Indian manufacturer benefits from ISO 10015 training guidelines

by **Hari Nair** and **Aditya Sinha**

Sona Koyo, India's largest manufacturer of automotive steering systems, implemented the ISO 10015 guidelines for ensuring the quality of training, enabling the company to link its training programmes directly to business needs, eliminate non-essential training components, and help maintain the knowledge base and achieve a record low employee turnover.

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Sona Koyo Steering Systems Ltd., a joint venture company of the Koyo Seiko Company, Japan, is the largest manufacturer of automotive steering systems in India. Sona Koyo has distinguished itself with the Deming Application Award and the TERI Environment Excellence Award, and has been recognized for manufacturing excellence by Frost and Sullivan, and as a global growth company by the World Economic Forum.

The company is certified to ISO 9001, ISO 14001, and the automotive sector-specific QS 9000 and ISO/TS 16949 quality management standards.

Now, in addition to demonstrating its commitment to quality, the environment and sustainability, Sona Koyo has added implementation of ISO 10015:1999, *Quality management – Guidelines for training* (see **box** page 38) to its growing portfolio of management achievements.

Why implement ISO 10015?

Our human resource development (HRD) budgets were traditionally seen as long-term investments with no tangible returns in view. However, as a company obsessed with quality, we believed that such an investment should reap measurable benefits.

In parallel with the rapid growth of Indian industry, Sona Koyo established a substantial expansion plan designed to capitalize on its people capabilities, and TQM, TPM, QMS and EMS systems. But the company faced an uphill task in aligning its development efforts to meet current and future competency challenges.

So the HRD budget was enhanced with a new clause – *Investment with Tangible Results*. This required a fully integrated people development system to help Sona Koyo address its competency challenges, and yield tangible business results from the investment.

Thus – as a proven tool to help organizations measure the effectiveness of training, and justify the investment in employee development – ISO 10015 became the obvious choice.

Implementation stages

We implemented ISO 10015 in several stages. First, we aligned our training needs inputs with what was relevant to the business in achieving its competency needs, both present and future. The inputs were integrated by redefining the competency framework of the organization.

Next, we planned the delivery mechanism so that the desired needs were addressed and channeled to the target group. Adult learning theory was applied in designing training programmes to maximize learning.

We had to standardize training provision so that it could support training delivery and evaluation of outcomes. A system approach was adopted so that the training management system could run on its own and deliver consistent quality.

Evaluation of outcome was the area we had to redefine and rework. Most of our skill-based programmes were measured according to the total productive maintenance (TPM) model. This advocates that any business oriented development effort must influence organizational performance in terms of cost, delivery, productivity, quality, safety and employee morale.

Hari Nair, Vice President of Human Resources for the Sona Group, is being presented awards for "Best HR Strategy in Line with Business", and "Innovative Retention Strategy" by (left to right) **Shubhra Sinha,** *Managing Director of Marketing Globalization and* **Anita Belani,** *Country Head – Right Management India, as voted by the World HRD Congress jury.*

We adopted the well known Kirkpatrick model to evaluate training outcome on four levels, i.e., reaction, learning, behaviour and results. This approach directed us towards upgrading our evaluation system to assess the return on investment (ROI), as suggested by Jack Phillips, author of several books on ROI in training and performance improvement.

Most of the groundwork was carried out by our employee development team (ED), with the help of the quality management systems (QMS) team that had successfully planned the company's ISO 9001 implementation and certification process. We then set up a cross-functional team comprised of ED, QMS, and line managers to integrate the entire ISO 10015-based training system. Heads of HR and QMS monitored this combined team each week for three months, until the systems were in place.

We set up a cross-functional team to integrate the **ISO 10015-based training system**

Monitoring the training function at various stages of the process was standardized to meet the requirements of the "Why training?" decision tree as illustrated in the ISO 10015 guidelines (see Figure 1). A customized "Sona Training Management Systems" software was developed internally to set up the monitoring mechanism.
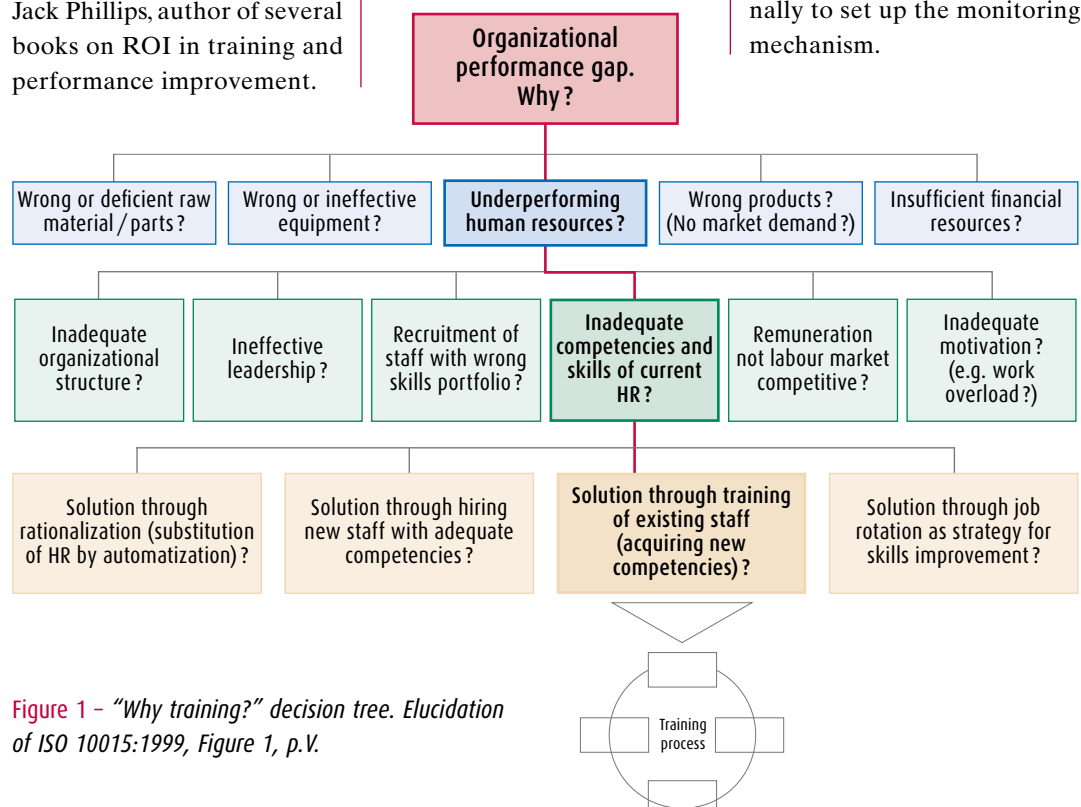

Figure 1 – "Why training?" decision tree. Elucidation of ISO 10015:1999, Figure 1, p.V.

Auditing ISO 10015 implementation

We carried out an internal audit of our ISO 10015-based system in July 2007, followed by a final external audit seven months later. This was a somewhat brief period of time during which to upgrade our existing training systems to the requirements of the standard, so meticulous planning was essential. However, we succeeded thanks to our implementation team, the support of Sona top management, and guidance from the Swiss-based Centre for Socio-Eco-Nomic Development (CSEND), and its Academy for Quality in Training and Education (AdeQuaTE).

Cost of training

Many major companies in Europe and North America typically spend between 2-4 % of total payroll on training. In Sona Koyo's case, our training budget has fluctuated between 1.94 % to 1.26 % of employee cost per financial year during the period 2005 to 2008, with the lower expenditures tending to reflect our more focused training activities since ISO 10015 implementation.

As an indication of the importance we place on good training, we ran a "train the trainers" programme in 2006 for 45 internal trainers in advance of the implementation programme, and ran an 18-day strategic programme of executive and leadership development in 2008, in collaboration with an eminent business school.

About ISO 10015

ISO 10015:1999, *Quality management – Guidelines for training,* is an effective tool to help organizations solve the problem of measuring the effectiveness of training, and in so doing, to justify the investment in employee development. It offers a clear road map towards sound training investment decisions by requiring managers to connect training to performance goals, and use it as a strategic vehicle for individual and collective performance improvement.

The International Standard offers three key benefits:

1. Easily understood by companies familiar with the process approach of the ISO 9001 quality management system standard

2. Can also be used by organizations that have implemented other quality tools such as the EFQM model, or TQM

3. Offers guidance on training technology and organizational learning to meet quality training needs.

ISO 10015 links training investment to organizational performance, and requires training to be based on pedagogical and organizational learning principles. For more information, see *ISO Management Systems* – March-April 2005, pp 11, "Does it pay to train? ISO 10015 assures the quality and return on investment of training".

Translating ISO 10015 to Sona Koyo needs

The main challenge in adapting the generic requirements of ISO 10015 to Sona Koyo was to make the training needs more business oriented so that training efforts could result in business outcomes.

Our next challenge was to train line managers to highlight training needs by identifying the performance gaps in the day-to-day work of their departments. They were asked to segregate those into competence gaps where training and development could be the solution.

> Our training and development programmes **are now directly linked to business needs**

The third challenge was to design the pedagogy aspect of training to deliver the desired outcome. We did so by eliminating the non-essential components from existing packages. Finally, we trained immediate supervisors and line managers in "observation skills" so that the post-training data could be captured in true form and real time.

In retrospect, we suggest that a few more models be added to the five stages of training in the guidelines could make the standard more user-friendly. This would be especially useful in cases where no local consulting body is available and the organization must implement

ISO 10015 without third party assistance.

Benefits of ISO 10015 implementation

One of the key benefits of ISO 10015 implementation achieved to date is that our training and development programmes are now more focused, and are directly linked to business needs and operations. We also gained in efficiency by eliminating non-essential components from past training packages.

Comparing pre- and post-training results has shown up the effect of training on the target section of the organization. This has helped us demonstrate that employee development opportunities can be an effective means of retaining employees. It also enabled us to achieve a record low employee turnover of only 6.5 % in the financial year 2007-2008. In fact this figure improved dramatically to only 2.26 % turnover during the final quarter of that period.

Employee development can be an effective means of retaining employees

This is particularly impressive when seen against an average of 15+ % employee turnover for all industry in India[1], and is expected to enhance our competitiveness by preserving the knowledge base within the company.

*An independent audit of Sona Koyo's ISO 10015-based training management system was conducted by (left to right) **Dr. Lichia Saner-Yiu** and **Dr. Raymond Saner** of CSEND, in the presence of **Mohit Gandhi**, Director, Confederation of Indian Industry.*

In addition, two "Best Employer Awards" were presented recently to Sona Koyo by the World HRD Congress jury for outstanding performance in two categories – "Best HR Strategy in Line with Business", and "Innovative Retention Strategy". We credit our more business-needs-focused training programmes, as a result of ISO 10015 implementation, for much of this industry recognition.

On implementing ISO 10015

Following Sona Koyo's experience with ISO 10015 we would like to make the following suggestions to other organizations considering implementing the standard :

1. Pay close attention when defining your human resource competency criteria, keeping in mind your short and long-term objectives

2. Select only those performance gaps that can be addressed by training and development so that training is not seen as the solution for all gaps

3. Be careful when designing training programmes to ensure that the right medicine is prescribed to the right patient – i.e. that training is tailored to fit the individual employee

4. Define the desired level of effectiveness in advance (according to Kirkpatrick's model) by which every programme will be evaluated

5. Transfer the responsibility for evaluation and monitoring to the frontline managers to encourage a high degree of implementation

6. Share evaluation and analysis of training with supervisors and line managers

7. Isolate the effects of training from the overall results, and compare with the target group only.

1) *India Employee Turnover Study*, January 2008, conducted by CSEND in partnership with the Confederation of Indian Industry.

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