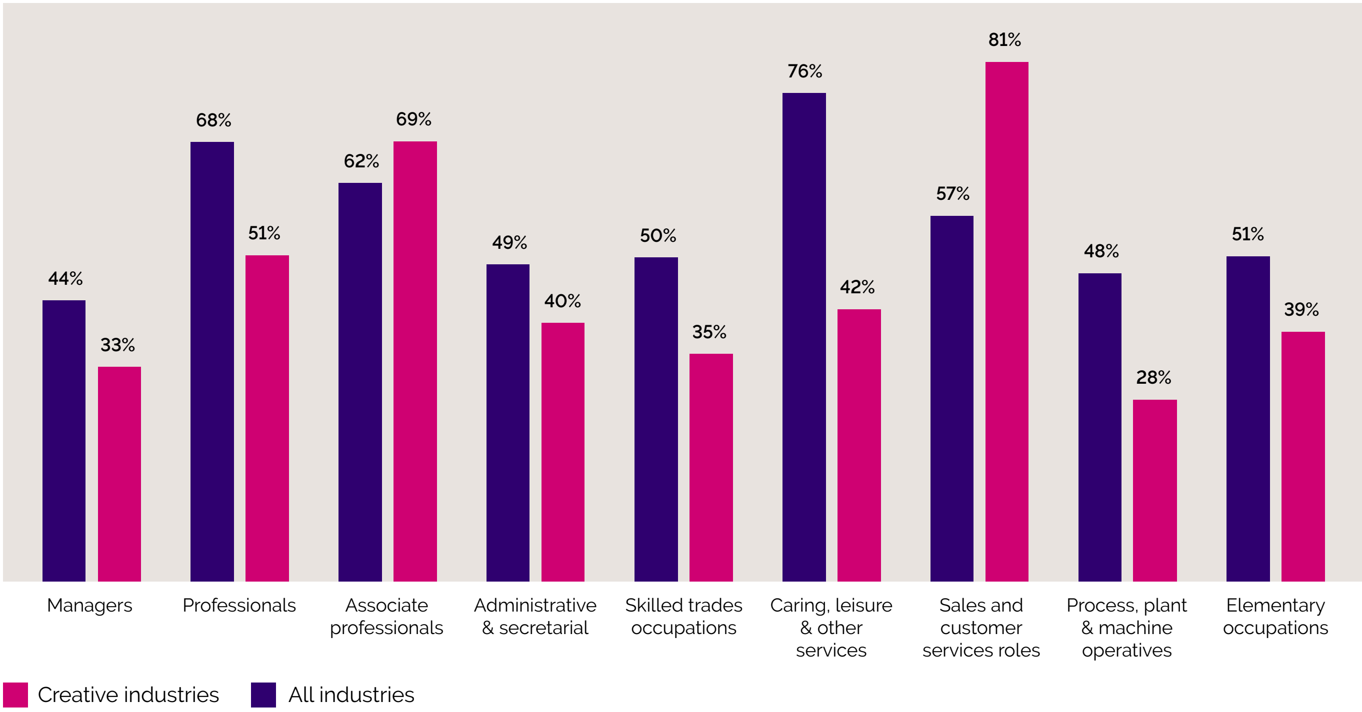


Source: Authors' elaboration based on the Employer Skills Survey 2022 (DfE, 2023)

Note: Q: Which of the following types of training have you arranged or funded for employees at this site over the past year? Establishments with two or more employees. Employer base: all establishments providing training [n = 1997].

The ESS22 also gives insights at an occupational level about where training is being directed. Managers were among the least likely staff to have been trained. For example, one third of managers in the creative industries (33%) had received training, compared to 44% in all industries; this is just above the levels for those working as process, plant and machine operatives within the creative sector (28%). Training levels for managers are therefore well below the levels for the roles that receive the most training, such as sales and customer services roles (81%), associate professionals (69%) and professionals (51%).

Figure 20: Occupations for which employers have provided training, 2022 (% staff in these roles who have received training over the last 12 months)



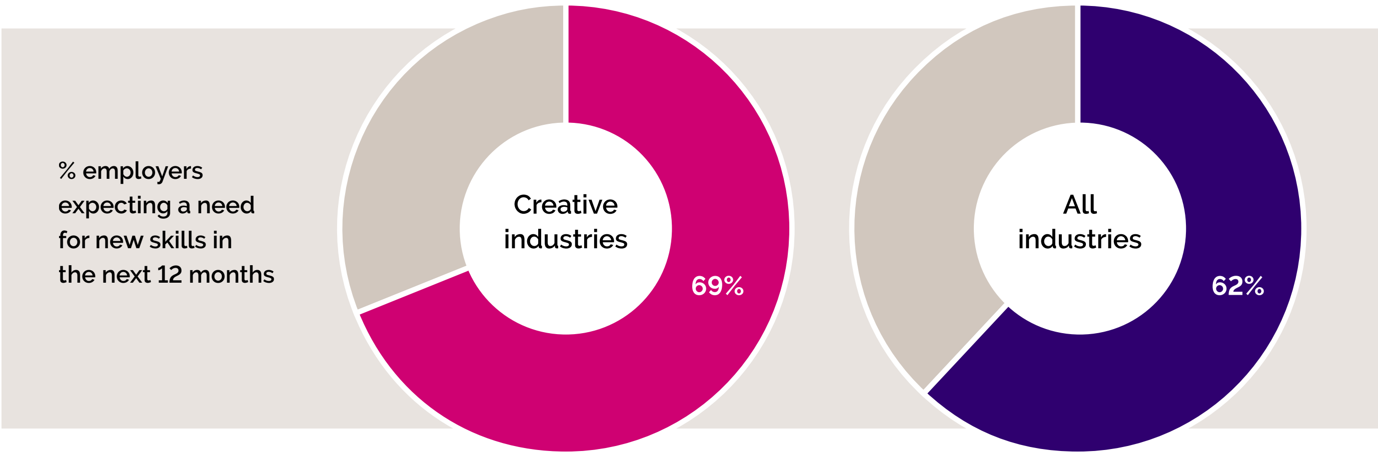
Source: Authors' elaboration based on the Employer Skills Survey 2022 (DfE, 2023)

Notes: Q: Over the last 12 months which occupations have you arranged or funded training for, whether on or off the job? Establishments with two or more employees. Base: all employment and all establishments [n = 3231].

The extent of training has also seen a significant decline since 2017, when two fifths of managers had received training within the sector (Giles et al, 2020). At that time, managers were still among the least likely staff across all occupational groups to be trained, again alongside machine operatives. These results suggest a sustained period of underinvestment in the management community, supported by wider research (CIPD, 2023; CMI, 2024).

The ESS22 also indicates the likely areas in which employers can expect to see a growth in skills in future. More specifically, it shows how businesses might be seeking to change their approach to management. There are high levels of business ambition in the creative industries overall compared to the economy as a whole, with nearly seven in ten employers in the sector (69%) saying they expect to need to upgrade the skills of their workforce in the next 12 months, compared to 62% across all industries – a statistically significant difference (Giles et al, 2025).

Figure 21: Employers expectations for future skills development, 2022



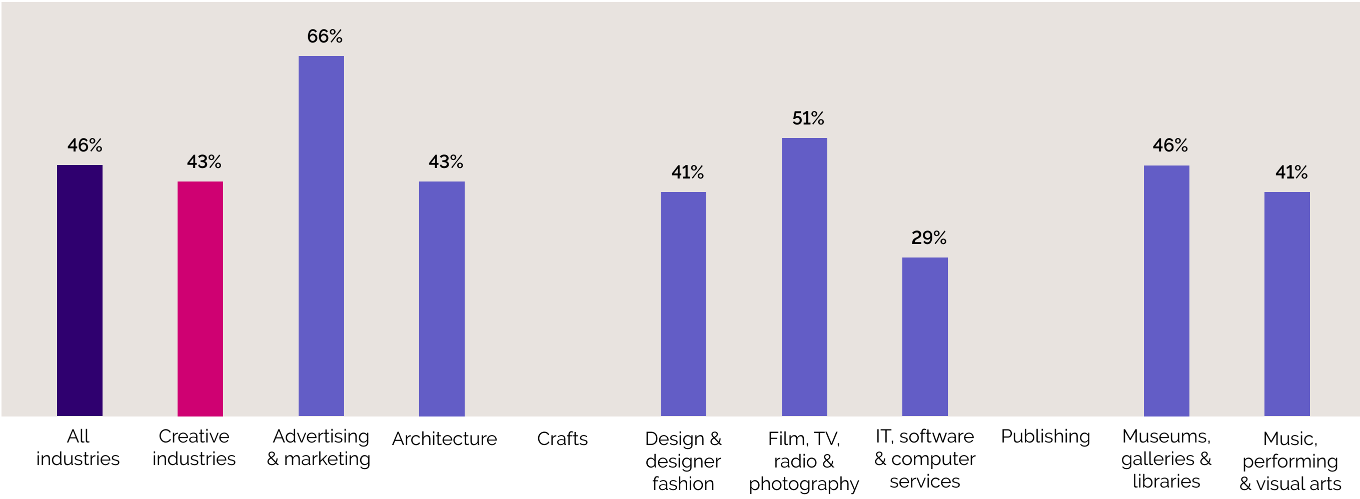
Source: Authors' elaboration based on the Employer Skills Survey 2022 (DfE, 2023)

Note: Q: Which, if any, of the following skills do you feel will need improving over the next 12 months? Establishments with two or more employees. Employer base: all establishments – Module B (all nations) [n = 711].

However, a closer review of the types of skills demanded suggests a considerably lower (and statistically significant) share of creative industries employers (43%) anticipate a need to upgrade management and leadership skills among their workforce in future. This includes management areas such as: managing or motivating staff; instructing, teaching or training people; and setting objectives for others/planning resources. In a context of persistent productivity challenges and considerable competitive pressures facing the sector, this raises questions about whether creative industries employers are giving sufficient priority to management development and sufficiently recognise management capability as a key driver of business success (CIPD, 2023).

A closer examination of future skills upgrading requirements highlights quite clear variations between the different creative sub-sectors. For example, the share of employers expecting to need to upgrade management skills in future is substantially higher than the creative industries average within advertising and marketing (66%) and film, TV, radio and photography (51%). These sub-sectors display higher degrees of management ambition than other sectors, such as IT, where fewer employers highlight these upskilling needs. Only the results for advertising and marketing and IT are statistically significant.

Figure 22: Firms expecting to upgrade management skills in the next year, by creative sub-sector, 2022 (% employers who anticipate a need to upgrade workforce skills, identifying management as an area for improvement)



Source: Authors' elaboration based on the Employer Skills Survey 2022 (DfE, 2023)

Note: Q: Which, if any, of the following skills do you feel will need improving over the next 12 months? = Managing or motivating other staff. Establishments with two or more employees. Employer base: all establishments that anticipate a need for new skills in the next 12 months [n = 463]. Responses for the crafts and publishing sectors have been suppressed due to low responses.

Strong collaboration and partnership working across business communities, and between industry and skills providers, is often promoted internationally (OECD, 2021) as an effective mechanism to enhance the relevance and uptake of training. The ESS22 reveals that there are notable limits to partnership working in the UK around the development of skills, which also likely impacts the design and uptake of dedicated management skills programmes. The most recent evidence shows that only one in ten (11%) creative industries employers work with other employers in the UK to develop skills or expertise in the workforce, slightly (but statistically significantly) below the average across all industries (14%), and falling significantly short of practices seen in other OECD countries.

There is a degree of variation in collaborative working around skills between the different sub-sectors, although the overall extent of partnership working is still relatively low across all parts of the creative industries. Indeed, even where collaboration is higher, such as in museums, galleries and libraries (19%) and music, performing and visual arts (20%), this still only amounts to one fifth of creative businesses in those sub-sectors. Only the results for music, performing and visual arts are statistically significant.

4 Business performance and areas for management improvements

4.1 Introduction

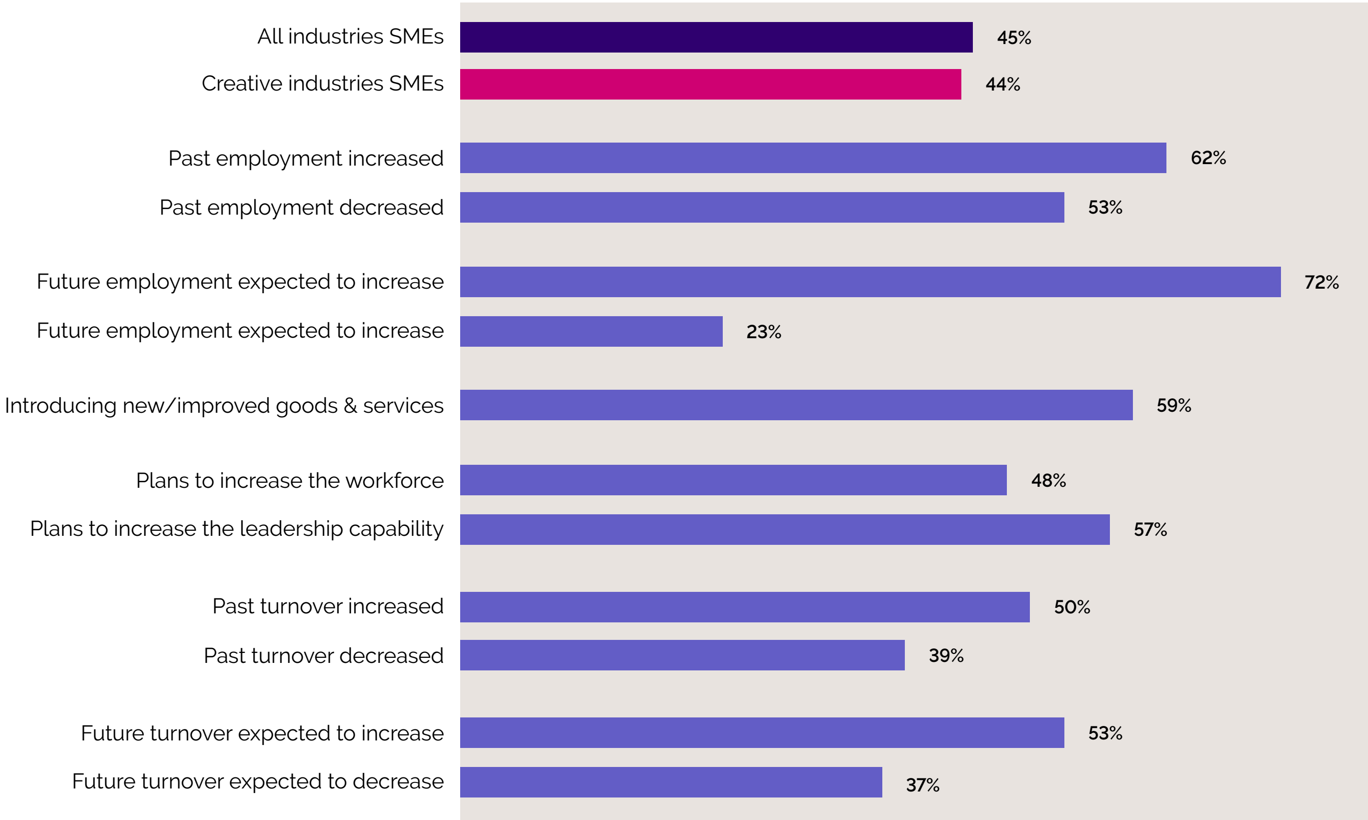
In this section, we deploy evidence from the MES23 and the LSBS24 to explore business performance more closely, alongside management practices, comparing the perspectives and experiences of creative firms with those from the wider economy. A key intention is to investigate what might be done to strengthen the management approach in different firms within the creative industries moving forward, and which management interventions might encourage more businesses to improve what they do. The research also helps to shape questions for further research into the relationship between management and performance.

4.2 A closer look at management practices and firm performance

The LSBS24 enables an assessment of the association between particular management practices and different measures of firm performance.

First, we find a positive association between training and firm performance. For instance, rates of training are higher among creative industries firms reporting employment growth in the past (62%) and expecting to grow their workforce in future (72%), compared to the average across all firms in the creative industries (44%). This is also true for turnover, with rates of training being higher among firms that expect to increase turnover in future (53%), and also among firms that introduced new goods and improved goods and services (59%). Rates of training are also higher among firms that intend to strengthen the leadership capability of their managers (57%). In each of these cases, the differences are statistically different.

Figure 23: Training and firm performance (% firms providing training)

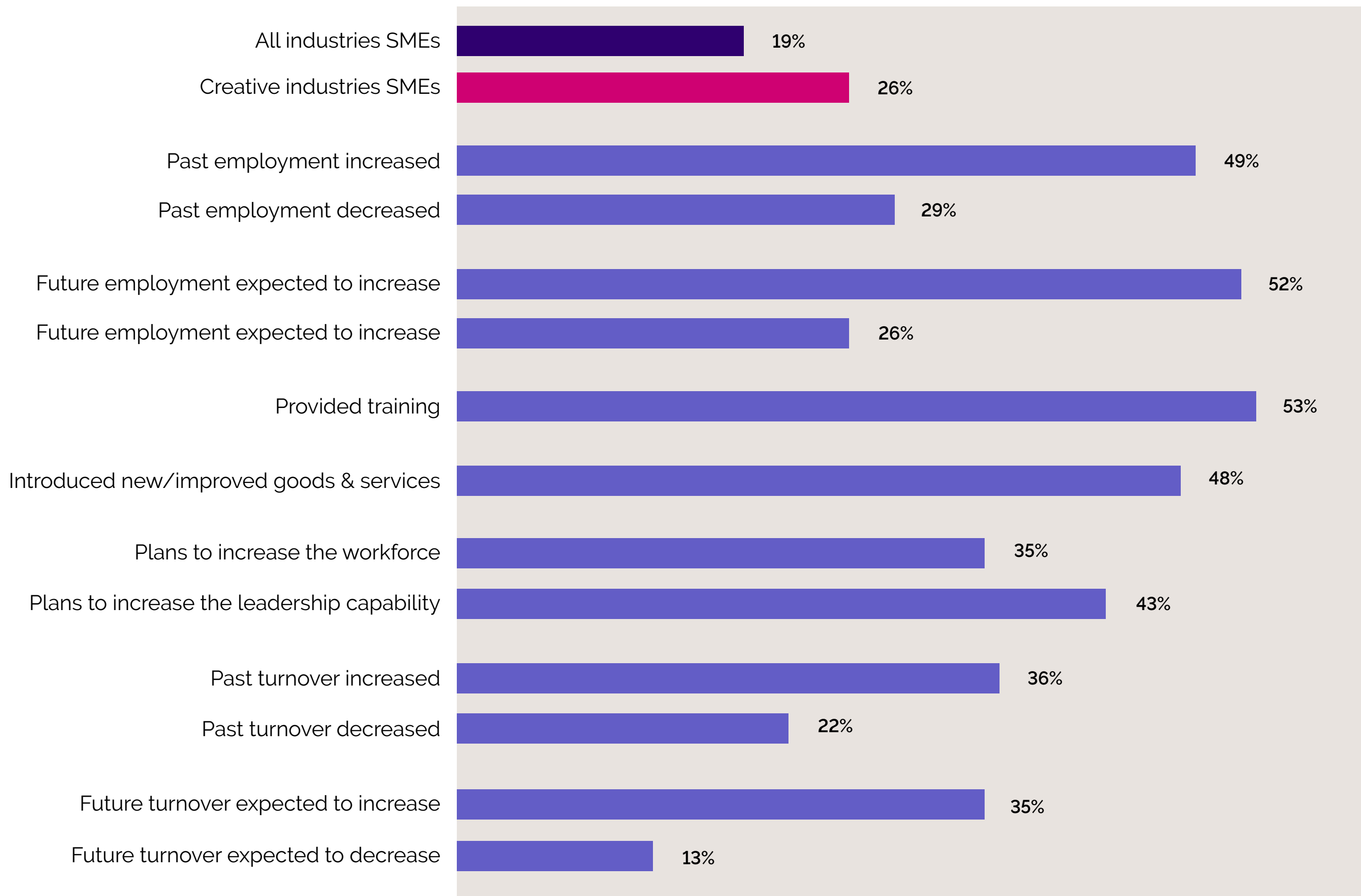


Source: Authors' elaboration based on the Longitudinal Small Business Survey 2024 (DBT, 2025)

Notes: Q: Over the past 12 months, has your business arranged or funded any formal off-the-job or informal on-the-job training or development for employees? SMEs (1–249 employees) only. Employer base: all establishments providing training [n = 356].

Second, we find a positive association between firm performance and the extent to which firms have introduced new or significantly improved processes within their business. For example, rates of process innovation exceed the creative industries average (26%) among creative firms that expanded their workforce in the past (49%) and expect to do so in future (52%); those that increased turnover in the past year (36%) and expect do so over the next 12 months (35%); those that provided training for their workforce (53%); those that successfully introduced new or improved goods and services (48%); and those planning to strengthen workforce skills (35%) or leadership capability (43%) (all differences are statistically significant).

Figure 24: Process innovation and business outcomes (% firms introducing new or significantly improved processes)

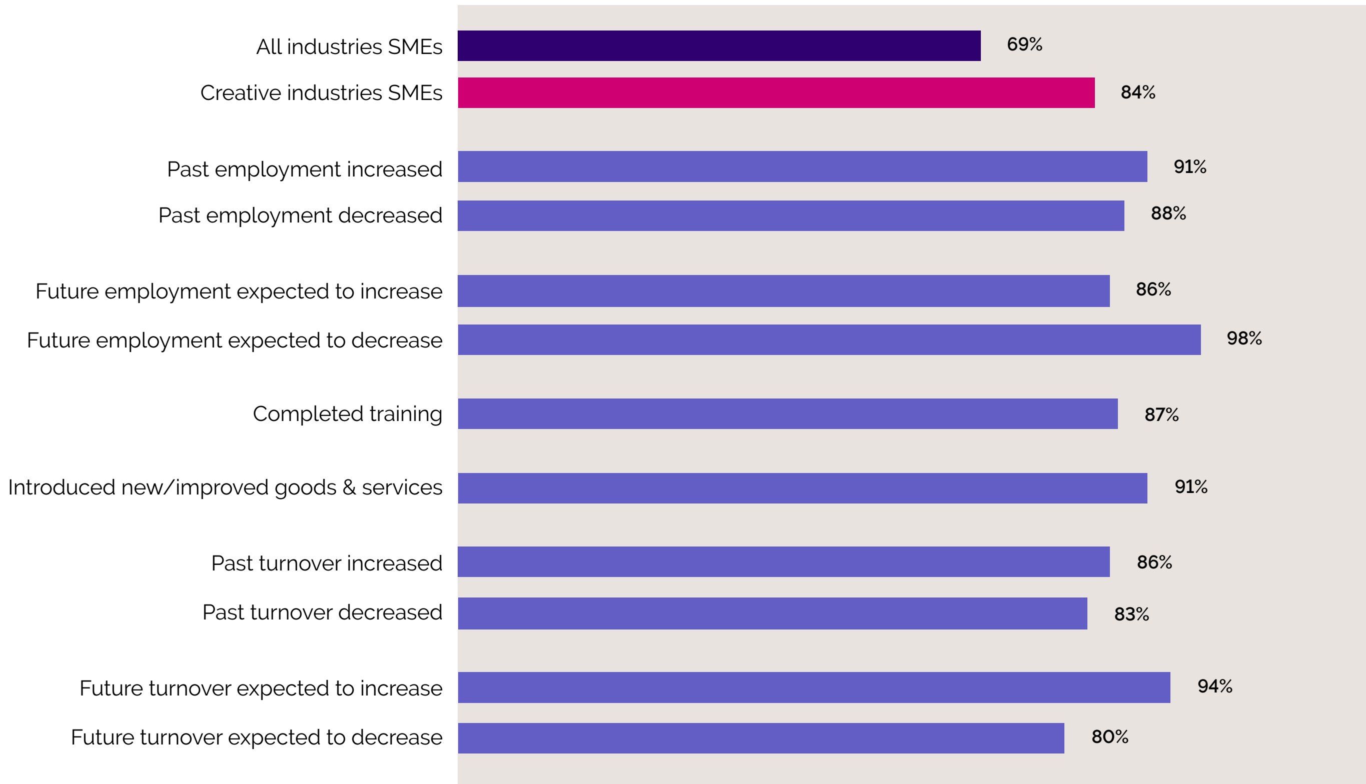


Source: Authors' elaboration based on the Longitudinal Small Business Survey 2024 (DBT, 2025)

Notes: Q: Has your business introduced any new or significantly improved processes for producing or supplying goods or services in the last three years? SMEs (1–249 employees) only. Employer base: all employers in Cohort B [n = 187].

Finally, we find a positive association between the adoption of technology and firm performance. The deployment of new technology by creative industries firms exceeds levels for the sector as a whole (84%) when there is increasing past (91%) and future (86%) employment; increasing past (86%) and future (94%) turnover; provision of training to upskill the workforce (87%); and successful introduction of new or improved goods and services (91%). All of these results are statistically significantly different to other industries across the economy.

Figure 25: Technology adoption and business outcomes, 2024 (% firms that use technology for sale or business management)



Source: Authors' elaboration based on the Longitudinal Small Business Survey 2024 (DBT, 2025)

Notes: Q: Do you use any technologies or web-based software to sell to customers, or for use in the management of your business? Employer base: SMEs (1–249 employees) only. All employers in Cohort C [n = 212].

At this stage, these trends cannot provide a causal link between stronger management and better business performance, but they are important findings nevertheless in this baseline study. Indeed, this offers fertile ground for further research and analysis to explore the relationship between management practices and business performance (see areas for further research in section 5).

4.3 Steps towards improving management practices across firms

Data from the MES23 and the LSBS24 also enable assessment of the actions employers are taking to improve the management and, in turn, performance of their businesses. This includes exploring current actions and future activities, as well as considering any obstacles encountered.

4.3.1 Current actions to address management practices

Looking at the current actions being taken by businesses, it is clear that management matters to firms in the creative industries. Indeed, the vast majority of creative businesses surveyed in the MES23 report that they are already intervening to improve management quality as a route to improving business performance. Slightly higher shares of employers in the creative industries are undertaking such activities (93%) compared to employers across all industries (89%).

Figure 26: Action taken by managers to improve the way the business is managed, 2023 (% employers taking any action)

Source: Authors' elaboration based on the Management Expectations Surveys (ONS, 2023)

Notes: Q: In 2023, what do managers commonly do to improve the way this business is managed? ≠ Nothing. Firms with ten or more employees.

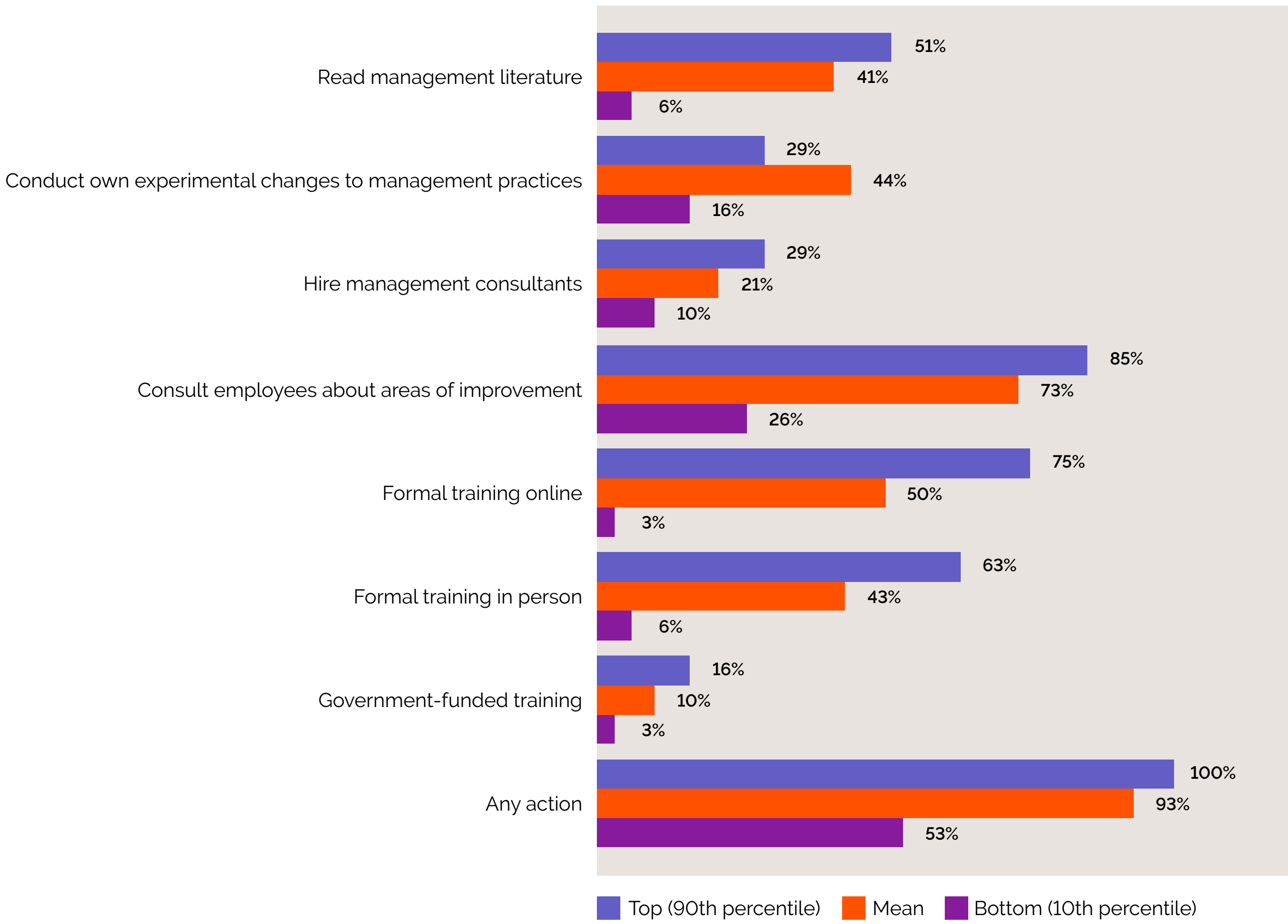
A closer examination of the actions creative industries employers take to improve how their businesses are managed reveals significant differences and variations according to the strength of a firm's management approach.

Those businesses with the highest management scores are more likely to take action to improve the way their business is run, while businesses with the lowest management scores are less likely to do so. While this is a common trend across the economy, it means only a little over half (53%) of creative firms with the weakest management practices are seeking to drive improvements in future.

Further, the types of actions creative firms take tend to be internally focused. This includes consulting employees about areas for improvement (73%); providing formal training, whether online (50%) or in person (43%); conducting their own experimental changes to management practices (44%); and reading management literature (41%). In contrast, creative firms are considerably less likely to seek external expert advice in driving improvements in business management, either by hiring management consultants (21%) or engaging in government-funded training (10%). This mirrors the actions commonly taken by businesses across the economy to strengthen management practices (ONS, 2024), and it reveals that there is scope to incentivise and enable creative firms more actively to seek external, expert advice and support in driving improvements in business management.

In addition, while businesses with the lowest management scores are less likely to act overall, there is also a difference in the types of activities they pursue. For example, they are most likely to consult employees internally about areas for improvement (26%) and conduct their own experimental changes to management practices (16%).

Figure 27: Action taken by managers in creative firms to improve the way the business is managed, by different management scores (% employers taking these actions)



Source: Authors' elaboration based on the Management Expectations Surveys (ONS, 2023)

Notes: Q: In 2023, what do managers commonly do to improve the way this business is managed? Firms with ten or more employees. Bottom and top deciles refer to firms below the 10th percentile of management score and those above the 90th percentile of management score, respectively.

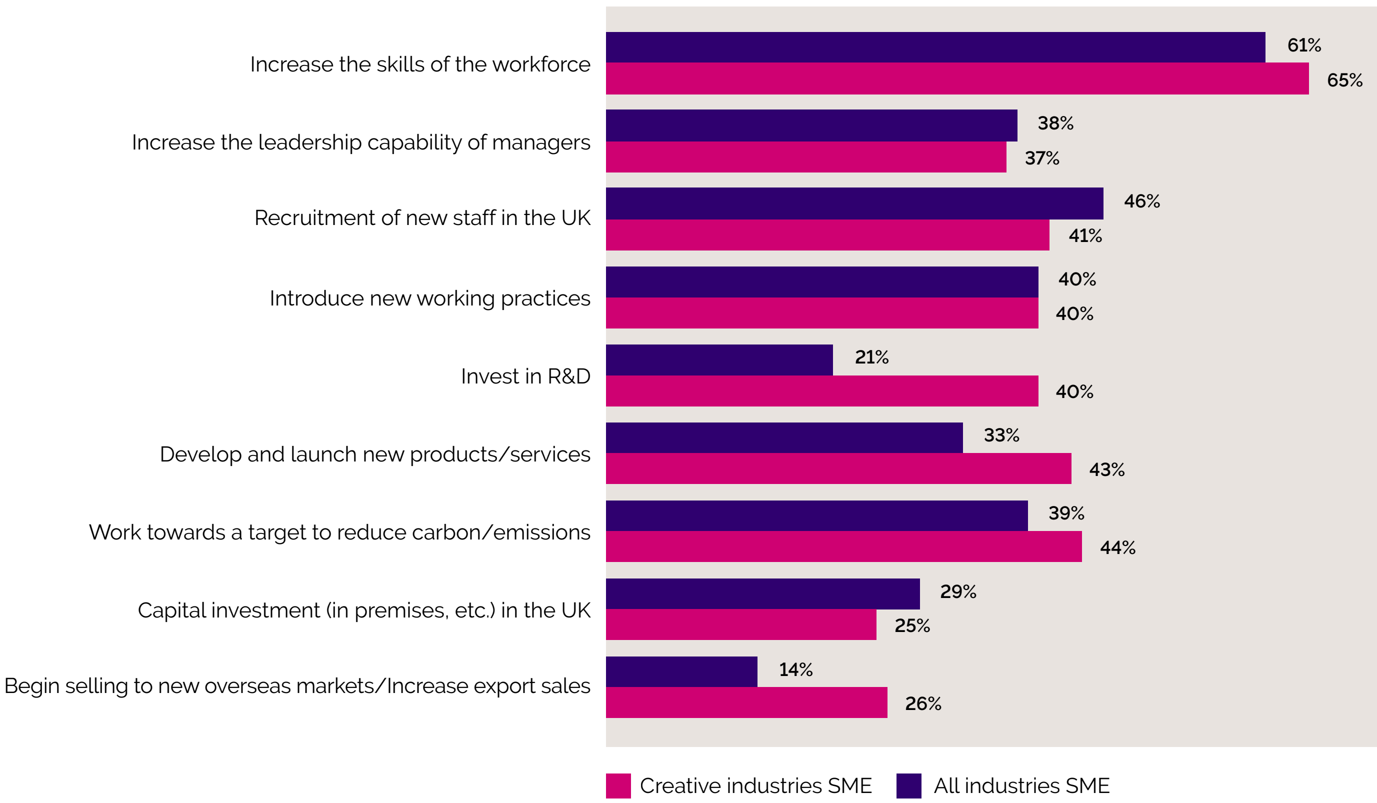
4.3.2 Future plans to undertake growth-related activities

In the LSBS24, SME employers were asked about their plans to implement various growth-related activities over the next three years. These covered a wide range of areas and captured steps to invest and innovate in the business in various ways, including by strengthening the skills of the workforce and the leadership capability of managers.

The most common responses for SMEs, both in the creative industries and across all industries, were plans to increase workforce skills (65% of SMEs in the creative industries, 61% in all industries); work towards a target to reduce carbon/greenhouse gas emissions/other emissions (44% and 39%); recruit new staff in the UK (41% and 46%); introduce new working practices (40% and 40%); and increase the leadership capability of managers (37% and 38%). Importantly, this highlights the key role of workforce skills, compared to other factors, and also that management capability is seen by a significant share of creative firms as vital in driving future growth.

Interestingly, a higher proportion of SMEs in the creative industries are planning to invest in research and development, develop new products and services, and expand into new markets or increase exports over the next three years, with statistically significant differences for creative industries SMEs compared to other sectors.

Figure 28 Plans to take forward growth-related activities over the next three years (% SMEs)



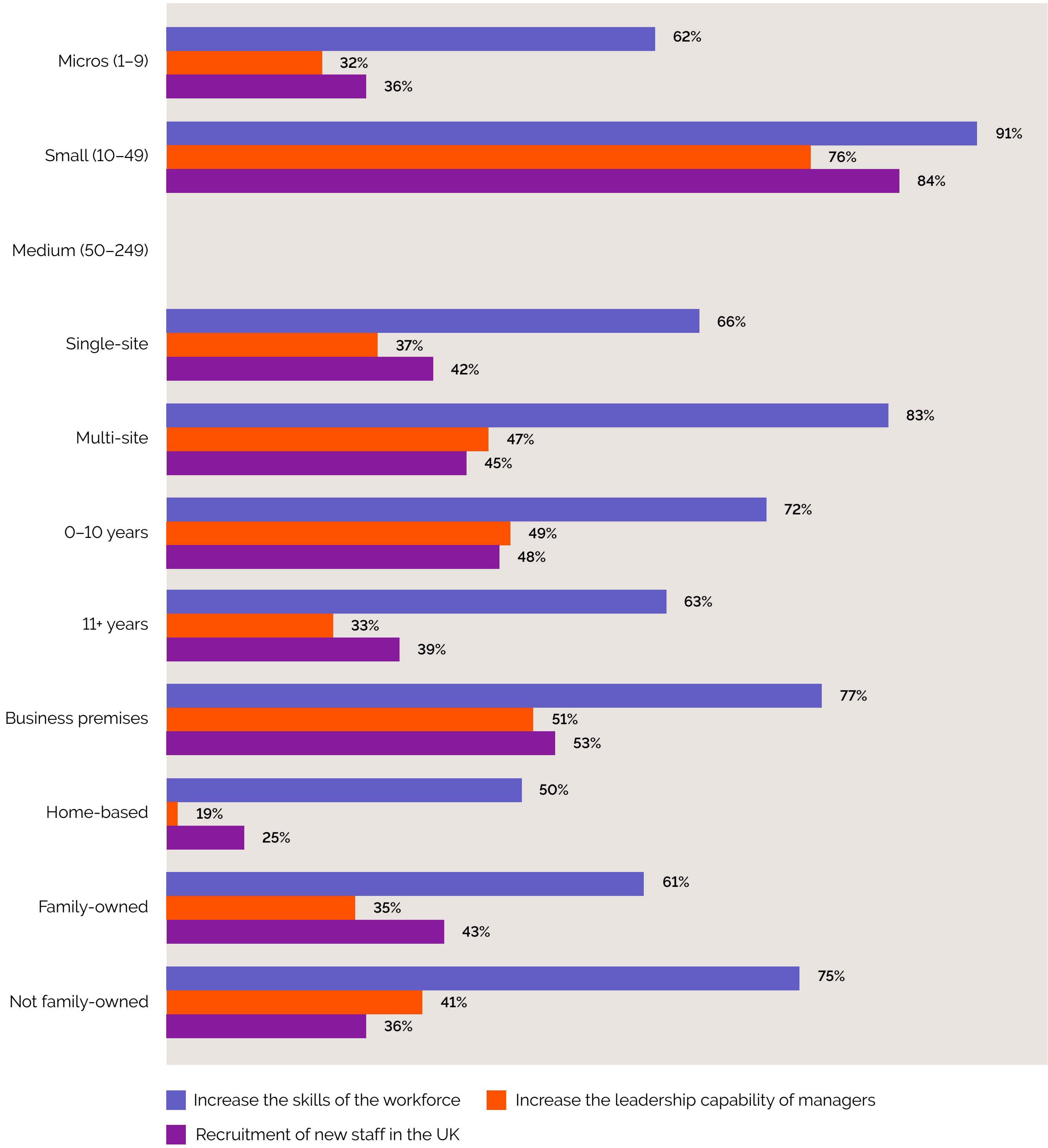
Source: Authors' elaboration based on the Longitudinal Small Business Survey 2024 (DBT, 2025)

Notes: Q: Does your business plan to do any of the following over the next three years? SMEs (1–249 employees) only. Employer base: all employers in Cohort B [n = 187]. A number of future activities were less common in the creative industries and as a result had fewer responses, so the numbers are too low to report. This included recruitment of new staff in overseas offices; transfer of existing staff from UK to overseas offices; decreasing export sales or reducing the number of overseas markets you sell to; and capital investment (in premises, machinery, etc.) in overseas markets.

A closer examination of future plans relating to workforce development shows that the intention to raise the skills of the workforce is not only common but also consistently supported across creative industries SMEs, regardless of firm characteristics. That said, this intention is more common among creative businesses that are larger, operating across multiple sites, younger (fewer than ten years of operation), run at business premises rather than home-based and not family-owned. Only those results for creative industries small SMEs (10–49 employees) with separate business premises are statistically significant.

The next most popular plan is to recruit new staff in the UK. This is of interest given the policy context, where there is a greater push to control immigration and support the employment of more domestic workers (The Home Office, 2025). This is being pursued more by creative SMEs who are larger in size (though still small firms), operate from multiple sites, are younger, have separate business premises and are family-owned. Only the results by size of business are statistically significant. In contrast, increasing the leadership capability of managers was generally the least common plan, although more commonly pursued by larger SMEs (10–49 employees) and firms with separate business premises.

Figure 29: Variations in future skills plans by type of creative business (% SMEs)



Source: Authors' elaboration based on the Longitudinal Small Business Survey 2024 (DBT, 2025)

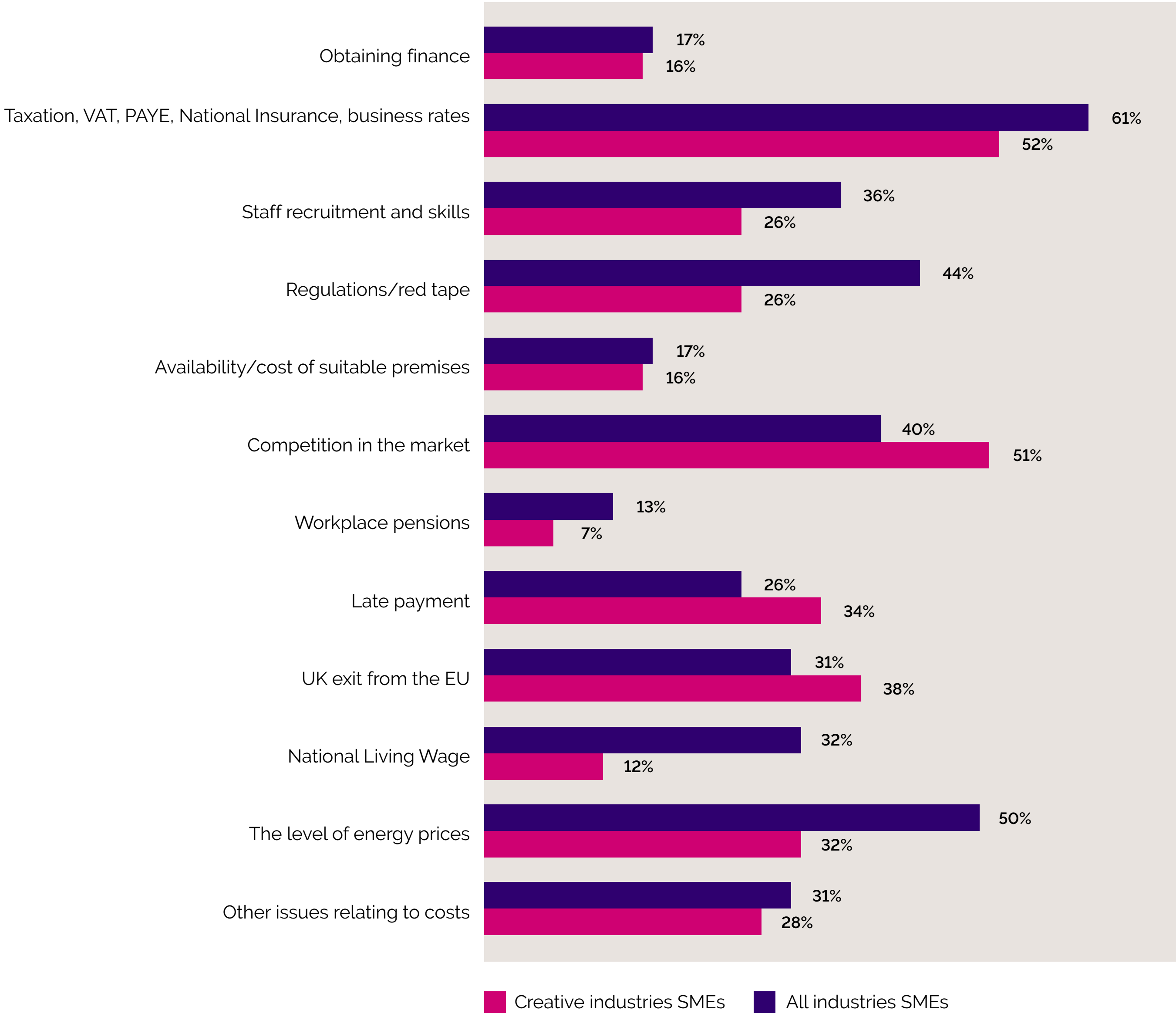
Employer base: Q: Does your business plan to do any of the following over the next three years? SMEs (1–249 employees) only. All employers in Cohort B [n = 187]. Responses for medium-sized business (50–249 employees) are too low to report.

4.3.3 Obstacles to improving business success within firms

When reviewing how businesses will secure improvements, it helps to understand the barriers employers are wrestling with. Against a challenging economic backdrop, it is perhaps unsurprising that the LSBS24 reveals that taxation, VAT, PAYE, National Insurance and business rates are the biggest obstacles reported by most employers – in the creative industries and across all industries (52% and 61%, respectively). These results are statistically significant for creative industries SMEs compared to other sectors. For the creative industries, the next most challenging obstacles are competition in the market (51% vs 40% for all industries; statistically significant) and the UK's exit from the EU (38% vs 31%).

While skills and people-related factors are not the most commonly cited constraints identified by creative SMEs, they are nevertheless still reported by over one quarter of businesses in the sector (a statistically significant result compared to other industries across the economy). Wider research suggests that this is because recruitment and skills issues are very susceptible to fluctuations in economic conditions, so that when economic activity declines, recruitment and skills issues are deprioritised; hence these are more likely to remain latent until economic activity picks up (Carey et al, forthcoming). This will need to be closely monitored. In addition, the issues least reported as obstacles by creative industries employers include workplace pensions (7%), obtaining finance (16%) and availability/cost of suitable premises (16%), although this may vary between creative sub-sectors.

Figure 30: Obstacles to achieving business objectives, 2024 (% SMEs)



Source: Authors' elaboration based on the Longitudinal Small Business Survey 2024 (DBT, 2025)

Notes: Q: I'd like to ask you now some questions about issues, obstacles or difficulties that your business might face in achieving your business objectives. Which of the following would you say are major obstacles to the success of your business in general? SMEs (1–249 employees) only. Employer base: all employers in Cohort B [n = 187].

5 Conclusions

5.1 Summary

The UK economy is experiencing a substantial and long-standing productivity challenge, and so there is ongoing interest in the role of management practices for securing productivity improvements in future. Although there is not complete consensus on the causes of the productivity problem (NIESR, 2022), resulting in a so-called productivity puzzle (Haldane, 2017), there is considerable evidence that management capability is one crucial driver of performance improvements (Scur et al, 2021). For example, research by the ONS has recently confirmed the strong link in the UK economy between robust management practices and several business outcomes, including but not restricted to productivity, such as labour productivity, profitability and business survival, and wider measures such as improved innovation and absorptive capacity, increased turnover, employment and growth (ONS, 2024).

The research has reviewed the picture of management practices across the creative industries and how this compares to other parts of the economy. The study used official statistics, analysing the latest data from three government-backed national business surveys. A central objective was to better understand what is driving the uptake and use of different practices, and how this is linked to different types of business performance within the creative industries.

The evidence from these surveys supports an up-to-date review of management in the creative industries. This study has examined structured management practices overall, as well as focused dimensions of management, including practices associated with: continuous improvement; the use of KPIs and targets; and employment practices (Scur et al, 2021), many of which are people-centred and align closely with HPW practices (Belt and Giles, 2009).

This informs our collective understanding of the management practices and capabilities that offer potential for future performance improvements across the sector. The analysis offers four high-level findings.

First, while there are many positives with respect to management practices in the creative industries compared to other parts of the economy, the research points to areas for improvement. According to the MES, the creative industries have higher scores than the UK economy as a whole for management practices overall, as well as for specific management areas such as continuous improvement, employment practices and the use of targets and KPIs. Evidence from the LSBS24 and the ESS22 on management practices concerning innovation, employment practices, HPW practices and training confirm this picture.

Closer examination of the types of management practices reveals wide variation in levels of uptake across the creative industries. For example, creative businesses adopt more practices supporting continuous improvement compared to practices using targets. In addition, the LSBS24 reveals that while SMEs tend to be more innovative than the average for firms across all industries, only a minority of creative industries SMEs (26%) are innovating in their business processes and working practices, so there is room to improve here. Further, the ESS22 reveals that there is significant variation in the adoption of different clusters of HPW practices among creative industries businesses: there is considerably lower uptake of practices associated with organisation, such as employee consultation and management standards, compared to practices supporting planning and skills. While technology adoption is comparatively high among firms in the creative industries, there is scope to increase the use of some technologies, such as enterprise resource planning, HR management, project management and customer relationship management software, which have relatively limited use both in the creative industries and across the wider economy.

Importantly, the adoption of different management practices also varies depending on the characteristics of the firm. For instance, more employers provide training or adopt technology in businesses that are larger, running on multiple sites, operating dedicated business premises rather than being home-based and not family-owned. This suggests that smaller, single-site, home-based and family-owned firms tend to demonstrate weaker management practices, both in the creative industries and the wider economy – something that is also evidenced in the literature (Bloom et al, 2019).

Second, SMEs in the creative industries adopting stronger management practices tend to have positive business outcomes.[16] Rates of training, process innovation and technology adoption are all positively associated with indicators of firm performance, such as past and expected future growth in turnover and employment, product or service innovation, and plans to invest in workforce skills and leadership capability. These findings are to be expected, and further research is needed to investigate the relationship between management practices and business outcomes in the creative industries more fully and to establish causality, as identified by wider research (Scur et al, 2021) and discussed in section 5.3.

Third, multiple indicators point to sustained underinvestment in management skills and management development. The LSBS and the ESS confirm that levels of training have been consistently falling over the last decade, including in management development. The ESS22 reveals that management development activities are of lower priority than other forms of training: management and supervisory training for staff are among the least provided types of training by creative industries employers (23% and 21%, respectively). Managers are also among the least likely types of staff to be trained, with rates lower than for process, plant and machine operatives. The ESS22 suggests that while a significant share of creative industries employers recognise the need to upgrade workforce skills in future, they are less likely than employers across the economy to anticipate a need to upgrade management and leadership skills amongst their workforce in future This raises questions about whether creative industries employers are making management development enough of a priority and are sufficiently recognising management capability as a key driver of business success.

16. This includes practices that are associated with a stronger management approach as outlined in section 2.

Finally, while the vast majority of creative industries firms are undertaking activities to improve business management, those with the weakest management scores are the least likely to be taking action. More than nine in ten (93%) creative businesses with ten or more employees are taking some action to improve business management – slightly higher than the economy as a whole. As the MES23 shows, the strength of the management approach is also a good indicator of action; in general, businesses with the highest management scores are more likely to pursue improvements than those with the lowest scores. While this is a common trend across the economy, it means that only a little over half (53%) of creative firms with the weakest management practices (in the bottom decile for management score) are seeking to drive improvements in future. Further, the types of actions creative firms are taking tend to be internally focused; few seek external expert advice in driving improvements in business management, either from consultants or by engaging with government-funded training programmes.

5.2 Policy recommendations

The research has various recommendations for future policy considerations.

First, the research suggests that, while national governments across the UK are progressing management policy development, many of the challenges creative industries firms face are common to other sectors, so there is **scope for government and industry stakeholders to promote stronger engagement among businesses in the creative industries with mainstream programmes** in each of the devolved nations, including the new Business Growth Service in England, Scottish Enterprise and Business Gateway in Scotland, Business Wales and NI Business Info in Northern Ireland, as well as place-based programmes such as local Growth Hubs and mayoral initiatives such as the Good/Fair Work Charters in London, Manchester and Liverpool. Additionally, national and subnational government and industry stakeholders could explore how to further **customise policy interventions** and business support services to take account of the varying needs of the creative industries, building on programmes such as Arts Council England's leadership programme and the new WorkWise programme being piloted in the screen industries.

Policy insights from the research can help to shape management programmes tailored to specific sectors, such as within the UK's Industrial Strategy 2025 (DBT, 2025), and interventions that are designed for the creative industries as a key priority sector, as set out in the Creative Industries Sector Plan, and equivalent strategies in the devolved nations. These already commit to strengthening business support, especially for smaller businesses. In addition, there are wider management interventions where tailored sector advice would be beneficial, such as those attached to broader policy areas, including the Technology Adoption Review (UK Government, 2025), the Making Work Pay initiative, encouraging better management through the implementation of the employment rights framework, and the Good Work Action Plan and Fair Work agenda in the devolved nations.

Second, given the considerable variation in the strength of management practices within the creative business population – not least by sector, firm size and ownership structure – and given that creative firms are less likely to collaborate with other employers to develop the skills or expertise of the workforce, there is scope to **advance management and business support programmes that promote diffusion of good practice** from frontier firms to those with comparatively weaker management practices. International research suggests that policies that encourage stronger networking and partnerships can promote knowledge sharing and diffusion, helping to spread good management practices more widely (OECD, 2021). While advances in devolution across the UK have strengthened investment in local communities and sector clusters, supporting greater diffusion and stronger business development, innovation and skills, there is room to do more (TPI, 2023). Again, drawing on lessons from international practice, there is the opportunity to improve the nature and range of direct measures that can promote networking and knowledge sharing between co-located firms. This has the potential to grow local capacity and capability by building on existing publicly funded networking initiatives, such as knowledge transfer networks and sector skills clusters, as well as private, business-led networks operating through supply chains, for example. In Ireland, PLATO Business Development Networks were established almost 30 years ago, convening groups of SMEs to work collaboratively to share information, expertise and experiences, and these have been shown to improve management capability, firm productivity and performance. Other international examples demonstrate the potential for peer-to-peer support programmes that promote knowledge transfer between large firms and SMEs in their supply chain, as seen in Korea's POSCO Consortium, Japan's J-GoodTech programme and France's competitiveness clusters (OECD, 2023). Further, there may be merit in trialling initiatives dedicated specifically to growing management networks through instruments like workplace innovation programmes (referenced in section 2). This could draw on existing experience from Scottish Enterprise's programme and explore the feasibility of running such a programme in other parts of the UK for the creative industries.

There is also scope to more effectively leverage industry bodies to help extend the scale and reach of policy interventions focused on collaboration. International research has highlighted the power of professional, trade and industry bodies in representing sectoral interests and encouraging stronger networking, partnerships and capacity building across business communities (OECD, 2024). Indeed, the OECD recently found that representative sector bodies featured in 72% of the examined countries and played a vital role in customising initiatives to meet industry needs, overcoming capacity shortfalls and encouraging UK employers to work together around shared skills goals (in the form of communities of practice).

Third, the research points to a pressing need to **strengthen policy interventions that seek to promote management training and development** in order to address persistent underinvestment in this area. There is an important strategic question about how publicly funded interventions offered by universities, colleges and broader providers across the different national skills systems can be supported, funded and preserved. There is also scope to consider how current delivery models can be enhanced and adapted to address the needs of the sector. This may include customising programme design, content and delivery to maximise value and addressing the barriers to uptake reported by creative firms, including offering more flexible, modularised, business-relevant provision. Where national policy developments appear to work against sector interests – such as policy decisions in England not to fund management apprenticeships beyond level 7 – this may present opportunities to progress sector solutions that are unique to the creative industries; for example, through the Industrial Strategy and/or regional devolved agreements. Relatedly, there is scope to strengthen partnerships to deliver dedicated management programmes either by extending existing programmes like Arts Council England's leadership programme, the WorkWise programme and the workplace innovation programme delivered by Scottish Enterprise; or by developing new initiatives, designed in partnership with industry stakeholders, national and subnational policymakers and place-based delivery partners.

5.3 Research gaps

This research has provided a useful starting point, but management remains a complex issue and so it is important to identify the remaining gaps in knowledge and the need for further research. A key focus for this State of the Nations report from the Education, Skills and Talent theme has been to interrogate official, government-backed sources to understand variations in the uptake of management practices across the UK within the creative industries compared to other parts of the economy. This offers valuable insights for policymakers, industry and wider partners, such as professional and business bodies, business support agencies and skills providers, but there is scope to extend the research in a range of areas in future.

First, many national surveys exclude micro-sized firms, sole traders and freelancers. The LSBS does include this cohort, but the survey sample is insufficiently large to support analysis for the creative industries. This remains a critical research gap given the propensity for self-employment and freelance work in parts of the creative industries.

Second, national survey questionnaires have not consistently investigated different dimensions of management practices, leaving evidence gaps and hampering comparability over time. For example, some management questions have been removed from the ESS and the LSBS, in particular those that explore business planning, organisational practices, management capabilities and rewards. Further, there are evidence gaps in key areas – for example, the factors that drive the adoption of different management practices, the obstacles to implementation and the types of support that may enhance uptake and pursuit of management improvements. There is, therefore, a need to develop core components for national surveys that are comprehensive, consistent and remain stable over time. Further, national survey instruments could be complemented by industry-focused business surveys that can explore in greater depth the most pertinent issues for the sector and track trends over time. Creative PEC's Creative Business Panel and Creative Industries Employer Skills Survey could play an important role in addressing this evidence gap.

Third, while this report has found positive associations between certain management practices and firm performance, there is a need for more detailed multivariate and causal analysis, using micro-data from the different surveys, to explore the correlation between management practices and business outcomes such as technology adoption, innovation and growth, while also controlling for the effects of firm demographics. Currently, the MES dataset offers the greatest potential for this, as it includes the most comprehensive suite of management questions. In addition, there would be significant value in testing the feasibility of linking datasets to enable the matching of wider performance data to these business surveys, to investigate the influence of management on wider performance, such as productivity. This could build on existing research, such as that conducted by the ONS.

Finally, the research points to important differences in the approach to management within creative sub-sectors. Further investigation of sub-sector variations, including through qualitative research, would support a fuller understanding of the extent and causes of these differences and offer insights into what interventions would work best in securing future improvements. Such research could support the development and testing of targeted solutions in different contexts, including through national pilots aligned to the UK Industrial Strategy and equivalent strategies in the devolved nations, and place-based approaches in cities and regions – for instance, to support Local Growth Plans and Local Skills Improvement Plans in England.

Annex

List of acronyms and abbreviations

CIPD: Chartered Institute of Personnel and Development

CMI: Chartered Management Institute

Creative PEC: Creative Industries Policy and Evidence Centre

DBT: Department for Business and Trade

DCMS: Department for Culture, Media and Sports

DfE: Department for Education

ESS: Employer Skills Survey

HPW: high-performance workplace

ILO: International Labour Organization

KPI: key performance indicator

LSBS: Longitudinal Small Business Survey

MES: Management Expectations Survey

NIESR: National Institute for Economic and Social Research

OECD: Organisation for Economic Co-operation and Development

ONS: Office for National Statistics

SME: small and medium-sized enterprise

TPI: The Productivity Institute

WMS: World Management Survey

Data reference list

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Department for Culture, Media and Sport	Economic Estimates: Employment in DCMS Sectors, July 2023 to June 2024
Department for Business and Trade	Longitudinal Small Business Survey 2024
Department for Education	Employer Skills Survey 2017
Department for Education	Employer Skills Survey 2019
Department for Education	Employer Skills Survey 2022
Office for National Statistics	Management Expectations Survey 2020
Office for National Statistics	Management Expectations Survey 2023

Data statement

All the data used for this report is freely available from the original sources provided in the data reference list.

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