by Dan Pontefract

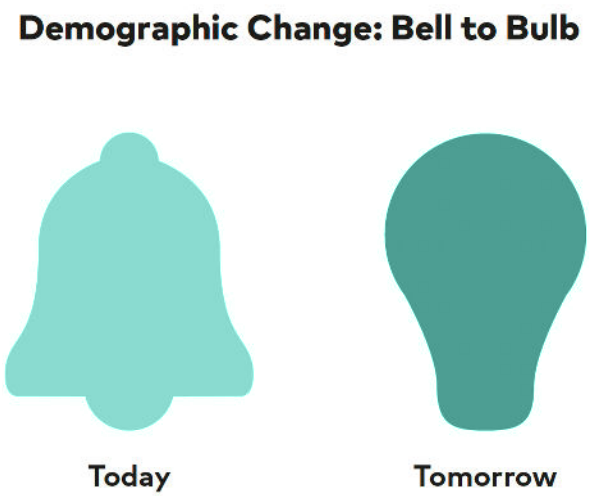
The Demographic Reality Business Schools are Ignoring

Since time immemorial, society has followed a rhythm as predictable as three chords and the truth. Generations arrived, grew, and contributed, each replenishing or expanding beyond the one before.

The demographic shape was a bell—a broad foundation of children, a robust middle of working-age adults, and a smaller, diminishing top of retirees. That bell-shaped distribution of our population defined how economies functioned, how institutions were structured, and how assumptions about our future were formed.

These Days, the Bell is No Longer Ringing.

Society is evolving into the demographic shape of a light bulb. The bulb's narrow base reflects the global decline in birth rates. Its constricting middle—the working-age population—stretches thin under rising demographic pressures. The top has long been swelling as people live longer, but too many organisations are not paying attention to these slow seismic changes, including business schools.



According to the World Economic Forum, workers aged 55 and older in G7 countries will account for more than 25% of the workforce by 2031. The OECD's old-age dependency ratio has jumped from 19% in 1980 to 31% in 2023 and is projected to reach 52% by 2060.

Without productivity improvements, GDP per capita growth across OECD nations will slow from 1% annually to 0.6%. Japan's economists believe their country will experience negative GDP growth within the next decade due to intense demographic transformation.

Demographic change is the most predictable workforce upheaval of our lifetime. Ironically, the data have been available for decades, yet inertia remains the course of action.

Business schools aptly prepare leaders for digital transformation and globalisation triggers, yet they have had remarkably little to say about a demographic shift already reshaping every sector and geography. Three intertwined forces demand their attention: the silent saboteur of ageism, the accumulating knowledge cost of ageing workforces, and the compounding dangers of artificial intelligence deployed without scrutiny against talent management practices.

Management education and business schools in general are implicated in all three.

Ageism, the Pervasive, Silent Saboteur

Ageism dares to inflict harm wherever it chooses, happy to silence potential across all ages and stages.

The World Health Organisation breaks it into three categories: stereotypes (how we think), prejudice (how we feel), and discrimination towards others or ourselves based on age (how we act). It is, as researchers have argued, the last socially normalised 'ism'.

Business schools teach courses on racism, sexism, and unconscious bias, yet why is it that ageism rarely—if ever—makes the syllabus?

The evidence of ageism in our organisations is unmistakable. For example, AARP's 2025 research found that 90% of workers over 50 report experiencing ageism in the workplace—up from 78% in 2021, the highest level since AARP began tracking the question in 2003.

Young professionals are not immune either. For instance, a 2024 UK Youth study of 3,000 respondents aged 16 to 25 found that 81% felt undervalued, 78% felt patronised, 69% believed they missed out on promotions, and 75% experienced job rejections due to their age.

Career ageism is perhaps the most structurally embedded yet easily avoidable form of ageism.

When organisations slot professionals into age or tenure brackets—such as exploring, establishing, middle-aged, and elderly—it boxes itself into the corner of age-based ability or intelligence. The assumptions underpinning such an age-based career model persist in curricula, career centres, human resource frameworks, leadership development thinking, and organisational talent design frameworks taught across business schools worldwide.

Is the only way to grow one's abilities to climb a career ladder?

If management education continues to treat age as a demographic footnote rather than a strategic variable, graduates will enter organisations equipped with frameworks that normalise the very biases they should already be trained to dismantle.

The Experience Conundrum

The second bulb-shaped demographic issue that business schools must consider concerns a hidden variable crucial to organisational success but rarely ever discussed: wisdom.

If one has ever observed a sand timer, one will have witnessed something rather mundane.

When grains of sand move freely, the timer works flawlessly. But the entire flow slows to a frustrating trickle if a few grains clump together. The same is true of organisational knowledge and competence. When experienced employees depart without transferring their wisdom, the sand clumps. Knowledge no longer flows freely, particularly when that knowledge is tacit.

Dr. Michael Polanyi provided the most influential definition of tacit knowledge. In his seminal book *The Tacit Dimension*, Polanyi asserted that "We know more than we can tell." This dimension is the unwritten, experience-driven intelligence essential to how organisations function. It's the quiet ingenuity embedded in troubleshooting techniques, client relationship-building, and oversight of legacy systems.

Tacit knowledge tends to vanish from the organisation when seasoned employees retire—or are terminated due to budget cuts and contraction decisions—and there is no one around to help with those invisible, lesser-known processes.

Are business schools even teaching their students the inherent cost of failing to capture organisational wisdom, let alone the methods in which to transfer it?

Longitudinal research by Dr Peter Rex Massingham shows that new hires operate at only 92% of the capacity of the employees they replace, creating persistent knowledge gaps

92%

Longitudinal research by Dr Peter Rex Massingham shows that new hires operate at only 92% of the capacity of the employees they replace, creating persistent knowledge gaps that strain teams and drag down productivity.

that strain teams and drag down productivity. Moreover, Massingham's study revealed that when top knowledge holders leave, remaining employees show a 47% decline in knowledge engagement. Frontline or new workers filling these gaps spend an average of 14 hours per week doing so, costing companies billions in lost productivity annually.

The organisational response has been strikingly inadequate.

For example, a Harris Poll found that while three-quarters of companies reported recent retirements, two-thirds had no formal mentorship or knowledge transfer processes in place. Furthermore, the Center for Retirement Research at Boston College reported that fewer than 25% of organisations globally have adapted their HR practices to account for changing workforce demographics, including knowledge capture and transfer.

This sort of experience and wisdom loss does not announce itself in dramatic ways. It creeps in like an unsuspected fog, and it appears business schools are graduating leaders who cannot yet see it.

> "The silent saboteur of ageism and the loss of wisdom has gained a new and third accomplice that business schools need to be considering: artificial intelligence and its relationship to demographic disruption."

Is AI Compounding the Crisis?

The silent saboteur of ageism and the loss of wisdom has gained a new and third accomplice that business schools need to be considering: artificial intelligence and its relationship to demographic disruption.

For example, the slow but assured installation of AI hiring software tools tends to function as a talent abettor devoid of empathy, programmed with prejudice, and incapable of grasping nuance. Is this the sort of talent that business schools want to graduate and place into leadership roles, an individual who doesn't care about the dignity and humaneness of the hiring cycle?

Sadly, the genie is already well out of the AI talent bottle.

According to research from the firm Resume Builder, 21% of organisations automatically reject candidates at all stages of the hiring process without human review, while 50% use AI for rejections at the initial curriculum vitae screening stage.

These systems learn from historical data—data already saturated with human bias. For example, Amazon's résumé-screening tool infamously absorbed gender bias from its own hiring history; the company's learned bias was captured and then programmed from humans to machines.

It is clear that a legal reckoning is now well underway in many jurisdictions, and business schools that train leaders should be cognisant of it.

At iTutorGroup, AI recruitment software was deliberately programmed to reject women aged 55 and older and men aged 60 and older, a case the US Equal Employment Opportunity Commission pursued and settled.

In May 2025, a Northern District of California court certified the class action suit of *Mobley v. Workday, Inc.,* alleging that Workday's AI screening tools produce disparate impact age discrimination. The case remains unresolved, but it will surely become an AI-Talent watershed moment.

Meanwhile, the Colorado AI Act, which takes effect in June 2026, will require organisations to exercise "reasonable care" to prevent algorithmic discrimination, the first US state law of its kind.

The concern for business schools is whether their current curricula adequately warn students about the sorts of biases embedded in talent practices, or whether they are simply learning (or not learning) to automate prejudice and age bias at scale.

A Question for Business Schools

Wherever a business school practices its higher education wares, an inescapable reality is settling across all geographies: plummeting birth rates and ageing societies are, of necessity, going to change the way an organisation is managed.

Therefore, are business schools addressing this inevitability with their curricula?

Ageism silences potential across every era of the workforce, yet it remains embedded in career frameworks, hiring platforms, and workplace cultures. Management education has largely left the issue unexamined.

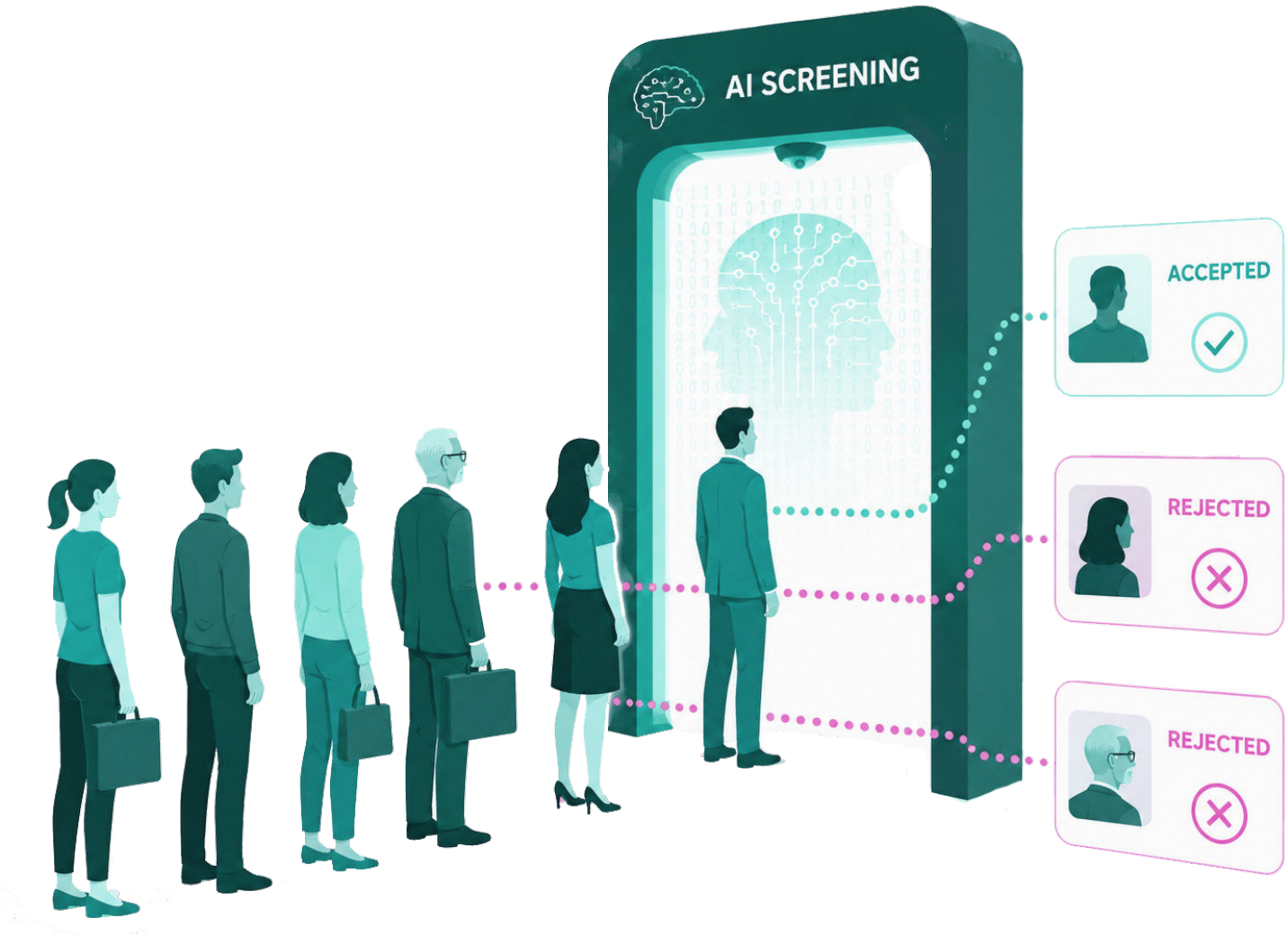
Ageing workforces are suffering from institutional knowledge loss, fractured career pathways, and organisational unpreparedness, while the leaders graduating from business schools remain untrained to recognise it, let alone address it.

And artificial intelligence, deployed without scrutiny in various talent practices, is compounding every one of these failures at a speed and scale that human prejudice alone could never achieve.

Management education has a choice: continue teaching workforce strategy as though the bell-shaped demography still holds, or confront the bulb-shaped reality already reshaping organisations across every sector and geography.

The bell is no longer ringing. The demographic bulb is already lit.

If the leaders graduating from today's business schools are unprepared for the most predictable workforce transformation in a century, what exactly are they being prepared for?

About the author

Dan Pontefract is a Thinkers50 radar member, leadership and culture strategist, and award-winning author of six books, his latest, *The Future of Work Is Grey: The Untapped Value of Age in the Workforce*, available May 5 in North America and June 22 globally.