

# Employee Benefit ■ Plan Review

---

AUGUST 2008

## E-Learning: The Cost-Effective Way to Train in Tough Economic Times

J. LEROY WARD AND MARCIA RILEY

Whether the United States is in a recession or simply a lull between periods of prosperity is up to the experts. But, however one wants to define it, the recent economic downturn is affecting organizations of all sizes in all industries. In times like these, when the pressure to cut costs and streamline organizations to the bone is palpable, management teams are often tempted to pull the plug on their employee training and development programs. Although putting one's organization on a training hiatus may seem like an easy fix, it is a move that is both short-sighted and often quite costly.

In difficult economic times, when an organization is fighting harder than ever to maintain market share, it's absolutely essential to maximize employee knowledge and skills. Current skills and best practices lead to increased efficiency, and research has shown that employees who actively train are 43 percent more productive than their non-training colleagues and significantly happier about their jobs. In short: outdated skills and practices combined with lagging morale and productivity is no way to ride the white waters of economic insecurity. It may seem counterintuitive, but a slow economy is the very best time to engage and grow talent across an organization.

So, with the need for continued training firmly established, the question becomes: *How can companies get the most out of their training programs—and how can they get the biggest bang for their training buck?* Some of today's most visionary human resources professionals are answering this by thinking outside of the traditional bricks-and-mortar classroom and focusing their training resources on more creative—more cost-effective—educational pursuits.

### ONLINE LEARNING: EXPANDED TRAINING AT MINIMAL COST

There was a time when training budgets were vast and professionals in a variety of industries routinely found themselves aboard airplanes and trains bound for training courses in cities far, far away. But now, in the less-with-more era, it is unrealistic to assume that all organizations have these kinds of resources at their disposal year after year. A February 2008 study by TrainingIndustry.com and Expertus found that 50 percent of training executives surveyed indicated that they feel “significant” or “intense” pressure to bring in cheaper training solutions for their employees.

Fortunately, with online learning, scalability is key. Organizations that utilize online training are able to maintain or even expand their training efforts while significantly reducing their long-term administrative costs. Forget travel and hotel expenses; online learning, in the most basic sense, requires little more than the simple Internet connection that professionals are already enjoying every day. Plus, after an initial startup investment, maintaining a well-designed online learning program is simple because changes are all made to one centralized location. With traditional training programs, updating and maintaining courseware can be expensive and time consuming due to the many materials involved. Running a paperless training operation is much more cost-effective.

### VALUE BEYOND COST-SAVINGS

Despite such obvious economic benefits, it's important to understand that there are many positives to online learning that go beyond saving an organization hard dollars. In 2000, when the dot-com bubble had its historic burst, e-learning emerged quickly on the scene as a way

---

for businesses to reduce their per-employee and per-hour cost of training. Since then, online learning has evolved into an even more viable employee development tool that is beneficial to everyone involved for many reasons.

### **Saving Time**

No plane tickets or hotel stays saves an organization money, obviously—but, for the actual end user, it saves something even more valuable than that: *time*. Because online learning is so flexible and requires no travel, employees are able to get the training they need to maintain their skills and stay efficient without having to be away from their jobs and families for extended periods of time. Today's busy professionals appreciate being able to learn without having to put their current projects on hold or miss their children's little league games and dance recitals.

### **Targeted Training and Learning on Demand**

Whenever cost control is a key priority, it is essential that programs are able to demonstrate real value and align solidly to an organization's objectives and goals. Online learning is a powerful tool for driving business alignment, and it can be tailored to focus on helping an organization solve specific problems—not just general ones.

Along these same lines, online learning is an excellent means for providing large numbers of employees with learning-on-demand tools. Many online learning programs provide databases of exercises and course materials that can be treated like a virtual library. Individual employees can access items from this library whenever they need to, wherever they are in the world. So, if a department notices a few risk management slips or if a call-center representative gets a difficult question from a customer, problem-solving materials are easily accessible—instantly. And, for employees who

are particularly motivated to learn, valuable training materials are available for study any time.

### **Tracking and Reporting**

Many online learning programs offer organizations a number of detailed tracking and reporting tools that more traditional learning platforms simply cannot match. These Web-based programs can track virtually anything, such as who is training, how often they are training, what materials they're accessing, and how they are performing on exams and assignments. This information, available in detailed reports almost immediately, helps administrators gauge the value of their training programs and exactly how the programs are being utilized.

### **CHOOSING AN ONLINE LEARNING FORMAT**

Online learning, like the Internet itself, is still a fairly new concept in both business and education. Therefore, younger employees, who are more accustomed to using the Web as a source for news and entertainment, will probably find the whole thing to be as intuitive as their iPods. They already watch their favorite shows, listen to music, pay their bills, shop, and make friends online—they might as well learn online, too. But, for the Baby Boomers in the office, the idea of abandoning instructors and pens and textbooks might seem off putting—or, worse, downright impossible to embrace. And, even beyond basic generational characteristics, different employee learning styles should always be taken into consideration. That's why it's important to explore the full range of available online platforms to find the option that most benefits the end users.

### **Asynchronous Online Learning**

If online learning has existed long enough to have a "classic" format, this would certainly be it. With asynchronous learning, the individual

user carries the bulk of the responsibility as they guide themselves through the lessons, exercises, and exams. It is a highly flexible learning option because, generally, students can choose their own start date and then proceed through the course at their own pace. Although e-mail and message boards are often available in this particular format, the individual user is able to have as little interaction with instructors and fellow students as he or she wants.

### **Live Online Learning**

In recent years, a number of training providers around the world have recognized the limitations of classic asynchronous learning, especially for users who are more interested in training in groups and need a less self-paced experience. Live online learning—or, what some call "virtual learning"—is delivered in real-time and uses such devices as message boards, text-chat, microphones, and instant polling to create an interactive experience that more closely resembles the classroom. Users can still enjoy the freedom of being able to participate from anywhere, but they'll remain beholden to specific class times and schedules, which, frankly, some professionals need and prefer.

### **COACHING AND MENTORING**

Along with formal training programs—both online and classroom-based—organizations have another training option at their disposal that requires little, if any, financial investment, and that is coaching and mentoring. By pairing new employees with their more experienced colleagues, organizations can ensure that the proven knowledge and best practices that have been developed and perfected over time can be transferred on and on throughout their various teams. An entry-level employee may be able to learn as much in a few casual lunches with a mentor as they would in formal classes, especially regarding the

---

unique ins and outs of an organization and its marketplace. Plus, coaching and mentoring is an excellent tool for keeping employees at all experience levels actively engaged in their jobs and their respective career paths.

#### **ATTRACTING AND RECRUITING TALENT**

Attend any job fair as a recruiter and you'll hear the same two questions over and over: "What is your organization's career path?" and "How committed are you to the development of your employees?" Organizations that staff their booths with colorful classroom and online training course catalogs and are able to provide samples of individual

development plans will become magnets for top talent.

#### **BLENDED TRAINING FOR MAXIMUM RESULTS**

Regardless of how thoughtfully and skillfully an online training program is constructed, some professionals will always respond better to classroom learning. Or, on the flipside, to some employees, even the most engaging classroom experience will pale in comparison to the convenience and flexibility of online learning. Therefore, even in difficult economic times, organizations should always be willing to blend various learning platforms so as not to create a one-size-fits-all approach to knowl-

edge and skill development. Because, ultimately, if an organization has any chance of success, its training program must be as dynamic as the organization itself. ☉

---

J. LeRoy Ward, PMP, PgMP, is executive vice president of ESI International, where he heads ESI's worldwide training programs and international partnerships. Marcia Riley, vice president of talent management and human resources for ESI International, has over 20 years of experience in learning and talent management. The authors can be reached at [lward@esi-intl.com](mailto:lward@esi-intl.com) and [mriley@esi-intl.com](mailto:mriley@esi-intl.com), respectively.