

The internet of thinking

Sven Schütt, the CEO of IU Group, which owns IU International University of Applied Sciences (IU), talks to Financial World about the ways in which online learning can revolutionise education and what this will mean for the future of education

As most readers of *Financial World* know, LIBF was founded in 1879 as the Institute of Bankers by workers who wanted to both demonstrate their expertise to employers and set high professional standards. In 1970, over 46,000 candidates sat for diplomas of the Institute. Then, in 1972, the Institute set up the Wilde Committee to consider the question: 'if we were starting from scratch today, what sort of qualification would we recommend?'

That is still a burning question, and IU Group has some interesting ideas about how new technologies can be used to help evolve our approaches to benefit more students around the world.

No need for chalk and talk, or exams

"Education no longer has to be constrained by an analogue approach," says Sven Schütt, CEO of IU Group. "What we are doing is really putting the objective of the person front and centre, with reference to their prior knowledge, learning preferences and learning capabilities and taking them from where they are now to where they want to go, and doing this in the most engaging and pleasant way. We've just launched what we called Socratic teaching."

Schütt says that, over time, traditional exams and homework will fall away because they will no longer be needed. The technology can constantly accompany a student as they develop knowledge and skills in a way that a lecturer dealing with a group of students never could.

"Why do we have classes?" says Schütt. "Because it was too expensive to have a personal tutor for every person. That is why we have classes now. The platform can overcome that by offering highly personalised education."

IU aims to quickly remedy courses that are not working well. "With technology you can, in the end, control the quality of student experience much more than you could in any traditional classroom," says Schütt. "There you only find out after the module is done that maybe things weren't optimal. Online, you have almost instant insight into what the student is really learning."

There is particularly good news in this for those who dislike exams. "With Socratic teaching, there is no need for a final exam because we already have a clear view of whether the student has grasped the material or not," says Schütt. "Like

many other things in higher education, the final exam is a tool that was developed because it's so challenging to really observe a student's learning process. Just from a human resource perspective, it was not feasible."

Schütt says that what the students experience is constantly being refined on the basis of empirical analysis. The cohorts of students at IU are large enough to enable statistically relevant A/B testing of what works and what doesn't.

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Socratic AI

The Socratic discussion approach at IU is enabled by artificial intelligence. There is a back and forth between the student and the bot, which is automatically tailored to the learning needs of the individual. If the student gets something correct, they move forward. If they don't fully grasp a topic, they are given a hint or asked to think about it in a different way. The aim is for the interaction with the bot to be as personalised as possible, while remaining on the right side of getting too close to the student. The student should enjoy dealing with the bot, but there are guard rails in place that prevent both the student and the bot wandering off topic, and that shut down any inappropriate interactions.

Artificial intelligence is now amazingly fluent and entertaining, as anyone who has seen ChatGPT's response to a request like "[write a biblical verse in the style of the King James Bible explaining how to remove a peanut butter sandwich from a VCR](#)" would surely admit. ChatGPT attracted over 100m users within the first two months of launch because people enjoyed playing with it so much. But should an educational institution be encouraging the use of AI? Within the IU platform, the information the bot provides is carefully curated but outside bots can, and do, provide apparently coherent but wildly misleading 'information'.

"We are leading people through a learning journey," says Schütt. "And our career-oriented education should educate people for the real world and when in the real world, people



will work in this environment. That creates challenges for educational institutions. They have to rethink how they help students learn and how they assess whether students have learned it.”

The technology IU deploys aims to let people achieve their own, specific, learning objectives and to demonstrate that they have done that. “Learning is one of the things that makes us human,” says Schütt. “And it’s a very personal thing. We want to empower people with the best knowledge, as well as the best methods, to get them to a specific level. And do this in a regulatory environment.”

But the courses at IU are not just a function of what the student would personally prefer to do. “Yes, there are some limitations on choice,” says Schütt. “There are foundational skills that people need to acquire. Let’s say some people really dislike maths. You can educate people in maths in a way that is much more engaging than is usually the case today. And you can help people understand why they have to learn certain things, rather than just imposing it on them.”

What about the teaching staff, do they think this is a better way forward? “This is inspirational for virtually every teacher,” says Schütt. “Sometimes it’s exhausting because it’s not easy, but our people like what we do. And happy teachers teach happy students.”

Demonstrable standards for all

The Institute of Bankers was set up by workers who could not access a traditional university education but wanted to demonstrate their knowledge and capabilities. Of the students at IU, 70% are the first person in their family to go to university. Is there a difference in performance between those students and the remaining 30%?

“Students from non-academic backgrounds, given that they have had to overcome more disadvantage to get there, tend to have more grit,” says Schütt. “If anything, they perform better. To make the most of an online learning format as a working adult, you need a lot of grit to keep going.”

The proof of any pudding, though, is in the eating. Do any former students now work at IU? “We have a form of degree apprenticeship model which is a great tool to access young talent. We’ve been doing that for around 10 years and recruited many, many people,” says Schütt.

Clearly, an AI powered system – IU’s is called Syntea – can learn an awful lot about individual students on the platform. It will know what their work ethic is like, whether they’re detail orientated, reliable or collaborative. Is it used to analyse prospective staff in that way?

“No,” says Schütt. “It’s not used in the way that it could be used. We do, of course, have the luxury of knowing many things about the students we hire, which helps us in the end. But it isn’t always those with the best academic performance we’re looking for. We want the best fit.”

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More meaningful interactions

But does online learning really allow for the personal growth and personal interactions that many people value in education?

“An online setup doesn’t allow people to form deep ties in the same way,” says Schütt. “However, when you think about it, how many great social connections do people form in a large lecture hall experience? Not many. When you deconstruct what people want from education, yes, some of them really want to have this social experience and some others don’t, actually.”

Schütt points out that education is still very traditional. People want what they think they should want, or what their parents want. “A different setup doesn’t mean that there are no personal interactions, just potentially more meaningful personal interactions. The faculty becomes more of a coach with more effective personal relationships with students – rather than lecturing to 50 people they can’t get to know.”

There’s still a place for face-to-face education. In the UK, going away to university is considered a rite of passage, and there’s an expectation that universities will have a campus and places to study that aren’t just virtual. LIBF’s campus in London attracts increasing numbers of students each year. And IU does campus courses in Germany and meet-up opportunities for the students who want them.

But studying for a degree online does offer very specific benefits – and not just for mature students or people who are trying to change careers. School leavers who may not want to move away from home (or have the associated costs) can now access many more courses online than they ever could in their local area – all personalised to their needs and learning preferences.

The advantages of online study – lower costs, greater flexibility, personalisation and performance transparency – will, over time, be as transformative for higher education as the internet has been for the music business. ■

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