

E-learning and Organizational Culture

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Introduction

The success of an e-learning initiative depends as much on the people and culture of the organization as it does on the technology used.

So what is culture? One of American comedian and pop icon Jerry Seinfeld's favorite show business stories goes something like this:

One cold winter's day, the members of the Glenn Miller Orchestra are on their way to a gig when their bus breaks down. So the musicians grab their instruments and start walking. Before long, they come across a cozy little house. Inside, a family is sitting around the dinner table, talking, laughing, clearly enjoying each other's company. The band members are damp and shivering as they gaze at this idyllic Norman Rockwell scene. Finally, one of the musicians turns to another and asks: "How do people live like that?"

(<http://www.theage.com.au/articles/2004/03/17/1079199277227.html?from=storyrhs>)

That is a story about culture.

There are many definitions of culture, however, including the following ones.

- The "customary beliefs, social forms, and material traits of a racial, religious, or social group" (*Merriam-Webster Online Dictionary*)
- The "set of shared attitudes, values, goals, and practices that characterizes a company or corporation" (*Merriam-Webster Online Dictionary*)
- Learned and shared human patterns or models for living
- Day-to-day living patterns
- The shared knowledge and schemes created by a set of people for perceiving, interpreting, expressing, and responding to the social realities around them
- The "basic pattern of shared beliefs, values, behaviors and assumptions acquired over time by organizational members" (Daryl Conner, **O.D. Resources Inc.**)
- The "way we do things around here" (Rob Edmonds, *e-Learning and Culture*, <http://www.sric-bi.com/LoD/>)

Whatever the definition, all social organizations—nations, industries, corporations, churches, social clubs, etc.—have characteristic cultures.

There is also quite a diversity of definitions of e-learning. One goes as follows:

E-learning: Covers a wide set of applications and processes, such as Web-based learning, computer-based learning, virtual classrooms, and digital collaboration. It includes the delivery of content via Internet, intranet/extranet (LAN/WAN), audio- and videotape, satellite broadcast, interactive TV, and CD-ROM.
(<http://www.learningcircuits.org/glossary.html#E>)

E-learning is one methodology and technology for delivering and enabling learning. In most organizations, an e-learning initiative is an implementation of training and collaboration that is made available to employees over the corporate intranet, and is thus readily available to people at their convenience. While e-learning may partially replace classroom training, in most cases it is designed to enhance training and extend it to a broader audience, while saving costs.

This paper looks at the impacts of organizational structure, behavior, and culture in the context of an e-learning initiative. National and industrial cultures do impact the culture in a specific company, but that is not the primary focus here.

Corporate culture can help or hinder an e-learning initiative, sometimes both. E-learning can also be a tool to support cultural change.

We can study a corporate culture by observing the way it does things in order to identify its core values and beliefs. Organizations do not always behave the way they say they do. There are also subcultures within organizations that can differ greatly. By knowing the corporate culture, we will be better equipped to work with it, rather than against it.

Cultural factors can appear in many places, including the organizational structure, support from the top levels, the environment for innovation and change, the human resources situation, administrative procedures, budget, the training and learning history, the relationship with the *information technology* (IT) department, and the existence or non-existence of an *enterprise resource planning* (ERP) system.

Cultural stories can be very revealing, so here are a few illustrations.

Innovation or Change Environment

A few years ago, before the term e-learning had been coined, someone at **Cisco** decided to videotape a presentation and put it on their intranet. When they showed it to a vice president, he got so excited that he sent out a message to everyone saying that they should have a look at it. Hundreds did so and it nearly brought down Cisco's network—probably the most advanced network in the world at the time.

Many companies still have strong prohibitions against video. In fact, Cisco itself still does. They continue to use video extensively, but they have figured out ways to keep it off their backbone by distributing it on local area networks (LAN). Their fascination with technology led them to experiment—moving them towards e-learning. However, their technology innovation was contrasted with a very traditional view of training—videotaped presentations are very passive ways to learn, but they are a way of getting information out to employees quickly. Nonetheless, the environment for implementing e-learning was obviously right in Cisco, since it is one of the most visible corporate e-learning success stories.

A corporate culture that supports innovation is more likely to embrace e-learning.

Human Resources and Administration

In a unionized company, the director of training consulted with the labor relations group about e-learning and was told it couldn't be done. The reason was that managers would complain about it. Why would managers complain about people getting additional opportunities for training? It turns out that the problem was the instantaneous nature of e-learning. Employees would be able to sign on and take the training without the manager's approval and the manager couldn't control what the employee was doing.

There were several things at work here, one of which was an administrative procedure—when employees registered for a classroom course, the manager was sent a letter, and the manager could advise the employee not to take it. To some extent this was a control issue, but it was also legitimate because managers want employees to take courses that are part of their plan or will contribute to their job, especially if they are doing it on company time. The other was a perception issue on the part of the labor relations people—they were afraid of possible problems. Later when e-learning was rolled out without consulting with them, this problem never occurred.

It is always wise to consult with all the stakeholders in an e-learning initiative, but the *Human Resources* (HR) people may prove to be one of your biggest challenges, even though the training department is often part of HR. HR people are good at anticipating all kinds of labor relations problems and other issues.

Learners and Training

Some say that the greatest challenge in an e-learning initiative is the learners themselves. It may not be the biggest challenge, but it is something to consider. If people are used to going to classrooms to learn in an instructor-led social environment, then they may not understand the concept of learning while sitting at their desks in front of their computers. After all, we have been conditioned all the way through our school system to believe that being in a classroom is how we learn. So if there is a strong tradition of instructor-led training in your company, then you will need to deal with this.

In addition, in organizations with strong internal training departments, the trainers themselves may view e-learning as a threat to their jobs. This fear needs to be addressed.

In one company, some e-learning courses on communications and management were made available to people and they gobbled them up with comments like "Finally the training department is doing something for us." As it happened, although there was a strong tradition of classroom learning, it had become a perk that was provided only for a select group of people. They got to travel to the big city, do their shopping, and have time off the job—all at the expense of the company. All of the others—the ones who in many cases really needed the training—were being denied access to training. They were hungry for almost anything.

E-learning is about more than saving costs, it is about extending access to the entire organization.

Central Training Organizations

A central training organization is usually the best place to initiate e-learning because it can reach most people in the organization, and be cost-effective. While such a unit is most likely to have the necessary budget, that budget is visible and vulnerable to the whims of senior executives.

The **Gartner Group's** *total cost of ownership* (TCO) studies showed that computer support is a fairly constant cost regardless of how it is organized. Training is a lot like that too. There is a natural cycle of central training organizations. As corporations grow, each department recognizes the need for training and starts to deliver and manage its own training. The cost of this is largely invisible to senior executives. At some point in the growth cycle, a smart new vice-president sees an opportunity to save money by centralizing training. After this happens, companies often do save money, but the budget for training is now more visible and is subject to senior management approval each year. It then becomes a target for executives who don't recognize its value especially in times of fiscal pressure. It tends to be one of the first budgets to get cut. When the central training unit is downsized, the departments begin to increase their in-house training resources again. Once again, the cost is relatively hidden but the total cost to the organization is greater. And so, the cycle repeats itself every few years.

Budget

E-learning can save an organization a good deal of money in the long run, but there is an initial investment required. Therefore, to implement e-learning, you need to know the budget culture of your company.

Whether to Buy or Build a Learning Management System

One company worked hard to identify a *learning management system* (LMS) to suit their needs. They already had some e-learning in place and they wanted a system that would manage both classroom training and e-learning. After extensive work, it was decided that they would build it themselves—reinventing the wheel. The decision was made for political, budget, and process reasons. There was no budget in place to obtain the LMS, and there was an internal IT group who had developed some related applications. It was easier in this company to generate a project to build a system than it was to find the money to purchase a system.

You need to understand the peculiarities of the budget system in your company.

- Why, when, and by who are budget decisions made?
- Is it a capital or expense budget?
- What is the best time for a proposal?
- Are the key players drivers of the budget or driven by the budget? The ones who are driven by the budget will never find any money for you if there isn't some already in place.

Return on Investment

Budget requests require justification. If your company is very return on investment (ROI)-oriented, as most are today, you will need to justify e-learning on an ROI basis. In a study issued in September 2002, **Nucleus Research** (<http://www.nucleusresearch.com>) stated:

Nucleus Research shows that customers implementing these solutions have quickly recognized first-tier benefits, including reduced costs for travel, human resources overhead, regulatory compliance and customer support costs; and eventually received second-tier benefits, such as increased employee performance that directly impacts profitability. Nucleus found most companies could gain significant returns from even modest investments in e-learning technology.

This has not proven to be true for all companies, so the decision making along the way needs to be carefully done and a plan should be in place.

IT Environment

The IT department and the support of its people are key to the success of any e-learning implementation. Be sure to include them in the discussions from the beginning.

In one company's initial e-learning offering, there were three delivery or hosting choices—host the courses on their own server, have the parent company host them, or have the supplier host them over the Internet. These choices raised several issues.

1. **Bandwidth.** Do the courses use too much bandwidth? Do the courses contain any video? Even if they do not, courses may not be allowed to run over the backbone to the parent company because critical operational applications run there. Even in companies that have very sophisticated intranets, there are rules about the applications that run across backbones and key networks.
2. **Internet access.** Does everyone have access to the Internet? In some companies, access is a choice made by local managers, some of whom may believe that the Internet access is a waste of time. In a meeting with customer service managers in a major communications company, eight out of ten supported Internet access because their people needed to be able to see what their customers were being offered by the competition. Two managers, however, would not support it and one of them said, "Over my dead body". This resulted in inequitable distribution of Internet access throughout the company and meant that access to courses outside of the intranet would not be possible for some.
3. **Corporate firewall.** If a choice is made to have someone outside the company (like the vendor or another application service provider [ASP]) host the courses, you need to test the corporate firewall to see if the courses can run through it. If they don't, approach the IT department to see if it can be done. If it can't be done, then you will have to run the courses internally. Again, you will need the support of the IT people to provide the necessary server space. You may find that the firewall issues will change over time.

Whether you think so or not, the IT and security people are your friends and it is important to enlist their support from the beginning.

Organizational Structure

Unions

Unions can be supportive of the idea of e-learning because more of their people will get easier access to needed training. Some unions may be resistant because they cannot control it. One company tried to provide people with an opportunity to telecommute—to work from home—but the union resisted it because then they couldn't monitor the managers while at work to make sure they were not doing union work. In another company, the union and management had been trying to negotiate a new contract for nearly two years and were getting nowhere. A union leader was quoted as saying that having to have personal development plans in place put additional stress on people. However, the personal development plans which had been initiated by senior management were the key to the success of their e-learning program.

Autonomous Departments

In 2001, **Sun Microsystems** was moving into the e-learning business as a vendor and had purchased an LMS to use and sell. It had a major presence at the 2001 Online Learning conference in Anaheim. During the conference, another LMS supplier was approached by someone from Sun. The other vendor responded with, "Why are you talking to us? You have it all in house." The response was that the Sun representative was from a different department and they were going to do things their way. Sun now appears to have abandoned the idea of becoming an e-learning vendor.

In many organizations departments are sufficiently autonomous to make these kinds of decisions. On the one hand, this presents an opportunity for suppliers; on the other, a single department may not have the critical mass to make e-learning cost effective, leading to its ultimate failure.

What Kind of Organization is Yours?

You want your e-learning venture to work with the culture not against it. There are at least three kinds of companies. The type of company you have will determine the most effective path for an e-learning strategy, as follows.

- For top-down, task-oriented organizations, a straightforward curriculum of courses is your best bet.
- For democratic, people-oriented companies, collaborative e-learning systems are the way to go.
- If your company is a true "learning organization", you will need a broad program of collaborative e-learning and knowledge management.

Different divisions may require different treatments. Where do you fit on this spectrum?

Organizational Support

E-learning is a significant change event and needs support at the chief *executive officer* (CEO) level—get him or her to actually take an e-learning course so that they know what they are talking about. It also needs a high level champion who will do the work to see it through to success, but beware of e-learning champions who believe it will replace all forms of training. Such a person can do as much damage as someone who does not believe in it at all. The reality is that instructor-led training is not going to disappear. There are things that e-learning doesn't do very well, for example, laboratory work and face-to-face interactions. There are some people who will never get used to the idea of learning at their computer. To them learning is a social event. The best solution is a multi-option, blended solution like that offered by North West Airlines, which provides people with computer-based training, classroom training, mentoring, personal training plans, and a checkout library with books, magazines, videos, and audiotapes.

Executive Computer Literacy

How computer literate are your executives? Many are quite technology challenged—even in technology companies. This can work against you because they have no idea what you are trying to do. Educate them. How often do the senior executives visit the intranet? Typically it is a rare event. This can work for you because you can use the intranet as a marketing tool without being seen as wasting money.

Opportunities

The existence of any of the following conditions may present an opportunity to implement e-learning.

- **Mobile workforce.** A mobile and widespread workforce is an opportunity to save a good deal of money for training, because travel costs are reduced.
- **Training not meeting needs.** What training department can meet all of a company's needs these days? E-learning is about extending access to training.
- **Knowledge management.** Knowledge management is about collecting and sharing corporate knowledge; thus it is part of e-learning and vice versa. Get your people to see the connection.
- **New products.** Many companies introduce several new products per month. It may take weeks to train people on one new product, by which time there have been several more introduced. E-learning can train people almost instantly.
- **Highly regulated industry.** Regulation compliance training is a good place to start. Large numbers of people have to get it and be regularly retested for certification. E-learning is faster, better, and cheaper than training that requires travel.

- **Sales people.** Sales people need quick access to information because knowledge impacts their income. Moreover, they are highly mobile and computer literate. If it works for them, they will sell it.
- **Change.** If your company is going through some significant change—anything from a merger, to a new product line, to a downsizing, to a new ERP—you can leverage e-learning to support that change. In the previously mentioned example of the initiative requiring everyone in the company to have a personal development plan, when people discovered that there were e-learning courses available for “free”, they built them into their plans and started taking the courses. The personal development plan and e-learning each contributed to the success of the other.

Factors that Support E-Learning

The following factors support e-learning.

- A CEO who believes
- Corporate change initiatives
- A central training organization
- A supportive IT department
- Regulatory requirements
- Budget reductions
- A geographically dispersed company
- Having a strong network (intranet) in place

Factors that Work against E-learning

Conversely, the following factors work against e-learning.

- A CEO who doesn't care or believes that e-learning will replace all training
- The learners themselves, perhaps
- Trainers who feel their jobs are threatened
- Managers whose control may be threatened
- Conservative HR people who are nervous about anything new
- A lack of a long term view of cost savings

Marketing E-learning

The following are some tactics that may be used to market e-learning within a company.

- Matching the culture
- Linking with change initiatives
- Department meetings
- Door prizes
- Rewards for participation
- Intranet announcements
- Guerilla or underground tactics

TEC recently launched its [Learning Management Evaluation Center](#). It provides impartial analyses of learning management solutions.

Some Web Sites

Finally, for more information regarding e-learning, visit the following web sites.

- <http://www.sric-bi.com/LOD>
- <http://www.elearningforum.com>
- <http://www.nucleusresearch.com>
- <http://www.masie.com>
- <http://www.brandon-hall.com>
- <http://www.elearningbc.com>
- <http://www.learningcircuits.org/>
- <http://www.elearningpost.com>

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