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Executive Education 2.0 Coming Right Up

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For many institutions involved in executive education, the future arrived abruptly in early 2020 when the Covid-19 pandemic began profoundly changing the fundamental patterns of how we teach, learn, research, and even enjoy each other's conversation. Most things for us will never be the same and we cannot go back to how it used to be. The sudden shift tested the very fabric of universities and business schools with executive education offerings.

Ironically, many consequences of the pandemic were already evident in emerging trends every leader in executive education already noted; only the urgency to change was new. Traditional multi-year degrees, in-person classroom delivery, and academic year calendars had already made less sense to many. We might say the future for executive education arrived inconveniently early, but the writing was on the wall.

But the pandemic is not the only force pushing on executive education. Before the pandemic hit, an assortment of for-profit providers was already delivering short bursts of education to working professionals, competing de facto with traditional executive education from universities and stand-alone business schools. Commercial providers already offered an abundance of non-degree short courses of one or a few days, or several blocks of sessions over

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a few months, capped off with badges, diplomas, and certificates for specific online skill training. Many corporations and working professionals already valued these and relied on them for their executive education needs.

We know that post-pandemic, employers will still need and seek to strengthen the capabilities of their existing workforce. Managers at all levels will need to be prepared to face the rapid changes driven by digitalization, global trade, and demographic shifts. Corporate Learning and Development Officers will continue to demand skills training and broader education for their staff, but in what chunks, from whom, in what delivery format, and at what price remain open questions.

In the years ahead, universities and business schools involved in executive education will face both uncertainty and strong competition from increasingly successful commercial providers. The days of relying on their assumed superiority are gone forever. They must begin making, at a minimum, incremental innovations in their executive education offerings and demonstrate a willingness to try out radical innovations that hopefully create a new growth curve.

These are, in my view, the top three areas that universities and business schools need to strengthen if they intend to survive as leading providers of executive education.

Enlarge the Variety of Offerings (Law of Requisite Variety)

In the infancy of the Internet, Noam (1996) sagely predicted that emerging technologies would enable free information anywhere, anytime and that this would challenge the stable university model from Antiquity. His prescient picture of universities did not arise, burst, and disappear in flames. Rather it gradually emerged over the last decades and has now firmly taken hold and led to an undeniable fact: traditional academic institutions only retain a monopoly on granting degrees, not on who gets to provide education.

The pandemic has fuelled Noam's prediction. If the demand for education among private, public, and third sector organizations is getting more diverse, the offerings from providers need to match that diversity, and vice versa. Used as a metaphor, *Ashby's law of Requisite Variety*, one of the cornerstones of systems theory, helps shed light on what must happen in the executive educational sector. Put simply, Ashby's law holds that a system's ability to deal with change in the environment depends on the variety of actions available to it internally. The meaning of this is clear: *in order to survive, if not thrive, the*

perspectives, mindsets and ways of working in an organization must be as diverse as the market they are serving. In short, the law of Requisite Variety suggests that the diversity in the demand of executive education calls for a boost in the diversity of the supply.

This is precisely what we see already happening, yet universities and business schools are not keeping up. The explosion of diversity of commercial providers and offerings of executive education courses is overtaking what traditional institutions have been offering. Education for working professionals is entering a new era of enormous variation in provisions, offered in many forms and sizes over an assortment of time periods and in a variety of learning environments that mix the best of the analogue and digital worlds.

The future thus means that many more non-academic players seeking a share of this multi-billion-dollar action in executive education are vying to take over the market unless universities and business schools respond and catch up. And there is a lot to learn and do to catch up!

The entire higher education system is quickly becoming more complex and dynamic with digital platforms for on-demand and personalized learning. The workforce's Gen Y (and Z coming down the pike) are digital natives who demand and are willing to pay for short bursts of education offered at low cost, at a distance, powered by the latest learning technologies and online pedagogies. This advantages upstart non-academic providers of education that tend to be more digitally native, multi-media savvy, and flexible than traditional business schools and their parent universities.

Looking ahead from now, universities and business schools need to become creative and imagine new possibilities for how they conduct executive education. We're talking about things like combining physical-learning and digital-learning environments, where experience at one real life location is then overlaid with richer, virtual, and even augmented perspectives. Case discussions, guest speakers from all corners of the world, simulations, and role-playing exercises as well as virtual coffee chats and other forms of social engagement outside the classroom might evolve into what resembles advanced computer gaming, especially if they are combined with equipment that engages more of our senses during the experience. Imagine totally immersive live streaming courses based on "holopresence" that will make today's online sessions look old fashion. This kind of education delivery will resemble production of film, carefully crafted by media-savvy experts and delivered by screen-savvy professionals.

Pay Attention to the Infinite Need for Upskilling

In 1995, Jeremy Rifkin published *The End of Work*. His message was rather bleak: technology and synthetics would lead to mass unemployment on a global scale. He was right in that many jobs have disappeared. However, Rifkin did not consider the tremendous growth of new work and jobs that technological advances have also brought. In the same vein as the famous Schumpeterian notion of creative destruction, innovation at its best destroys what does not work but it also builds something new and great.

In view of this prediction, the demand for upskilling existing workforces seems infinite and an obvious growth sector for executive education. There is clear data that universities and business schools need to study to chart their pathways. In fact, in early 2021, a research firm called Burning Glass Technologies analyzed more than 1 billion current and historical job postings in the US to anticipate what jobs will be most important after the pandemic (Siegelman et al. 2021). In line with Rifkin's thesis, employers are prioritizing automation over hiring back low-value workers. Jobs involved with developing and driving automation will thrive. In the spirit of creative destruction, new jobs are being created in brand new fields, e.g., cybersecurity and software engineering, project management, advanced logistics, advanced manufacturing, network systems, and the Internet of Things. Likewise, work and jobs that analyze and visualize data and that apply artificial and virtual reality will play a larger role in the new economies. There will also be many new types of work in the emerging global "green economy."

However, many providers will want a piece of this market. Already the supply of providers offering short, vocational skills courses is growing fast. While corporate academies will likely become masters at skills learning in the practical applications needed within their own organizations and industries, there is still plenty of space for universities and business schools. The market for short bootcamps and quick chunks of classes focused on new skills and resulting in non-credit badges and certificates is sure to grow. This is where new players like LinkedIn Learning, Salesforce Trailblazing, professional service firms, and Big Tech will probably play an ever-increasing role, but for traditional business schools who dare to venture outside the conventional boundaries of executive education, the future can be bright.

Use Your Strengths in Human Skills Development

One ongoing strength of universities and business schools that they can hold tightly onto their executive education in the fields of human skills. Education has always been about more than vocational skills building and upskilling. Just as important is to cultivate the behavioural dimensions of organized life. Self-management, relational skills, leadership, emotional intelligence, self-confidence, politics, working with diversity and inclusion, work-life balance, critical reflection, resolving ethical dilemmas, supporting others, persuasion, learning from mistakes, dealing with failure—all these make up essential “evergreen” human skills necessary to succeed in society and business organizations. This is why individual mentoring and coaching, roleplaying, and staged group activities have been and will continue to be vital in executive education. It is why physical, eye-to-eye contact has always been a core value proposition in learning, and perhaps especially true in executive education.

A correct liberal education should empower individuals and prepare them to deal with complexity, diversity, and change as well as resist dogma and detect fake news. Years ago, I argued hard for the need to build STEM skills into business education, but equally hard for not neglecting the humanities (Roos 2015). Consider the progress in bioengineering, nano-engineering, and personalized medicine as foretold by futurists. Within a few decades, humans will live to age 120, disease will be eradicated, and we will start to colonize Mars. Alternate realities will be visible with the naked eye, and information of any type will be available even faster than today. Let us also assume that we will quickly move from artificial *narrow* intelligence that some cars and refrigerators have today, to artificial *general* intelligence, in which computers are as smart as humans, to the scarier artificial *super* intelligence, in which machines become smarter than us.

The point is, as science and technology advance the machine capacity to do ever-greater actions, we must equally advance our human capacities *to think ever greater thoughts and do even greater deeds*. We must use all our human capacities to ensure that we remain masters of the machines. There is much to be discovered and created in the emerging field of digital humanism. The ability to make decisions and take actions that are not just good for me, but for the organization and community I am part of, is essential for anyone aspiring to lead others. Aristotelian virtue ethics insists that practical wisdom—not just natural science—is required to advance the human race, even as we engage online.

Traditional executive education providers would do well to remember their roots in humanities education that broaden and liberate the mind.

The continuous demand for content about leadership, change management, and more recently, mindfulness and diversity provide evidence that most organizations still take the notion of cultivating core human skills seriously.

Can such teaching be done online or by the commercial executive education upstarts? Perhaps. An example of successfully doing it online is the Virtual Leadership Experience offered by my own school, Hult. We produce an immersive simulation that condenses years of leadership experience and practice responses to extremely challenging situations into a few days. What used to be an in-person exercise is delivered virtually but with intensive and personalized coaching and feedback, including a heart rate report and coping strategies from a sports coach, that aim to improve participants' self-awareness and their ability to think and lead under pressure.

But my bet is that eye-to-eye, hands-on, multi-sensuous, and even playful learning experiences are how we best nurture this kind of practical wisdom (Roos 2006; Statler et al. 2006; Statler and Roos 2007). It is in personal learning environments that we cultivate our intuition, improvisation, and our fleeting state of spontaneity. From what we know today, machines are still at a disadvantage here.

Postscript About Business Schools

I have led or been part of the leadership team of four double- or triple-accredited business schools. All have undergone significant change during my tenure. I know first-hand how difficult it can be to adapt an old organization to quickly changing circumstances and that it is even harder to change the mindsets of its residents. We often call for radical innovation to meet a new world, but to innovate successfully and repeatedly, you must derive your unique innovation approach from your organizational culture (Penker, 2021). Because of the guild-like culture and rigid governance model in academia, most business schools are at a disadvantage in terms of their capacity to innovate to meet new technology, competition, and demand. Many are simply not nimble enough for more than incremental innovations among regulations and self-imposed constraints.

What can business schools do today in the face of the competition, the need for increased variety, the infinite types for upskilling, and the need to teach students to keep man over machines? Here are some nudges for further contemplation or immediate action.

First, campuses need to be converted into attractive hubs for learning experiences of all kinds. Studying and working from home is likely to stick, but *Digital First* does not mean the automatic death of the physical campus.

Many institutions have the convening power to attract busy people to their campus for eye-to-eye interaction and a retreat-like atmosphere. However, most schools should not expect busy professionals to willingly struggle through traffic, wait in check-in lines, sit for 3 hours in a large lecture hall, stay in a modest hotel room for a weekend, and then return home after a day or two. How can we ask students and working professionals to gather in the same physical space and be taught using centuries-old pedagogies, especially after a year ever-more useful innovations supporting studying and working from home? Given their vast sunk costs in bricks and mortar with donor names on brass plates, some schools will strive to slow the movement away from campus-taught courses, but the trend is clear: they can't.

Recognize that mass-digital learning will naturally replace mass face-to-face learning and executive education is likely at the forefront of this shift. In-person engagement will remain a high-perceived value, but too expensive to maintain. Count on massive investments to modernize your technology towards Digital First and beyond, using new hybrid experiences resembling interactive Netflix or gaming productions more than traditional education. Installing the best tracking microphones, cameras, and screens in traditional classrooms is a necessary but insufficient step on a long and expensive journey to create a new generation of learning spaces for more immersive experiences. Future education offerings need to be like blockbuster movies or media events, with professional facilitators, curators, and producers creating augmented digital learning with a corresponding transformed pedagogy.

Second, schools need to develop a dualistic strategy, adapting for today and innovating for tomorrow. While some things remain stable, much will change, in sudden and often surprising ways. This kind of emergent behaviour is a fundamental property of complex systems that describe today's higher education eco-system.

Being accredited by the leading system of quality assessment of business schools—EQUIS and AACSB—necessitate highly documented “strategic plans”, list of competitors, and “robust” processes and clearly defined goals, precise timelines, and success metrics. That was a fine idea for a stable yesterday, but not adequate for a more complex tomorrow. The difficult part of the dualistic strategy is preparing for the unexpected. We must begin tackling the void that we do not know much about and, hence, are unprepared for. This means actively scouting the dynamic landscape, picking up early and weak signals, developing an institutional capacity to quickly absorb these, and ensuring fast decision-making and execution among new players in dynamic and competitive eco-systems. As far as I know, this is not yet an accreditation standard.

Third, we need to integrate non-degree awards like certifications and skills badges used by commercial providers into our own learning offerings, starting with executive education. This runs counter to common academic quality standards, but business schools cannot ignore close to a million and growing non-degree badges, certificates, and diplomas offered in the US alone. My school, Hult, has used this tactic in partnering with EY to quality assure and integrate their internal badges curated and taught by their seasoned professionals with our academic content in a personalized MBA for EY employees. In theory, hundreds of thousands of people can enlist on this extended journey of academically sound and practically useful education.

This may feel like cheapening one's reputation for leaders and faculty in the higher echelons of branded schools, who see such initiatives as disrupting the conventional boundary between academia (supplier) and business (buyer), between a degreed education (higher status) and vocational training (lower status). Mohan Sawhney, Associate Dean of Digital Innovation at the renowned Kellogg School of Management, recently did a webinar on the future of executive education and noted that disruptive "barbarians at the gate" innovated much more than branded incumbents. Indeed, my own school was cited as an example, but only the future will tell if we can maintain it:

Innovations always come from the periphery. People like us working at Harvard and Kellogg, we are too lazy, fat and rich. We already have a name and we do not innovate enough. While we were sleeping, the ones who used to be small took the lead on disruption and are today the pioneers. We need to look at Hult to understand where executive education is going. They are the future! (Sawhney 2021)

Universities and business schools should actually be inspired by how Netflix, Spotify, Uber, Klarna, Tesla, and many others are transforming their competitive ecosystems. What is clear from them is that a wait-and-see mindset is not an option. Sawhney called it out to in his webinar: "*Do not sit on your moral highchair and say you will not do it!*" I agree.

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