

Project Nr. PT/06/B/F/NT-159165 – AVALNET

A BUSINESS CASE FROM GREECE

Presentation of the case

IDEC SA was involved with the training of staff working in the production department of a Greek metal accessories producing company. It has run a complete training evaluation project including calculation of ROI and intangible results.

Why doing the project?

The company (Tzeretas LTD –Brass Taps producers) had been growing fast in the domestic market. Unfortunately the lack of ISO 9000 certification is a barrier for them to reach top customers and get involved in public procurements. At the same time the company's owner realized that any attempt to implement a quality management standard should be based on the staff. So, the staff needed to get familiarised with the ISO 9000 procedures.

Why did trainees participate in the training?

Of course the first reason for participating was that the company decided its production staff to attend this course, the cost of which was covered by the company. On the other hand, however, participants were genuinely motivated to attend the course because the hours of training were after the working hours and they all actively participated throughout the whole duration of training. Participants believed that this course should provide real practical benefit to them. They also believed that it was very important for their career to obtain a qualification regarding an internationally recognized standard.

What would the training be?

The training provided, enhanced the understanding of participants about the requirements of the ISO 9001:2000 standard and what would be the implications of the implementation of a quality management system fitting the company's needs. They learned how to apply a quality system that worked for their organizational culture and within the constraints set by the company. At the end, they acquired skills permitting them to utilize the tools and concepts taught which moved them through the entire implementation process.

As a whole, the course provided a comprehensive knowledge of the ISO 9001:2000 standard. There was special focus on how should trainees apply direct organizational efforts to implement, maintain, improve and see their ISO 9001:2000 quality management system through to certification. They have also gained a further understanding on how to utilize various tools useful in the coordination of the quality system implementation process.

How was the training organised?

The five participants attended a training course in "ISO 9000 implementation". The course consisted of five, 2.5 hours, training sessions. The training was done at IDEC's premises by IDEC'S instructors

What did they learn?

They learned how to:

1. Understand the business benefits of an improvement based Quality Management System (QMS),
2. Understand and apply the Process Approach & Process Auditing,
3. Understand the QMS in terms of the 8 quality management principles preview by the standard,
4. Interpret and understand the requirements of ISO 9001,
5. Plan, Conduct and Report a process based audit of an entire QMS effectively.

1) When did we apply the ROI Methodology?

The first evaluation (level one) was done at the end for the 3rd module of the training and was showing the reaction to the program from the participants.

The 2nd evaluation (level two) was aimed at verifying the actual learning that participants have acquired. Namely, it examined if trainees remembered what they have been through in the training.

Evaluation on level three verified whether the participants have used their new knowledge in their jobs and changed behaviour. Have they started using their new knowledge about ISO 9000 implementation?

Summative evaluation on the fourth level has detected whether the new knowledge acquired by participants has improved the company's performance.

The fifth level of evaluation, according to the ROI methodology, refers to the calculation of the return on investment.

2) What did we apply?

The evaluation was done according to the ROI Methodology from Elias Kyrgiopoulos. It comprised 5 levels, including calculation of the ROI.

3) Which were the methods or tools?

The evaluations at the first level, second and third were done on an individual basis: how did training affect the job situation of each of the participants?

These questions were answered by the participants 4 months after the end of training. Their purpose was to detect the impact of the training course and more specifically, whether participants actually used their new competences in their daily work.

During the first evaluation, the trainees answered an evaluation questionnaire. Questions asked how they felt about the usefulness of the training course and how good were the training and the quality of trainers. The average score was 4,5 on a scale from 1 to 5, with 5 as the highest. This result, which corresponds to formative evaluation, shows that initial interest was sustained and that the participants were satisfied by the quality of training delivery

Concerning the second evaluation, the evaluation tool was again a questionnaire. Trainees answered a number of questions regarding different elements of the training. It was clearly more of a verification of how confident they felt about knowledge they acquired than an exam on cognitive units. The result was 4,1 on a scale from 1 to 5,

which confirmed the interest trainees had in the training course, as well as the satisfaction they felt using their free time for training.

A questionnaire was used for the third evaluation as well. Its purpose was to detect the impact of the training course and more specifically, whether participants actually used their new competences in their daily work. On a scale from 1 to 5 the average score was 4,4. This confirmed that the output of training was exactly what they expected and hoped for. Participants have also stated in most cases, that taking into consideration that the implementation of the ISO 9001 standard and the certification of the company against it run in parallel with training, they could not imagine how they would be able to deal with it without training.

Summative evaluation on the fourth level has detected whether the new knowledge acquired by participants has improved the company's performance. In this case study, fourth level evaluation has demonstrated the following impacts:

- Improvement of business processes
- Improvement business's ability to tender for contracts
- Improvement of products quality
- Quality is constantly measured
- Improvement of management control
- Improvement of customer service
- Well defined and documented procedures improve the consistency of output
- Procedures ensuring corrective actions are taken whenever defects occur
- Defect rates have decreased
- Defects are identified earlier and are corrected at a lower cost

The fifth level of evaluation, according to the ROI methodology, refers to the calculation of the return on investment. ROI for this training course was calculated six months after training to 211%. Investment taken into consideration was payment of IDEC, as the company's training provider, for instructors and training delivery. Income was decrease of defective products and time consumed in corrective actions. As a matter of fact, there are considerably more parameters that were improved, but as they are either hard to measure or they are not sure to be due solely to the specific training cost, we have omitted them.

4) What were the results?

Although, it is not possible to measure the contribution of training in the general company performance improvement, taking into account that the results are the output of the combined training and ISO 9001 implementation, the top management can see improvement of the motivation and that the training course made a significant difference.

This material was created in the framework of the project nr. PT/06/B/F/NT-159165 – AVALNET.

This project has been funded with support from the European Commission. This publication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

Summary

Training may be an extremely cost effective investment, if it is well planned to meet existing needs of the company, especially if it is implemented on time, combined with restructuring operations and organisational change. A thorough examination is extremely useful in order to assess the impact and ROI of training and facilitate the planning and decision making of new training activities.

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