

E-Training and Development

Colin Barrow

- Learn about the global benefits of e-training and development, how to extend the knowledge 'shelf life' of your company, and how to reduce barriers to entry of high-quality training materials for all organizations
- Covers realistic e-training and development for all sizes of company that delivers a profitable payback
- Case studies of success stories from IBM, Scottish Power, Yamatake Building Systems and Cisco Systems
- Includes key concepts and thinkers, a glossary of terms, a comprehensive resources guide, and a section of FAQs, as well as a 10-step program to making e-training and development work

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Introduction to E-Training and Development

- » Why training and development matters.
- » Why e-training and development matters even more.
- » How the knowledge “shelf life” is declining rapidly.
- » How globalization and technology are changing the way everyone works and consumes.
- » Leveling the training and development playing field for small businesses, the lifeblood of growing economies.

Since Herzberg's seminal work¹ on motivation, it has been common knowledge that the opportunity for advancement is one of the primary motivators of people in organizations. The link between personal, corporate, and national advancement and training and development is also easily demonstrated.

Higher education, for example, which can be seen as the pinnacle of the training process, is closely correlated with economic development - enrolment ratios in higher education average 51% in the high income OECD countries, compared with 21% in middle-income countries and 6% in low-income countries.²

Business recognizes the importance of training and development by spending over \$60bn a year on it,³ and there is evidence that expenditure pays off. According to a study conducted by the American Society for Training and Development,⁴ when a sample of publicly-traded companies was split according to expenditure on training per employee, the companies with the higher expenditure had higher average net sales per employee and higher average annualized gross profit per employee than the companies with lower training expenditure.

But the key finding in this study from an e-training and development perspective was not so much to do with the payback from investing in training and development as with the revelation that the top performing companies trained 84% of their own workforce, whilst the rest averaged just 35%. Even for the organization enlightened by self-interest, the benefits accruing from training can be hard to harvest. Several major and relatively new problems face any training organization.

- » Understanding that in the US the average duration of employment in one organization has shrunk from 25 years in 1950 to less than five years today, means that organizations face a formidable problem in delivering quality learning at a low enough cost to ensure a profitable payback.
- » People need new knowledge at an ever-increasing rate. The stock of human knowledge doubles every five years and if current trends continue it is expected to double every 73 days.⁵ This in turn means that training and development programs and their material content have an ever-diminishing shelf life, hence a potentially higher unit cost.

- » Work and consumption was once a local experience. People lived near their workplace and consumed what was produced in the area. Since the Industrial Revolution, that has changed and with the advent of IT and the Internet, the pace of change has turned the world into a “global village.” The first stage of this globalization was about driving costs down by moving production to low-cost areas of the world. The latest stage is about quality of service and adding value to goods and services in order to gain more competitive advantage. Calling an airline reservation service or a computer help-line may be routed to Ireland, Canada, or India, dependent only on the time of day in the caller’s country of origin. The service standard is expected, and required, to be the same and the knowledge skills of these “global” workers has to be identical.
- » Small companies are being created at a faster rate than at any period in recent history. These companies, unlike earlier generations of small businesses who confined their activities to their immediate locality, have to compete on a world stage. Such companies need access to high-quality training and development materials if they are to have any serious chance of surviving and prospering. There is certainly well-documented and longstanding evidence that the ones who do access training resources do gain these benefits.⁶

E-training and development enables organizations of any size and in any part of the world to enjoy the benefits of a skilled and well-trained workforce. The medium lends itself to allowing training material to be developed quickly, disseminated widely, and for costs to be spread over a larger base of users than with more conventional forms of training, such as those delivered in classrooms by a “warm” instructor.

In recent years, more and more companies have started incorporating e-learning – study and training mediated by IT – into their staff training programs. Over the last few years, for instance, IBM introduced e-learning on a widespread basis in its executive management and new-technologies training programs. By converting some 30% of its total menu of training courses to the e-learning system, the company has been able to train e-commerce technicians around the world in an impressively short time, and its total training costs are claimed to have fallen by \$125mn over the year.

Using e-training and development systems, large companies have successfully extended the shelf life of their knowledge⁷ and small companies have overcome barriers that would otherwise have impeded their entry into new markets.⁸

NOTES

- 1 Herzberg, F. (1968) "One More Time - How do You Motivate Employees?" *Harvard Business Review*, Jan - Feb, pp. 109-120.
- 2 Kuni, A. (2000) "Higher Education Through the Internet - Expectations, Reality, and Challenges." *Development and Co-operation*, no. 2, March, pp. 23-25.
- 3 Industry Report (1999), *Training Magazine*, October, pp.46-48.
- 4 American Society for Training & Development (ASTD) (1998), *The State of the Industry Report*.
- 5 DTI (2001), *The Future of Corporate Learning*, Department of Trade and Industry Report, London, p. 6.
- 6 Hills, G.E. & Narayana, C.L. (1989) *Profile Characteristics, Success Factors and Marketing in Highly Successful Firms - Frontiers of Entrepreneurship Research* (eds Brockhouse, R.H., Sr, Churchill, N.C., Katz, J.A., Kirchoff, B.A., Vesper, K.H., & Wetzel, W.E.M, Jr) Babson College, Wellesley, Massachusetts.
- 7 Meinster, J.C. (1998) "Extending the Short Shelf Life of Knowledge." *T+D Magazine*, vol. 52, no. 6, pp. 12-14.
- 8 Ivis, M. (2000) *Analysis of Barriers Impeding E-Business Adoption Among Canadian SMEs*. Canadian E-Business Opportunities Roundtable E-Business Acceleration Team, SME Adoption Initiative.

What is Meant by E-Training and Development?

- » Defining training and development.
- » Is learning different from training and development?
- » Defining the “e”.
- » Should it really be “I” for Internet or “W” for Web-based training?
- » Who drives e-training and development?