



The great disruption

WHY BUSINESS SHOULD BE CONCERNED ABOUT DISRUPTION
OUTSIDE BUSINESS

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Why business should be concerned about disruption outside business

Disruption. When this word is heard the goose-flesh is appearing no matter which sector or business you are in. Few days ago, I was fortunate to attend interesting Warsaw University Faculty Management alumni meeting (oh yes, time flies it's been almost 17 years) where we widely discussed the management styles for the future – from autocracy to democracy. The answer to the question, whether disruption is needed in management style wasn't hard to find – there was general consent that in order to make business flourish and generate the shareholder value quicker than peers, decentralization and people empowerment is essential, while still keeping control function of business consistency is a must.

Moreover, the openness for experiments and acceptance for failure need to be part of the organizational culture, not only on declarative level but on operational one. But that's not the main point of this short article as what I was more surprised by, was the scale of the disruption and its interdependencies. You all know that e.g. financial (European bank's return on equity of 6,5% is below investors' expectations), technological or retail



companies are trying to reinvent themselves (or at least reposition) – that's obvious. How about pharma – you might think – well could be too (profitability of new drugs has dropped to 2% from 10% a decade ago). But I was more intrigued when I heard the fundamental changes in higher educational sector are taking place right now. Forget the old fashion teaching techniques – student requirements and expectations are laid somewhere else. Well, frankly saying business expectations are also different than those 15 years ago. My perception was that's more or less stable sector, somehow demographic's dependent. But that's not the case anymore. Moreover, it is obvious that businesses are so much dependent on successful changes that are currently taking place globally in higher educational sector. I'd say the changes they ignite e.g. digital or managerial transformation are so much dependent on transformational success of this underestimated knowledge-based sector.

And the sector itself will not find the solution without input from its customers, which are businesses. The same is true for businesses to source requirements and expectations from its customers. So, the main question is: how to prepare future specialists, experts, consultants, managers to cope with the challenges of the future while they are having all the knowledge at their fingertips. I do remember when I had to learn management or marketing theories in late 90s it was all about remembering and understanding some interdependencies between certain components. Yes, Yahoo! or Altavista were there

(Google was still unknown) but the content was still in its infancy, especially in Poland. Form of exams, even strengthened our approach to learning by that particular way. Than to fulfil our professional duties we had to keep all these theories in our mind as access to the knowledge on the go was limited (now I glad to have Google at my fingertips after so many years have passed from graduation as the memory is not the same).

Now the knowledge is cheap and available and challenge (and competitive advantage) lays somewhere else - in ability of analyzing and making conclusions. But after all, to create the value to the business the most important is practical use of conclusions and its successful execution. These requirements need to be faced by universities in order to choose the right path for changes, but in the same time businesses should answer to the similar question how to develop employees to make them prepared for the disruptive challenges of the future. More than decade ago I was convinced that attending trainings or conferences personally or sending employees was the solution to the knowledge gap problem but now I see things differently. I see that the key is empowering employees to use the learning methods which are suitable and useful for them – maybe even crafted especially for them. I still think that formalized knowledge is indispensable (it just trains the brain) but the proportion with practice need to be different, I'd say 30% of knowledge and 70% of practice. It applies both to learning methods at universities as well as in organizations. I do believe what's necessary is to build framework to make people knowledge hungry and driven toward self-development – I think the same rule should apply to students as for employees. People than will choose the right tools and paths for growth not only for themselves but for organizations too. It's about encouragement, giving a choice and trust and that's not far...from the management democracy pointed out at the beginning.