UNIVERSITY OF LONDON

HUMAN-CENTRIC:

artificial intelligence, professional services and higher education

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Generative AI is one of the biggest technological shifts of our time. Its use touches almost every aspect of our day to day lives and its implications reach far beyond the realm of computer science and into the very fabric of how we learn, work and live. These changes are particularly noticeable in the professional services sector, where AI's ready adoption is already leading to substantial transformation in the roles where many new graduates begin their careers.

Many of the tasks traditionally assigned to graduate trainees in professional services roles, such as research, document reviews and preparing presentations, are precisely those most likely to be automated by AI. As these entry-level responsibilities change, it raises questions for us in the higher education sector – how do we set up our graduates to thrive in an AI-enabled world?

Embracing this change is a given – but we must engage thoughtfully. We have an opportunity to evaluate what we teach and how we teach it, ensuring our graduates leave with not just subject expertise but the adaptability and judgement they'll need throughout careers that will continue to evolve alongside technology.

AI, and many other aspects of technology, are evolving at a speed greater than ever before which, in turn, means that even the most comprehensive of undergraduate educations will struggle to give students the skills and knowledge that they will need across their whole careers. This gives even greater importance to the lifelong learning approach as a means of providing a flexible, responsive education that goes far beyond the standard undergraduate, master's or PhD study periods. However, realising its potential will require genuine partnership between government, employers and educational institutions.

Universities will need to re-examine how they can adapt to best support professionals throughout their careers, whether through flexible degree structures, modular learning opportunities or other innovative approaches. Employers, too, have a vital role in recognising and supporting continuous learning, while government must provide the policy framework and funding mechanisms that make lifelong education accessible to all. This collaboration is essential if we are to harness AI's potential whilst ensuring it benefits all of society and not a select few.

The transformation ahead will likely test our sector's capacity for agility and academic rigour. But it is an opportunity to continue the academic excellence and intellectual breadth that have made UK higher education globally renowned. We must adapt our methods and structures to serve learners throughout their lives and work to build a future where technological advancement enhances rather than diminishes human potential.

The insights and discussion in this report are a valuable roadmap for that journey. I recommend it to all who share our commitment to preparing graduates not merely for their first job but for a lifetime of meaningful contribution in a rapidly changing world.

Summary

Generative artificial intelligence (gen AI) promises to have deep impacts across our lives, including for the world of work…

- Where previous waves of automation affected routine manual and clerical work, gen AI may have its biggest impact on professional services such as law, accountancy and consultancy

…and London is likely to be at the epicentre of change.

- The city is a global hub for professional services, with employment levels in knowledge intensive sectors twice the UK average
- London is also a hub for AI development, with 40 per cent of UK AI employees and start-ups

While gen AI is likely to automate tasks rather than jobs, the impact could still be considerable…

- Productivity gains realised through gen AI could be used to develop new products, to take the pressure off workers, or to realise savings through headcount reductions
- Most analyses envisage some rise in 'frictional' unemployment as new jobs are created and workers seek to adapt to fill them, while others expect a more fundamental 'structural' impact
- Graduate recruitment and training is likely to be particularly affected as many of the tasks undertaken by graduate trainees – researching, preparing presentations, summarising – are those most easily automated

…though evidence is mixed on whether gen AI is already affecting graduate recruitment and employment.

Many companies are still in early days of implementation…

- Early adoption was 'bottom up' by workers, often without employers' knowledge
- More companies are now deploying productivity tools, and some are developing bespoke AI agents and chatbots that they can train using their own knowledge base
- Longer term, gen AI may redefine the role of professionals and widen access to professional-type expertise

…and concerns persist about whether AI can be trusted when accuracy is paramount or where human-centric skills come to the fore.

Interviews and desk research suggest five skills will be particularly important in professional services in the coming years

- Technical skills – to understand the how to work with gen AI systems
- Domain knowledge – to be able to assess the accuracy of AI products
- GRASP – general, relational, analytical, social and personal – skills, to apply critical judgement, to work empathetically with colleagues and clients, and to learn, adapt and innovate
- Ethical behaviours – to ensure authenticity and accountability, and to delineate and enforce controls and guardrails for AI
- Contextual understanding – the ability to see the bigger picture in an interconnected economy

Universities will need to be both agile and rigorous in supporting citizens in a transformed knowledge economy, and should consider:

- AI literacy and ethics – including use of AI as a tool for learning (rather than as a substitute for it)
- Breadth as well as depth – teaching in ways that bring different disciplines together, whether through formal interdisciplinary study or more informal collaboration exercises
- Collaboration and social formation – balancing in-person and online learning, to reflect employers' expectations of hybrid working
- Industry exposure – to help students to acquire transferable 'GRASP' skills, by providing access to work placements and similar opportunities to all
- Lifelong learning and agility – to enable students to build and adapt skills throughout their working lives and beyond
- Learning beyond work – keeping in mind the fundamental aims of higher education – the pursuit of knowledge and development of civic culture, as well as the acquisition of skills

Introduction

Artificial intelligence (AI) is not new, but since 2022 there has been phenomenal growth in the capability and adoption of generative AI ('gen AI') systems, including 'large language model'-driven chatbots such as ChatGPT, Claude and Gemini, and image and video generation tools such as Veo and Midjourney.

The consequences of these still emerging technologies and their use, for politics and public policy, for our social lives, for the environment, and potentially for the nature of our existence, have been widely discussed, as has their potential economic and labour market impact. Where previous waves of technological innovation disrupted employment in agriculture, manufacturing and retail, and some routine white-collar work, generative AI is expected to have its greatest impact on professional services and other knowledge economy sectors, where many basic tasks can already be carried out efficiently and cost-effectively by generative AI.

These impacts have particular significance for London. The UK capital is not only a leading centre for AI investment, but also a global hub for professional services (such as law, accountancy, management consultancy, engineering and architecture) and for the broader knowledge economy (sectors such as finance, advertising and marketing, research, publishing, journalism, education and software development, which specialise in the creation, analysis, distribution and application of information). London is therefore likely to see the most intense disruption, for good and ill, from the growing use of generative AI. Younger workers and graduate trainees are likely to be in the front line.

This paper takes a summer 2025 snapshot of the capabilities of gen AI, and its current and potential application in professional services. It then looks at what this implies for workplaces skills, for graduate recruitment and training, and for higher education. It is based on a review of academic, consultancy and policy literature, and news reporting, on a round table discussion held in partnership with BusinessLDN, and on interviews with professional bodies and employers. It builds on the 2023 Demos/University of London paper, 'The AI Generation', which looked more broadly at higher education and employability, just as gen AI models became widely available[1]. The primary focus of the research has been on professional services, but many findings are likely to have wider resonance across the knowledge economy.

[1] Brown R, The AI Generation: how universities can prepare students for the changing world, Demos, November 2023

Generative AI – accelerating adoption and continuing controversy

In summer 2022, concepts such as gen AI, chatbots and large language models were unfamiliar to most; two years later, UK government polling found that 40 per cent of adults used AI chatbots at least once a month in their personal life (up from 34 per cent the previous year), and 28 per cent used them at work (up from 24 per cent)[2]. An international survey in early 2025 found 52 per cent of UK respondents were regular users[3].

Younger people and people with degree- or postgraduate-level education are more likely to be using AI tools. Use by university students has grown particularly fast: polling in early 2025 found that 92 per cent had used AI in some form, compared to 66 per cent a year previously, with the most common uses being text generation, improving written work, summarising and transcription[4].

By summer 2025, the sophistication of generative AI had advanced considerably: widely-available systems can generate images and videos that are almost indistinguishable from real ones, can compose pop songs and poems, can synthesise research and write research papers, can coach or counsel people with every appearance of empathy, can plan holidays and lives, can pass exams and write CVs, can write and run code. 'Agentic' AI systems go a step further by integrating AI with other systems to undertake tasks autonomously. Agents can book tickets, monitor asset performance and schedule servicing, submit expense claims, apply for jobs, and file tax returns, for example. It is an indicator of the dizzying pace of progress that this paragraph will likely seem obsolete by the time this paper is published.

As generative AI extends its reach and capabilities, public concerns persist, about its use, and about the development and application of artificial intelligence more broadly. Concerns take in the tendency of systems to 'hallucinate' information, their use to confect plausible images of people and 'fake news', the concentration of ownership and control in a small number of large corporations, and copyright and personal privacy issues.

The huge power demands of AI data centres, and their use of water and other natural resources, are also controversial at a time when reducing carbon emissions is centre stage. There are specific concerns in relation to education and job-seeking, where the ability of students and job applicants to 'cheat' by using AI to enhance their work or even generate material on their behalf can be seen as undermining the value of education and the efficacy of recruitment. In the longer-term (which may be between five and forty years, depending which scenarios and forecasts you believe), AI machines may attain something like consciousness and self-direction, with potentially profound implications for humans.

Gen AI and working life – transformative and turbulent

Most commentators are keen to stress that AI primarily enables the automation of tasks, not whole 'jobs' as they are currently defined; it can augment rather than displace human skills. However, if productivity is improved by such augmentation, this can be realised in different ways. Employees may enjoy less intense work and more time off, people and resources may be liberated and redeployed to create new products and services, or employers may reduce headcount in order to generate savings, for reinvestment or distribution.

[2] Department for Science, Innovation and Technology, *Public attitudes to data and AI: Tracker survey (Wave 4) report*, December 2024

[3] University of Melbourne and KPMG, *Trust, attitudes and use of artificial intelligence: A global study 2025*

[4] Freeman J, *Student Generative AI Survey 2025*, HEPI Feb 2025

Previous waves of automation have usually seen overall economic activity levels rise, as new products and services are developed. The process is not painless; some workers suffer 'frictional' unemployment as they lose their jobs, and potentially find themselves unable to access new jobs. Their skills may no longer be relevant, they may be in the wrong place, or they may simply be unwilling to take on new opportunities[5].

Nonetheless most forecasts suggest that any jobs lost as a result of deploying generative AI will be replaced over time. A 2024 Tony Blair Institute report estimates that between one and three million jobs could be "shed" in the UK, but that there will be a net increase in employment over a 10 to 20-year period, as AI boosts growth, and creates new products and new jobs[6]. Taking a different view, an IPPR report from the same year argues that depending on the policies adopted, the UK employment impact of gen AI could range from the loss of eight million jobs with no additional economic output, to no net change in employment and a significant boost to economic output[7].

Other analyses suggest that, while technology-driven productivity boosts may increase demand for goods and services, these may be more easily and efficiently produced by technology than by human beings. In this longer-term scenario, generative AI and its successors may lead to structural unemployment for a large proportion of the workforce[8]. There could still be increased economic output, but distributional issues come to the fore: could AI-fuelled growth deliver a generalised increase in prosperity and wellbeing, rather than spiralling inequality?

While considerable uncertainty remains about long-term impact, there is a degree of consensus that it is knowledge industry and professional services tasks that will be most affected by generative AI. A 2023 study found that professional, scientific and technical services, and information services, firms were most exposed to gen AI disruption, and 80 per cent of respondents to a survey of professional workers worldwide in early 2025 expected 'high' or 'transformational' impact.[9,10]

Generative AI's capacity to precis, to research, to generate 'ideas', to structure arguments and data, and to produce text and images make it a close fit for tasks that are core to knowledge economy roles. Modelled analysis of where generative AI is likely to have most impact is supported by evidence from surveys of workers and employers. For example, McKinsey (2024[11]) found that the industries where AI use was highest and had grown fastest over the previous year were media and telecoms, technology, and business, legal and professional services.

This puts London at the likely forefront of AI impact. The capital is a national and global centre for knowledge-intensive service sectors. Information and communication, finance and insurance, and professional, scientific and technical services account for 31 per cent of jobs in London, almost twice as many as across the UK[12]. London's workforce, which fuels these sectors' success, is also younger and more highly qualified: in 2021, 47 per cent of the population aged over 16 had degree-level qualifications, compared to 34 per cent across England and Wales[13].

London is a leading hotspot for AI development. A 2023 analysis suggests that the capital had around 1,400 AI start-ups, with 50,000 employees, around 40 per cent of the UK total[14], and investment data indicates that London is one of the world's leading world cities for AI start-ups

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5 Susskind D, A world without work, Penguin, 2021

6 Sharps S et al, *The impact of AI on the labour market*, Tony Blair Institute, November 2024

7 Jung C and Desikan B, *Transformed by AI: how generative artificial intelligence could affect work in the UK – and how to manage it*, IPPR, March 2024

8 Susskind, op cit

9 Eisfeldt A et al, *Generative AI and Firm Values*, NBER working paper, May 2023

10 Thomson Reuters, *Future of professionals*, 2025

11 McKinsey, *The state of AI in early 2024: Gen AI adoption spikes and starts to generate value*, May 2024

12 ONS, *Workforce jobs by region and industry*, March 2025

13 ONS, Education, England and Wales: Census 2021, January 2023

14 Crowder A, *The UK's top artificial intelligence hotspots*, Datacity, June 2023

investment and growth[15]. A UK government study in 2023 found that London and the wider south east accounted for 75 per cent of UK AI companies. Many of these firms focused on knowledge economy services, including finance, research and development, marketing and advertising, entertainment and media, life sciences, and professional services. By contrast, AI companies elsewhere in the UK were more likely to be working in automotive, manufacturing, energy and agricultural sectors[16].

The next sections of this paper focus on professional services employers, how they are using gen AI, what this might mean for skills needs, and what this might imply for graduate recruitment and training, and for universities, building on the analysis of critical employability skills and the best ways for students to acquire these in 'The AI Generation'[17].

Gen AI in professional services – secret cyborgs and corporate centaurs

Until relatively recently, gen AI use in most workplaces was employee-led. In contrast to previous waves of technological change, which often required extensive remodelling of corporate systems, gen AI could be accessed on individual workers' mobile phones for little or no cost. Many workers became what Wharton professor Ethan Mollick calls 'secret cyborgs', automating parts of tasks without necessarily telling their employers. Sometimes this reticence was a result of company policies that focused on risks and prohibitions in relation to gen AI (rather than opportunities and innovations); on other occasions the secrecy may just have been a matter of wanting to benefit from time saved and/or worrying that employers would take advantage of any savings to load on more work or reduce staff numbers[18].

But corporate adoption appears to have accelerated; the proportion of businesses using AI in at least one function rose from 55 per cent to 78 per cent of those responding to a McKinsey survey in little more than a year.[19] This was confirmed in interviews and round table discussions in spring/summer 2025: accountancy, consulting, property and legal services firms were all exploring ways of using gen AI. Legal firms were probably most advanced: uses included due diligence reviews, document drafting, legal research and contract review. Accountants were reported to be more cautious, partly because of persistent concerns about AI 'hallucinations' and errors; in particular, interviewees cautioned against replacing reliable rules-based systems (eg, for paying bills) with less predictable and reliable gen AI systems. Management consultants are deploying gen AI agents to support staff, changing team configurations and re-orienting their services to support clients embedding AI in their own workflows[20].

The approach taken has differed widely within and between sectors: in some firms, a single proprietary system has been mandated for all staff, with built in 'guard-rails' regulating what users do and highlighting risks where appropriate. In these 'corporate centaurs' (Ethan Mollick's term again), the dividing line between human and AI work is clearly defined. In other cases, staff access has been much less regulated, with some employees becoming 'super-users' and generating innovations that can be adopted more widely. For example, Bristol-based legal firm

[15] https://media.londonandpartners.com/news/london-leading-global-city-for-ai-businesses-to-grow

[16] Department for Science, Innovation and Technology, Artificial Intelligence sector study 2023, October 2024

[17] Brown, op cit

[18] Mollick E, Co-intelligence: living and working with AI, WH Allen 2024

[19] Singla A et al, *The state of AI: How organizations are rewiring to capture value*, McKinsey & Company, March 2025

[20] Cutter C, *AI Is Coming for the Consultants. Inside McKinsey, 'This Is Existential.'* WSJ, 2 August 2025

VWV, which had in the past paid for off-the-shelf corporate AI tools that its lawyers weren't actually using, identified 50 problem areas, and asked its graduate trainees to find ways to address these using AI.[21]

Interviewees highlighted different levels of adoption within firms too. Individuals were using tools such as Microsoft Co-pilot, now with corporate backing, to enhance personal efficiency and productivity, though it was not yet clear how big a difference these made. Organisations were also starting to automate core elements of their business: both legal firms and accountants were reported to be using their own knowledge bases to train gen AI models through 'retrieval augmented generation', which reduces the risk of errors by specifying which sources gen AI should draw on. Some are developing these as proprietary systems, drawing on their internal knowledge resources of case law, or of risks and appropriate controls, to support clients. Models such as Thomson Reuters' CoCounsel legal assistant are also available by subscription.

In the longer term, use of gen AI could be even more transformational, widening access to information and 'expertise' (for example, legal and financial advice[22]) that was previously the domain of professionals, and prompting a deeper re-assessment of the nature of professional advice and careers. MIT professor David Autor argues that this could benefit both workers and consumers: "AI could enable a larger set of workers possessing complementary knowledge to perform some of the higher-stakes decision-making tasks currently arrogated to elite experts like doctors, lawyers, coders and educators. This would improve the quality of jobs for workers without college degrees, moderate earnings inequality, and — akin to what the Industrial Revolution did for consumer goods — lower the cost of key services such as healthcare, education and legal expertise"[23]. A less optimistic perspective might ask whether this automation of expertise might lead to polarisation – where 'personalised' advice becomes even more elite, both for workers and for clients, with generic advice of mixed quality for the rest.

For the moment, however, our interviewees argued that professionals' deep resources of knowledge were still important. One reason for this was the continuing risk of inaccuracy in the outputs of gen AI, and the resulting need for verification. A (much-debated) paper evaluating the accuracy of proprietary legal systems found that these were more accurate than general purpose chatbots, but still capable of making errors and supplying incomplete information.[24]

Accountancy professionals were particularly worried about AI systems offering "98 per cent reliability in a context where you need 100 per cent".[25]

Changing skills needs – human-centric professions

Professionals and their representative bodies also believe that they offer something that gen AI cannot: the creativity, judgement, empathy, nuance and ethical sense that complements the generic and flat output of even the most accurate gen AI model. Carving out space for these 'human-centric' aspects of professional advice could refine and redefine the role of professionals – "a transition from purely knowledge-based skills to those emphasising judgement, ethical oversight

[21] https://www.vwv.co.uk/insights/news/vwv-puts-its-most-junior-lawyers-in-charge-of-shaping-the-firm-s-ai-strategy/

[22] Barrett C, *Planning your retirement? ChatGPT can help with that*, Financial Times, June 2025

[23] Autor D, AI Could *Actually Help Rebuild The Middle Class*, NOEMA, 12 February 2024

[24] Magesh V et al, *Hallucination-Free? Assessing the Reliability of Leading AI Legal Research Tools*, Journal of Empirical Legal Studies, March 2025

[25] Interview with Alistair Brisbourne, ACCA, 11 June 2025

[26] Chittenden T, *AI and the future of professional knowledge*, Law Society 2025

and strategic thinking in an AI-augmented environment", in the words of a Law Society paper – rather than eclipsing them, though this redefinition would potentially require a rethink of professional training and accreditation.[26]

Drawing observations from literature reviews and interviews together, the range of skills needed for professional services workers looks likely to grow and change. Five skills will be particularly important:

- **Technical skills:** future graduates will need to understand gen AI systems, how to work with them, their capabilities and their flaws. However, coding skills and even the more-recently vaunted skills of 'prompt engineering' were seen as less important; modern AI systems are capable of generating code (software engineers are already losing jobs, even as a few AI experts command huge salaries[27]), and their natural language capabilities are continually improving, so that most people can quickly develop the skills needed to ask for what they want.
- **Domain knowledge:** for all the discussion of the move "from deep knowledge to broad skills"[28], it is likely that deep domain expertise will remain important, as long as gen AI cannot be trusted to be 100% accurate. For the moment, this represents a potential brake on productivity gains: gen AI can undertake academic, legal or accountancy research lightning fast, but accuracy still requires human checking – either line-by-line or using the type of 'professional intuition' that, interviewees observed, is founded on experience and tacit knowledge.
- **GRASP (general, relational, analytic, social and personal) skills:** using gen AI effectively requires critical and analytical judgement – the ability to identify and articulate problems, and to interrogate and evaluate results. But the work of professionals also involves listening, empathy and persuasion skills, and the ability to work as part of a team. And the rapid pace of change will call for the ability to learn and develop, and to self-direct and adapt, to invent and innovate. The growing importance of these GRASP skills was highlighted in 'The AI Generation', drawing on sources such as UK Government, World Economic Forum and Oxford Martin School[29].
- **Ethical behaviours:** AI-using companies responding to a survey in 2024 said they were struggling to recruit AI compliance and ethics specialists, rather than the software engineers, data visualisation specialists and design specialists that had been in short supply previously[30]. With the growth of gen AI, ethical sense, authenticity and accountability are likely to assume ever more importance. Professionals developing and deploying AI tools will need to consider how they can vouch for accuracy and authenticity, how they demonstrate their own trustworthiness, and how they delineate and enforce limits and controls on what AI systems do.
- **Contextual understanding:** Professionals need broader knowledge too. In the words of Tara Chittenden, the Law Society's foresight manager, "there's a growing gap in what I'd call systemic awareness. Lawyers increasingly need to understand how the law and how their advice fits into bigger systems – including ESG, AI ethics, cybersecurity, climate regulation. So it's not just about knowing the technical letter of the law, but being able to see the wider implications and to think across domains."[31]

Given the rapid speed of advances in gen AI, and the potentially transformational effects on what lawyers, accountants, consultants and other professionals do day-to-day, any assessment of future skills needed can only be provisional. As the technology's capabilities evolve, so will our understanding of what it can do, how it can be complemented and what innovations

[27] Prescott K, *A few human brains are the real smart ones in the AI arms race*, The Times, 7 July 2025

[28] Kulka B and Brown R, *Human Capital: Disruption, Opportunity and Resilience in London's workforce*, Centre for London 2018

[29] Brown R, op cit

[30] Singla et al, op cit

[31] Interview, 22 May 2025

[32] Ovsyannikova D et al, *Third-party evaluators perceive AI as more compassionate than expert humans*, Communications Psychology 3, 2025

it can enable. For example, empathy has been identified as a specifically human skill, but gen AI systems already appear to many of their users to be empathetic and sympathetic (going on sycophantic) listeners[32]. We may dismiss this as a simulation, but it is likely to become an increasingly sophisticated one over time.

In addition, even if AI cannot exercise 'judgement' in the same way that professionals do, this does not mean that will not be able to meet clients' needs. As Daniel and Richard Susskind have observed, professional judgement is often deployed to help clients deal with uncertainty. Gen AI may well provide an alternative way to do this – in making a diagnosis, in predicting likely outcomes from litigation, in helping clients develop a strategy that is resilient to probable future scenarios. In such cases AI is an alternative to, not a substitute for, professional services as currently delivered.[33]

Graduate recruitment and career development – triangles and diamonds

Graduate trainees in professional services undertake many of the semi-routine support tasks – legal research, contract review, due diligence reports, copywriting, slide-deck preparation – that are most easily taken over in part or in full by gen AI. By summer 2025, there were already reports that graduate and entry-level recruitment was slowing because of AI[34]. However, the signals are conflicting[35], with AI adoption interacting with cyclical or sector-specific changes.[36]

Nonetheless, several interviewees agreed that gen AI had potential to transform hiring strategies and graduate development programmes. Recruiters are concerned about the way that gen AI can be used to generate large numbers of superficially compelling but generic job applications, and about how it is being used for online assessment and interview tasks. While gen AI can play a valuable role in helping job applicants to articulate their skills and experience in a way that resonates with recruiters, new approaches and systems may be needed to ensure that the process brings out what is authentic and individual about applicants, including through approaches such as 'strengths-based recruitment', rather than ticking boxes on a generic job description. Some employers are reinstating in-person interviews, though this can raise issues of equity for students who may have to travel long distances[37].

One metaphor that came up repeatedly was that of the traditional 'triangle' structure chart, with large numbers of trainees at the lowest layer then a thinning hierarchy above, being replaced by a 'diamond', with lower entry-level recruitment, but more hiring of mid-career professionals who could bring more rounded and client-focused expertise – deploying the tacit knowledge gained through experience, as well as codified knowledge that can be taught or provided by gen AI. However, as interviewees acknowledged, it is hard to see how the 'diamond' would be sustainable (without dramatic changes to the professions themselves) over the longer term.

At the same time, both university employability content and graduate training programmes could be transformed by gen AI, offering more personalised learning and development, immersive simulations and shared problem-solving challenges. These may well be better and more engaging ways of training young professionals than the long hours of 'grunt work' that has sometimes formed much of

[33] Susskind D and Susskind R, The future of the professions, Proceedings of the American Philosophical Society, No 2 June 2018

[34] Brynjolfsson E et al, *Canaries in the Coal Mine? Six Facts about the Recent Employment Effects of Artificial Intelligence*, August 2025

[35] Institute of Student Employers, *Have graduate jobs really nosedived?* July 2025

[36] O'Connor S, *Pity the policymakers in the AI jobs tsunami*, Financial Times 15 July 2025

[37] Milmo D and Almeida L, *Teach First job applicants will get in-person interviews after more apply using AI*, The Guardian 13 July 2025

trainees' experience. However, interviewees emphasised that these virtual assets needed to be supplemented by real-world mentoring and experiences, to enable trainees to flourish in the messy reality of professional practice, as well as in carefully engineered learning experiences.

Implications for higher education – skills for life

Generative AI is already becoming a pervasive presence in professional services and the wider knowledge economy. It is likely to have a transformational effect in coming years, automating some processes and augmenting others, creating new services and extending access to existing ones, and in the longer term potentially calling for re-assessment of the role of the 'professional'. Given London's leading role both in professional services and in the development and deployment of AI, the capital is likely to be at the forefront of this wave of transformation.

London's universities have grown in tandem with London's professional services sector, and are identified as a critical source of strength in London's Growth Plan[38]. The capital has more than 50 universities and higher education colleges, with more than 500,000 students. London's universities regularly feature at or near the top of global league tables[39], and the capital draws talented graduates from across the UK and the world: in 2022/23, around 50,000 recent UK graduates started work in London, though more than half of these had studied outside the capital[40]. London universities also have a relatively good record in terms of recruiting students from poorer backgrounds and enabling them to secure well-paid jobs: a 2021 study found that the ten best-performing UK universities on these measures were in London, including both long-established elite universities and more accessible post-1992 institutions[41].

As gen AI use grows and the knowledge economy is transformed, universities need to consider not only how to adopt AI in their own learning, student support and assessment functions, but also their role in preparing young people from all social backgrounds for a future that is both exciting and challenging. Six principal areas for action are identified below.

1. **AI literacy and ethics:** while the latest gen AI models are more easily accessible than almost any previous technology, a basic understanding of how they work, what their limitations are, how they can and cannot be deployed, where biases can creep in, and how they should be used in a way that is transparent, ethical and accountable, will become a foundational skill for professional service workers in future years.

   This suggests that the effective, authentic and responsible use of gen AI at university should be supported and encouraged, as a way to support individual research and learning, rather than as a machine for generating essays and assignments. Many UK universities are already embracing the use of AI in this way, but may still be lagging behind student expectations. 53 per cent of students in the UK believe that their institutions should provide them with AI tools, but less than half that number report that tools are provided.[42]

2. **Breadth as well as depth:** graduate employers told us they were looking for broad understanding of systemic and social context, including on ethical issues, environmental and social responsibility, authenticity and accountability. Universities should explore opportunities to look beyond traditional subject domains, including through inter- and trans-disciplinary teaching and collaboration.

[38] Mayor of London and London Councils, London Growth Plan, Feb 2025

[39] QS World University Rankings 2026

[40] Graduate Outcomes, Summary Statistics: SB272 Figure 15, HESA, 17 July 2025

[41] Sutton Trust and IFS, Universities and social mobility, 2021

[42] Freeman, op cit

Several University of London members, including Birkbeck, Kings, UCL and LSE, now include interdisciplinary elements in courses, and a new London Interdisciplinary School was founded in 2017 and offers interdisciplinary undergraduate, masters and MBA courses.

3 **Collaboration and social formation:** the rapid adoption of gen AI and other technologies has followed close behind the COVID pandemic of 2020-23. Between them, these events had dramatic impacts on working life and student life, forcing much of it on-line in the short term, and enabling many interactions to remain on-line thereafter. While flexible working is valued, graduate employers underlined that they need trainees who can work together and collaborate with colleagues and clients – in person as well as on-line, and in hybrid teams where gen AI may also be a collaborator; developing these skills should not be overlooked by universities.

4 **Industry exposure:** similarly, graduate employers value trainees with experience of operating in the workplace or similar environments. In the words of ACCA's Alistair Brisbourne, "having been embedded or engaged in internships or things like that will be ever more valuable – ensuring that recruits know what the workplace is like and being able to hit the ground running". Interviewees felt that longer-term relationships between employers (including, potentially, smaller organisations working through professional bodies) and universities could collaborate to enable students to gain valuable work experience and skills, replacing what one described as a rather "transactional" approach to work placements at the moment. However, as previous research has illustrated, students from more privileged background can more easily access the benefits of work experience and other extra-curricular activity, so care is needed to ensure that work experience supports social mobility and good opportunities for all, rather than restricting access to these benefits[43].

King's College London's employer partnership programme includes annual employer summits and expert advisors who work with specific industry clusters, overseen by a newly-established Employer Advisory Board. The Board includes representatives from industry sectors, local boroughs and overseas markets. It is convened by the Employer Relations and Engagement Team, and acts as a source of expertise and guidance on employability, but also as a resource for the whole institution to draw on and engage with when an employer perspective would be valuable in course development, student assessment and strategy development.

5 **Lifelong learning and agility:** gen AI is developing fast, and the knowledge and skills that graduates will need to thrive are likely to do so in response. In these circumstances, several interviewees underlined the need for higher education to be a continuing and adaptable process rather than a singular 'front-loaded' exercise. Finding ways to help people develop new skills and understandings, in a way that straddles professional development and lifelong learning, will be important for both universities and professions.

Many universities are already exploring lifelong learning models, partly in response to the UK government's introduction of the Lifelong Learning Entitlement, a more flexible approach to providing student finance for further and higher education. For example, University of London is developing a modular approach to undergraduate and postgraduate programmes, which will enable students to study at the University and its federal members throughout their lives – whether building degrees or securing standalone certificates.

6 **Learning beyond work:** finally, it is conceivable that gen AI may render many professional services and other UK jobs obsolete in the long term. We may be on the threshold of a new age of leisure, like that envisaged by Bertrand Russell more than 100 years ago, promising "happiness and joy of life, in place

[43] Brown R, op cit

[44] Russell B, *In Praise of Idleness and Other Essays*, George Allen and Unwin, 1915

> of frayed nerves, weariness and dyspepsia"[44]. Then again, that promise may remain as stubbornly unfulfilled, as it has been in the century since Russell's essay. If this utopia does come about (leaving aside difficult questions of its political economy, and who precisely will enjoy this leisured future), universities' broader role in promoting the advancement of learning, civic development and personal fulfilment may come to assume as much importance as the development of skills for the workplace (to paraphrase the Robbins Committee's 1963 articulation of the aims of higher education[45]).

As the Mayor of London's 2025 consultation on his Inclusive Talent Strategy recognises, artificial intelligence is likely to result in transformation of London's economy, calling for resilience, innovation and adaptability from London's workers.[46] There are many things we don't know. Will AI adoption plateau or be slowed by a public backlash? Will employers will redeploy staff, invest innovation or cash in savings? Will new start-ups compensate for any job losses? What policies will government adopt? But in any case, the next generations of graduates and the universities that support their learning are likely to be at the forefront of change.

The UK's current model of higher education will need to adapt quickly, to show it can combine agility and responsiveness with the rigour and standards that have earned its global reputation. This may call for experimentation with course structure and teaching methods, and remodelled partnerships so that students and employers continue to see the value of higher education, and so that universities can continue to fulfil their academic, economic and civic missions in a time of rapid change.

Given the potential scale of transformation, there is a bigger opportunity too. London's universities, employers and policymakers are a powerful civic alliance. Through partnership, collaboration and focused strategic imagination, they can not just respond to the waves of change, but shape and direct them too.

Author biography

Richard Brown is a policy analyst, researcher and writer, specialising in urban development and governance, innovation and higher education, and London's economy and history. Over 25 years, Richard has worked in a wide range of London institutions – helping to set up the Greater London Authority and working for the first Mayor of London, establishing the organisational infrastructure for the 2012 Olympic and Paralympic Games and legacy, developing the business plan for Queen Elizabeth Olympic Park, and leading the research and events teams at Centre for London, the independent think tank for the capital.

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[45] Robbins Committee, *Higher Education Report*, Cmnd 2154, 1963

[46] Mayor of London, *Inclusive Talent Strategy consultation*, June 2025

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