

# THE 2008 ECONOMIC DOWNTURN AND THE CHALLENGE TO E-LEARNING

An overview of some of the factors affecting the E-learning Industry in the current period of economic instability.

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## Introduction

A colleague in an area of business other than the learning industry asked me a few days ago; "Do you think that e-learning will survive a recession?"

My initial response to her was "there's no recession... yet" Later, I reflected on the implications of the current economic slowdown (whether or not it turns into a recession) for the e-learning industry. This dialectic can be summarised in the following manner: will the positive economic, organisational, and social value of e-learning outweigh traditional human responses to recessionary times? What strategies can we use to ensure the survival of and even the growth of e-learning as an industry in these changing times?

So what's changed in the e-learning industry since the last recession in 2001? I've outlined some discussion points below:

1. **First of all: Traditional business practise**
2. **Developments in Infrastructure & Hardware**
3. **The E-learning Hype curve**
4. **Refinements in Content Development Methodologies**
5. **The Rise if the Read/Write Web**
6. **The Playstation Generation - Digital Natives in the workplace**

### Traditional business practise

Historically, when a slowdown or company rationalisation occurs, the first against the wall are the folks in the PR, marketing, and training departments. Typically, individuals and organisations revert to previously-learned behaviours in tough times; this usually means going through the process of carrying out tried-and-tested, though not necessarily logical responses to the problems put in front of them. The rationale is as follows:

- Profits and revenue are down
- Revenue projections aren't great for the next 12/18 months
- We need to cut our costs
- We need to keep the guys that make the widgets (we need to have product to sell)
- We need to keep the managers of these people (or productivity will go down)

- We need to keep Human Resources in place to manage everyone *obviously* (it's just a coincidence that I - that is the decision-maker - work in HR!) What about those training people?
- High travel costs for the ILT guys, they pull people out of work for 3 days to go on courses. Large budgets spent on implementing and maintaining an LMS/LCMS, third-party e-learning libraries, custom courseware etc, but they do seem to add value to the organisation. And let's face it, they don't really improve the quality of our product, because they never convince us with their ROI metrics...
- Outcome: tea and sympathetic chat, and the Training team get their pink slips / P45s.

Sadly, I would assert that this will be strategy undertaken by a significant number of organisations over the next year or so. However.....and it's a big however.

So let's look at the evidence for factors that have changed in the e-learning industry since 2001 and the recession following the Dot-Com crash.

### **Infrastructure & Hardware**

More-or-less general availability of high-speed internet access just wasn't there in 2001. To take the example of the company I worked for at the time, our high-quality courseware was developed in Authorware and Director and delivered to customers on CD-ROM for distribution via their intranet or accessed directly from the disk. Our on-line courseware was a 'lite' version of the CD material - not out of choice, but because of the limited functionality that could be provided to a user via a 56k connection. Over-compressed images, poor animation, and very poor audio - hardly the immersive learning solution that e-learning flattered to promise at the time. Assuming the learner could access the content successfully, the chances were that the PC (for it was always a PC) that they were using to view their content was processing and displaying the data at a rate that we wouldn't find acceptable on a PDA now (screen-size excluded). Pentium or pre-Pentium processors, 8-bit sound cards, 16 colours, 800x600 pixel displays. And so on. In short, we could see the potential, but our imaginations exceeded the available technology.

### **The e-learning hype curve**

This brings me to the e-learning hype curve (see Figure 1). Kevin Kruse described 2001 as the year that

...brought the harsh, steep slope of unfulfilled promises. Several high-profile providers shut their doors while many more announced large-scale layoffs in the face of missed revenue targets and crashing stock prices. E-learning advocates retreated to the more defensible ground of "blended learning." This year [went] down as the Trough of Despair.

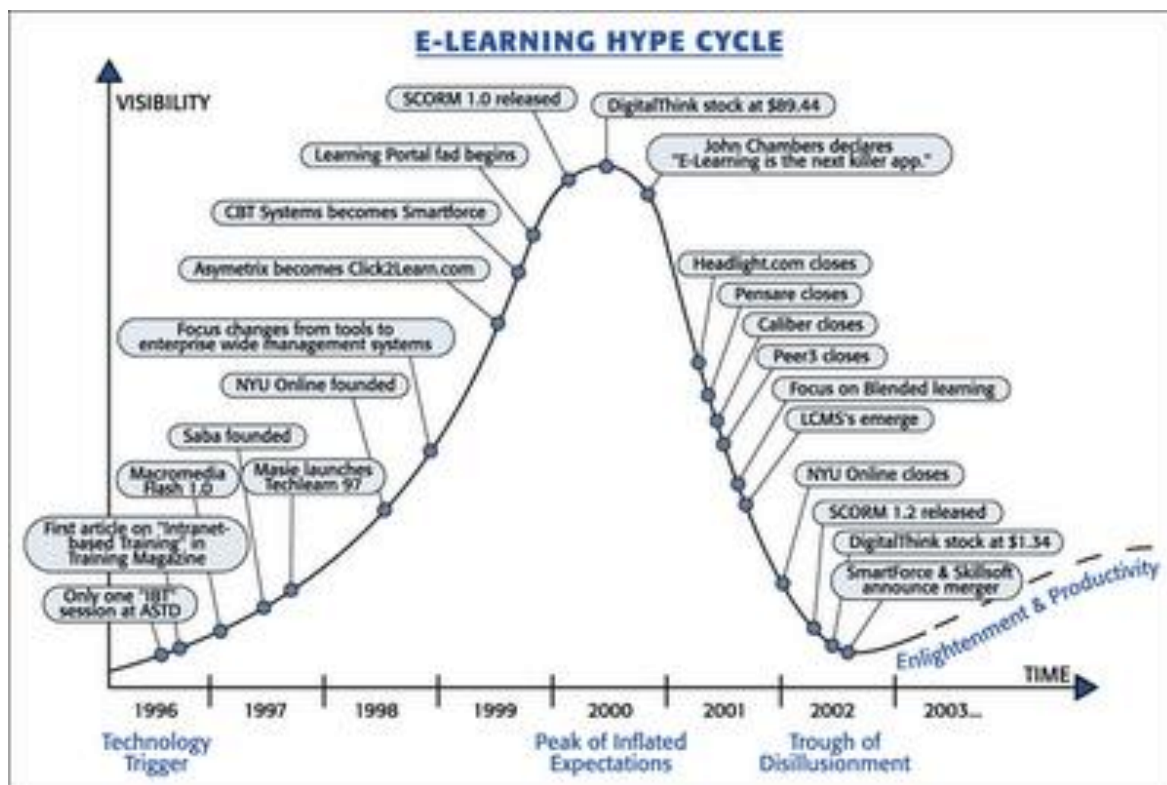


Figure 1 The E-learning Hype Cycle

I would suggest through familiarisation and use, learners expectations are more reasonable about what can be achieved (and perhaps more importantly how it can be achieved through digitally mediated delivery). Given this environment, organisations are now more willing to invest in e-learning as part of their overall training strategy. But is it perceived as a necessity or a luxury.

I can't answer that question right now. I suspect that I *will* be able to answer it 12 months from now, because there will be evidence as to whether decision makers consider e-learning to be a core requirement that effectively meets organisations' training needs.

### Content development methodologies

Without going into the history of this too much, the development of (relatively) easy-to-use authoring tools like Captivate, Articulate (and a whole raft of others), Rapid E-Learning

development methodology and the disintermediation principle means that e-learning has fewer up-front costs associated with it than at the turn of the century. (Kruse, K. 2001)

Similarly, if it's done correctly at the outset, ongoing maintenance and support costs are lower than they ever have been. By developing content with smaller, more flexible teams, the value proposition of e-learning has been enhanced, and the total cost of ownership has been significantly reduced. Outside of e-learning, the take-up of podcasting and streamed media on sites like Blogger and YouTube demonstrates that this ease-of-use of tools and technologies has extended into the community at large.

### **The Read/Write Web**

Who would have thought in 2000 that blogging, social networking, wikis and podcasts would be as big a part of life as they are now? At the start of the century, the Web (and e-learning) could at best be described as a half-duplex medium; it was pretty much all one-way traffic. The development of information platforms has facilitated knowledge-sharing, folksonomies, social interaction, and, key to all this, reciprocity.

We now live in a multiplex world of many voices and ideas, mediated by the internet. At the forefront in using these web technologies is the e-learning industry. By using these tools to develop content I feel we can demonstrate quite effectively that e-learning has a value now that it did not have a decade ago. I would assert that this is particularly true if you take a social-constructivist approach to learning. By the way, I'm happy to entertain debates about the role of formal as opposed to non-formal and informal learning in this environment.

### **The Playstation Generation**

Concomitant with the read/write web is the Playstation generation that have grown up over the last number of years. In his seminal essay Digital Natives, Digital Immigrants (2001), Marc Prensky declares:

...students have changed radically. Today's students are no longer the people our educational system was designed to teach.

Today's students have not just changed incrementally from those of the past, nor simply changed their slang, clothes, body adornments, or styles, as has happened between generations previously. A really big discontinuity has taken place. One might even call it a "singularity" – an event which changes things so fundamentally that there is absolutely no going back. This so-called

“singularity” is the arrival and rapid dissemination of digital technology in the last decades of the 20th century.

Today’s students – from kindergarten through to college – represent the first generations to grow up with this new technology. They have spent their entire lives surrounded by and using computers, videogames, digital music players, video cams, cell phones, and all the other toys and tools of the digital age. Today’s average college graduates have spent less than 5,000 hours of their lives reading, but over 10,000 hours playing video games (not to mention 20,000 hours watching TV). Computer games, email, the Internet, cell phones and instant messaging are integral parts of their lives.

Extending from this, there is a generation of workers who are comfortable with and practised in the concepts and use of e-learning - take a look at the resources available on [www.skooool.ie](http://www.skooool.ie), an initiative for second-level students in Ireland. I was involved in the development of the first iteration of this site, and it's changed a lot (for the better) since we took those first steps creating it 8 years ago. Similarly in third-level education, there have been significant developments in on-line learning, and I think that it's fair to say that it has become quite embedded in the pedagogy employed by universities: tools like Moodle enable students to upload coursework, take tests, build their own knowledgebases and wikis, and have on-line discussions through a single point of access.

This generation is in the workplace right now. It will expect to learn new skills as their careers develop using the tools that they have always learned on in the past: that is, by using e-learning.

## **Conclusion**

I've left out a lot of material here; this is an overview, not an essay. But consider other factors including transport costs and training in the era of \$130-a-barrel crude oil, and the value of virtual classrooms; the ROI of e-learning as opposed to traditional methods; even the impact of traditional ways of teaching on the environment (“e-learning” transforms to “eco-learning” anyone?). But at this point I want to put the question out there: how do you think e-learning will fare in the next 18 months, particularly if there are tough times ahead?

**References:**

Kruse, K. (2002) *The State of e-Learning: Looking at History with the Technology Hype Cycle*. [Internet] Available from: [http://www.e-learningguru.com/articles/hype1\\_1.htm](http://www.e-learningguru.com/articles/hype1_1.htm) [Accessed 12th February 2008]

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