Survey on training quality management in Europe

Need for improvement

by Raymond Saner, Director, and Lichia Yiu, President of CSEND

It can be difficult for the uninitiated to understand in-company training. Most companies will say that " employees are our most important asset " and " we are committed to developing our human resources ", but managers may still know little about the actual return on training activity. Has it been useful ? For whom ? What has been achieved ?

If it gets reported as " total numbers of training days, trainees and training courses ", then one knows that money has been spent and courses have been organized. But what about the results ? Have performance levels improved after training ? Has the company benefited from greater competence levels ? Has training improved staff morale or teamwork ?

A European survey reveals

A review of European companies' publicly available activity reports shows that the field of in-company training is full of broad expectations, and that the line between formal education and in-company training remains vague and confusing. In order to gain a better understanding of the current state of in-company training, the Centre for Socio-Eco-Nomic Development – CSEND (see **Box**) – designed and conducted a survey of European companies to gain a better understanding of the current state of in-company training.

The subject enterprises were asked a series of questions :

- How important is workplace learning for your organization ?
- What types of workplace learning activities does your organization conduct ?
- What types of training evaluation are carried out in your organization ?
- How often does your management require to see the results of training ?
- In what types of training-related decisions are your line managers personally involved ?
- What would be the most useful change to undertake in reassessing training in your organization ?

The survey also solicited information on the size of the company and the role and responsibility of the respondent.

Puzzling responses

The survey questionnaire was sent to 100 European companies, of which 34 responded. The highest response rate was from companies in France, Great Britain and Switzerland. Others were from Belgium, Germany, Italy, and the Netherlands. Participating companies were mostly large and medium-sized enterprises engaged in construction, banking, industrial goods, insurance, automobiles, media and communications, and pharmaceuticals (see **Figure 1**, next page).

The Centre for Socio-Eco-Nomic Development (CSEND – **www.csend.org**) is an independent, project-financed, non-profit Geneva-based foundation that conducts research and development projects and engages in adult education programmes in support of performance improvement in organizations.

The CSEND division, the Academy for Quality in Training and Education (AdeQuate – **www.adequate.org**), is the first organization accredited by the Swiss Accreditation Service as a certification body for the certification of training systems, training programmes and training providers (SCES 081).

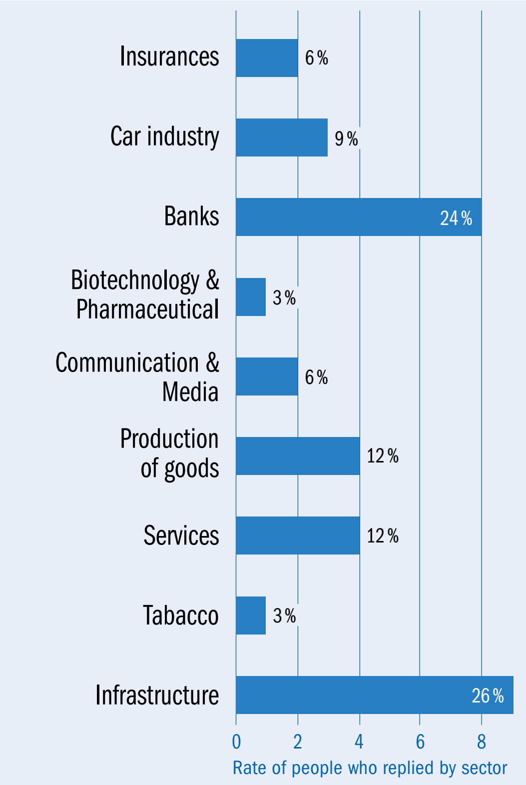


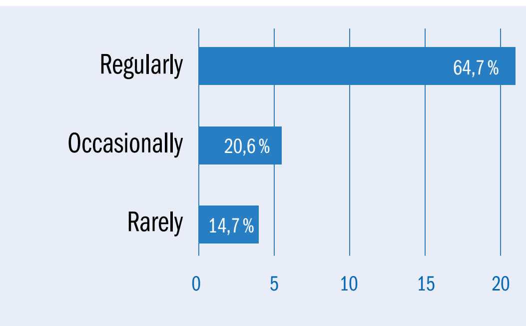
Figure 1 – *Sectors represented in the survey sample.*

Respondents' answers were simultaneously predictable and puzzling. For instance, when asked "Do you think that training should have an impact on the productivity of your company?", a large majority (85.3 %) answered affirmatively.

When asked "How often does your management require to see the results of training?", 65 % of the respondents answered "regularly" (see **Figure 2**).

However, when asked how the companies actually assessed the effectiveness of training, the responses were revealing. Only 50 % of the respondents indicated that evaluation was often carried out to assess individual or group performance improvement three months after the completion of training. The majority of the assessment, not surprisingly, tended to focus on the level of satisfaction felt by the individuals after taking training, while the transfer of the newly acquired learning to the job was the second most evaluated item. Forty-seven percent of the respondents said that they occasionally also used the return of investment (ROI) as a measure of training effectiveness, but only a minority (four companies) actually said that they often use ROI to measure training success (see **Figure 3**).

Figure 2 – *How often does management require to see results of training?*



"The line between formal education and in-company training remains vague and confusing."

The relative inattention paid to "knowledge acquisition" (29 %) as part of the training evaluation is also worth noting. Companies seem to use "transfer of learning on the job" as proxy to ascertain whether participants in the company training actually acquired new ideas, information and techniques by observing their on-the-job behaviour or practices. This use of "learning transfer" as proxy might be a quick way to assess learning and behavioural change; however almost 40 % of the companies stop short of making it a routine practice of the training management.

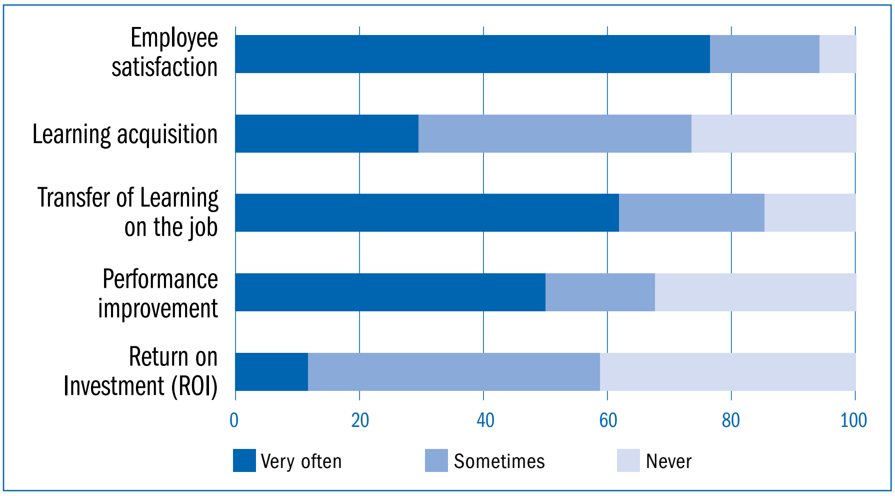
Regarding what types of training decisions line managers are personally involved in, the most frequent answer was "the desired learning outcomes in terms of competence acquisition" (88 %). In second place was the selection of employees for training.

Link training to objectives

When asked "what would be the most useful change to undertake" regarding their company's training management practices, 70 % of the respondents placed "to link training interventions to corporate strategic objectives" as most important. "Increasing after-training support to ensure on-the-job application" was cited as the second most useful change to undertake (24 %) in the future (see **Figure 4**).

A mixed picture emerges from the survey results. On one hand, companies

Figure 3 – *Types of training evaluation carried out in companies surveyed.*



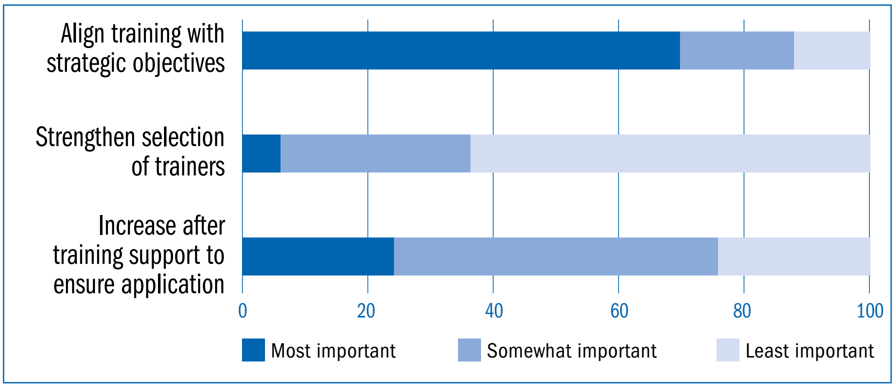


Figure 4 – *What changes would be most useful to undertake in a reassessment of training?*

indicated the most useful change to be made in a training reassessment would be to link training to the company's strategic objectives. On the other hand, a minority of companies carry out their training evaluation at the results level. It could be that training managers find it difficult to evaluate training impact due to insufficient alignment with business objectives.

While line managers are often involved in training-related decisions – such as who should attend and what type of competence needs to be developed – they don't seem to be engaged in defining performance improvements that they would like to achieve with their training budget, nor in ensuring direct links between business objectives and staff training.

In come ISO's guidelines for training

One way to ensure a strategic training orientation is to apply ISO 10015:1999, Quality management – Guidelines for training, as a road map. However, when asked what type of quality assurance these companies used, the most quoted quality management system was ISO 9001, while some mentioned ISO but were not sure which one was implemented in the company. Twenty-two percent of respondents indicated that they did not use any quality standards at all (see **Figure 5**).

While ISO 9001 was the most used quality standard, a minority of companies indicated that various departments are certified by different quality assurance standards. Several standards have been mentioned in the "other" category, including ISO 10014:2006, Quality management – Guidelines for realizing financial and economic benefits; International Computer Driving License (ICDL); quality of continuing adult education (eduQua) and social accountability standard (SA 8000). Some of these are standards used only for management and/or training (ISO 9000 and ISO 10014). Others, such as ISO 14001:2004, or ICDL are designed for the quality of plants or the environment.

Surprisingly, ISO 10015, which focuses on quality assurance of in-company training, was not mentioned. In fact, this is the only ISO standard offering guidance on assessing two essential aspects of company-based training:

- Assurance of alignment of training investment with business needs
- Assurance of transfer of newly learned skills and knowledge to strengthen on-the-job performance.

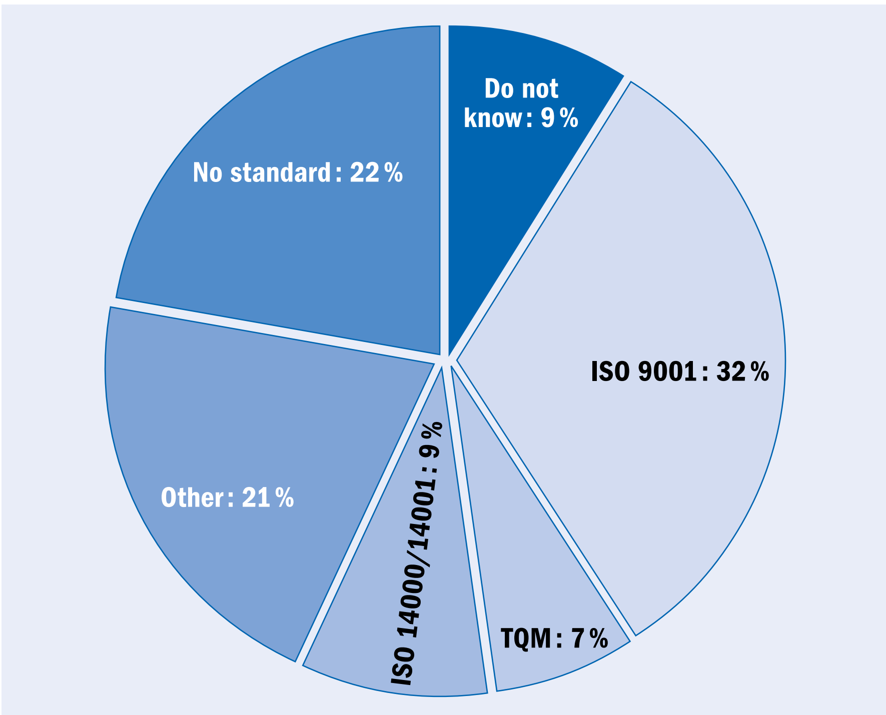
Proven company benefits

Companies that have implemented ISO 10015 report both tangible and intangible benefits.

When Ernst & Young Bahrain decided to implement ISO 10015 in 2007, the company already had a well structured approach in place, based on global policies and procedures for evaluating training needs, content and outputs. By implementing ISO 10015, Ernst & Young gained a competitive edge to improve on its existing training solutions, and linked its training investment systematically to the needs of the business. ISO 10015 added a vital component to existing training management procedures in aligning global training offers with local corporate needs, and in identifying unique training needs which might not be captured by a global training structure.

In a market where turnover is relatively frequent, effective "on-boarding" is important to maintain required levels of service quality. By consciously raising the level of assessment from

Figure 5 – *Which quality management standard was implemented by your company?*



learning to performing, Ernst & Young is also reaping greater benefits from its graduate programme for developing local talent.

Sona Koyo Steering System of India is another company that has benefited from implementing ISO 10015. Not only has it achieved national recognition as the company that has obtained both the "Best HR Strategy in line with business" and the "Innovative Retention Strategy" awards, the company has also been able to demonstrate with quantifiable data that "employee development opportunities can be an effective means of retaining employees [and] achieving a record low employee turnover rate of 6.5 % in financial year 2007-2008" compared to the industry average of above 15 % the same period (see *ISO Management Systems*, March-April 2009). This represents significant savings on recruitment costs, operational impacts and other employee turnover expenses.

"Companies should take note of ISO 10015."

Assessment still lacking

The aim of in-service training is to improve a company's performance by organizing appropriate learning opportunities for staff.

Training should help an employee become more efficient, and help the sponsoring company gain improvements in productivity and performance. From the perspective of the company, investments in training should increase efficiency and bottom line. In sum, employees acquire new competence and the company benefits from the trainees' new skills in business results.

However, what the survey showed was that many companies do not assess training investments, nor do they actually measure the impact of training. Only a small number of companies surveyed possess accurate data regarding the return on investment from training.

In times of economic downturn and continuous challenges due to uncertainties and competition, companies must invest in training to ensure their survival. This means ever-expanding innovation and adaptability of employees through learning.

Companies should take note of ISO 10015, the only International Standard that offers a clear road map toward safeguarding training investments. ■

About the authors

Dr. Lichia Yiu, President and co-founder of CSEND, and partner of Organisational Consultants Ltd, Hong Kong, has designed and conducted management training projects on cross-cultural leadership, management, localization and international negotiations for multinational companies in North America, Europe and Asia.

She has been a member of the OECD teams which assessed higher education in China and Brazil focusing on quality assurance and quality systems of education, and has designed management development and training programmes for UN Agencies and multinational companies.

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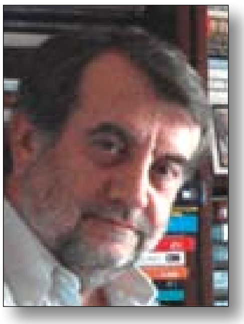

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He has 20 years' experience in training managers in international negotiations, globalization and leadership development, and has worked as a consultant to the United Nations, other governmental and non-governmental agencies, and multinational companies.

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