



A new era of Higher Education

May 2020





“I think higher education is just on the edge of the crevasse. Generally, universities are doing very well financially, so they don’t feel from the data that their world is going to collapse. But I think even five years from now these enterprises are going to be in real trouble.”

Professor Clayton Christensen
Harvard Business School
February 2013

“In 40 years in academia, I have never experienced a faster pace of change. I am convinced that the future belongs to those institutions that are nimble enough to stay in front of the wave of change and, more importantly, help define what will be next in education.”

Rafael Bras
Provost, Georgia Tech



Rewriting the curriculum for business education

Seven years ago, one of the world's foremost authorities on business and disruption predicted that the higher education sector was in for a systemic shock; that the shift to new, digitally enabled experiences of learning would leave all but the most established universities struggling to survive. Fast-forward to today, and higher education leaders indeed report an unprecedented level of change, with questions increasingly raised about further education business models and the future of the MBA. And that was before the COVID-19 crisis closed institutions around the world and raised serious questions about what forms of education will be feasible over the next few years.

Is Clayton Christensen's prediction about devastating disruption now coming to pass? Or have business and professional education providers built the agility they need to adapt?

LinkedIn has partnered with CarringtonCrisp for an in-depth study of the emerging era in higher education. We interviewed representatives from 15 business education providers from across EMEA and surveyed a cross-section of 1,150 prospective and current students as well as employees all considering further studies about what motivates them to learn – and guides their choice of where and how that learning should take place.

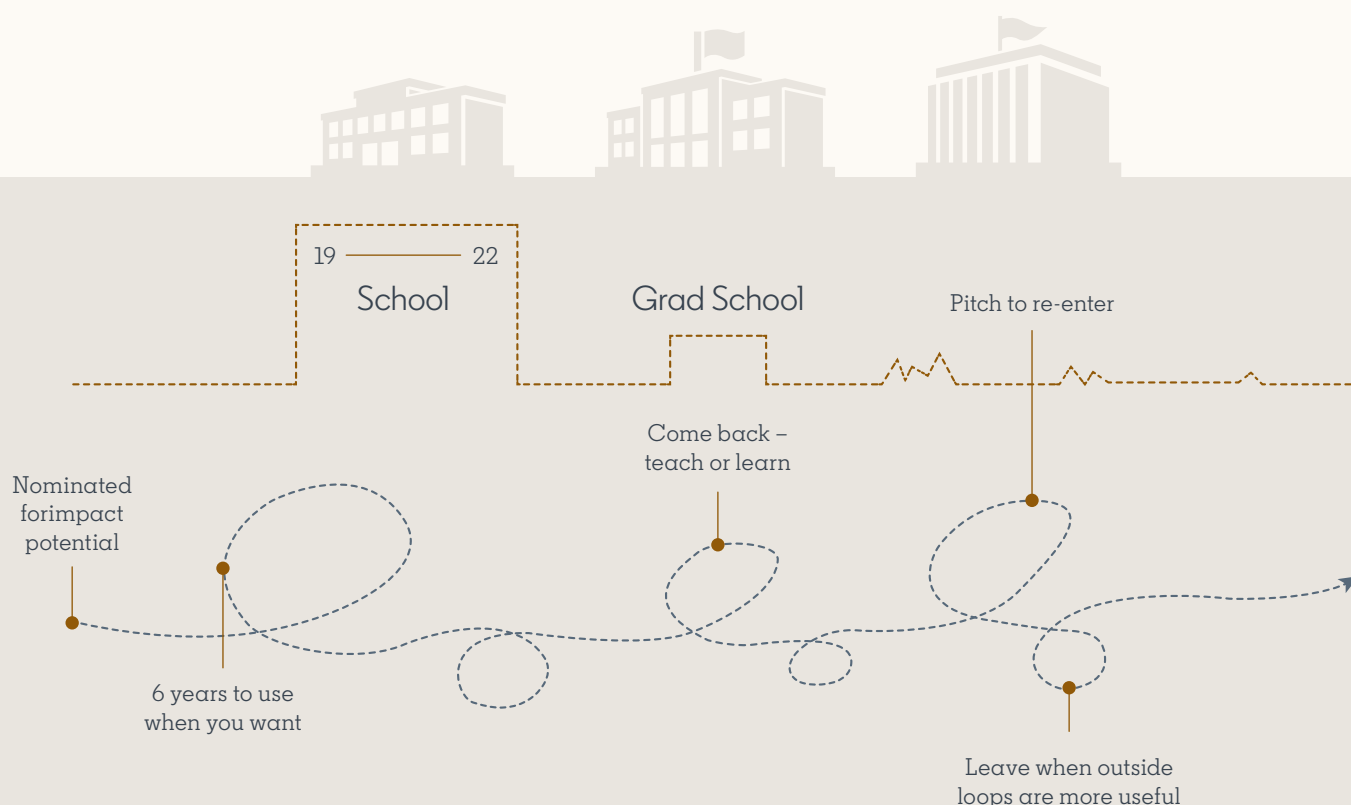
The results show how an intensifying appetite for lifelong learning is re-writing the rules of business education, changing the mindset of learners when it comes to how they study and what they study towards. However, our findings also highlight the continuing strengths of higher education brands and the way that they can leverage these assets in new ways to retain a central role in extended learning lives.



Section 1

The rise of lifelong learning

Traditional business education models were built for a world in which learning was frontloaded. Degrees were earned on campus in a single hit of up to four years, and this time commitment meant that most students earned them before entering the workplace. They would then depend on this bank of learning to see them through their careers, perhaps with the addition of a one or two year postgraduate degree in their late 20s/early 30s.



However, at a time when professionals expect to update skills and switch careers several times in their working lives, this feels like an increasingly risky approach to investing in knowledge. Lifelong learning is the logical response to an era in which people expect to work for longer – and expect regular disruption to the business landscape during that time. In a recent CarringtonCrisp study with EFMD and GMAC, **41% of prospective students said they expect still to be working in their 70s, and 50% said they expect to change career completely at least once in their lifetime.**

The era of lifelong learning is being shaped by professionals themselves, by the **51% of employers who told a December 2018 CarringtonCrisp report that they expected to increase spending on executive education over the next two years, and by governments.** In one recent interview, Singapore’s Minister for Education, Ong Ye Kung described how he expected future university participation to grow not through young people fresh out of school, but through “working adults who want to pursue higher education.”

New investment strategies for the bank of education

This is changing the way that learners see the bank of education – and the approaches they take to investing in it. Today, that bank is less like a trust fund that’s earned first and deployed later. Lifelong learners de-risk their investments of time and money by learning in smaller chunks that can be directly related to their professional needs at the time, and then stitching these chunks together to earn the recognisable qualifications they need. In the LinkedIn and CarringtonCrisp study, between **74% and 78% of each generation of students express an interest in stackable degrees**, saying they would consider a short program leading to a certificate, with the option of credit for further study leading to a degree. This approach also works for employers, who get a quicker return on the learning they pay for – and who have less risk of their investment walking out of the door after an expensive course is completed.

What does this mean for higher education institutions with business education courses? It means increased competition from the growing range of learning investment options that students now have. However, it also means increased opportunity for those able to cater to different learning routes and grow their addressable markets.

We can see this in the latest data on applications for MBAs. Although the most recent data from the Graduate Management Admission Council (GMAC) shows applications for 2019 down **6.9% year-on-year**, it also shows growth for graduate management programmes in Europe and a significant rise in part-time MBAs backed by the UK’s apprenticeship levy (although this market is now under threat from changes proposed by the British government for levy expenditure). The MBA is evolving, just as the learning landscape is evolving around it.



6.9%

Y-o-Y decrease in MBA applications in 2019

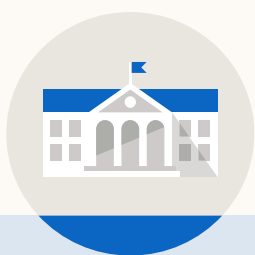
Section 2

Learning choices – and who's making them

Today's learners have an unprecedented range of choice when it comes to how and when they invest in their bank of education.

They can choose from traditional Masters degrees such as the MBA or Executive MBA, Massive Open Online Courses (MOOC) either from higher education brands such as the University of Manchester, often through digital learning providers like Coursera and Future Learn. Alternatively, they can earn digital badges through short online skills courses from the likes of LinkedIn Learning, work towards industry-recognised qualifications from bodies such as the Chartered Institute of Management Accountants (CIMA), or earn diplomas and certificates from providers as varied as the Saïd Business School and Google.

Faced with so many different routes, prospective students narrow down their options and focus their search long before they engage with institutions, apply for course places or enrol. Almost three quarters (72%) develop their shortlist before reaching out to any school representatives. Only three institutions make each shortlist, on average, and 93% of students end up enrolling at one of those shortlisted schools.



72%

Develop their shortlist
before reaching out to
school representative



3

Schools only make the
prospects' short list



93%

End up enrolling at a
school from their short list



The shortlisting process

Learners compile their shortlists through online search (the engine of the selection process for 60% of them) and with reference to recommendations (38%) and business school rankings (33%). They choose their providers based on common criteria of cost, reputation, accreditation and flexibility. However, the relative importance of these criteria varies across the different generations. Learners have different priorities when it comes to educational outcomes – and different attitudes towards the ideal learning experience.

45%

describe **cost** as an important influence on choice, making this the most significant consideration among each of Baby Boomers, Generation X, Millennials and Generation Z.

35%

are influenced by the **reputation** of the provider, with 30% looking for national or international accreditations as evidence. Reputation is more significant for Gen X (37%) than for Millennials (33%), while accreditation matters more to Millennials (33%) than it does for Gen Z (28%).

22%

of learners say that **flexibility** is important, but this varies widely with age. While only 18% of Millennials and Gen Z prioritise flexibility, 25% of Gen X and 30% of Boomers do. The ability to balance work and family commitments with study becomes increasingly important over time.

Higher education objectives

To make the shortlist, a course must offer a compelling return on investment in terms of positive career impact. Views of the outcomes and qualifications needed to secure this return also vary with age.

Between a quarter and a third of learners are ready to consider online learning courses from the likes of Coursera, FutureLearn, LinkedIn Learning and Udemy. However, this openness depends on the ability to secure a recognisable qualification. Boomers, in particular, are more likely to accept a digital badge as evidence of enhanced knowledge and skills, happy that this recognises their immediately applicable

skills and less focused on qualifications for the long term. Other generations want a diploma or certificate to guarantee the future value of their learning. Best of all is a certificate recognised by employers and governments, which can act as a stepping stone to a stackable degree, potentially earned over five years or more.

Degree study is prioritised most highly by Gen Z, the youngest demographic in our study, and the group that has left full-time education most recently. They represent a strong proportion of the 31% of learners considering an institution where they've previously studied when drawing up their shortlists for further education.

Choice of learning outcomes (next year of study):

Gen Z

1 Diploma/Certificate

2 Masters degree 1-2 years

3 Digital badge

Millennials

1 Diploma/Certificate

2 Short skills courses from online provider

3 Digital badge

Gen X

1 Diploma/Certificate

2 Digital badge

3 CPD

Boomers

1 Short skills courses from online provider

2 CPD

3 Digital badge

Modes of learning

Learning isn't just about qualifications and career enhancement. The experience of learning itself also weighs on prospective students' decisions about where and how to study. Even before the COVID-19 crisis, learners of all ages expected online learning to play a growing role in business education. This doesn't mean, though, that every generation shares the same vision of an ideal learning experience.



Blended

Across all generations, 65% to 68% of prospective students agree that they expect more learning to involve blended study over the next three years.



Online

Openness to entirely online courses varies by generation: Gen X (52%) and Millennials (47%) are the most open, with Boomers (45%) significantly more open to exclusively online learning than Gen Z (40%).



Face-to-face

A majority of all generations agree that face-to-face learning provides the richest experience. However, Gen Z (59%) are noticeably most attached to the importance of a shared campus experience.

Section 3

Business schools for a new era

How can business schools thrive in this new era for higher education? Our data shows that cataclysmic, cliff-edge predictions like Clayton Christensen's are not inevitable – but the same data also shows the importance of embedding agility, as urged by Rafael Bras. Higher education brands have the potential to leverage their existing strengths through new partnerships – creating nimble, blended and distinctive experiences that can meet the varied needs of lifelong learners.

Here are five principles for institutions to consider as they develop business education propositions for a new era of learning:



Brand, certifications and experience all count

Established business schools have a valuable advantage in the emerging higher education era: a recognised and trusted brand. A familiar business school brand underscores the quality of education, and adds weight in an increasingly crowded market for certifications and qualifications. It reassures prospective students that their knowledge will be recognised by current and future employees – and that their investment in learning therefore has guaranteed value. For younger students, a trusted brand is also an important signal of the likely experience of education, whether on-campus or (in a post COVID-19 world) delivered across a range of different channels.



There is opportunity to own the blended learning space

Our research confirms the powerful appeal of blended learning experiences. All generations recognise both the importance of online course options – and the inherent value of face-to-face learning. The sheer range of potential blended learning experiences provides the opportunity for business schools to develop distinctive and compelling propositions. This will become increasingly important with COVID-19 interrupting the on-campus experiences that younger students, in particular, value. Institutions that can develop bespoke, creative solutions and build a sense of community remotely will be able to differentiate their blended learning opportunities in meaningful ways.



Choosing the right partners will be crucial

The right technology partnerships have a key role to play in enhancing business schools' agility and enabling a more rapid pivot towards blended learning. They can also help to deliver deeper expertise in emerging digital areas such as AI and robotics. However, due diligence on quality is vital if established schools are to avoid undermining their brand equity.



Aligning with employers makes sense

Most business school advertising targets the end consumers of education directly. However, with skills development a strategic imperative for business – and half of firms increasing executive education budgets – there's a valuable opportunity in also targeting C-suite and HR decision-makers. Partnerships with enterprise-level talent departments can leverage a school's brand equity to increase engagement with learning at a company, and generate a robust pipeline of prospective students.



Addressing the entire market requires different routes to education

One-size-fits-all solutions to business education will have limited appeal in the new learning landscape. As our data shows, different generations have different priorities when it comes to where, how and why they learn. Engaging the full addressable market for business education will require schools to be nimble and flexible in developing a portfolio of courses and qualifications. Working in partnership with the right enterprises and tech providers can play a key role in their ability to do so.