



## **IMPACT OF E-LEARNING ON NON-PROFIT ORGANIZATION**

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**Abstract:** *This paper examines the status of Nonprofit Management Training (NMT) and the potential impact of e-learning. The paper focuses on increasing demand limitations to current NMT. This paper explores on major challenges, benefits of e-learning & the nonprofit sector, network effects, powerful tools and special impact on Human Service Organizations.*

**Key Words:** *e-learning, Nonprofit Management Training, Human Service Organizations*

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## **INTRODUCTION**

E-Learning is revolutionizing organizational learning. A large majority of Fortune 500 companies already use some form of e-learning to provide professional development for their employees and in 2012, approximately 94% of large corporations implemented Web-based learning pilots. By 2014, the International Data Corporation estimates that e-learning will account for almost 70% of the corporate market for business skills training. Given the rapid adoption of e-learning, especially in the private sector, how can philanthropic and nonprofit organizations utilize this powerful new tool. This paper examines the state of nonprofit management training and the potential impact of e-learning.

## **INCREASING DEMAND FOR NONPROFIT MANAGEMENT TRAINING**

Rapid growth within the philanthropic and nonprofit sectors, pressure from external donors, and the emergence of the knowledge economy have led to a growing consensus on the importance of building nonprofits organizational capacity to deliver services. Leaders agree that their organizations. Success depends on their ability to implement best practices in management and strengthen all contributors to their organizations human capital – including employees, board members, and volunteers.

Demands for nonprofit training have been met by a proliferation of management assistance centers, degree programs, and consulting firms. In the past ten years, hundreds of nonprofit training centers have opened, including at least one in almost every major U.S. and Canadian city. For example, in California, there are now some 30 different centers in cities offering workshops and training for nonprofit organizations. As recently as 2012, only 17 American universities offered graduate degree programs with a concentration (three or more courses) in nonprofit management. In 2014 that number had quadrupled to 86, and over 180 colleges/universities now offer some type of nonprofit management course work. Supporting these institutions is a thriving industry of independent trainers and consultants one organization lists over 500 consultants and trainers in the Bay Area alone. Based on several independent surveys and comparisons with government and the private sector, SmarterOrg estimates that 501 organizations, foundations, government agencies supporting these organizations, and their employees currently spend in excess of \$1 billion on staff training, consulting, and professional development, including both external and internal expenses.



Accelerating these trends is the rise of venture philanthropy and a realization by both new economy donors and traditional foundations as to the importance of organizational learning. These donors are setting the trend, leading multi-million dollar programs in organizational capacity and encouraging their grantees to increase investments in training and employee development. Influencing the field are scholars such as Michael Porter and Mark Kramer, who in their recent *Harvard Business Review* article note that the most highly leveraged ways for foundations to create value are by improving the performance of grant recipients and advancing the state of knowledge and practice in their field. Foundation leaders have established Grant makers for Organizational Effectiveness, a foundation affinity group that now has over 300 members. Leading foundations, such as the David and Lucile Packard Foundation, which has committed millions of dollars to strengthening organizational effectiveness and philanthropy, are increasingly developing entire program areas around this theme.

### **LIMITATIONS TO CURRENT NONPROFIT TRAINING PRACTICES**

Despite an explosion in the number and variety of training programs for nonprofit managers, there are still numerous barriers to effective organizational learning. While some of these barriers are endemic to training in general, many of them acutely affect the nonprofit sector.

#### ***Some major challenges include***

- **Access to Training:** Despite the establishment of hundreds of nonprofit training centers and degree programs, scheduling difficulties preclude nonprofit managers from connecting with the right training at the right time. Learning is delivered on someone else's schedule, rather than when it is most needed. Furthermore, geographic barriers, travel costs, and time away from work limit access to training by middle managers and front-line staff. Organizations in remote areas face even greater challenges in accessing training.
- **Variability in Quality and Expertise:** There are few national curriculum standards or brands for nonprofit training. Most courses are taught by either volunteers, consultants, or adjunct faculty members, leading to highly variable results. Finding appropriate expertise outside of major metropolitan areas is a challenge.



- **Lack of Scale:** Most training programs, due to their regional nature or limited capacity, find it difficult to leverage the costs of curriculum and course development over large numbers. Nor do these organizations have the resources to hire instructional design and pedagogy experts. While many new training programs are piloted, there is little capacity or incentive to scale the learning across numerous organizations (the Support Centers of America is an example of a centralized effort that failed). Decentralized programs using a common curriculum (such as the National Society for Fundraising Executives. First Course for Fundraising) must invest in expensive trainer networks or use volunteer trainers, preventing widespread access or frequent updates. Even highly successful organizations such as the Foundation Center reach no more than 15-20 cities per year.
- **Long Lead Times for Content Development:** Much of the current nonprofit training is quickly outdated, especially given the pace of today's economy. As discussed above, there is little incentive to develop new, cutting-edge offerings.
- **Imprecise Solution for Specific Organizational Needs:** Classroom training must serve the needs of the majority, especially for fee-based programs. Lack of scale makes it financially difficult to serve specialized needs.
- **Few Mechanisms for Ongoing Support:** Traditional classroom programs provide few mechanisms for ongoing support and collaboration.

## **BENEFITS OF E-LEARNING**

Broadly speaking, e-learning uses the power of the Internet to help people learn. The term describes a wide set of applications and processes, including computer-based training, web-based learning, virtual classrooms, and digital collaborations. Already in use by numerous major corporations and governmental agencies, e-learning is much more than simply translating courses into HTML. True e-learning experiences are developed specifically for an e-learning environment, making use of the Internet's reach, scalability, and interactive potential. E-learning also offers the ability to aggregate a large amount of learning material from numerous sources, giving learners access to a vast supply of courses and learning modules. Learning management systems enable an organization to schedule, track, assess, and manage learning both within the organization and among extended collaboration partners, supporters, or funders. For example, a nonprofit program director developing a



budget could get a quick tutorial in budgeting for grant proposals, access a benchmarking study, and take a refresher in Excel, all in one sitting. This same experience could be shared across program staff, or be tracked as part of a professional development plan for the employee.

### **BENEFITS OF E-LEARNING INCLUDE**

- **Anywhere, Anytime, Anyone:** Learning is available 24 hours a day, around the globe. Organizations can distribute training and critical information to multiple locations easily and conveniently, allowing employees, volunteers, board members, and donors to access training at their convenience. .
- **Cost Reduction:** Training Magazine estimates corporations save between 50-70% when replacing instructor-led training with electronic content delivery. Learners can improve productivity and use their time more efficiently, as they no longer need to travel or fight rush hour traffic just to attend.
- **Just-in-Time Access:** Web-based products allow nearly instant updates of lessons and materials, allowing learners immediate access to the most current information. Information can be *retrieved* when needed - not just when a classroom training is available - allowing greater consistency of learning and retention.
- **Personalized Learning:** Technology-based learning is learner-directed, accommodating multiple learning styles and allowing learners more control over their learning process. Since courses are no longer strictly linear, content can be delivered in smaller units, allowing a learner to maximize the experience by concentrating on the most relevant items.
- **Improved Collaboration and Interactivity among Students:** A number of tools, including case studies, role-playing, simulations, personalized coaching, discussion groups, etc., can be used to stimulate interaction and critical reasoning among learners. Even those separated by physical distances. Studies show that online students can be drawn more deeply into subject matter and actually have more peer contact than in instructor led learning. E-learning compares favorably with most current instructor-led training, which is conducted in groups too large to provide true personalization and interactivity.



- **Less Intimidating than Instructor-led Courses:** Online courses provide a risk-free environment where learners can try new things and eliminate the embarrassment of failure in front of a group. Especially important in diverse cultural settings, an online environment can actually enhance soft-skills training such as leadership and decision making by providing an individualized atmosphere where students can feel free to try again after a failure.
- **Strengthens Traditional Classroom Learning:** E-learning does not fully replace instructor-led learning, but can provide a powerful supplement which maximizes the classroom experience. For example, one of the most frustrating aspects of classroom training is the differing skill and expertise levels among learners. A pre-class e-learning supplement can cover the basics, providing a common base of knowledge and reserving instructor time for higher-level, interactive activities. Likewise, learners can use e-learning modules to augment their learning after completion of a classroom-based experience.

## **E-LEARNING AND THE NONPROFIT SECTOR**

E-learning offers a powerful opportunity for the nonprofit sector to leverage its existing knowledge base and improve organizational effectiveness. Particularly important for the nonprofit sector, e-learning has the potential to leverage investments in training and content development, provide a mechanism to deliver, assess, and track learning, and to share knowledge across regions and nations. Even sectors. Another crucial constraint for nonprofits, cost, can be dramatically reduced, allowing greater access to organizational learning. Thus, not only can more nonprofits access learning opportunities, but more training can be accessed by more employees and board members within those organizations.

The explosion of e-learning reflects the evolution to a more knowledge-based economy, in which organizational learning has become a continual process, rather than a distinct event. At the same time, technology, privatization, the new philanthropy, and an increased demand for services have increased the complexity of the nonprofit work environment. Competition for skilled employees, an issue for all sectors, is especially acute for nonprofit organizations. Nonprofits have begun to realize that they must not only rapidly acquire new



skills, but also provide career and training opportunities to attract and more importantly, retain talented employees.

## **NETWORK EFFECTS**

The creation of an e-learning platform allows knowledge to cross organizational and sector boundaries, creating an immensely more valuable learning base over time. Knowledge and training curriculum that is currently developed for a specific organizational use can be spread across the entire system, lowering the per unit costs of training and content development. In this manner, foundations and nonprofit training centers can share and reap the benefits of innovative programs. Likewise, training centers and consultants have an incentive to develop new content, since the costs involved in content creation can be spread across a larger base of users. In addition, nonprofits can access the most applicable learning applications developed for the private sector, especially in the areas of technology training and business skills.

## **POWERFUL TOOLS FOR SECTOR-WIDE LEARNING**

E-learning can speed the adoption of new products, services, and programs throughout the nonprofit sector. For example, corporations are using e-learning to quickly release new products to the market. Companies not only train their sales staff and employees, but also use e-learning applications to train their extended constituencies: re-sellers, consultants, and customers. In this manner, new products, procedures, and innovations are quickly, spread and supported throughout a company's entire constituency base.

In the nonprofit sector, consider eBase, the free donor database developed by the Rockefeller Foundation's Technology Project. Despite its free price, eBases adoption has been slowed by a lack of understanding on how to use and implement the program. The Technology Project must not only provide training to individual nonprofit organizations, but also to the entire infrastructure of nonprofit training centers and consultants who will support the product across the country. Using an e-learning infrastructure, the Technology Project could accelerate the entire process, ensuring broad access to both eBase and training throughout the country. A web site could provide instant training on demand, foundations could offer courses via their e-learning portals, and specialized courses and curriculum could easily be distributed to nonprofit trainers and consultants for classroom training and consultation.



## **CATALYST FOR ORGANIZATIONAL CHANGE**

E-learning fosters organizational-wide learning, turning training from an isolated instance of professional development into a powerful tool for change throughout an organization. For instance, consider a one hundred employee, multi-site organization about to enter into a strategic planning process. Each member of the organization, including board members, can take a brief, interactive session on strategic planning and its importance to the organization. Planning leaders can track progress, conduct surveys, and reference best-practice documents. Similarly, organizations contemplating a merger or strategic partnership could also broaden their learning process.

## **SPECIAL IMPACT ON HUMAN SERVICE ORGANIZATIONS**

Nonprofits, especially human service and youth-serving agencies, should also consider the impact of e-learning on their client constituencies. As e-learning becomes more prevalent for job-related training, these organizations will need to understand and prepare their clients to function in this environment. Just as the call for technology in the classroom has heightened the need for technologically literate teachers, nonprofit staff must understand how to use today's e-learning solutions to benefit their clients. By utilizing e-learning for their own professional development, nonprofit organizations will be in a much more advanced position to evaluate and deploy e-learning solutions for their clients.

## **CONCLUSION**

Large foundations which are already at the forefront of the organizational effectiveness movement, they are most able to quickly demonstrate the power of e learning and leverage their current investments in training and organizational learning. In the future, though, we predict that community foundations, many of whom already invest in regional training centers, will be the most natural hosts for regional e-learning networks. Among nonprofit organizations, we believe that large, national and international organizations with multiple chapters and sites will be the first adopters of e learning. These organizations will use e-learning to quickly train dispersed staff members and disseminate best practices among their affiliates. Finally, government programs with large numbers of grantees or staff throughout the country for example, Americorps are beginning to utilize e-learning to provide new grantees and national service volunteers with immediate access to resources and in-service training.



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