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## **David Brent-Style Managers 'Have Widened Uk Productivity Gap With Us'**

**By Philip Thornton Economics Correspondent**

Good management in a British factory is 'something done once a year before the Christmas tombola', according to a survey published today that paints a devastating picture of UK industry.

British managers came a distant fourth in a survey of 730 manufacturers in the UK, US, France and Germany. It is further evidence that poor management practices made famous by TV's anti-hero, David Brent, are costing the UK billions of pounds in lost growth.

The report from the Centre for Economic Performance found that much of one-fifth gap in productivity levels between the UK and US could be explained by inferior management. The researchers "two academics and three consultants from McKinsey" rated managers on 18 categories and compared the results with their employers' financial accounts. It found US companies were better managed than those in the other three countries, even if they were subsidiary units based outside the US.

'The researchers estimate the differences in management practices between the UK and the US account for 10 to 15 per cent of the productivity gap between the two countries,' the report said. 'US companies excel even when their operations are located overseas.'

The study looked at efficient shop floor operations, performance monitoring, quality of target setting and use of incentives. It found some management practices in the UK were 'among the worst in the whole sample' and said it was puzzled why the UK should turn out so poorly given the strength of competition and low levels of regulation.

'One hypothesis is to what extent the UK's poor management performance in manufacturing is driven by low skills, a common complaint of UK manufacturers,' the study said.

It warned the gap between the UK and France and Germany might be even larger than the research showed as continental managers tended to adopt a different approach from Anglo-Saxon economies. 'Continental Europe could thus surge yet further ahead of the UK if it adopted even more successful US-style best-management practice and labour market regulations.'

One UK manager told the researchers: 'The improvement process is something that happens once a year before the Christmas tombola.' A US manager said: 'The only person I report to is God', and one in Germany apologised by saying: 'I just got distracted by a submarine surfacing in front of my window.'