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The Role of Business Education in Supporting the Future of Work

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The pandemic has accelerated existing organizational trends. Many leaders around the world were surprised by the level of their workforce's resilience—the ability of people to change their way of working and build new digital skills, virtually overnight. Indeed, today we are already living in the future of work—a future most of us imagined would take another decade to reach.

But not just business structures have been challenged. Academic institutions have had to completely rethink their approach to education. The walls, both literal and figurative, of educational institutions have fallen away as hybrid models of learning and pure online courses have supplanted traditional in-person classroom experiences.

It is expected that many of these changes to business and education are here to stay—and may even be taken to the next level. Organizations are reflecting on the key learnings of the pandemic, the new realities of the future work, and the opportunities in the post pandemic era. Below, we discuss a number of trends that will define work in this new era, as well as the implications of these trends for the workforce and the critical role of business education through business schools in enabling students to thrive in the new future of work.

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Trends Reshaping the Workforce

Seven primary trends are increasingly altering the way the workplace, and the world, look and operate.

Digitization

According to the World Economic Forum, technological advancements have landed us on the cusp of a fourth industrial revolution—also referred to as the digital age.[1] The pace of adoption of new technologies, including Industry 4.0, the Internet of Things, the mobile internet, artificial intelligence, machine learning, and robotization, as well as the use of big data and predictive analytics, will continue to accelerate. These technologies will disrupt existing business models, create new generations of products and services, and help organizations operate seamlessly and be more competitive globally.

Already during the pandemic, many sectors have harnessed technology to advance their business model—consider telehealth, online shopping, online education, and online advising in professional and financial services. And industry plants have learned to operate with a limited number of physically present employees.

Past industrial revolutions similarly disrupted organizations and entire industries—and had a huge impact on society and work.

Automation and Shifting Work Arrangements

Today, people perform 71 percent of processes, with machines doing the rest. A shift is imminent: the World Economic Forum predicts that by 2025, technology will perform 52 percent of current work tasks.[2] While the figures are staggering, it isn't all bleak. It is expected that, with more people on the planet and more people in emerging countries entering the middle class, the global economy will continue to grow. This growth will create new work for people. Furthermore, it is expected that people and machines will augment each other and work together more closely—for example, in robot-assisted surgery.

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[1] K. Schwab, *The Fourth Industrial Revolution: What It Means, How to Respond*, World Economic Forum, 14 January, 2016.

[2] O. Cann, *Machines Will Do More Tasks Than Humans by 2025 but Robot Revolution Will Still Create 58 Million Net New Jobs in Next Five Years*, World Economic Forum, September 17, 2018.

The relationship between employees and employers continues to evolve as well. Not long ago, most work in organizations was done by full-time employees. Today, an organization's workforce comprises a combination of full-time employees and those with alternative work arrangements, including contractors, part-time workers, freelancers, and gig workers. This balance will continue to shift.

People should plan to have multiple careers and work for many companies, in a variety of roles and work arrangements. Indeed, rather than dwelling on how many jobs will be lost, organizations and people should focus on preparing for the jobs, and work arrangements, of the future.

Hybrid and Remote Work

Information workers have been able to work entirely remotely during the pandemic. Overall, the results have been positive: remote work has increased productivity, reduced or eliminated commute time, supported the environment, provided people with more flexibility, and, somewhat surprisingly, encouraged feelings of inclusion, with everyone working in the same virtual room. However, many employees and leaders have expressed the need for and value of spending time in person in the office. At the same time, a large majority of workers want flexible- and remote-working options to continue, and a growing number of organizations are allowing large segments of their workforce to work remotely two to three days a week, on average.[3] Indeed, in new hybrid-working models, some people might be entirely remote while others will divide their time between working remotely and in the office. Recent research suggests that 38 percent of jobs can be performed remotely in high-income countries.[4]

Companies are looking at hybrid and remote work as an opportunity to become more competitive by reducing office costs. The post pandemic corporate office, then, might become an "experience center": a place where people meet, build or reinforce strong human relationships, participate in brainstorming sessions, form networks, and live the company culture. It will be less a place where people just respond to email.

3 McKinsey Global Institute, What's Next for Remote Work: An Analyses of 2,000 Tasks, 800 Jobs, and Nine Countries, November 23, 2020.
4 K. Schwab, The Future of Jobs Report 2020, World Economic Forum, October 2020.

Empowerment of Teams

Organizations have experienced the power of moving away from individual activities and hierarchies toward work that is done in (virtual) teams and networks. A growing number of organizations encourage people to play various roles, contributing to and being part of multiple teams. This shift is energizing, as it harnesses people's competencies and strengths throughout the organization and provides people-development opportunities in the workplace.

Organizations are structuring themselves in ways that make them fitter, flatter, and faster in order to unlock value. And they're empowering decentralized teams to make decisions at the speed of business. A variety of organizational models along these lines have been introduced, including the "holacracy," under which power is distributed throughout the organization.[5] This model gives individuals and teams freedom while keeping the organization aligned with its purpose. It is especially suited to environments where creativity is required to develop a specific product, such as a video game.

Furthermore, leading companies will build data-rich platforms because they understand that data and predictive analytics are fueling powerful decisions that can be made independently in small teams.

Digital Transformation, with a Focus on Talent

Successful companies are well known for attracting and retaining top talent, as this is the scarcest resource. Talent pays back: talented people in highly complex jobs are seven times more productive than average performers.[6] And tackling digital transformation, leading in innovation, and gaining a competitive edge is only possible with the right quality and quantity of talent.

Many roles critical to the organization already. And demand is expected to increase for roles that support digital transformation—including data analysts and scientists, AI and machine learning specialists, software developers and big data specialists, as well as for those less directly related to transformation, such as digital marketers, project managers, fintech engineers, and strategic advisors.

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[5] Website: https://www.holacracy.org/explore/why-practice-holacracy.
[6] S.Keller, M. Meaney, *Attracting and Retaining the Right Talent,* McKinsey, November 24, 2017.

Human Leadership

Twentieth-century leadership was based on controlling people and managing workflows. This approach needs to be replaced by human leadership, which is characterized by leaders taking a deep interest in people's well-being. Gary Nurnison, CEO of management consulting company Korn Ferry, argues that "what the world is calling for now is radically human leadership—leadership that's based on humility, on not just showing empathy but having empathy, on being vulnerable, on being authentic."[7]

Human-leadership practices include empathic listening, building positive relationships, developing trust, sharing optimism and positivity, and moting and engaging people. These practices have their roots in positive psychology. Martin Seligman, a professor at the University of Pennsylvania who is often referred to as the cofounder of positive psychology, describes the concept as one that "helps achieve scientific understanding and effective interventions to build thriving individuals, families, communities and organizations."

Human leaders do the following, particularly during times of uncertainty, such as the COVID-19 pandemic[8]:

- show empathy, openness, honestly, and vulnerability
- communicate frequently and transparently
- practice being deliberately calm
- know how to lead virtually with impact
- support employees' emotional health
- promote work–life balance and healthy working habits

These behaviors have a huge impact on the culture of an organization. It is not surprising that companies with strong cultures achieve up to three times greater return on shareholder value than companies without a strong and values-driven culture.[9] And truly human leaders play a critical role in shaping, reinforcing, and living the culture.

As Leena Nair, chief human resources officer at Unilever said, "*As leaders we need to focus on digitization, but at the same time, we need to become more human.*"[10]

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[7] E. Greenawald, The CEO of Management Consultancy Korn Ferry on How to Become a 'Radically Human Leader', *Insider*, March 17, 2021.

[8] N.C. Nielsen, G. D'Auria, S. Zolley, *Turning in, Turning Outward: Cultivating Compassionate Leadership in Crisis*, McKinsey, May 1, 2020.

[9] A. De Smet, C. Gagnon, E. Mygatt, *Organizing for the Future. Nine Keys to Coming a Future-Ready Company*, McKinsey, January 11, 2021.

[10] L. Naire, *The Future of Work—How to Be More Human in a Digital World?* RippleHire, 2019.

An Emphasis on Well-Being and Vitality

People have a high risk of experiencing burnout in their work, and work is a leading cause of stress. Prior to the pandemic, one study found that 94 percent of workers feel stressed and almost one-third say their stress level is high to unsustainably high.[11] And a rapidly growing number of professionals who are in their twenties are experiencing burnout—a worrisome trend.[12] In 2019, the World Health Organization classified burnout as an official work-related condition.[13]

Since the start of the pandemic, work conditions have changed for everyone, in one way or another, and this has brought significant well-being challenges as people have struggled to adapt to new ways of work fueled by progressive digitization. Only 46 percent of US adults described themselves as "thriving" in 2020, similar to the measure during the Great Recession of 2008 and 2009.[14] Of course, high stress and burnout have a negative impact on employee engagement.

One of the Sustainable Development Goals set by the United Nations focuses on good health and well-being. People's well-being within organizations is a critical factor to overall well-being. It's no surprise that well-being in the workplace has emerged as a strategic focus, as it affects such crucial factors as productivity and organizational performance. IE University has launched a Center for Health, Well-Being & Happiness to educate and support students on this important topic and help them to flourish.

The Implications of These Trends for the Workforce

These trends will have a couple of critical effects on the workforce.

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[11] B. Denny, J. Schwartz, E. Volini, Designing Work for Well-Being: Living and Performing at Your Best, *Deloitte Insights*, May 15, 2020.

[12] L. Petersen, Burnout In Your Early 20s Is Real, No Matter What The Boomers Think, *Elite Daily*, February 3, 2020.

[13] Burn-out an "occupational phenomenon": International Classification of Diseases, World Health Organization, May 28, 2019.

[14] D. Witters, J. Harter, *Worry and Stress Fuel Record Drop in US Life Satisfaction*, Gallup, May 8, 2020.

Fig. 7.1 The top ten competencies by 2025 (Elaborated by the author based on sources of the World Economic Forum, 2020)

A Shift in Needed Jobs and Skills

It is expected that there will be a massive shift in needed jobs. McKinsey research suggests that an estimated one out of three current jobs will become obsolete in Europe by 2030 through a combination of the changes related to COVID-19 and digitization.[15] And the World Economic Forum estimates that by 2025, 85 million jobs may be displaced by a shift in the division of labor between humans and machines. However, even more jobs—97 million—may emerge; these will be jobs that reflect the new division of labor among humans, machines, and algorithms.[16]

Furthermore, 40 percent of current workers' "core skills" are expected to change by 2025. And most roles are likely to require different or advanced competencies. Research from organizations including The World Economic Forum and The World Bank[17] show a consistent picture regarding the skills of the future. The World Economic Forum groups these top competencies (skills) in three different clusters: cognitive, human, and digital[18] (Fig. 7.1).

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[15] S. Smit, T. Tacke, S. Lund, J. Manyika, *The Future of Work in Europe*, McKinsey Global Institute, 2020.

[16] K. Schwab, *The Future of Jobs Report 2020, World Economic Forum, October 2020.*

[17] *Skill Development*, The World Bank, April 5, 2021.

[18] K. Whiting, *These Are the Top 10 Job Skills of Tomorrow—And How Long It Takes to Learn Them*, World Economic Forum, 21 October 2020.

Almost independent of roles, every person needs to advance their understanding and usage of technologies and software applications. In the words of Bosch CEO Volkmar Denner, "Get learning, or stay analog."[19] That is not a threat; it is a call to action meant to empower people.

In a fast-changing, highly unpredictable, and complex external environment, organizations need human leaders who have strong digital and cognitive skills and who master social and emotional skills, adaptability, and resilience.

The authors of the book *The Second Machine Age* argue that there are more opportunities available today—for those who possess the right skills—than at any time in the past 40 years, thanks to the characteristics of the new economy. But for those who lack the necessary skills, the next 10–15 years will be perilous, since they will face the constant threat of machines stealing their jobs.[20]

Indeed, Pew Research[21] suggests that automation, robotics, algorithms, and AI can do equal or better work than humans in a wide array of roles—from dermatologists and insurance claims adjusters to hiring managers and border patrol agents.

To remain employable during a career that could stretch nearly half a century and under this pressure on jobs, every single person needs to be reskilled or upskilled.

The Need for Ongoing Development and Well-Being

To successfully adapt to the pressure on jobs and skills, people need to develop mindsets of lifelong learning and make personal investments in terms of time and money.

Organizations also have a role to play. The only organizations that will be successful will have a talented workforce with the right competencies and employees who continue to learn. Therefore, companies need to embrace that every talented person needs development to make a sustainable and long-term contribution to the organization. Organizations also need to design work and

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[19] Get Digital or Stay Analogue, *Volkmar Denne, Bosch Website.* https://www.bosch.com/stories/denners-view-digital-learning/, 18 December 2018. These are the top 10 job skills of tomorrow—and how long it takes to learn them.

[20] *Digital Leadership: The Second Machine Age: An Industrial Revolution Powered by Digital Technologies*, CapGemini Consulting, 2013.

[21] *The Future of Jobs and Jobs Training*, Pew Research Center, May 2017.

roles in a way that turns the *workplace* into a *learning place*, as most professional development can happen on-the-job. Great leaders understand that education and learning are essential in developing a learning organization.

And given that companies need individuals who perform at a consistently high level and who continue to learn and unlearn, they need to encourage vitality. Leadership practices should support people's well-being, and organizations should educate employees on how they can boost their health, well-being, and happiness.

The Essential Role of Business Education

Business education can play a significant role in supporting organizations and individuals during this time of upheaval and throughout the digital age. A few actions will be particularly important.

Provide cognitive, human, and digital competencies: Business schools need to help graduates master a mix of cognitive, human, and digital competencies to be prepared for today's jobs and a different kind of career. Human skills can be referred to as the "power skills" needed to succeed today and in the future—skills that cannot be done by machines or artificial intelligence. These skills are much harder to develop than technical skills but have a long lifespan. Examples include emotional intelligence, curiosity, creativity, empathy, problem solving, adaptability, resilience, social and emotional intelligence, ethics, and values. Furthermore, students need to know how to both learn and unlearn. Indeed, the goal of learning in the twenty-first century is not just about knowledge acquisition and memorization. It is invaluable that students develop unique human skills and mindsets. For example, an entrepreneurial mindset will foster problem solving, decision-making and innovating and will prepare students to quickly be able to adapt to changing requirements.

Rethink offerings to allow for renewal: As people will be in the workforce for 45 years or longer, they have to upskill and reskill themselves at the speed of business. Many need to become "serial masters," developing and deepening their expertise in multiple fields. Beyond traditional degrees, employers are looking for people who have earned alternative credentials—versus credentials that are based on tests and grades—that demonstrate expertise in different fields. In light of this, business schools need to stay on top of developing and renewing their offerings, including moving toward

degrees earned in stackable education modules and building micro credentials as well as smaller learning nuggets that support capability development during peoples' entire careers.

Embrace technology: Educational technologies (edtech) should be used to advance the learning experience, scale its reach, and support effective learning experiences. Additionally, edtech can make learning offerings more affordable for people. This is very important, given that the growing number of people in alternative work arrangements, including part-time workers, contractors, freelancers, and gig workers, as well as owners of companies, have to fund 100 percent of their own development. Beyond edtech, students need to master technologies that are used in the workplace with regards to productivity, meetings, collaboration, projects, learning, functional applications (for example, finance, supply chain, marketing, and customer-relationship management), document management, and artificial intelligence.

Provide new learning spaces: Business schools need to deploy different, and digital, learning spaces needed to advance the learning experience and provide students with real-world experience. Examples include virtual reality, augmented reality, simulations, and games.

Work together: Many large corporations have established their own corporate universities or academies. Many of them will need to collaborate with professional education vendors or partners who can help them deliver high-quality, customized development programs and tap faculty and other subject-matter experts for unique insights.

Innovate: Business schools need to innovate and advance the learning experience. The costs for participating in programs are significant and the return on investment must be clear. Schools and faculty need to tap into the rich insights from the sciences that are at the foundation of learning and development and harness different instructional methods, including action-based learning and project-based learning (Fig. 7.2). Twenty-first century learning needs to be collaborative, active, personalized, and applied.

Employ first-rate instructors: At the heart of any excellent learning experience is faculty members or facilitators who have unique subject-matter expertise but also who have mastered the art and science of teaching. Business schools need to double down in the development of top-notch faculty who can deliver on the promise of faculty excellence.
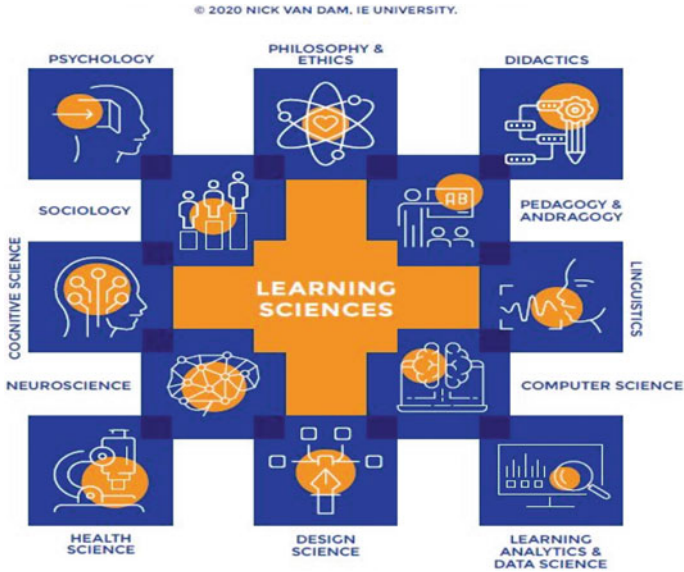
Fig. 7.2 The foundations of learning sciences (Elaborated by the Author)

Conclusion

It is very exciting to experience the future of work. Companies can use this momentum to reinvent and transform themselves and establish a values-based culture that embraces human-leadership practices that will allow talented people to flourish. These shifts will help organizations accelerate change and innovation and remain competitive. After all, success in digital transformation comes down to people's capabilities and having lifelong-learning mindsets.

An extraordinary time lays ahead for those who have the right expertise, skills, and mindsets, as they will enjoy opportunities to have an impact during the digital age. And without a doubt, business education will play an instrumental role in supporting individuals and companies in building the capabilities and culture required to thrive.

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