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Rethinking Executive Education for the Virtual World

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It is no secret that the executive education industry was hit hard by the Covid pandemic, with face-to-face programmes put on hold and corporate spending on learning and development being cut. A study by UNICON (the consortium for university-based executive education) noted that "many of the world's leading business schools suffered a fall in executive education turnover" (Hammergren 2021). The Financial Times reported that "the global university based executive education market, worth close to $2bn in 2019, fell by a third in 2020" (Moules 2021).

Like others, we at London Business School had already built competencies in digital learning, for example, through MOOCs (massive open online courses) and SPOCs (small private online courses). It was surprisingly easy to shift all our teaching to online delivery as soon as the pandemic hit, and indeed to develop interactive and engaging learning formats that replicated much of what we had always done in the classroom. We developed a variety of formats—live online, asynchronous online, hybrid—and we worked tirelessly with custom clients to create virtual alternatives to the face-to-face programmes they had already signed up for. We managed to keep the business ticking over, though at lower levels of demand. Satisfaction ratings were

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as good if not better than for face-to-face teaching. The experience of faculty and professional staff was mostly positive.

So that's the good news. The less-good news is that virtual working has enabled and accelerated big changes in the executive education market. Moving classes and workshops online was the easy bit—now comes the harder challenge of rethinking our overall value proposition to prepare for the "new normal" which will likely involve a blend of face-to-face and virtual working.

In this article, we share some of our ideas about what comes next, based on our own experiences as well as insights we have picked up from others. We tackle two linked issues—the specific challenge of rethinking leadership development for a hybrid world and the broader challenge of rethinking the *raison d'etre* of business schools.

Rethinking Leadership Development for a Hybrid World

A major part of the LBS offering is leadership development, defined as the growth process individuals go through to become more effective in leadership roles. Thinking about leadership development has evolved over the years, but there is a growing view that it involves three elements: (a) knowledge-development, i.e., the accumulation of cognitive insights about the world of business and management; (b) action-taking, i.e., individuals having the confidence to do things differently and to learn from their actions, and (c) identity-development, i.e., individuals becoming better at influencing others and developing a clear sense of who they are (Day 2000; Day et al. 2014; Ibarra 2015; Snook et al. 2012). Stated more simply, successful executives are knowledgeable, good at making things happen, and good at relating to and getting the best from others. And our value proposition is to help them with all three.

Which is why the changes unleashed by Covid are only just beginning. Every aspect of leadership development is made harder when we work remotely, though some are harder than others. Let's look at each in turn.

Knowledge-development. As already noted, moving classes online was straightforward and basically works well. There are still challenges in getting participation and engagement in Zoom-based classes, and it's much harder for speakers to get feedback on *their* performance, but these are relatively small problems. If the demand is for cognitive development—helping leaders

to accumulate a new body of knowledge and understand the world better—virtual teaching works fine. It's not as good—or as much fun—as classroom teaching, but as long as participants are motivated, they will get what they need.

Action-taking. A landmark book in the field of leadership development was Lessons from Experience by McCall et al. (1988) which famously claimed (without much evidence) that 70% of learning occurs on-the-job through challenging work assignments. It is only when we are thrown into new or difficult situations, the book argued, that we really grow and develop as individuals. Another useful concept from the literature is situated learning (Lave and Wenger 1991), which says people develop new skills in an apprentice-like way, first of all as a peripheral observer on a team, and then gradually becoming an active participant and contributor.

Our sense is that executives are not getting enough of these challenging new assignments when working virtually. Many are building new skills (e.g., around crisis management) within roles, but the opportunities for changing roles, and developing entirely new skills, are much harder to come by. In our conversations with clients, it seems many organisations decided to put these lateral development opportunities on hold until face-to-face working returned.

Another well-known concept from the literature is David Kolb's (1984) learning cycle which argues for a deep symbiosis between active experimentation (doing things differently) and reflective learning (making sense of what you have done). Our programmes at LBS were always designed to stimulate that iterative process of development, and in the pre-Covid world there were usually ample opportunities for leaders to try things out when they got back to the office on Monday morning. But such opportunities are now few and far between. And even when leaders are able to try out something new, they don't get the same richness of feedback from colleagues because there are no informal opportunities to talk to them. The learning cycle has to a large degree broken down.

Identity-Development. The third pillar of leadership development is about making sense of ourselves and our relationships with others—our identity (Ibarra 2015). This might sound a bit flaky to a hard-nosed plant manager or finance director, but the reality is that the more senior an executive becomes, the more important it is that they understand their own strengths and weaknesses, and the effect they have on others. Many of the components of our successful programmes, including 360 feedback, personal biography exercises, and group discussions, are all about helping participants become more self-aware. As Petriglieri and Petriglieri (2010) argued, business schools can be

viewed as "identity workspaces" because they provide a setting for leaders to take time out to reflect, get help from peers and coaches, and try out low-risk experiments in how they interact with others.

It seems clear that this type of identity-development work is less effective in a virtual environment. Our experience suggests that Zoom calls are fine for maintaining existing relationships, but they are not good for difficult conversations, and they don't work so well when you are trying to forge new relationships. Indeed, a lot of organisations put their leadership development activities on hold during the first lockdown because they could see this type of development was compromised.

So how do we overcome these obstacles to leadership development? What should business schools be doing to help organisations create more fully rounded leaders in a world with less face-to-face contact than before? A few practical thoughts.

First, ensure a good balance across the three dimensions of leadership development. Covid has reminded us that a lot of knowledge-based learning can be done asynchronously and alone, which is why we increasingly provide video recordings of faculty introducing topics for people to view before a programme starts. This leaves more time in live sessions for discussion and sense-making. We also use live sessions to design and commit to new actions that participants pursue after the programme or between modules.

As we plan for a post-pandemic hybrid workplace, it is clear that we need to match the medium to the message more carefully. Consider Table 1.1, which illustrates how each dimension of leadership development (knowledge-development, action-taking, and identity-development) can be addressed through some combination of three formats (live face to face, live virtual, asynchronous). The best leadership development experiences, we believe, will involve a combination of these approaches, and often with frequent iterations between them. For example, we created a new format with 90-minute 'live online' sessions twice a week, interspersed with asynchronous learning and application exercises.

Second, use technology creatively. When a new piece of technology comes along we first of all use it as a substitute for what came before, then we gradually figure out all the exciting new opportunities it opens up. We have already moved from using zoom to replicate a traditional class to a more interactive form of teaching with video, chat, and PowerPoint operating simultaneously. But there is scope for taking these emerging technologies much further. As my colleague Tim Sylvester notes "technology opens up learning experiences that were previously inconceivable, such as exploring self-awareness and personal presence using virtual reality." We need to become a lot more creative in

Table 1.1 Three different modes to leadership development

	Live face to face structured sessions	Live virtual structured sessions	Asynchronous—in your own time
Knowledge-development	In class lecture or seminar, emphasising dialogue, interaction, spontaneity, multiple voices	Zoom-style lecture or seminar, more structure required than face to face especially when in a large group	Reading a book, watching a webinar or lecture when convenient. Works well for one-way communication, but hard to concentrate for long periods. Exercises and quizzes can be used to reinforce learning
Identity development	Physical co-location is good for personal coaching, one-to-one or one-to-few, and also for larger group sessions for sharing personal insights and getting feedback (used to be called "t-groups")	One-to-one or one-to-few sessions can be effective in virtual setting, and they are very efficient. But generally not as good as when people are in the same physical space. Larger group sessions do not work well in virtual setting	Many ways to work on identity development on a day-to-day basis, for example, ongoing observation of colleagues in meetings, whether face to face or virtual, also use of 360 surveys and other codified forms of feedback, that the individual reads and reviews in their own time
Action-taking	Role plays in classes and small meetings are helpful in trying out new ways of acting, but they can be a bit sterile and simplistic. useful	It's possible to do role playing in virtual sessions, but this is even more challenging given the limited opportunity for feedback and interaction	This is simply "doing your job" but if you want to learn from your day-to-day activities you need to deliberately stretch yourself and take on challenging assignments, and also to link these activities up to some of the more reflective activities mentioned above

(Developed by the Author)

trying out these new applications. And we need to ensure our students and faculty keep developing their digital literacy skills.

Third, work with organisations to increase the experiential components of learning. There are limits to how much leaders can develop if they are confined to a narrowly defined job and, as discussed above, people have been

more "stuck" than usual during the pandemic. This is starting to change, and we have had conversations with several progressive organisations about putting in place schemes explicitly designed to counteract this problem. For example, some have provided senior mentors to high-potential employees to provide help during lockdown, and others have put in place shadowing or apprenticeship schemes.

Rethinking the Purpose of Executive Education

While it is important to think creatively about our clients' changing needs, its equally important to reflect on our own purpose—our *raison d'etre* as business schools. And here, as above, the pandemic has unleashed a set of forces for change that have potentially far-reaching consequences.

Consider a brief analogy—the newspaper industry. In the traditional print-based world, everyone bought the same paper and it bundled together news, classified ads, gossip, TV listings, and so forth. The Internet made it possible for these things to be unbundled, leading quickly to the emergence of specialist offerings in all these areas, and a collapse of the traditional business model that was based on selling advertising space alongside what people wanted to read.

Business schools face the prospect of a similar unbundling of their executive education programmes. It is well understood that executives don't sign up for a week at LBS just to hear the latest research insights from faculty. They want to meet interesting people. They want time out to reflect on a challenging business problem. They are looking for advice. They want to put the LBS logo on their LinkedIn profile. Some are looking for a new job. Some want to go shopping and to the theatre.

Because of this multitude of reasons for coming to LBS, we created "bundled" offerings where all these needs could be addressed during a one-week programme. But moving online has enabled the process of unbundling. Of course, this was happening to some degree before the pandemic already. But the shift to 100% virtual learning (even if only temporarily) has accelerated this trend and has exposed the fragility of the business model in a couple of ways.

First, it is clear that some things are lost altogether when you take a virtual programme—we cannot, in all honesty, provide the social experience or the London connection some people are looking for.

Second, participants vote with their feet (or rather, with their mouse) in terms of deciding what activities to take part in during a programme.

Whereas in pre-Covid times, people would immerse themselves in the whole week of activities as a cohort—and would typically join in whether they thought they were useful or not—there is no such obligation when working virtually. You can quit with a click of the mouse. It is not unusual to see a drop-off in participation in evening events or group sessions.

The core of the offering—the faculty-led sessions—remains solid, and many executives will still pay a premium for this type of high-quality content (just as the Financial Times and the New York Times continue to attract subscribers to their online formats). But there are likely to be potential participants who don't want the whole bundle. Some might be attracted to the faculty sessions and nothing else. Others might be particularly keen on the coaching and reflection piece, in which case they could sign up for a free online course to cover the academic content and then pay for half a dozen sessions with an executive coach—a much cheaper option.

In sum, and whether we like it or not, the greater transparency and the "modularisation" of a virtual programme design allows it to be unbundled. This creates both threats and opportunities for incumbent business schools. Fortunately, there are lessons to be learned from other industries, such as newspapers, financial services, and retailing, about how to respond. Here are a few that might be useful.

Double down on your core offering. From newspapers to movies to music, the axiom that "content is king" still prevails. The world of business is awash with blogs, commentaries, surveys, and opinions, and most is pretty poor quality. Executives will pay a premium for high-quality content, and business schools are uniquely positioned to provide one form of quality, i.e., rigorous, research-led insight into practical business challenges.

High-quality insight isn't the only thing at the core of the business school offering. We are good at creating stimulating and fun learning experiences, we offer "identity workspaces" as noted earlier, we operate in exciting locations. As we leave lockdown and we offer more hybrid or blended programmes, these characteristics will come increasingly to the fore.

There is also increasing interest in *micro-credentialing*—providing learners with certificates and badges of achievement for completing short training courses. Business schools have traditionally resisted these types of schemes, preferring to keep their degree-granting and non-degree activities completely separate. But Covid has spurred on real growth in this area, on both the supply and demand sides, so it's not an opportunity we can afford to ignore.

Be creative about offering ancillary services. Another lesson from the unbundling of the newspaper industry is that specialist competitors emerged quickly, especially in the profitable parts of the business such as classified

advertising (Craigslist, finn.no in Scandinavia, Autotrader in the UK). In the world of executive education, there is a similar dynamic in evidence, with specialist providers in such areas as coaching, consulting, networking and corporate event management. Rather than simply cede ground to these specialists, there is scope for business schools to fight back, and to create dedicated offerings in some of these specific market areas.

Look for rebundling opportunities in hybrid and blended formats. The legendary venture capital investor Jim Barksdale reputedly said "There are two ways to make money in business: You can unbundle, or you can bundle." So even while traditional executive programmes are being pulled apart thanks to the Internet and the Covid pandemic, we can start thinking about creative ways to develop new offerings that bundle together the best of virtual and face-to-face learning. There is an emerging consensus that the "new normal" for business won't involve as much international travel as before, so the learning interventions that companies invest in are likely to require a more careful mix of asynchronous, face-to-face and virtual components. And who better to design those interventions than business schools?

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The executive education market has always been cyclical, with demand rising and falling broadly in line with the economic conditions of the time. But there has never been a "shock" anywhere near as severe as the Covid pandemic. The short-term hit to the industry has been significant, and business schools have successfully adapted to a temporary world of 100% virtual learning. But the longer term impact of Covid is not yet clear. In this paper we have sketched out some initial thoughts on how the world of learning and development might change, and how business schools will need to change with it, to prepare ourselves for the new normal.

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