

The Case for AMA MANAGEMENT CERTIFICATION

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CERTIFICATION: A designation awarded to an individual who has demonstrated knowledge, skill and/or abilities as defined in a predetermined set of standards. Certification validates an individual's qualifications in a certain subject—here being management.

EXECUTIVE SUMMARY

There are about 24 million managers in the U.S. workforce, and research suggests that there is great opportunity to improve their effectiveness. American Management Association (AMA), using research conducted on thousands of leaders globally, has identified the 4 key areas that create excellence in management. Those 4 areas are the foundation for the Total Professional framework. In addition, AMA has examined the feasibility of implementing a certification process for managers. Results indicate broad support, from both current managers and employers, for a certification process to standardize the role of manager. Results also indicate that AMA, given its nearly 100 years of experience developing managers, is perceived to be the right organization to confer such a certification.

So why, you might ask, is it time for management certification? For one thing, there are a lot of managers out there. A recent estimate¹ is that there are about 24 million managers, supervisors and administrators in the U.S. workforce today. That works out to about 1 manager for every 5 employees, or 17.6% of the workforce and 30% of the total compensation distributed. On their own, managers influence a huge chunk of the economy.

And these managers make a profound impact on the performance and vitality of organizations. Recent research² by Clifton and Harter on the impact of good (and bad) managers on employees suggests that upwards of 70% of the variability of performance between teams is explained by the performance of managers and supervisors. Managers, through their actions, enable employees within organizations to produce the products and services that we want and need.

Unfortunately, this research also suggests that managers could have a great deal more impact than they currently do. Clifton and Harter go so far as to say that “most current team leaders do not have the natural tendencies for managing people.” This striking issue is likely due to the practice of promoting employees based on strong performance in an individual contributor role, not because they have the right set of knowledge, skills, abilities and other characteristics that will make them a great manager.³

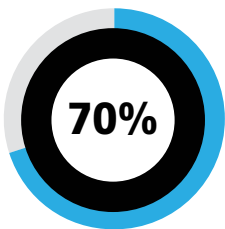
U.S. WORKFORCE STATISTICS:

24 million managers

1 manager for every **5** employees

17.6% of the workforce

Another factor is that many individual contributors who ascend to management roles retain some of their original individual contributor roles and responsibilities. In these cases, employees are being tasked to play two separate roles at once, sometimes called being a “player-coach.” Though in theory it may seem to be a good idea to combine these roles, in reality the individual often only focuses on the role they do best, the individual contributor one. In a study of player-coaches,⁴ researchers found that player-coaches tend to “meddle and micromanage” when they have a handful of direct reports, and tend to only “communicate goals and focus on trouble spots by defining expectations” when they have a larger set of direct reports. Their research suggests that a proliferation of player-coaches can do real



70% of variability in team performance is impacted by managers or supervisors

¹Hamel, G. and Zanini, M. (2016). Excess Management Is Costing the U.S. \$3 Trillion Per Year. *Harvard Business Review*. Retrieved from <https://hbr.org/2016/09/excess-management-is-costing-the-us-3-trillion-per-year>.

²Clifton, J. and Harter, J. (2019). *It's the Manager*. Gallup Press.

³In a 2015 report, Gallup estimated that only 1 in 10 people have the skills necessary to manage effectively; however, an additional 2 in 10 have some of these skills and could be successful managers with the right training and development.

⁴Kaufman, E., Morieux, Y. and Scullion, C. (2006). The Fallacy of the Player-Coach Model. The Boston Consulting Group, Inc.



“A certification process could lead to increased opportunities for career advancement, both inside and outside of their organization.”

harm to organizations, contributing to “corporate bloat and inefficiency.”

When we again consider the estimated ratio in the U.S. workforce of 1 manager to every 5 employees⁵, one can clearly see the prevalence of the player-coach model in organizations. Interestingly, top-performing companies often have a smaller ratio of managers to employees, sometimes as low as 1 manager to 10 employees. The authors of this research suggest that these high-performing organizations benefit greatly by having fewer managers, but these managers are also highly qualified and have the skills and experience to manage effectively.

So, again, why is it time to certify managers?

Because there is a huge opportunity to clarify the role of manager across organizations and standardize it, with real impact on the bottom line. As noted before, there are a lot of managers and many of those managers have competing roles. A certification process will clarify the role of manager, which in turn will improve the effectiveness of managers in those roles. Researchers in one study⁶ estimated that the cost of lost productivity due to inefficient management is around \$1 trillion annually, or about 5% of the GDP. It is time to certify managers because building a validated certification process can serve to codify the role of manager and to

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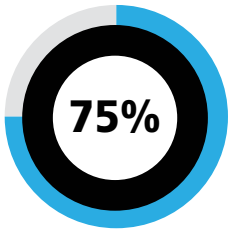
improve the overall effectiveness of managers globally.

Of course, there are many other professions that have strong certification and credentialing requirements, from doctors to lawyers, accountants to project managers to human resources professionals. In 2015, about 22% of employees had a license (Bureau of Labor Statistics). What’s somewhat mind-boggling is that about 18% of the workforce is in a management position. It is time for a certification process for managers.

Another reason for a management certification process is the fact that managers and organizations simply want one. Research conducted by American Management Association (AMA) clearly identified an unmet need for a certification process. The study involved about 770 managers and employers and results showed broad support for a certification process. For example, 84% of employers indicated that, given the choice, they would encourage

⁵Hamel and Zanini (2016) in their article in *Harvard Business Review*.

⁶Clifton and Harter (2019) in their book *It’s the Manager*.



75% of employers surveyed indicated that having managers certified by AMA would lead to increased efficiency and better management

current employees to pursue an AMA management certification. About 3 in 4 employers also indicated that having managers in their organization certified by AMA would lead to increased efficiency and better management in their organization, and would be of value to their organization.

Managers in the AMA research study also highlighted a host of benefits to certification: 73% of managers indicated that a certification would be evidence of a professional commitment and would lead to an enhanced feeling of personal accomplishment. A certification would also serve as a validation of specialized knowledge and a demonstration of management competence. Finally, a certification process could lead to increased opportunities for career advancement, both inside and outside of their organization.

Clearly there is a need for a professional certification for managers. However, for a management certification process to work, the role of manager must be clearly defined and measured. Recognizing the need, AMA recently “rolled up their sleeves” with managers and thought leaders around





the globe to develop a clear and concise depiction of what the current role of manager entails.

In a comprehensive 2016 study of 11,624 employees at all levels of organizations operating across the globe, AMA examined the confidence these employees had in a number of specific areas of knowledge, skill and experience that are critical for business performance. Results of this research indicated many “skill gaps” for employees, including business acumen, relationship management, professional effectiveness and analytical intelligence. On average, all of these critical areas fell in the “Emerging Competence” range of scores, suggesting the need for comprehensive development of a number of skill areas for employees operating at all levels of organizations.

Based on this research, AMA created the “Total Professional” framework for managers, which consists of 16 competencies organized into 4 critical domains. The diagram below provides an overview of the Total Professional framework, and each of the domains. [AQ](#)

For more information, visit amanet.org/cpm

AMA'S TOTAL PROFESSIONAL FRAMEWORK

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Professional Effectiveness: Mastery of personal awareness and interpersonal skills.
- 
Relationship Management: Ability to establish and maintain professional relationships.
- 
Business Acumen: Understanding of business operations.
- 
Analytical Intelligence: Application of systematic thinking, analysis and data interpretation.

