

Special focus

The state of the art: E-Learning 2006

E-learning is changing from a niche, in-house developed application to the corporate mainstream. However, much work still needs to be done before it is fully embraced. Graeme Burton analyses the results of this year's e-learning survey from Ark Group.



E-Learning tools:
Could do better

On the surface, e-learning ought to be a no-brainer. By virtualising many aspects of training, an organisation can radically cut costs, while broadening access to learning of all types. In the process, the organisation can also keep a closer eye on the skills of its workforce, which can help in terms of compliance, ensuring an adequately skilled workforce, putting staff in touch with one another when there's a technical question to be answered and, of course, in filling vacant positions.

Furthermore, an e-learning system is not 'bleeding edge' technology; all the underlying technical elements – such as content management systems and networking capacity – are in place. What could be easier? Building and managing an e-learning system ought to be a doddle.

But it isn't. While the market for e-learning software and services is growing fast, according to analysts such as Gartner, there remains a substantial groundswell of dissatisfaction among users, one that recent consolidation among vendors is only now beginning to address.

The latest end-user research into the e-learning market was conducted in February 2006 by Ark Group. The results were predictably mixed. What was clear, however, is the importance of e-learning and its pervasive nature. Some two-thirds of organisations (59 per cent) have implemented an e-learning system, according to our survey results, while a further 28 per cent plan to do so soon – leaving just 13 per cent to handle training in the traditional manner.

In this survey, Ark Group endeavoured to elicit as much input from respondents as possible in order to gain the best insight into their actions and motives. We wanted to encourage respondents to tell us why they chose a particular course of action in their own words, rather than channelling people's responses into rigid and unrepresentative tick-boxes.

Blinkered vision

We specifically asked why that 13 per cent were not contemplating e-learning. Did they know something that could overturn the conventional wisdom? Sadly not, a lack of all-round organisational and/or managerial strategic vision were largely to blame:

"Administrators [management] stuck in the nineteenth century (okay, maybe the twentieth century). In addition to no vision, they will not devote funding or employee-release time needed to accomplish professional-development training." (University, US)

"No approved budgetary case or strategy to support development." (Entertainment company, Australia)

"From a strategic perspective there has not been enough interest to get a scoping project up and running yet." (Government department, Australia)

While managerial strategy or vision is to blame in many cases, there were also a number of other reasons – in some cases excuses – for not implementing or considering e-learning systems:

"At present 30 locations do not have internet access. In time it is possible that this will change, but not in the immediate future. It would be very exclusive at present were it to be introduced." (Retail chain, UK)

"The cost involved is too high and the benefits may or may not materialise, specifically for a small company of fewer than 100 people." (Insurance company, Singapore)

"The answer is really in between 'yes' and 'no'; should be 'sort of'. We have many e-learning courses (mostly purchased, the IT type). We are trying to develop our own, though this is proving harder than anticipated – one can't just take a class, videotape it, add the Microsoft PowerPoint slides and post it on the internet." (Public sector organisation, US)

Size is clearly an issue for many. For organisations with fewer than 100 staff, e-learning is simply an unaffordable luxury.

Maturing gracefully

Conventional wisdom dictates that as a technology matures, it becomes more uniform and purchasing decisions become

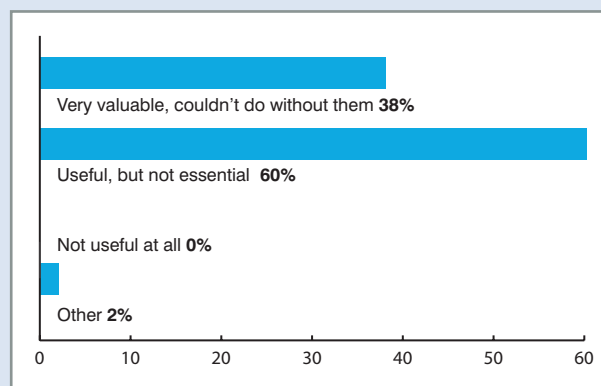


Table 1. How valuable would you say e-learning tools are to corporate training?

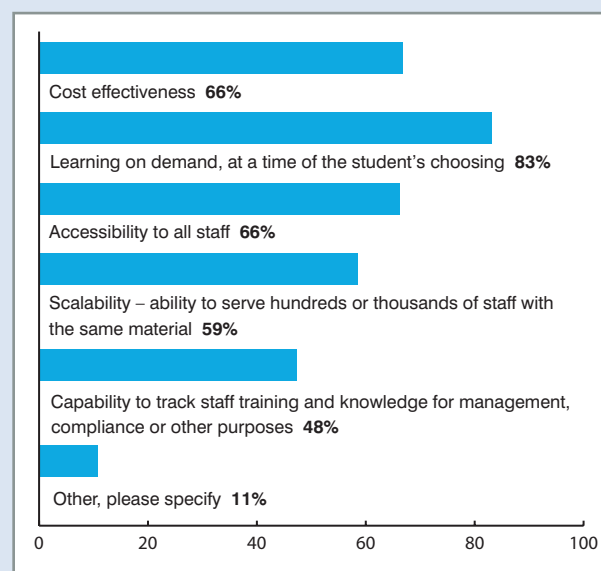


Table 2. What would you say are the main advantages of e-learning?

less complicated. Different software packages become more alike, vendors launch takeover bids for their rivals – either to flesh out their technology or to 'buy' market share and eliminate a competitor – and the weak simply wither and die.

As that process gathers pace, buyers tend to choose the software of the winners, and abandon their in-house applications for packaged software that they are promised will be cheaper to run. In the end, just a small handful of strong players emerge.

However, while the e-learning market has been awash with mergers and acquisitions, it remains far from sewn up by a handful of big-name vendors. Furthermore, organisations are holding on to their in-house developed applications for now, a fact that is reflected by the surprisingly low penetration of packaged

software. The traditional IT department, crafting bespoke applications, either from scratch or from various base components, is far from dead – contrary to popular myth.

Just 28 per cent of respondents said that their organisation had implemented an off-the-shelf package and they cited a wide variety of suppliers, with specialists Saba, SumTotal and SkillSoft most commonly mentioned, along with Microsoft and IBM.

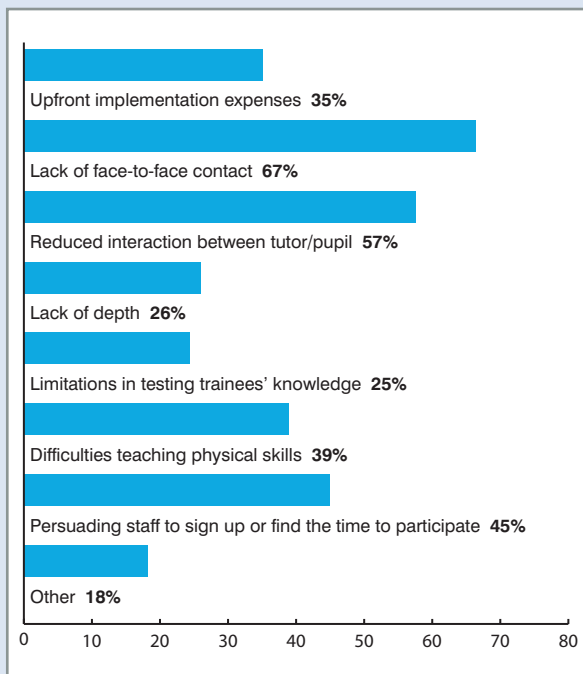


Table 3. What would you say are the main drawbacks of e-learning?

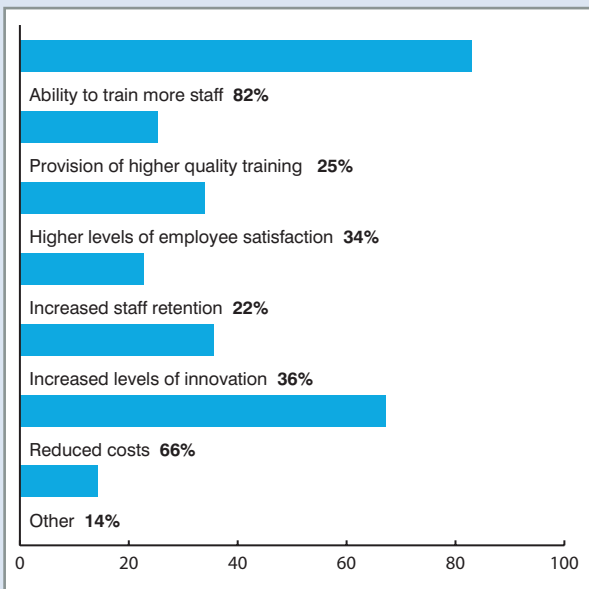


Table 4. What business benefits would you expect to achieve through e-learning?

Open-source e-learning applications – that is to say, software in which the source code is freely downloadable and maintained by enthusiasts over the internet – have also found a home in many organisations. Moodle and Claroline were the most frequently mentioned.

It should be borne in mind that these open-source packages cannot be compared for features and functions with the mainstream commercial packages. However, they can fill a niche requirement relatively inexpensively, provided that the expertise to implement them is available in the organisation or inexpensively from outside consultants.

However, many more systems were either designed and implemented in-house or were built in partnership with external partners – a total of 43 per cent. In some cases, these were built with enterprise-content management (ECM) systems from such vendors as Ektron and Hummingbird, rather than being crafted from scratch.

Wants and needs

The standard e-learning system is, broadly speaking, comprised of the four following main elements:

- *A learning-management system*

This enables users to register, be monitored, to work through courses in stages, to be tested and so on. The system can assess learning and control content delivery;

- *Learning content or 'courseware'*

The learning content management system (LCMS) stores the wide variety of media types that will be required. This includes course texts, graphics, sound, video, tests and so on. An LCMS will often include basic workflow to ensure

that students complete material before they can move on to the next module;

- *Administration tools*

These are key. They enable tutors to see how well their students are progressing, to take feedback and to mark and assess work. They can also provide insight into the state of training and learning in an organisation for the human-resources department and executive-level staff.

- *Tools for building courses*

These can vary very widely. Microsoft PowerPoint and Adobe (formerly Macromedia) Flash are generally the tools of choice. However, more sophisticated systems will include wizards for building lessons and tests.

This broad simplicity of e-learning systems has encouraged many organisations to build their own – it has also served to depress the licensing fees that e-learning software vendors can charge.

However, many organisations want their e-learning systems – whether packaged or bespoke – to be more sophisticated. We therefore asked about the extra features and functions they felt would be valuable.

"Better face-to-face access tools for instructors to interact with students." (University, US)

"Compatibility with different 'standards' in use across the world (analogous to the Betamax versus VHS battle for videotapes [in the 1980s])." (Public sector organisation, US)

"The ability to update individual training records when e-learning is successfully completed." (Healthcare organisation, UK)

"Addition of competence modelling and assessment tools." (Consultancy, UK)

But in many respects, the tools and features that many people desired – such as integration with HR systems and the ability to track the progress of pupils (two such feature/function requests) – are already available in mainstream e-learning packages, but these are not yet widely deployed.

However, the responses also highlighted some of the major shortcomings of e-learning systems, such as the lack of face-to-face interaction (66 per cent), the lack of sophistication in terms of testing (24 per cent) and the challenge of developing engaging and stimulating online lessons – teaching physical skills, in particular, has proved to be a handicap, cited by 38 per cent.

And, while the ability to offer learning ‘on demand’ was cited as the main advantage (by 83 per cent), there was, *ipso facto*, a correspondingly challenging task of persuading many staff to sign up, a problem cited by 45 per cent of respondents. This dichotomy also attracted a wide range of comments:

“The students need a strong motivation to do it! This is a key stumbling block.” (Consultancy, India)

“[It is] hard to develop appropriate materials; work interferes with the time to study.” (Public sector organisation, US)

“It’s limited to individuals and hard to get group interaction working effectively.” (Manufacturing company, Kuwait)

“[There is a] lack of staff commitment once [an e-learning system is] launched.” (Consultancy, France)

“It is difficult to keep the learner motivated. I find that you can easily get bored and stop taking the course.” (Supermarket, Belgium)

But what many organisations are crying out for, quite simply, is guidance about how best to design and conduct e-learning. It is, after all, universally acknowledged that organisations cannot simply record a classroom-based lesson and put it online. At the same time, trainers are unsure about what they should do.

“[We need] knowledge about developing e-learning lesson components; knowledge about how to better present e-learning lessons; and knowledge about linking e-learning to individual staff development portfolios – to retain records.” (Telecoms company, New Zealand)

“There is a lack of trained facilitators and a lack of understanding of how to put the social elements

around e-learning, leaving it a very dry, technical experience.” (Television broadcaster, UK)

“Poor practice and lack of designers’ knowledge = poor learning.” (Public sector organisation, UK)

The twin challenges exposed by these comments are reflected in the responses to our question about the most important technical elements of e-learning systems.

Most important, suggested respondents, is the ability for staff to easily sign up for courses and to manage their own progress online (66 per cent). Almost as important is the ability for training managers to easily monitor and manage staff progress (49 per cent).

But many are crying out for help. A total of 58 per cent cited tools to ease the production of content, but allied to the widespread complaint about the difficulty of producing engaging content cited above, it would seem that many of those tools are either not easy enough to use – or that developing e-learning content is a peculiarly challenging task.

We also asked respondents for their opinions on what other features and functions they would like to see included in e-learning software. In some cases, their responses reflect the under-developed nature of the systems they are running as some of the features, such as integration with core human-resources systems, are now readily available on the latest packaged e-learning applications. However, vendors would still do well to note many of the responses:

“Some kind of human online support or chat room facility so that questions can be answered at time of need, not just glossed over.” (Consultancy, Australia)

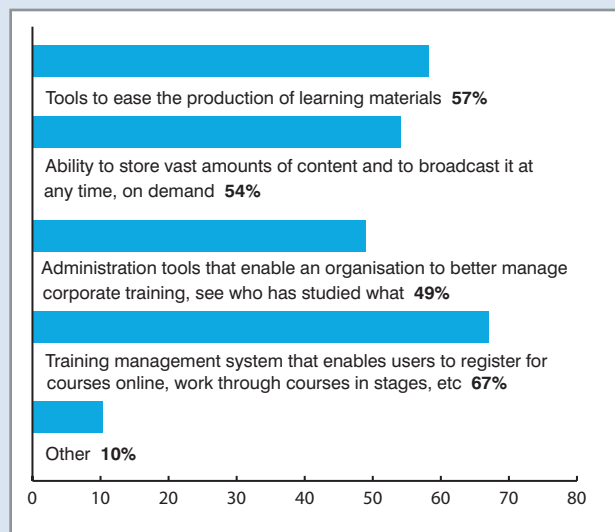


Table 5. What are the most important technical elements of an e-learning system?

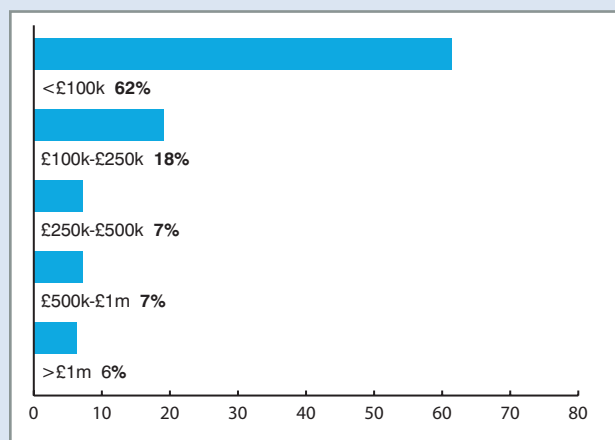


Table 6. Please indicate the size of budget allocated to your e-learning project.

“Easy interface for users, quick downloads, ability to work offline, simple tools, clear screens with easy-to-read fonts.” (Public sector organisation, US)

“A ‘train the trainers’ section, with means to interact and swap techniques.” (Television broadcaster, UK)

“Ability to collaborate with other learners and structured, facilitated learning.” (Public sector organisation, UK)

Or consider this plea from a user in the US public sector, who responded, quite simply, “ease of use”.

But whether everything that users and trainers want can be fitted into the budgets available is open to question. Budgets remain tight, with almost two-thirds (59 per cent) of respondents suggesting that their e-learning

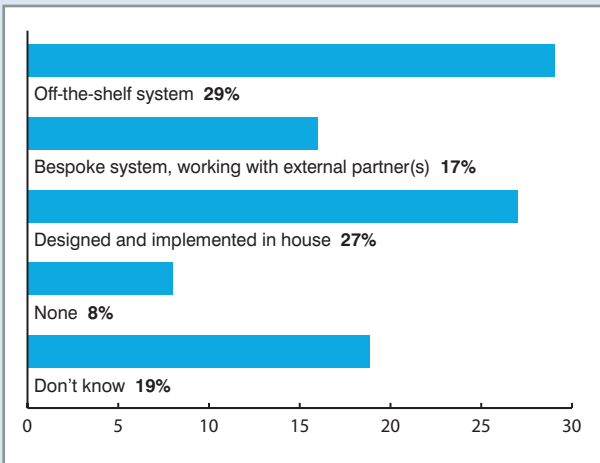


Table 6. What type of e-learning system have you, or do you intend to, put in place?



Table 8. Who are the main sponsors or drivers of your organisation's e-learning initiative?

spend totals less than £100,000 (\$175,000). Only a lucky few – six per cent – enjoyed a lavish budget of more than £1m (\$1.75m).

Regardless of how much is spent, the key question is whether they get value for money – or even whether they can work it out. Or in other words, have organisations worked out a way to demonstrate a positive return on investment (ROI) for e-learning applications to their boards?

Unfortunately, the answer to the question, “has the initiative achieved a satisfactory ROI?” was a resounding ‘no’. Typical comments included: “it’s impossible to judge”, “not sure at this stage”, “don’t know”, “no one knows”, “very hard to determine financial benefits”, and, “how to measure it?”

However, one-third suggested that their initiatives had achieved a positive ROI and many respondents were happy to share basic details about the methodologies they had used. This check-list from an executive of a hotel chain based in Australia may prove particularly helpful to organisations struggling to work out an ROI for e-learning:

- Improved availability and accuracy of reports with reduction in time to delivery;
- Decrease in cost of providing training;
- Decrease in time to have an employee workplace ready;
- Increase in number of employees who believe they have sufficient opportunity to development skills/eligibility for other roles or promotion;
- Satisfaction increase in access to reports and data for analysis;
- Increase in effectiveness of management reports;
- Increase in speed of approval for all course applications.

Significantly perhaps, that user is running a packaged application – SumTotal’s TotalLMS – rather than a system developed in-house. That may be the way forward for many other organisations, although that company’s budget was also significantly higher than average, at between £250,000 (\$435,000) and £500,000 (\$870,000). However, it had achieved a positive ROI in terms of the metrics listed above.

Without the ability to calculate ROI – positive or negative – for e-learning initiatives, it will arguably be difficult for it to gain the credibility that it needs at board level in order to be developed. However, where a solid ROI case has been put together, those charged with the responsibility have been able to argue for a higher budget, it would seem, as well as being able to implement systems that users are far more satisfied with.

After all, with three-quarters (73 per cent) of respondents suggesting that their organisation’s e-learning initiative enjoys board-level support, it is clear that senior managers are taking a close interest – and that means that it must pay. ■

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