

LEARNING IN THE 21ST CENTURY

More and more companies are moving away from instructor-led training to e-learning. Efficiency and cost savings explain the shift.



THE THREE S's

E-learning helps with assessment, provides savings, and fosters standardization of best practices

Most in-house e-learning sessions are certifications based. Completing certifications is linked to performance appraisals, ratings and thus promotions, says S Ranganathan, HR manager at an MNC in Mumbai. Does it help in performance assessment of employees? Yes, he adds. "It is a big input in appraisals. Most certifications are grade wise. So if you want to move to another grade, i.e., get promoted, you will need to have completed all the certifications deemed mandatory for the earlier grade." How do employees usually relate to e-learning? Since they can space the e-learning sessions as per their timelines (within a given window) and since the benefits are tangible, success and response rate of e-learning sessions are high.

According to HR and training professionals, another benefit of e-learning over other forms of training is the manner in which it facilitates measurement of Return on Investment. Employee training is a major investment for any company so it is essential to be able to evaluate the return on that investment in both quantitative and qualitative terms. E.g., IBM had reportedly saved \$166 million within one year of implementing their e-learning program and subsequently it increased to \$350 million in 2001. During the same year, it also reported an ROI of 2284 per cent from its Basic Blue E-learning program.

According to studies on e-learning ROI, companies can save between 50% and 70% when they replace ILT (Instructor-Led Training) with e-learning. The majority of these savings includes housing and travel costs. Add to that lost productivity and revenue as classroom interaction or (ILT) includes travel time as well as the total time away from the office.

A further benefit is what one could call globalised training. Globalisation means that different people throughout the world are consuming more of the same consumer products and services. With e-learning, more and more people are being exposed to the same kind of training. This can mean that more people throughout the world are exposed to good training programmes. Ranganathan emphasizes this: "An e-learning program is also seen as a way to boost employee retention. For example, an employee sitting in India can get the same product trainings and other trainings available to employees all over the globe. It standardizes the learning process." ■

E!Learning Magazine 2007 Awards

Category	Product Name	Company	Location
Learning Management System	Saba Enterprise 5	Saba	California
Hosted Learning Mgmt System	GeoMaestro	GeoLearning	Iowa
Best Leadership Training	Ken Blanchard Situational Leadership Series	Ken Blanchard Companies	California
Soft Skills Content	SkillSoft Business Skills Library	SkillSoft	New Hampshire
Virtual Classroom	WebEx Training Center	WebEx Communications	California
Presentation Tool	Articulate Presenter Pro	Articulate	New York
Simulation Solution	Adobe Captivate	Adobe	California

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It's the latest in corporate tools. E-learning has become de-rigueur at most IT firms, financial institutions, and even at law firms. Though a newcomer, it represents a big and growing market. Worldwide revenues from e-learning are currently estimated to be reaching \$21 billion, according to an IDC Report. The U.S. e-learning market, by far the largest, was projected at \$17.5 billion in 2007, in this case by "e-Learning: A Global Strategic Business Report," published by Global Industry Analysts. Europe and Japan still lag behind the US and only account for approximately 25% of the world market. But Asia as a whole is gaining in the race. Its overall use of e-learning is expected to reach a compound annual growth rate of 25 percent to 30 percent through 2010, at least according to the report.

E-learning uses electronic technology, including digital collaboration, satellite broadcasting, video and audio conferencing, to achieve its educational objectives. It allows companies to bridge distances and other organizational hurdles by means of virtual training

programmes that are accessible to anyone, anytime, anywhere. From the employee's standpoint, e-learning entails one significant benefit: the employee can learn at his or her own pace. From the manager's or learning officer's standpoint, e-learning makes closer electronic tracking of the employee's progress possible.

How come the market size and growth? Answer: growing need for training and cost effectiveness. As the pace of technological innovation accelerates, technical skills

obsolesce. It then becomes necessary to find effective and economical ways of training workers in the handling of new processes. Electronic learning has proved more efficient in delivering new knowledge to large numbers of people than has traditional instructor-led training (ILT). In e-learning a company can reach many people in many places at any time of its choosing, and do so easily. Also obtaining is the matter of cost control. It costs less over the long run to implement an e-learning

program than it does to pay an army, or at least a brigade, of teachers. Besides, e-learning is a way of reducing travel expense, as the learners do not have to travel to more or less distant physical teaching sites.

According to Gartner Research, e-learning costs come in at one-third to one-fifth of the traditional classroom training bill. The Chief Learning Officer, Suguna Ramesh, at a Bangalore IT company confirms this, asserting that e-learning is a cost-effective alternative to ILT.:

"With e-learning, you can show comprehensive, cost-effective alternatives for delivering training," he says.

Most large companies now run e-learning programmes of some kind. One example is HP. Like many IT firms where innovation is permanent and often of considerable novelty, HP finds itself obliged to take training very seriously. It operates separate organisations to provide it throughout the world for employees, partners and customers. In 2005, it needed a programme that would offer effective, remotely-delivered courses, while changing as little as possible in existing ILT courseware.

Here's what it did. It used remote-training tools in virtual classrooms and in virtual laboratories to create virtual environments where people could in reality learn. IT professionals usually go for the hands-on way, including interaction with their instructors. So the solution had to provide a learning experience that was interactive and hands-on within a virtual environment—oh, and to make it available throughout HP's world-wide organization. To its virtual classrooms, HP then added virtual laboratories. Virtual-lab programmes are run both in an entirely virtual environment but also as part of the instruction offered in face-to-face classrooms. This reduces overall equipment costs, along with those expenses attendant on expansion.

And so, HP customers in Singapore no longer need to travel to Hong Kong to take a class that requires special equipment. The virtual way has

made it possible for Singapore to afford its own course. To help instructors keep up, HP has virtual communities where they can interact to solve problems or generate ideas. These virtual communities use so-called collaboration tools, along with traditional train-the-trainer routines and virtual mentoring. This brings a saving not only in terms of the instructors' time and travel, but also in the outlay for shipping equipment.

No wonder that e-learning is spreading fast and wide. In the financial sector, Capital One Financial Corp. uses it to develop its strategic growth initiatives. Its e-training program aims at improving performance and thereby customer satisfaction, in this case in the field of info-based marketing. In the process control sector, KLA-Tencor uses e-learning for workforce development and performance evaluation. TeleTech@Home is a US-based call centre whose agents train and work entirely from home. To train new agents the company has switched from lengthy instructor-led technical courses to a mix of e-learning and ILT. And then there's Accenture which this summer implemented a system for the airline KLM's Engineering and Maintenance division. An interesting aspect of this system is that it allows managers to follow-up much more easily on the renewal of employee certifications, crucial for maintaining flight safety. At some companies, for example Cisco Systems, 60 to 70 percent of learning is done online. A new Cisco employee spends his/her first two weeks on the Web site taking courses that initiate him/her to the new task.

E-learning courses can take the form of classes, PowerPoint presentations, presentation of knowledge database on the web that's accessible by password, manuals, and CDs containing study material, real-life situations on video and simulations. Online support may also be available in the form of forums or online bulletin boards. But it is important to emphasize that e-learning has not fully replaced the instructor-led kind. That explains why many companies like to use what is called blended learning, that is to say a mix of electronic and instructor-led sorts.

E-learning breaks down into synchronous and asynchronous

modes. Synchronous training occurs in real-time with an online instructor in charge. Employees log in at a set time and can communicate directly, albeit in a virtual manner, with the instructor. Synchronous e-learning now constitutes 10 per cent of total e-learning in the US. In asynchronous training, by far the more popular way, the employee studies at a convenient time without any concurrent instructor interaction.

The recommended length of an e-learning module varies according to the needs of the company. Some can take a month, some longer, up to six months. Again, it



TRAINING BEST PRACTICES

Motorola has been improving its training programs continuously over the last 25 years

Motorola has been at the forefront of learning initiatives for a quarter of a century now. Vivek Gupta and Joel Joseph of the ICFAI Center for Management Research have studied Motorola's evolution in training excellence.

Competing in the 70s in a fast-changing consumer electronics market against nimble Japanese firms, Motorola first set up a Motorola Training and Education Center (MTEC, 1980) to improve mastery of existing work processes used in the various manufacturing units. In the 80s as the rhythm of business change accelerated, the need for training in new processes also increased and so Motorola transformed its MTEC into a full-fledged Motorola University (1989). MU provided instructor-led training. The trainers were both internal and external experts who would fly to various sites to dispense their instruction. Motorola recognized several drawbacks to this approach. There were heavy travel costs associated with the instructors. The instructors gave long 2-3 hour sessions into which they crammed all sorts of information while often each employee was really interested in only a portion of the session. Lastly, the employees often had to spend days away from the office at the training site.

So in 1993 MU set up self-directed learning (SDL). This approach was student-centered as opposed to the instructor-centered approach employed previously. The student would identify his/her training needs, set goals and formulate strategies. The technology used included audio tapes, interactive video and CD-based learning. More than 800 courses were offered in the SDL mode with each course requiring approximately four hours to complete. Motorola found that the cost of training was nearly halved using the SDL approach.

By 2000 the Internet had reached cruising speed and Motorola decided to make the move to e-learning. Its goal at the outset was for e-learning to constitute 50% of all learning by 2003. It set up a value chain process to first identify the company's needs, then to identify the employee skills corresponding to those needs and finally to generate the e-courses to deliver those skills. For the employee, e-learning consisted of a six step process. First she would identify his/her skill gaps, then choose a relevant course from the offerings, enroll, pay the course fee (charged to the department budget), take the course over a 3 month period and receive final credit. MU installed 20 servers around the world to enable e-learning at its various locations.

In the SDL phase, MU had become aware of some difficulties. Many students did not start the course that they had enrolled for (over 50%), and of those that actually started the course less than 10% completed it. So with e-learning MU implemented a Learning Guide, offering assistance through electronic messages. As part of this Guide a four-step e-mail process was instituted. At the time of enrollment, a first e-mail gave the student some practical advice such as switching off telephones and putting up an "In Training" sign while working at a session. Also an e-mail was sent

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depends upon the company, level of employee demand, and other factors. Typically, the module will include deadlines and intermediate and final examinations by way of monitoring progress. When it comes to duration per session, most learning officers advise sessions not exceeding two hours. But that depends on what is being used. For example, if it's only Web videos, the suggestion is not to exceed 20 minutes, as most of these sessions are conducted as part of a workday and attention spans are low. If, however, the session involves interaction with an instructor, then it can be one to two hours.

A further question concerns the use of off-the-shelf versus customized solutions. If the learning content is advanced, a customized solution becomes necessary. Basic sales techniques can be taught using off-the-shelf software; advanced in-house technological skills require customized software. But there are variations on this. At Motorola, the course content for the company's initial e-learning programme was developed both internally as well as sourced from external service providers. The course delivery was through an e-learning portal that the employees could access and where their learning activity records were stored.

The major e-learning service providers are doing their best to generate more such hybrid solutions. For example, Saba, the firm that provided e-learning technology to ABN Amro and Adobe and was chosen by Accenture for the KLM project, offers an Internet-

based learning system, called Saba Learning Enterprise. The system is transmitted by Saba's own servers, thereby saving customers the need for special infrastructure to use it. By selecting Click2Learn.com those who participate in the Saba Learning Enterprise can distribute and manage Internet-based training via Saba's server. Doing so you can create your own course materials and distribute them via Saba thus saving yourself the cost of installing your own system.

The most recent development in e-learning is Rapid E-Learning. New tools for converting personal Powerpoint presentations into teaching materials make it easier for trainers and developers to build online courseware. As can be seen, e-learning is on the roll. ■

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to the manager requesting him/her to talk to the student and to support the student's training efforts. Four days after that, e-mails were sent with a reminder to the student that the Learning Guide was there to help him/her with problems and another to the manager reminding him/her to support the student's training efforts. Motorola found the external pressure provided by this e-mail prodding to be productive.

In order to continue to put technological development at the service of training MU created the College for Learning Technologies (CLT). The CLT developed such tools as Just In Time Lectures (JITL; video recordings of lectures by internal and external experts), I Cubed (Intranet Immediate Instruction, which allowed instructors to create and post instruction materials in a very short time) and Communities of Practice (forums in which employees with common interests could share their knowledge).

More recently, MU has moved into m-learning, that is to say providing training on mobile devices. In some countries which have Internet bandwidth restrictions and offer greater mobile connectivity, this type of learning makes more sense than computer-based learning. Furthermore, m-learners can talk to each other while taking the course. Also, the handiness of the mobile device can make some training possible in spaces where a computer proves unwieldy (e.g. bus or subway). The size and time restrictions associated with mobile devices have forced MU to reconfigure their learning modules, to downsize them into what they have called Knowledge Nuggets.

But that does not make m-learning from MU McKnowledge.

Reference: ECCH, 906-015-01 ■

