

# Business Standard

ISO standards come to the aid of HRD (6 Jul, 2006)

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## You can now measure return on investment.

Given that the quality of a company's human resources is the key driver of sustained top-level performance, it's a no-brainer that it has become crucial to invest continually in developing people to ensure success in the marketplace. But how does a company assess whether such training yields a positive return on investment?

Companies as a rule do not scrutinise their training investment as thoroughly as they do investments made in other domains (in manufacturing, for example). One reason is that they are not required to report on training investments to shareholders. Another is that most managers do not know how to assess the return on investment in training.

But now help is at hand in the form of a quality standard, the ISO 10015, which has reached Indian shores through Geneva's Academy for Quality in Training and Education in association with the Confederation of Indian Industry (CII).

Quality standards are common in manufacturing, but this one (from the International Organisation for Standardization or ISO) strives to assess return on investment in training. It offers organisations specific guidance in aligning their training investment with their business objectives.

Developed by a group of experts from 22 ISO member countries, it became available to the public in 2000— a full six years ahead of its advent in India. The academy specialises in quality certification of training systems and is the only government-accredited certification body in the world based on the ISO 10015 standard.

"ISO 10015 is a quality management standard for in-service training to ensure that there will be return on investment," says Dr. Raymond Saner, a registered lead auditor for ISO 10015, now in India to conduct a series of workshops.

"ISO 10015 can have special relevance to the BRIC countries, because they do not have enough qualified people [in a situation of rapid economic expansion]," says Saner.

"Having more graduate programmes is useful but it does not meet the requirement of specific skills training for specific industries; and it is in company-specific in-house training that this standard really helps."

"While India is progressively facing a talent crunch and companies have to spend much more resources in retaining and rewarding its competent staff, a third party-certified ISO 10015 training system would help companies accelerate the process from learning to application at the work site and to reduce misuse of valuable training resources," he adds.

It is based on two key principles: it helps organizations identify performance gaps and ensures that the process used to address such gaps is conducted adequately and appropriately.

The ISO 10015 standard tries to determine the extent to which HRD professionals are actually performing according to these principles, and ensure that managers are committed to best practices in organisation-based training.

"Training is sometimes so general that it does not fit the company process. ISO 10015 seeks to close the gap between knowing, doing and applying and to ensure that the training process fits corporate strategy," says Dr. Lichia Yiu, a registered lead auditor for ISO 10015.

"The standard offers a roadmap in guiding the company to make sound training investment decisions by asking the top management to connect training to performance goals and use it for improving individual and group performance."

Saner and Yiu say that being sector specific, ISO 10015 is a learning-oriented standard that offers companies specific guidance in training technology and organisational learning, depending on the competencies required.

ISO 10015 defines training in a four-step process: analyse - plan - do - evaluate, with each step connected to the next in an input-output relationship. As a quality management tool, it helps to specify the operational requirements for each step and establishes procedures to monitor the process.

This enables training management to focus more on the substantive matter of each training investment rather than merely on controlling costs, as is usually the norm. It also links training and evaluation to performance objectives.

"Such a training approach provides companies with constant feedback on its investment in human competencies and on productivity improvement resulting from training. This feedback allows an organisation to take an in-depth look at its training system and refine it if needed," says Saner.