

e Learning Management Systems:

Do “Learning Organizations” really outperform the competition?

By Daniel R. MacDonald

Large organizations often implement large scale **e learning management systems** (LMS), like SAP or PeopleSoft, that offer a plethora of courses and a never-ending list of features only to discover, years later, that a mere handful of employees registered on the **e learning management system**. To add insult to costly injury, only a small proportion of the employees who registered took the time to complete courses available to them. This can leave a quarter-of-a-million-dollar bad taste in the mouths of the executive team.

Situations like these leave executives asking, “Do we force our people to take these courses?”, “Are these courses really teaching our people what they need to learn?”, “If we **push** these courses on our people, will they **push back**?”

Unfortunately, these types of situations lead executives to question all training and development investments. However, organizations cannot be effective without on-going training and development. Studies show that effective training can help organizations outperform their competitors. In fact, a recent study conducted by the American Society for Training and Development provides conclusive evidence that effective training can yield positive financial results. ASTD found that firms in the top twenty-five percent of their group, in terms of their investment in training and development, achieved 24% higher profit margins and almost 218% higher average incomes compared to companies in the bottom twenty-five percent.ⁱ

High-impact training programs that are effectively managed can have a measurable impact on an organization. The challenge is that positive results only appear over time with continual investment and support. This is the same fundamental truth that holds for dieting or personal wealth accumulation: beneficial results are amassed overtime through constant effort. Wealth accumulation requires daily deposits; over time, the power of interest and regular deposits yields a major change in a bank account balance. Weight loss works the same way. It does **not** happen with one healthy meal and a couple of trips to the gym; people must maintain a balanced, healthy diet and exercise regularly to get the results they want.

Based on a 12-year study by the US Department of Education, online learning outperforms traditional face-to-face learning in almost every situation. The most effective format is a blended model which combines online courses with traditional face-to-face training.ⁱⁱ Using these two training methods, companies can build an effective learning organization that

achieves substantially better results than competitors that do not implement and support on-going training and development. The key to building a learning organization is to organically grow the program from within using best practices from inside and outside of the organization. Effective programs should combine an e learning management system with **custom course development** which allows for the creation of training material that is tailored to the needs of the organization's members. Custom course development can provide greater value than off-the-shelf programs as they include examples and applications specific to the organization. This is not to say that off-the-shelf programs do not offer value, many of these programs can offer tremendous value and are highly recommended, but it takes time and research to ensure these program fulfill the organization's needs.

The results achieved by a learning organization by combining an effective **e Learning Management System** with custom course development and traditional face-to-face workshops can be dramatic.

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ⁱ ASTD Study for Training & Development:

<http://www.astd.org/NR/rdonlyres/15C0E2AB-B16D-4E3C-A081-4205B865DA3F/0/PFLWhitePaper.pdf>

ⁱⁱ The US Department of Education Report :

http://www.google.ca/url?sa=t&source=web&cd=1&ved=0CBQ0FjAA&url=http%3A%2F%2Fwww2.ed.gov%2Frschstat%2Feval%2Fteach%2Fevidence-based-practices%2Ffinalreport.pdf&ei=Q9qYTIzcCILMngeR7-X_Dw&usq=AFQjCNFHR8jHODlqpBkWvi8Ko5xvj9IgtA&sig2=Bn6CfdNvf7BkT1pK4LrImQ