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.

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.
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 a good material made electronically available in a structured way for self-paced learning. It could consist of text, images, audio and video that are interconnected by hyperlinks.

Robert Simons, professor at The Wharton School, has presented his new classical ‘levers of control’ in an article in Strategic Management Journal 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 centres 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 choose when and where the call load is lightest.

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. Other companies, which have participated in the investigation seem to agree. E-learning is just a method for documentation, not a vehicle for distributed HR management and monitored competence development or employment planning, and an 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.

Management by numbers – with Balanced Score Cards and Key Performance Indicators – and process orientation, have become the government paradigm in many countries. A board member of a listed company recently stated “process orientation and process description compliance is the hallmark of professionals”, told us that the process descriptions are not used by experienced servers, but as checklists and raise the lowest level of performance. A problem with manuals by numbers is that a set of large KPIs is difficult to attend to simultaneously and a few (traditional) key indicators tend to be the ones that are used. Textual e-learning material is also time consuming and to engage with e-learning material and accompanying e-quizzes – appears at tractive. It could then be expected that other large companies will follow.

Others believe that the 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 possibility to achieve e-learning material, and to some small extent accompanying e- quizzes, appears to common, their adoption is as a central tool in management control 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 managed part has been web-based.

On two occasions since 2006, course material has been posted on the intranet and all employees have been invited by email to talk that part of the training. All managers were asked to make sure that their employees heed the call.

The course consisted of a number of pages to read – typically structured as sets of: an introduction, a description of a business situation, and a number of short scenarios, and a number of questions that you would act in this situation. It was not possible to “skip through” – the program did not allow you to continue until you had completed the complete course. 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 completed 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.

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This dramatic proliferation of auditing and evaluation tools has long been going on, and it is to be expected that other large companies will follow. It seems to us that this could be an effective part of the future management control tools.

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In a number of organisations, another type of (temporary) use of e-learning and e-quiz is reportedly at the introduction of new 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 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 perceived 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 far from the subject of discussion in academic management control journals.

But what are these possibilities used for? Taking Simon’s 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 right). 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.

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. 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 control users actually derive from the use of the e-learning modules. 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.

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