

TECHNOLOGY

## Megatrends in Executive Education

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*The demand for executive education is likely to expand rapidly.*

✔ **INSIGHT** | NOTE 05 Feb 2020

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**The market for executive education** - non-degree programs offered by business schools for senior executives- is in throes of rapid change as technological, demographic and economic forces exert an influence on the supply and demand sides of the market.

Three megatrends are reshaping the landscape of executive education.

# A Re-Orientation Towards Lifelong Learning

In the 21st century, a person can expect to have, on average, **five distinct careers over the course of life**. Leading educational experts now speak of a **six-decade long curriculum** - one that will aim to provide people with relevant knowledge and skills at each stage of their lives.

Globalization and technological change are playing an important part in the creation of new classes of occupations. Excelling in the 21st century's fast-changing workplace requires employees to adapt to a wide variety of circumstances including distinct companies and industries, diverse roles and teams, and shifting management practices and company cultures.

The war for talent is, in fact, a war for the development of talent. A survey by the Manpower Group of 19,000 millennials in 25 countries revealed that 46% chose the "acquisition of skills and knowledge" as the #1 way to achieve career progress. And **93% of millennials** were willing to spend their own money on further education and training.

The shift towards lifelong learning offers business schools an opportunity to cater to segments of customers that they have hitherto neglected: junior managers who are looking to expand their sets of skills and aspiring managers who are looking to be better prepared for the future.

## Digital Technologies and Learning Management Systems are Hitting a Tipping Point

While online courses have been around for more than two decades, the "product" was widely acknowledged as primitive. Version 1.0 was little more than text on the web. Poor connectivity and inadequate computational power often made for a less-than satisfying experience.

Version 2.0 was an improvement as subject matter experts, instructional designers and videographers developed a nuanced understanding of the learning experience. But, **as John Cochrane from the Hoover Institution notes** from his experience building an online course for Coursera in 2013, the inadequacies of the software and learning management systems was evident. Course production was a difficult process and nothing more than rudimentary assessments (of proficiency) were possible.

The version 3.0 that is emerging promises to address many of the shortcomings that Cochrane identifies. Improvements in the quality of learning management systems (because of advances in analytics, machine learning and artificial intelligence) mean that it will be possible to provide personalized and automated feedback to students as they progress through a course.

Since 2014, there has been a marked growth in the number of online executive education courses offered by business schools as well as a rapid increase in the number of students who are signing up for these courses. Wharton Online, a division of the Wharton School of Business, **now offers 60 online courses and has granted over 250,000 certificates over the last 5 years.** To put this in perspective, Wharton has granted only 92,000 MBA degrees since 1921!

As Richard Lyons, former Dean at the Haas School of Business notes, **only technologies that change the nature of the educational experience will be disruptive.** With digital technologies and learning management systems hitting a tipping point, we are likely to see notable changes in the way learning is facilitated as well as in the identities of the people involved in the facilitation.

## An Unbundling of the Educational Experience

The maturation of technologies coupled with positional advantages is leading to an unbundling of the educational experience. Content providers, platform companies and consulting firms are now challenging business schools for their primacy in the market for executive education. The playing field is shifting as these new players bring distinctive capabilities of relevance to economic value creation in the online education market.

The experience and expertise that publishing companies like McGraw Hill, Pearson and Wiley have in course design, marketing, and student tracking **make them a formidable player**. Platform companies like LinkedIn have intimate knowledge of the career goals and educational & training needs of a large fraction of their 660 million members. Consulting firms like McKinsey and others **have built thriving executive education practices** that leverage their intimate understanding of the knowledge and skills that their clients need.

Business schools have many advantages in the emerging battle for dominance in executive education: faculty with deep knowledge, vast experience in teaching and an ability to provide unique courses and programs that build on inter-disciplinary knowledge. Furthermore, business schools have the ability to connect new cohorts of students with their alumni- an invaluable asset for students in a world where social capital is highly prized.

But business schools do not, for the most part, have the cutting-edge skills in digital technologies and learning management systems that are vital in the emerging online market. To remain a relevant player in the fast-changing market for corporate education and training, business schools must move fast. Even elite business schools will need to consider partnerships with firms that have deep expertise in learning management systems and digital technologies.

## ► References

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