



## *Are you truly capturing the potential of e-learning in your organisations?*

While E-learning is not a recent phenomenon, organisations seldom take advantage of its full potential. **Alf Westelius** has investigated why this is the case and explains what organisations are missing out on.

**E**-learning has been around for quite some time. Potentially, one of the advantages of using this mode of content delivery in an organization is the possibility to easily check whether the material has been looked at and understood. For computer-delivered material, it is easy to note if pages have been opened, and by whom. It is also easy to administer quizzes that can help both the reader and someone responsible for keeping an overview of the use of the material, determine if the content has been grasped by the reader. Neither traditional printed material nor lectures afford this distributed, self-administered and automatically aggregable feedback possibility.

## ” The positive possibility to achieve useful training on idle time, or at least when the individual employee deems it feasible to study, is not systematically employed. ”

In this article, the term **e-learning** refers to material made electronically available in a structured way for self-paced learning. It could consist of text, images, audio and video with or without interactive components.

**Robert Simons**, professor at Harvard Business School, presented his now classical “*levers of control*” in an article in *Strategic Management Journal* in 1994, and a year later in a management book. Simons’ four levers constitute a useful typology of the types of control systems that managers have at their disposal.

It is then thought-provoking that this potential is used to such a small extent. In a preliminary investigation, it appears that primarily call centre companies systematically apply e-learning as an important and systematic resource in developing competence in the organisation. In that setting, short tutorials and e-quizzes provide an avenue for training, where the individual employee can engage in training when the call load is low. The employees are required to complete a certain amount of such training each month, and management uses it as part of the basis for employee evaluation and task assignment or promotion. A major Swedish telecom company has also used the functionality as part of their modern management control program. However, other organisations that have participated in the investigation seem to view e-learning as just a method for dissemination, not a vehicle for distributed HR management and monitored competence development or as a widely applicable tool in the management control repertoire. In Robert Simons’ *Levers of Control Terms*, the constant exception is boundary systems: corporate conduct; security policy; footprint policy; etc. It thus seems that the potential for monitored training is simply used in a defensive mode – as certification that the employees are aware of boundaries not to be transgressed. The positive possibility to achieve useful training on idle time, or at least when the individual employee deems it feasible to study, is not systematically employed. Yet, much material is – at great cost – made available in e-learning format, but with no monitoring of use, check of understanding achieved after having studied the material, or requirement that employees use the e-learning resources.

Below, I develop these themes – how e-learning with content quizzes and monitoring of use and success, can be a valuable resource in modern HR and management control, and how the potential currently is mainly untapped.

Management by numbers – with Balanced Score Cards and Key Performance Indicators – and process orientation, have become the government norm today. A board member of a listed company recently stated “process orientation and process

description compliance is the hallmark of professionalism”. Others would rather claim that the process descriptions are not used by experienced employees, but serve as checklists and raise the lowest level of performance. A problem with management by numbers is that a large set of balancing KPIs is difficult to attend to simultaneously and a few (traditional) key indicators tend to be the ones that management seem to award the greatest importance – such as sales and EBITDA.

A potentially new avenue for standardised alignment of employee work in a decentralised organisation, where the individual co-worker has some latitude in how to perform the work and what decisions to make, is to convey a common mindset. Doing that by sending out a manual or a manifesto is known not to be effective. But digitised alternatives can provide the monitoring capability of checking who has looked at the contents, and automated quizzes help determine whether the readers have grasped the messages.

At a Swedish-based international telecom company, this approach has been tried for a couple of years. A set of e-learning modules and e-quizzes are combined to convey the Service & Quality norms. Framed as a competence-enhancing program for a division, the training material was made available via the intranet and was studied and passed by 100 per cent of the employees. (Passed means having achieved a sufficient number of correct answers on the automated quiz.)

The controllers at the division believe the program to be a good complement to the balanced scorecard and claim that it has resulted in a more customer- than technician-focused perspective on problems and opportunities. They also state that the company strategies have become more widely known and understood, which is important in a company with highly skilled and educated employees who affect where the company is going by their everyday decisions and actions. The unit managers find it to be a good way of spreading awareness and knowledge of the Service & Quality program and note that it has helped increase service and quality of the work performed in the division. They also find that the performance of the least competent has increased and that people in general look more to the company as a whole and are engaging less in “us and them” thinking. The list of beneficial results is extended by noting that employees are more premeditated in their behavior, and are better at prioritising. In addition, they see more individual initiatives and that the business plan is more adhered to.

From a management control perspective, this long list of positive effects of the application of a rather uncomplicated tool – the e-learning material and accompanying e-quizzes – appears at-

tractive. It could then be expected that other large companies would also choose to employ it, and that this could be an effective part of the future management control tools. To make a preliminary assessment of the current spread of such practices, I have contacted employees in a number of large Swedish enterprises. The results so far indicate that although the provision of e-learning material, and to some small extent accompanying e-quizzes, appears to be common, their adoption as a central tool in management control in general or in managed competence development schemes, is so far not widespread.

At a large industrial group, this type of tool has been employed for Health and Safety and for Business Ethics Compliance training, the most prominent example being the latter. Since 2006, a number of Business Ethics Compliance programs have been launched. The programs have contained some traditional face-to-face parts, but the centrally monitored ones have been e-learning-based. On two occasions since 2006, course material has been posted on the intranet and all employees have been invited by email to take that part of the training. All managers were asked to make sure that their employees heeded the call.

The course consisted of a number of pages to read – typically structured as sets of: an instruction, a description of a business situation, and a number of questions on how you would act in this situation. It was not possible to “skip through” – the program did not allow you to continue until you had spent a reasonable amount of time on each page. And if you gave “wrong” answers, you would be returned to a previous point in the material and would have to repeat until you produced “correct” answers.

At intervals, an automated email reminder would be sent to those who had not yet passed the course, asking them to complete it. Simultaneously, the managers received information on who had not yet completed the course, so they could also remind them.

At an international accounting and management consulting company, there is a large supply of e-learning material, almost all of it optional. The only compulsory one is on the company’s interdependency policy. It details the laws and policies concerning employees’ and their families’ involvement in customer organisations. At its launch, all employees were required to take (and pass) it, and since, all new employees are required to take it. The course is rather conventional, consisting of an information material and ending with a set of questions, where you are required to achieve a certain score in order to pass. Your use of the application is monitored, and your manager will not accept that you do not (eventually) pass it. In ad-



## Kerstin Sahlin *The Institutional Perspective* Quests for Transparency and Quests for Trust

Much time, efforts and resources are spent in most organisations to evaluate, report, assess and audit. These activities have expanded considerably during the past few decades. Partly, the expansion has evolved in response to individual scandals and reported shortcomings and partly in response to an increased quest for transparency. In our research we have particularly followed this development in studies of health care, schools and universities. However, this development is not delimited to professional and public bodies, but runs through and affects all kinds of organizations.

This dramatic proliferation of auditing and evaluation took off in the early 1990s and has blossomed considerably since then. In a fascinating analysis of this development, the British Professor in accounting, **Michael Power**, coined the concept *Audit Society*. The book was published in 1997. In this book he showed that what has evolved is a society characterized not only by extensive and growing documentation, evaluation, auditing, and scrutiny, but also a society in which operations and organizations are increasingly structured to make them “auditable”. The development also goes hand in hand with a more general expansion of scrutinizing of organizations, not least by media reporters. The argument is not that audits and evaluations are unnecessary. It is of course necessary, in a society, so densely populated by many large and powerful organizations that operations are being scrutinized. And seen from the side of the organization: much of what is done in e.g. business corporations, in health care and in universities is rather complicated and translation activities are needed to show to outsiders what is really being done and why. However, at the same time as all these evaluations, audits and other scrutinizing activities are useful, we also need to take care of the many direct and indirect consequences of these quests for transparency.

Following on this explosion of evaluations and audits, special experts and

resources are needed in an organization that seeks to perform well in evaluations and audits and are perceived in positive terms in media. This has meant that audit society, and the mediated society have spurred extensive organizing efforts. Studies of this development have pointed to further consequences. When analysing the rise and consequences of the audit society, Power shows that expanded scrutinizing and auditing activities are associated with a decline in trust. These activities are largely focused on finding faults and to reveal things. This means that rather than building trust this quest for transparency may instead undermine it further, leading to still more requests for auditing and monitoring. A distrust culture spreads in our audit society.

In this way, the expansion of audits, evaluations and media scrutiny feeds a quest for trust and trust building activities. In fact, one of the main tasks of a leader of modern organizations is to build trust, in their own person as leader, in the organization and operations and in future development. While there is a great supply of many more or less standardized models for audits, evaluations and other tools for scrutinizing organizations in an effort to make the more transparent, the building of trust may not be as easy to reach with standardized and ready-made models.

Trust is reached through reporting but also in the daily work of management, in dialogue and collaboration within and across organizations. The building of trust is at the heart of management skills and practice. My conclusion is thus that trust deserves much more attention in education and research as well as in daily management practice.

There is a chance for people around Uppsala to hear more about Michael Power’s fascinating work. Michael Power will be awarded an honorary doctorate at Uppsala University in January. In connection to this he will give an open lecture in the afternoon of January 24th. Everyone interested is welcome!



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For a presentation of a large-scale, modern e-learning concept that incorporates assessment, view **Daphne Koller's** TED talk *What we're learning from online education* ([www.ted.com](http://www.ted.com))

For a presentation of an advanced e-learning package based on self-motivation, view **Shimon Schocken's** TED talk *The self-organizing computer course* ([www.ted.com](http://www.ted.com))

dition, the official company values are installed as the default screensaver on all company computers, but without any attempt to check that they are read and internalised by the employees.

An international ICT systems developer also has a large set of optional e-learning courses, but few compulsory ones. One is an anti-corruption course for consultants. It consists of digital slide presentations and videos, ending with e-quizzes on hypothetical situations and how you would act in them. One reason for making it compulsory is that it could easily seem unlikely to a consultant that she or he would end up in such situations, and thus make them not prioritise taking the course or giving it more than scant attention. The e-quiz and monitoring aspects provide management with much higher assurance that the employees have actually studied and comprehended the material – even though it does not assure that they would act in accordance with their quiz answers in a real situation. The other area for compulsory e-learning courses is information security – from encryption of sensitive digital material to prudent behavior in places where conversation can be overheard or documents can be visible.

An international IT consultant and solutions vendor, with an extensive supply of e-learning training modules and programs, employs an obligatory Business Conduct Guideline e-learning session. It should take about 40 minutes to complete, and all employees are required to take it every year. After basic information, the user is presented with cases depicting business situations requiring non-trivial decisions. A score of 100% is needed to pass, and the e-learning session is part of the company business rule certification scheme, making it impossible for employees to claim that they are unaware of the rules that apply. Thus, there is considerable management attention on anyone who lags in completing the session.

The medical faculty at a large university employs an extensive e-learning course (work load of about two days) to introduce PhD students to the practice of PhD studies. Mainly dealing with the practical issues during the PhD period, it also encompasses some aspects of expected behavior from PhD students and tutors, and regulations that apply. The course consists of recorded lectures with accompanying quizzes, where the student needs 100% correct answers to pass. (There is no limitation on how many times you retake a quiz or how soon after a failed attempt you make a new one.) From the course provider's perspective, the e-learning course is viewed as a convenient service to the students, but from a student perspective, it can also give an impression of norm conveyance: "this is what it entails to be a PhD student at the medical school".

In a number of organisations, another type of (temporary) use of e-learning and e-quiz is reportedly at the introduction of new IT systems, when employees are required to learn the new system. In management control literature, there have been calls for aligning management control and IS use guidelines and incentives. Company-wide, recurring or systematic use of such applications has however not been reported by my informants, nor has the use been viewed as an integrated part of management control.

The idea that information systems afford surveillance capabilities (with intended and unintended consequences) is long established. What I am discussing in this article is the explicit use of such capabilities in e-learning applications as a part of a management control package. The distribution of a training material in e-learning format with accompanying e-quizzes affords the sender an easy monitoring possibility of the extent to which the receivers have perused the material. From a management control perspective, this combination of the digital format's capabilities for inexpensive distribution and inexpensive monitoring can profitably be employed, as indicated by the examples. However, it is so far not the subject of discussion in academic management control journals.

But what are these possibilities used for? Taking Simons' levers of control as a starting point (see Figure 1), the telecom company example could be viewed as fostering alignment of beliefs systems and core values (top left). The other examples tend to restrict themselves to boundary systems and risk to be avoided (top right). All were coupled with a diagnostic control systems parameter – the extent to which the employees had successfully completed the training (and automated reminders to those who had not). In order to make the monitoring effective, they also had some kind of connection to interactive control systems – that managers cared about the extent to which their employees had completed the training and brought the subject up with those who had not.

The use for boundary system purposes seemed to be more passive in the sense that the completion of the training appeared to close the matter. In some examples, this was a one-off training, in others something that would reappear every few years, and in yet other, a yearly requirement. However, in none of these cases, the informants presented the training as something the results of which would be actively followed up afterwards, either in management dialogues or through some kind of diagnostic control system metric of boundary systems violations. In comparison with this, the telecom company beliefs systems use appeared more active. There, the training formed a

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part of broad attempts to foster behavior deemed to be beneficial to the business and the company's long-term profitability. The results of the training were also followed up by diagnostic control systems attempting to measure performance at behavior and results levels. The example does not prove that the effects claimed by the controllers actually derive from the use of the e-learning modules, but it appears plausible that the effects have been sufficiently valuable to further explore the inclusion of e-learning and e-quiz modules for governance purposes in the management control toolbox.

My conclusions from this preliminary investigation is that monitored e-learning appears to be a useful tool to add to the management control toolkit, but is not used anywhere close to its full potential in most organisations. Probably it has wider management control applicability than the boundary systems that seems to prevail at present.

However, it is by no means a new cure-all. Selection of employees is, as always, one of the most important foundations for corporate governance. And the use of the tool, with its automation and monitoring capabilities, must be subject to management attention and focus (interactive control) in order to be effective. To derive more than symbolic benefits, it probably also needs to be part of a larger scheme, where continued management attention in interactive control mode, and indicators (formal diagnostic control systems style as well as informal, soft ones) help follow up on the achievement of the wished-for results and detect unintended results of the management control use of e-learning. Just supplying material online in an e-learning format is not enough to capture the potential. ■

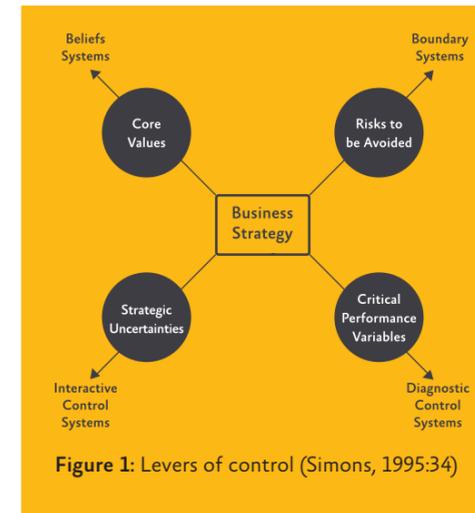


Figure 1: Levers of control (Simons, 1995:34)



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