

Skilling Business Graduates for an Uncertain Future



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Australian Business Deans Council Publications

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What? You Want to Talk to Me?

They may be seen as ‘soft’ but the people skills of business graduates are increasingly vital in a world in which up to 40% of current jobs are predicted to disappear in the next 10 to 15 years.¹

Even in areas known for more technical or ‘hard’ skills, employers want adaptable business school graduates who can communicate well, solve complex problems and work effectively with others.

No longer will it be enough for accountants, for example, to look only at the figures as they will need to be able to tell a business narrative that gives the numbers more meaning.

However, teaching and learning ‘soft’ or ‘life’ skills is challenging for business schools, which are using an ever-expanding range of learning experiences to educate graduates for a more automated, globalised and flexible business world.

Not Feeling Your Pain

Employees who lack soft skills can disrupt workplaces, impact staff on well-being and hurt the bottom line of Australian businesses, which spend \$7 billion on recruitment and \$4 billion on training each year.²

A recent Deloitte Access Economics report³ put the cost of new hires who stay in a job less than a year at between 50% and 200% of the employee’s salary – a strong financial incentive for employers to ensure they hire graduates with the right skillsets.



Poor interpersonal skills
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In 2015, a U.S. *Leadership IQ* poll⁴ of more than 5000 recruiters in public, private, business and healthcare organisations found poor interpersonal skills caused 46% of newly hired employees to fail within 18 months.

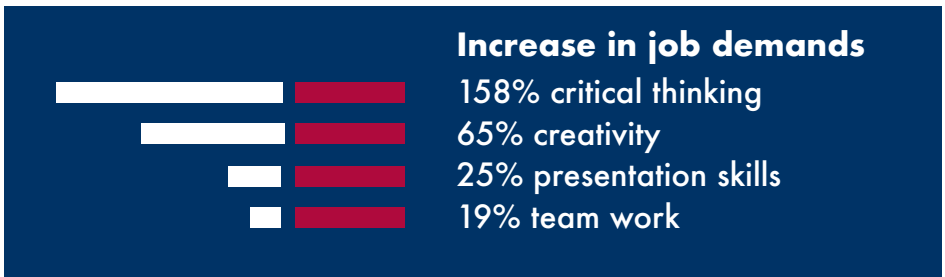
In a McKinsey survey⁵ of young people and employers in nine countries, 40% of employers said lack of skills was the main reason for entry-level job vacancies. These gaps included soft skills like communication, teamwork, and punctuality.

The report said: ‘26% of new hires fail because they can’t accept feedback, 23% because they’re unable to understand and manage emotions, 17% because they lack the necessary motivation to excel, 15% because they have the wrong temperament for the job, and only 11% because they lack the necessary technical skills.’

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Softly Skilling Up for the New Work Order

Last year’s Foundation for Young Australians’ *New Work Order*⁶ report analysed more than four million unique employment advertisements on 6000 websites. It found that jobs demanding critical thinking had increased by 158%, creativity by 65%, presentation skills by 25% and teamwork by 19% in the three years to 2015.



The report also said today's graduate would have up to 17 different jobs in his or her lifetime.

'Educators today are preparing students not only for the jobs that exist, but for jobs that don't exist and there isn't any point in that context in focusing on a specialised area, given that that area may no longer exist,' former Dean of University of Technology Sydney (UTS) Business School, Professor Roy Green says.

'It's better to be preparing students to be agile and adaptive thinkers, to be able to take account of anything that comes their way and to be able to shape their own future as well as adapt to it,' he says.

From Reading Content to Finding Context

Head of La Trobe University Business School, Professor Paul Mather, says graduates need innovative thinking and creative problem solving to equip them 'to shift the type of work they do – careers really – as things evolve and change'.

'The concept of a career is being shaken to its core.'
2017 Global Human Capital Report

The pace of change has caused a great deal of anxiety so it's imperative for business schools to prepare graduates to 'face change, deal with what's coming over the hill (even when we have no idea what it's going to look like), be much more flexible and really adapt at a much quicker rate,' Swinburne University Dean of the Business and Law Faculty, Professor Keryn Chalmers, says.

'That's the world we're in and staying the same isn't an option.' *Professor Keryn Chalmers*

Pro Vice-Chancellor of Griffith Business School, Professor David Grant, says it's important for business students to think about their value to potential employers and their value as leaders.

Teaching basic communication or team working skills is one thing but ‘it’s another proposition to teach how those apply to the leadership or management of a business, or a particular business or organisational scenario,’ Professor Grant says.

‘Business school staff tend to be very knowledgeable about their chosen area of expertise...but when you’re asking them to build in other attributes – creativity, innovative thinking, resilience, teamworking and so on – it becomes a little more of a challenge.’

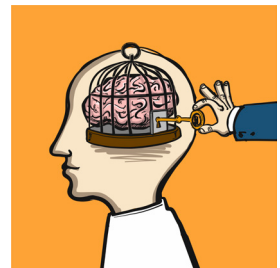
‘It is much harder to teach soft skills than hard skills.’

Professor Maryam Omari

Executive Dean of Edith Cowan University Business and Law Faculty, Professor Maryam Omari, says: ‘It requires a deeper level of understanding of the self for the student. Also, you need instructors and lecturers who’ve got a higher level of skill.’

Creating Learning Communities

Pro Vice-Chancellor of Royal Melbourne Institute of Technology (RMIT) Business School, Professor Ian Palmer, also emphasises the shift away traditional ‘lecture, tutorial, stand and deliver, and regurgitate’ teaching. Anyone connected to the internet can gain knowledge so the focus is now on the value added when students come together as a community of learners.



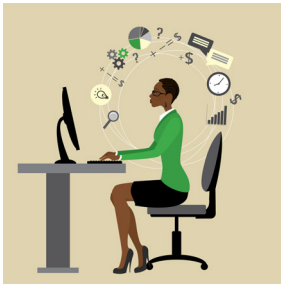
Professor Palmer asks: ‘How do you create experiences that show the need for empathy and the need for understanding as key elements and skills in any business education course?’

‘I think it’s around creating experiences and bringing people in from industry to reinforce that.’

Professor Ian Palmer

‘Business schools are focusing much more on emotional intelligence, which includes people-centred leadership and management styles far removed from the 1950s command and control style models,’ Professor Palmer says.

Values-based education and the importance of a moral compass are also high on the agenda. ‘Critical parts of trust, credibility – the sort of things that employees are looking for when they assess whether or not they want to work for an organisation,’ he says.



‘We’re now operating in a different world – a world where skills matter, tools matter, but expertise and authenticity are also required.’

John Seely Brown,

Chair, Deloitte Centre for the Edge

Dean of the Monash University Business and Economics Faculty, Professor Colm Kearney, says most leading business schools are investing many more resources into assisting students to develop their own value systems ‘to be aware of who they are; what they stand for; what their aspirations are; and to be able to debate and discuss these with their peers and seniors in workplaces.’

However, soft skills do take longer to learn than discipline-based skills. ‘I can teach you the basics of accounting very quickly, but I can’t teach you the basics of effective leadership, emotional intelligence, teamwork, aspects of negotiation, conflict management – they come over a long period of time,’ Pro Vice-Chancellor of Newcastle University Business and Law School, Professor Tony Travaglione, says.

He argues that the time factor gives the university three- or four-year degree the edge over short courses and Massive Open Online Courses (MOOCs). University courses also provide valuable extra-curricular activities and interaction with lecturers, students and business people.

A university providing a student with the opportunity to present to a boardroom of a significant Australian company, or be asked questions by business leaders, can build public-speaking confidence more than numerous classroom presentations and ‘that’s what business schools are doing very well at the moment,’ Professor Travaglione says.

Business schools continuously work on better ways to teach professionalism and create professionals who can adapt to different organisational cultures and business scenarios.

University of South Australia Business School Dean, Professor Marie Wilson, says students are increasingly exposed to industry practice.

‘Whether it’s through simulations, whether it’s working on projects with industry, whether it’s in placements and tours and those kinds of activities...’

‘Bringing the business community and the university community closer together to try to make that transition open, engaging, and realistic as people come through.’

Professor Marie Wilson

Balancing the Virtual and Physical

Universities are also experimenting with ways to harness new learning technologies although they are well aware of the need to balance virtual with the sort of physical learning that gives students access to personal mentoring and interconnections.

‘Many of our students come to universities not to see us on a screen but to get access to us personally,’ UTS Professor Roy Green says.



Many universities, like UTS, blend online and on-campus learning. ‘Simply relying on lectures is no longer adequate for a generation which can use the internet and software to its advantage very successfully,’ Professor Green says.

Business schools led the use of ‘flipped classrooms’ in which students view lectures online, or prepare with other information, before going to university for face-to-face sessions.

Technology also enables students to work virtually with businesses on real-life projects.

RMIT runs globally connected courses with, for example, Melbourne students linked to US and Irish students studying the same subject. ‘They create virtual teams across three countries and sometimes bring them together to present to an industry group on a real problem that they globally connected and solved,’ Professor Ian Palmer says.

Connecting Throughout Australia

The skills developed through connection with business are particularly important in rural and regional Australia, which suffers from a brain drain to urban centres.

The regional Charles Sturt University (CSU) encourages local work placements and strong networking between businesses and students.



‘We try to breed our graduates (for want of a better expression) to really engage with communities so...they want to go back into community...We really try to get them employed locally, to boost the professional life, rather than just studying locally and then heading off to Sydney or Melbourne,’ Executive Dean of the CSU Business, Justice and Behavioural Sciences Faculty, Professor Tracey Green, says.

Head of the University of New England Business School, Professor Alison Sheridan, says regional Australia needs open-minded professionals who can recognise and adapt work practices to changing labour market trends.

‘They’re our future businesses in regional Australia and we need them to be flourishing,’ Professor Sheridan says.

‘Traditional mindsets will not set them up well for their businesses in the future.’ *Professor Alison Sheridan*

She points out that there’s also an impetus to support entrepreneurial skills as students move more towards creating jobs in new businesses rather than taking jobs.

Challenging Cultural Conservatism

Australia’s business schools graduate more than half the country’s international students and with their diverse cultures come different approaches to learning.

For example, La Trobe’s Professor Mather says, radically shaking up accounting or finance degrees can lead to some students saying, ‘Hey, hang on. We want the more traditional thing because that’s what our market requires.’

UTS Professor Roy Green, says: ‘I think we’re finding with international students they’re still a lot more dependent on lectures and notes and so on, but many of the other students we get tend to be able to access learning materials themselves.’



But it’s not only some international students looking askance at soft skills education. Executive Dean of Swinburne University’s Business and Law Faculty, Professor Michael Gilding, casts the net wider.

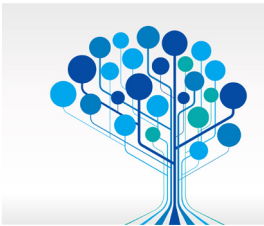
‘Firstly, [students] think they know them already, and secondly, they are more subjective. They aren’t courses where you know exactly what you have to do – they are intrinsically more ambiguous. The challenge for universities is to develop those soft skills so they are embedded in the delivery of the course,’ Professor Gilding says.⁷

However, this undercurrent of resistance to new methods – particularly those that teach soft skills – is not stifling innovation. Business schools are building online platforms, computer games and interactive systems, which immerse students in situations that develop soft skills.

In 2014, the University of New South Wales created the world’s first gamified economics course, Playconomics⁸, which teaches microeconomics by putting students in the shoes of economic decision makers.

In 2017, Swinburne University’s mobile learning accounting app, Quitch⁹, won the American Accounting Association’s *Innovation in Accounting Education* award.

Quitch taps students’ addiction to mobile devices and uses gamification techniques to engage, challenge and reward them. It has increased student retention rates by 12% and student performance by 7%.



Deakin Business School students use a cloud-based system, built on the Monsoon Sim gaming platform, where players run virtual companies and compete for the highest profits. The simulation combines subject knowledge and soft skills – specifically team management, people skills and entrepreneurship.¹⁰

Monash’s Professor Colm Kearney says gaming enables students travelling during their working day to ‘be on their mobile phones accessing gamified content on how to reinforce empathy’ and also to ‘learn the interactions they are having in their everyday lives.’

Breaking Down Learning Silos

Business schools are championing the integration of students across universities; providing a wider breadth of knowledge and worldviews by bringing students and experts from different disciplines together.

Stanford Graduate School of Business is using cross-curricular skills with Performing Arts improvisation experts teaching students how to speak spontaneously.¹¹

At Swinburne University, Professor Keryn Chalmers says, they are moving IT, maths, business and marketing students, for example, into groups that work across school boundaries.

‘This gets students ‘out from their own little cabins.’

Professor Keryn Chalmers

‘Mixing and mingling a lot more to try to develop their social skills and so-called soft skills (really their life skills) that they need to be able to thrive moving forward,’ Professor Chalmers says.

As business schools continue to develop soft skills education, their evolving teaching methods are helping to change learning culture as a whole. And it appears that, as people and organisations become ever more connected, there’s no going back.

Can we have too many world citizens who are self-aware, good communicators and able to see another point of view?

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