

**Case study evaluating the impact of QFA  
Training on Organisational Performance  
in a Credit Union using the  
Phillips ROI Model**

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# Abstract

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There is a general consensus in literature that training enhances organisational performance (Aragon and Valle, 2012), however there are also a number of researchers who would argue that the results of training-organisational link are not inspiring (Paauwe and Boselie, 2005; Paauwe, 2009). There is much written on training evaluation from the perspective of the employee using levels 1 to 4 of the Kirkpatrick/Phillips model. During the literature review, a gap was identified in relation to the impact of training at organisational level. The aim of this case study is to evaluate the impact of QFA training on organisational performance in a credit union in Ireland using the level 5 of Phillips ROI Model. A mixed methods approach was used with a view that it would provide a more in depth evaluation.

The ROI and BCR formulas which are key metrics in the Phillips model were used to calculate the tangible benefits of the training. Semi-structured interviews were conducted with members of the management team to establish if there had been intangible benefits from the training at an organisational level. This evaluation confirmed that QFA training did have a positive impact on organisational performance in the credit union.

# 1 Introduction

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The aim of this research is to evaluate the impact of QFA training on organisational performance in a Credit Union. The study will use the Phillips Return on Investment (ROI) Model level 5 to assess the impact. This model will measure the return on investment in financial terms and it will isolate non-financial that are not so easy to measure e.g. improved employee relations.

## **Research Questions**

1. Was there a financial return on the investment in QFA training?
2. Were there Intangibles benefits identified by the interviewees?
3. Did QFA training have an impact on the performance of the Credit Union?

## **Importance of research**

There is a general consensus in literature that training has a positive impact on organisational performance yet there is very little empirical measuring data relating to the impact of training on organisational performance. (Aragon and Valle, 2012). There is a gap in the evaluation of the impact training has on organisational performance. There also a gap in literature relating to Credit Unions. Skillnets conducted an ROI evaluation in conjunction with a number of Irish based organisations but it did not include a financial services company or a credit union (Skillnets, 2005). This is an opportunity to assess the impact of QFA training on Organisational Performance within a Credit Union. If the results are positive it may be used as a tool to encouraged investment in training in the Credit Union movement in general.

As mention already this case study will evaluate if QFA (will discuss later in this chapter) training had an impact on the performance of a Credit Union (CU) at organisational level. This Credit Union will not be identified.

### **Background to Organisation**

Credit Union movement was founded in response to the scare availability and poor management of money. They were set up as co-operatives with a focus on helping people save and giving them money management tools. It had a volunteer ethos back in the early days and still has to a much lesser degree. This case study will focus on a Credit Union that does not want to be identified: It has gone from very humble beginnings to being in the top tier in the country with assets in excess of €100 million and approximately 21,000 members. It has five employees at management level and twenty staff members.

The majority of staff members joined the Credit Union after completing their Leaving Certificate examinations when it was a very much a community based cooperative in both feel and how business was conducted. There was a board comprised of local members of the community, it was very much an informal environment. The staff did as they were told and did not have any input into the day to day running of the business. Even small loans were approved at board level.

It has undergone extensive changes in recent years particularly as a result of the Global Financial Crisis. Credit Unions now come under the auspices of the Central Bank (Will discuss later) since the Credit Union Act 2012 and are now operating within new governance codes which has brought its own challenges, in particular with regard to culture and how things need to get done today. Risk and compliance had

always been a priority for the board and the Management team, and with the latest tranche of legislation it is now becoming the responsibility of all employees.

The Central Bank introduced Minimum Competency Code (MCC) which the author will go into more detail later. This code applies to people selling or advising clients on financial products. It has been rolled out to the banking sector and is anticipated to be rolled out to the Credit Union sector in 2017.

With both the external and internal environments going through a great deal of change it was decided by the this Credit Union (CU) leadership team that training would be their vehicle of education, development and performance and therefore, the strategic choice for investing in its future growth. The Senior Management is of the view that for training to be effective, it should improve the performance and capacity of the employee. With that in mind and the fact that MCC seems imminent it was decided that QFA training was going to be offered to all employees of CU.

Sultana, A., Irum, S., Ahmed, S., and Mehmood, N. (2012) found that training is a useful tool for coping with changes fostered by technological innovation, market competition, organisational structuring, and most importantly, that it plays a key role in enhancing employee performance. Training is aimed at helping employees obtain the knowledge and skills required to both perform and to be able to develop their abilities to the full within the areas that are relevant to the organisation.

## **Central Bank of Ireland**

In October 2010 The Central Bank Reform Act 2010 created a single body called the Central Bank of Ireland that is responsible for both central banking and financial regulation. This new body replaced the previous Central Bank and the Financial Services Authority of Ireland (known as the Central Bank) and the Irish Financial Services Regulatory Authority which was known as the Financial Regulator. The Central Bank of Ireland is responsible for protecting the best interests of consumers of financial services.

## **Minimum Competency Code**

The Minimum Competency Code (MCC) applies to persons advising consumers on, and/or carrying out other specified functions in relation to, specific retail financial products e.g. home insurance.

The Minimum Competency Requirements were introduced by the Central Bank and established minimum professional standards for financial services providers, with particular emphasis on areas dealing with consumers. The Central Bank wants to ensure that individuals acting on behalf of regulated firms have a minimum level of competence in the advice and associated activities connected with retail financial products.

“All consumers need to have confidence that they are receiving the best possible financial advice and services at all times. We are committed to strengthening

consumer protection by requiring minimum professional competencies and standards of all persons providing consumer advice and services. This enhanced Code now places an onus on both the firms and persons to comply fully with their supervision and professional development requirements”.

Bernard Sheridan, Director for Consumer Protection, Central Bank of Ireland, September 2011 (Central Bank, 2011).

### **Qualified Financial Adviser (QFA)**

The Institute of Banking in Ireland asserts that the “Qualified Financial Adviser (QFA) is the gold-standard professional designation in financial advice for those working in Irish banking and financial services.” (IOB, 2012) It is deemed by the Central bank to meet its Minimum Competency Code in five categories of retail financial products.

Only people who have successfully completed the Professional Diploma in Financial Advice are invited to apply for the QFA designation. (IOB, 2012) The diploma was developed as part of a joint initiative of the Institute of Bankers in Ireland, the Insurance Institute of Ireland and the LIA with the support of the Financial Regulator.

The Professional Diploma in Financial Advice is a six-module level 7 qualification;

Regulation (NFQ Level 7, 5 ECTS)

Life Assurance (NFQ Level 7, 5 ECTS)

Loans (NFQ Level 7, 5 ECTS)

Investment (NFQ Level 7, 5 ECTS)

Pensions (NFQ Level 7, 5 ECTS)

Financial Planning (NFQ Level 7, 5 ECTS)

In 2013 six members of staff and the lending enrolled on the QFA training program. The course was delivered by a visiting lecturer and held in the CU building one evening a week after working hours. It was delivered on a modular basis. The exams were held at exam centres around the country. All of the staff performed well in their exams and passed first time.

## 2 Literature Review

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The aim of the research is to establish if QFA training has had an impact on organisational performance in a Credit Union using Phillips ROI evaluation model. In this chapter a literature review of Training and Organisational Performance, Training and evaluation models.

### 2.1 Training and Organisational Performance

There is a general agreement in literature that training boosts organisational performance (Aragon and Valle, 2012) supported by the assumption that training enhances human capital (Bartel, 1994). Often Training is sold as a key influence in improving the performance of individuals (Potts, 1998) and organisational knowledge (Bollinger and Smith, 2001). The aim of training from an individual perspective is to advance their current skills and ascertain new skills (Mathieu, Tannerbaum and Sales, 1992) and from an Organisational viewpoint it is to improve the output and performance of their workforce (Hornsby and Williams, 1990; Tobias, 1991).

Acton et al (2003) claim that from an organisational standpoint training of employees is crucial for the company's operation and development. They also surmise that the same factors are crucial and critical from an employee's perspective in developing their own skills and for advancing their careers. At the same time there is an increasing awareness in organisations that investing in training could improve organisational performance in terms of increased sales,

and productivity, as well as reduced turnover, absence and conflict (Huselid 1995, Martocchio & Baldwin 1997, Salas & Cannon-Bowers 2000).

There is also a belief that organisations aspiring to compete in the global knowledge-based economy, must gain and develop world-class human resource competencies together with the systems to manage their resources (Aradhana & Anuradha, 2005; Moideenkutty, Al-Lamki, & Murthy, 2011). While Continuous professional development and learning are imperative for organisations to stay viable and relevant (Salas & Cannon-Bowers, 2001).

Becker (1962) offers a robust justification for investing in employees and has linked productivity, wages, and the mobility of workers. Not only does such an investment generate competitive returns for an organisation (Salas and Cannon-Bowers, 2001), but it also delivers advances in how things are done together with providing opportunities to learn new technologies and improve employee skills, knowledge and performance. The acknowledgement of the relationship has led to research which examines the link between training and organisation performance. A number of studies have found a positive association between including training and organisation performance (Razouk, 2011; Delery and Doty, 1996; Moideenkutty et al., 2011; Wright and Boswell, 2002).

However, there is also a group of researchers who have argued that the results of the training–organisation performance link are not encouraging, and that they are, in fact, highly ambiguous (Guest, 1997; Paauwe & Boselie, 2005; Paauwe, 2009). As there has been rather mixed results, the problem of evaluating the results of Training & Development interventions on organisational performance requires further investigation (Glaveli & Karassavidou, 2011). Training has been

described as either faddish, or too expensive (Kraiger, McLinden and Casper, 2004.), and there is also increasing cynicism about the theoretical underpinning of linking training with performance (Wright and Geroy, (2001); Alliger, Tannenbaum, Bennett, Traver and Shortland , (1997).

Interestingly even companies who recognise that training is an important way to improve workers' productivity, historically, it is often one of the first resources to be cut when economic growth slows (McCarthy & Sheehan, 2014). This paradoxical situation is influenced, in part, by the fact that companies often do not understand and struggle to demonstrate how investments in training can enhance organisation and performance outcomes (Kraaijenbrink, 2011).

Meanwhile evaluations on the impact of training on organizational performance has been limited. Many of the organisations that do evaluate training only use self-administered questionnaires, completed by the trainees. Few firms measure the impact of training on performance at an organization-level (Alliger, Tannenbaum, Bennett, Traver, & Shotland, 1997; Aragon & Valle, 2012; Kraiger, McLinden, and Casper, 2004). There has not been the same degree of advancement in empirically measuring the relationship between training and impact on organizational results as there has been on analyzing results from a trainee perspective. (Rahman, Ng, Sambasivan, and Wong, 2013; Tharenou, Saks, and Moore, 2007).

It has however, been observed on occasion that when responding to poor performance issues, that organizations might offer high quality training to their employees and usually with little or no measurable effect on their employees' performance. Management may blame the lack of impact on performance on either the training

package or the trainer, when in fact the training provided was not an appropriate solution to the issue in the first place. When training is not the answer, it is useful if the trainer identifies the root cause (or causes) of the issues and reports back to management (Gupta, 1999). Training is not a panacea for all performance issues and should only be put in place when appropriate.

## **2.2 Training**

There are many definitions offered on the meaning of training in Human Resource Management Literature. Armstrong defines training as the systematic development of the attitude and skill behaviour pattern required by an individual in order to adequately perform a given task (Armstrong, 2010).

Buckley and Caple (2007) developed Armstrong's definition further in proposing training is "a planned and systematic effort to modify or develop knowledge/skill/attitude through learning experience, to achieve effective performance in an activity or range of activities. Its purpose, in the work situation, is to enable an individual to acquire abilities in order that he or she can perform adequately a given task or job". Jones and George defined training as the systematic channel by which people obtain the knowledge or skills for a definite purpose (Jones and George, 2005). Training is the use of specific methods to teach specific learning, using techniques that can be clearly identified and labelled (Grobler, Warnich, Carrell, Elbert and Hatfield, 2006). Such techniques and methods must be regularly enhanced. Training therefore, is a deliberate effort to inform specific skills, knowledge and attitudes to aid an explicit rationale (Archieve, 2008).

Training in the main is designed and delivered to provide learners with the knowledge and skills that are necessary for their roles (Fitzgerald, 1992), as few employees have the complete suite of requisite skills etc. for their assigned job. As a result, many require extensive training to acquire those skills that allow them to make a substantive contribution towards the organisation's growth (Armstrong, 2001). However Olish (2005) is of the view that training is designed to change the behaviours of the employee in the organisation in order to motivate efficiency and improve the employee performance.

Training is considered as playing an essential role in the advancement of an organisation as it improves its performance together with increasing productivity, and eventually gives it the competitive edge necessary to stay ahead of the competition; this would strongly suggest that there is a major disparity between organisations who promote training and those that do not (Becker, Antuar and Everett, 2011). Consequently, organisations that are committed to making profits for their Shareholders and delivering a quality service for their consumers have a tendency to invest in the training of employees ( Dowling, Festing and Eagle, 2008).

## 2.3 Training Evaluation

This section will look at evaluation models which can be employed to assess the impact of training. The main focus will be on the Kirkpatrick and Phillips models. Bailey asserts that these two evaluation models are the most credible and widely used in training evaluation in the world; The Phillips ROI Methodology in particular offers the opportunity to calculate a financial return on the investment in training (Bailey, 2013)

Human resource evaluation which includes training is defined as “systematic collection of descriptive and judgmental information necessary to make effective training decisions related to the selection, adoption, value, and modification of various instructional activities” DeSimone et al, Goldstein, Ford and Kirkpatrick saw training evaluation in terms of evaluation of four segments comprising reaction, learning, behavioural change and return on investment. (DeSimone et al, 2003). Goldstein and Ford (2002), Kirkpatrick (1998) Kirkpatrick et al (2006:3) summarised evaluation as the "effectiveness of a training programme." Buckley and Caple (2007) support this definition with a more detailed description where evaluation attempts to assess the total value of training including the cost benefit and other benefits for the organisation and the individual undertaking the training. Hamblin (1974) encompasses all of the above in his general definition "Any attempt to obtain information (feedback) on the effects of a training programme and to assess the value of the training in the light of that information."

There is a view that the aim of training evaluation is to determine if the investment of time, money and effort was worth it, deciding the definition of "worth" is dependent on the objectives of the training course (Townsend et al, 2004). There are many reasons for engaging in systematic evaluation (Bramley and Newby, 1984). For the trainer feedback can improve the design and delivery of future training programs. Evaluating the learner can determine if the performance gap or development opportunity has been effective. The organisation also requires the program to be evaluated to determine if it has reached the agreed objectives and in providing value in terms of improved performance and cost efficiencies (Philips, 1996).

By evaluating the Cost-effectiveness of a training program it focuses on the financial benefits accrued from training, such as increases in quality and profits, and reduction in waste and processing time. (DeSimone *et al*, 2003). If training is to be considered an investment, it must be held accountable in line with all investments and prove it is contributing to profits. This can only be ascertained through an evaluation of training (Holton 1996). An evaluation may also highlight possible deficiencies in the training function and propose improvements that optimise the function as a whole (Kirkpatrick, 1998; Holton 1996)

Easterby-Smith contends that there are three general purposes of training evaluation: **Summative evaluation**, tests if the training intervention was effective in achieving its objectives. **Formative evaluation**, relates to qualitative analysis of training in order to determine if any changes are required to the training programme.

**Learning evaluation**, involves the measurement of how the trainee can use the learning to apply it back to job performance (Easterby-Smith 1986)

Gunnigle assert that the difficulty for most organisations is identifying measurable criteria that can be systematically assessed in qualitative terms, as many of the benefits of training like job satisfaction or improved morale are difficult, by their nature, to demonstrate in a qualitative manner Gunnigle et al (2006). A training programme is frequently developed when an issue/problem presents itself to an organisation. It is important the issue/problem is assessed in detail in order to ascertain if it is the problem or just a symptom of the problem (Swist, 2001).

To improve evaluation the needs assessment or analysis should be the first step. Therefore in order to evaluate a training programme, the first step needs to be a reassessment of the training objectives. "A need is not a want or desire" (Swist, 2001.), to paraphrase, a need is the gap between what you have and what you should have, the needs assessment is the process used to identify these gaps and is the first phase of developing a training programme and the first element in determining what is being evaluated. Reich supports this approach and defines a knowledge gap as the "gap that exists between what the trainer teaches and what the trainee needs. The process of evaluations helps to measure Reich's gap (Bramley and Newby, 1984.), analysing the value and effectiveness of a training intervention.

As ROI may suggest an accounting oriented evaluation process, this can be misleading and training programs are measured in terms of efficiency of the solution rather than measuring the effectiveness of the programme (Anderson & Woodill, 2004). They believe there is something beyond ROI analysis such as the effectiveness of intangible benefits arising from a programme such as organisational commitment, teamwork,

reduced complaints and conflicts. These intangible benefits are difficult to quantify (Anderson and Woodill, 2004).

## **2.4 Training Evaluation Models**

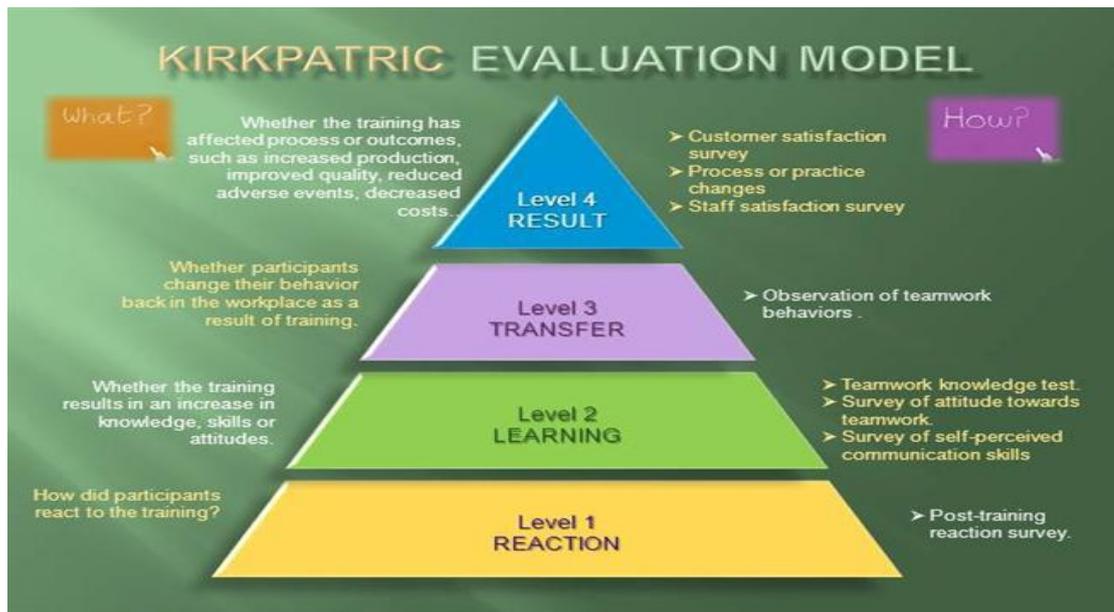
A model of evaluation outlines the principles and focuses of the evaluation effort as training programs can be scrutinised from a number of perspectives, it is important to specify which perspectives will be considered (Kumpikaitè, 2007).

Evaluation models in terms of measuring the efficiencies and effectiveness of training have evolved over the years. For the purpose of this dissertation, the evaluation models chosen include evaluation models most applicable to the HR arena. The main focus is on the Kirkpatrick/Phillips Models.

### **2.5.1 The Kirkpatrick Model**

Islam described as the "father of training evaluation" (Islam, 2006). Kirkpatrick's writings on training evaluation have become the most widely adopted training evaluation tools since he first published a series of articles in the US training and development journals in 1959.

**Fig 1**



[http://authorstream.s3.amazonaws.com/content/1832406\\_635053116707941250.jpg](http://authorstream.s3.amazonaws.com/content/1832406_635053116707941250.jpg)

Kirkpatrick's model for effective evaluation of training examines the trainee's reaction to training (Kirkpatrick et al, 2006). We will go through in greater detail later on. He then looks at learning step which reviews if there has been a change in attitudes, improved knowledge as a result of attending training. How has behaviour changed if at all due to training is reviewed in Step 3. In the final step of the Kirkpatrick model, he evaluated the results of the training.

### **Level 1 - Reactions**

Garavan summarises that the participants' perceptions and satisfaction levels are systematically assessed and the effectiveness of that particular training programme is analysed based on these reactions (Garavan et al, 2003) The reactions act as a basis of evaluation for learning for both the trainer and the trainee. The use of "happy sheets" is the most commonly used evaluation technique at this level. Kirkpatrick (2006) states that event though 'happiness sheets' are often criticised they can be used to determine

if training programme delivery has been effective and if it can be improved. Kirkpatrick (2006) argues that once the questionnaires are designed in a manner that determines what you want to find out and participants are encouraged to write comments and suggestions they can provide meaningful data.

Once the data is collated and examined, the organisation can use it to make changes to the programme, trainer or facilities as appropriate. This stage of training evaluation is generally considered as the easiest stage in evaluation and the one most commonly used within organisation as identified by Gunnigle (Gunnigle et al 2006).

### **Level 2 – Learning**

It has been acknowledged that the second level of the Kirkpatrick model is a more precise measure of the effectiveness of the training taking place. Bee et al (2004: 183) state that in order to ascertain the volume of learning from a training programme, questionnaires are often employed both before and after the training taking place. This realises the extent to which the trainee's skills, knowledge and attitudes have advanced. Kirkpatrick (2006) asserts that a control group, if practical should be used to test against the experimental group (the group that receives the training). Care must be taken to ensure that if this control group is being used that both groups have similar characteristics in order for the data gathered to be valid. The suggestion is that a pre-test and post-test paper and pencil test be used with scoring assigned to the results, the result of this kind of test will indicate if there is a quantitative, measured increase in knowledge or attitude.

In analysing the results you will get a good picture of where the programme has succeeded or failed. While using a control group is the recommended method, Kirkpatrick (2006) acknowledges that this is not always practical. Regardless of whether a control group is used or not once learning objectives have been determined a pre and post-test assessment can determine if learning has occurred.

### **Level 3 - Transfer Behavioural**

The third level of the Kirkpatrick model utilises the information extracted in the levels 2 and 3 as a basis to measure the transfer that has occurred in the trainee's behaviour due to training (Garavan et al 2003:495). As with the learning evaluation (level 1) Kirkpatrick suggests a control group is used at this level also, but recognises that this may be a challenge (Kirkpatrick, 2006).

Allowing time for a change in behaviour is essential to this level of evaluation. Kirkpatrick suggests that surveys/interviews with trainees, line managers, direct reports and others who observe their behaviour is beneficial at this stage of evaluation. Kirkpatrick maintains more than one source needs to be utilised to ensure an unbiased view in relation to the trainee's change/or not in behaviour and to reinforce the validity of the evaluation.

### **Level 4 – Results**

Level 4, the final stage of Kirkpatrick's model, concentrates on the evaluation and assessment of the training in terms of business results Garavan et al (2003:495). According to Kirkpatrick (2006) the results level is the most critical stage of the evaluation and the most problematic part of the evaluation process. Trainers find this

stage challenging as many are unable to measure the results and then compare to the cost of running the training programme (Kirkpatrick, 2006)

**Kirkpatrick's guidelines for evaluating results are six fold:**

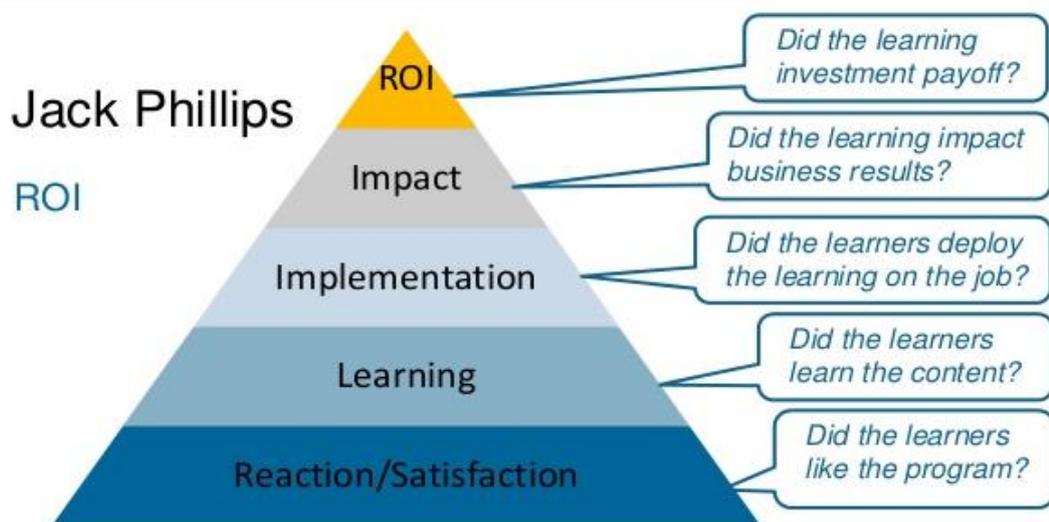
1. Use a control group if practical
2. Allow time for the results to be achieved
3. Measure both before and after the programme if practical
4. Repeat the measurements at appropriate times
5. Consider costs versus benefits
6. Be satisfied with the evidence if proof is not possible (Kirkpatrick, 2006 65)

While these suggestions provide a basis for conducting a final stage of evaluation, Kirkpatrick contends that at this level when the training aims at tangible results rather than teaching management concepts it is then desirable to evaluate in terms of results. In effect it is not always possible to evaluate at this level and a lot will depend on the investment of time and resources and the expectations of senior management.

## 2.6.2 Return on Investment (ROI) Philips

Training is an investment in capability (Garavan et al, 2003), but training can also be measured to determine return on investment (Philips, 1997), but only if the right aspects are being measured "If we measure the wrong things in the wrong way then wrong things may get done."(La Harpe et al., 2008:33).

**Fig 2**



<http://image.slidesharecdn.com/roioflearninglyndacom-150422124107-conversion-gate02/95/the-roi-of-learning-67-638.jpg?cb=1430958564>

Kirkpatrick's model dominates Literature on training evaluation even though it does not address the issue of value for money (Sachdeva, 2014). Jack Phillips supplemented the Kirkpatrick by adding a fifth layer to this evaluation process (Philips, 1996). This level was called the Return on Investment (ROI). For the first time, there was a requirement for mathematical and statistical methods to determine the costs and benefits of a training intervention (Sachdeva, 2014).

Phillips (2005) asserts that ROI is the ultimate level of evaluation as it compares the monetary benefits from the program with the program costs. While the Phillips' model evolves from the Kirkpatrick model, by adopting the return on investment to yield additional, critical insight ROI allows decision makers to compare the final value of training investment with other potential investment opportunities (Bailey, 2013).

However Garavan et al (2003) suggest that this level of evaluation is time consuming and that in most events levels one to four of Kirkpatrick's model would be sufficient for most organisations, however in the current economic climate a real focus is being placed on return on investment. Findings by Burkett indicate that many organisations around the globe are using ROI evaluation within their budget while others are using cost-saving approaches to provide credible data but acknowledges that doing so is not easy and is similar to implementing a "large-scale change initiative' (Burkett, 2005:97). Wilson was critical of the ROI as he is of the view that the measurements are estimated and not the actual numbers (Wilson, 2004).

ROI can be expressed in several ways, it is usually presented as a percentage or cost/benefit ratio. (Phillips 2005)

$$\text{BCR} = \frac{\text{Program Benefits}}{\text{Program Costs}}$$

$$\text{ROI} = \frac{\text{Total Program Benefits} - \text{Total Program Costs}}{\text{Total Program Costs}} \times 100\%$$

**Total Program Costs**

### **2.6.3 The Hamblin model**

The Hamblin model suggests five levels of evaluation that all require to be investigated in order to give a full analysis of the training intervention (Garavan et al, 2003). This model is broadly in line with Kirkpatrick and Philips combined, and suggests that training should be evaluated at reaction, Learning, Job Behaviour, Functioning - effect of learning on participants department, usually through cost-benefit analysis and ultimate value - has it effected the organisations well-being and contributed to a committed workforce and ultimately has it increased profitability.

### **2.5.4 The Leatherman Model**

Leatherman suggests that evaluation should be framed out in a simpler way and outlines three stages of evaluation: Within-training evaluation, terminal evaluation and post-learning evaluation, Within training evaluation in essence involves planning evaluation to be conducted during the training, terminal evaluation to be assessed when training ends through standard form that participants complete and post-learning in order to determine the outcome of the learning (Garavan et al, 2003).

### **2.5.5 Six Sigma**

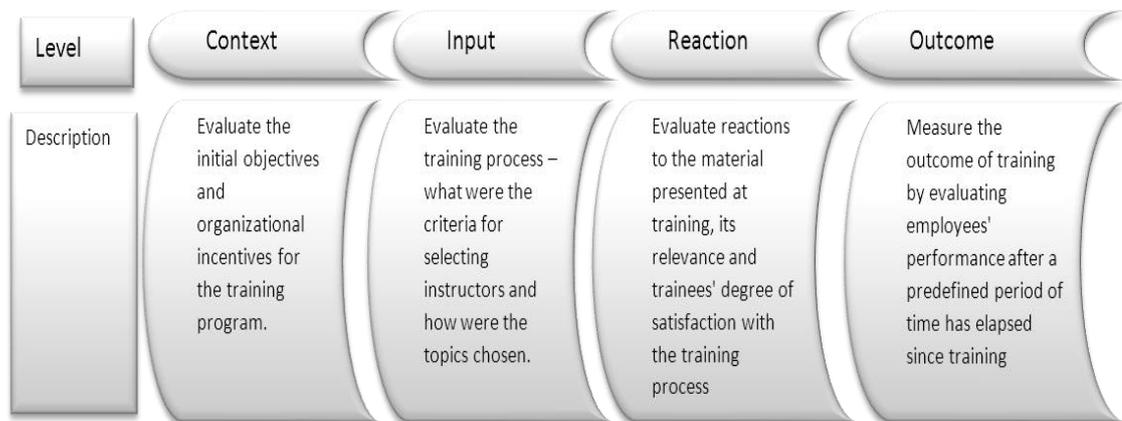
Another approach to training evaluation is the Six Sigma Way (Islam, 2006.) which proposes to provide a system that meets the business requirements aligning business processes with customer and business requirements, systematically eliminating defects by applying tactics to ensure that business expectations are met every time. The major difference between the six sigma approach to training evaluating and the models used

by Kirkpatrick and Philips, is that it incorporates a control phase with ongoing checks to ensure that the learning is maintained over time (Islam, 2006).

### 2.5.6 The CIRO Model

The CIRO model of evaluation developed by Warr advocates the following four aspects of the training are assessed: Content, Input, Reaction and Outcome. (Warr et al, 1970)

**Fig 3**



The CIRO evaluation model requires that a cost-benefit analysis be conducted before each training program to ensure that expenses do not exceed the budget.

<http://www.ccp.co.il/portfolio-view/review/>

**Content evaluation** centres on determining if training intervention can solve an issue enabling the identification of training needs that in turn form the course objectives

**Input evaluation** looks at all elements of training delivery. This may occur during the training where all the resources or inputs into the training are evaluated including participants. **Reaction evaluation** considers the reaction of the various participants involved in the training (Hogan, 2007),

**Outcome evaluation** measures if the objectives were achieved (Garavan et al., 2003).

The outcomes can be evaluated at three levels;

**Immediate evaluation** focuses on the impact of the training intervention before the participant applies this new learning back to their job, it attempts to assess the changes in knowledge, skills or attitude (Hogan, 2007). **Intermediate evaluation** focuses on the impact that the training intervention has on job performance, attempting to measure how the learning is transferred back to the workplace (Santos and Stuart, 2003)

**Ultimate evaluation** looks at the overall results and impact of training in a departmental or organisational context.

# 3 Methodology

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This chapter will address the research rationale and context of this research. It will explain how the research was conducted with the aid of Saunders “Research Onion” (Saunders, Lewis and Thornhill, 2007).

## 3.1 Research Rationale and Context

As previously discussed the Credit Union sector have undergone extensive change & turmoil in part due to financial crisis and in part due to more regulatory demands that are now in place or coming in the very near future. There has also been a necessary move from a small local volunteer run cooperative mind-set to a professionally run financial institution.

The minimum competency code (MCC) is the minimum professional standard/qualification for financial providers of products such as insurance. The aim is to reassure consumers that people providing with financial advice have relevant qualifications and competency. It is a prerequisite for all personnel in the banking sector. It does not currently apply to the Credit Union sector, there is a belief in the industry that change is imminent. The vast majority of the staff joined this CU after their leaving Certificate. On completion of a training needs analysis the CEO identified gaps in skillset within CU. To address that gap and the need to ensure that staff would meet the MCC requirements it was decided to offer QFA training to all staff.

There are limitations to this research as it is a cross sectional case study and the author is not in a position to complete the first four levels of the Kirkpatrick/Phillips model.

There are also time constraints relating to access to directors due to work commitments, holidays etc.

### **3.2 What is Research?**

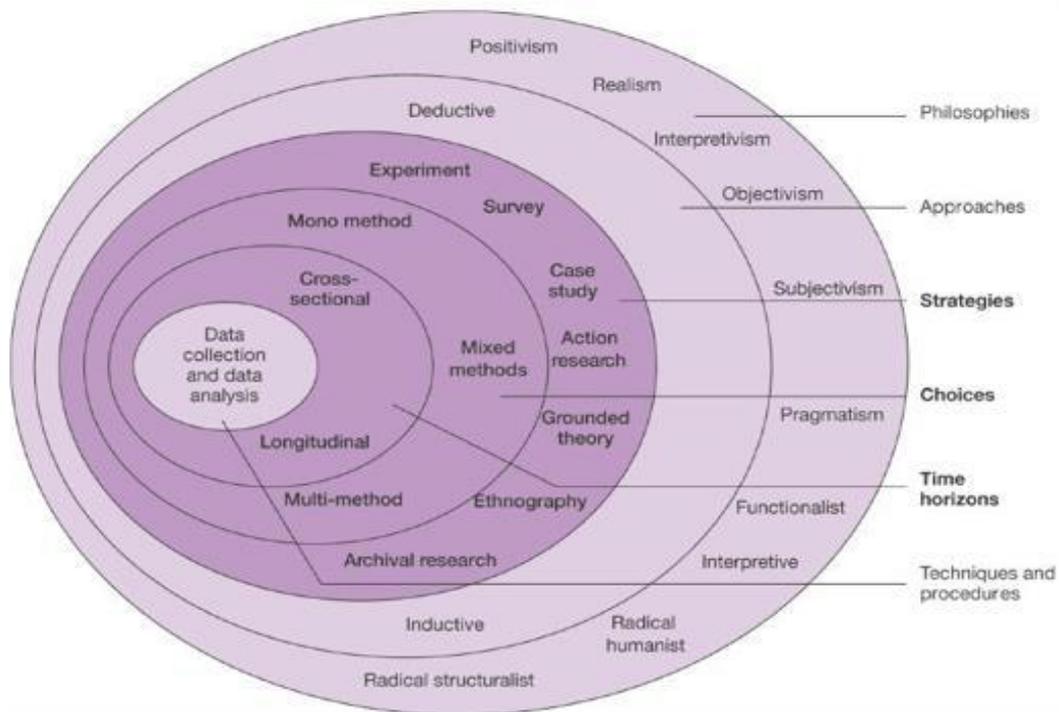
Research might be depicted as “a systematic and organised effort to investigate a specific problem encountered which needs a solution It comprises a series of steps that are designed and executed with the goal of finding answers” (Sekaran and Bougie,2010)

It can also be referenced as “the systematic collection and interpretation of information with a clear purpose, to find things out” (Saunders, Lewis and Thornhill, 2009 p. 600).

While absorbed in research the author not only discovers material relating to the relevant research topic, but can advance their understanding of the way the world operates and how their own philosophy influences the research approach.

Saunders, Lewis & Thornhill (2007) developed the research onion metaphor (fig 4). It describes the six layers/stages that the author needs to go through to ensure an effective methodology. The author will use this model to aid her thorough the research process. Before addressing the layers of the onion it is important to the author to understand their own philosophy as it influences one’s approach to research. Crotty (1998) asserts that it also helps in having research been taken more seriously.

**Fig.4**



Source: Saunders et al (2009) pg. 138

□

### 3.3 Research Philosophy

According to Saunders and Tosey the author's own view of the world, their assumptions relating to human nature and their realities will influence their interpretation of a research question and related research design (Saunders and Tosey , 2012). Consciously or sub consciously the author makes assumptions at every stage of research (Burrell and Morgan, 1979).

Prior to delving into one's own philosophy, "we look at three types of research assumptions" (Saunders, Lewis & Thornhill 2016 p.127) to differentiate research philosophies.

"Questions about the nature of reality are questions of ontology" (Quinlan, 2011, p.95). How a research view is developed is influenced by the author's view of how the world operates, construction of society in other words his or her ontological view. Ontology is very much about perception of reality. It is the author's ontological view that multiple realities can exist and therefore it is imperative that this is acknowledged in this research by using a mixed methodology.

"An epistemology issue concerns the question of what is regarded as acceptable knowledge in a discipline" (Bryman and Bell, 2006, p.16). Epistemology is the study of knowledge, how we determine what valid knowledge is. According to Burrell and Morgan epistemology is also concerned with how knowledge can be acquired and imparted to others (Burrell and Morgan, (1979). The author's epistemological view is that a pragmatic approach to research is required and very much dependent the aim of the research.

Axiology or in other words grasping if the research has added value or not. Heron maintains that value systems guide human action Heron (1996). Axiological skill can be demonstrated by an author who has the ability to ably articulate their values as a foundation for formulating judgements on the research they are carrying out (Saunders et al, 2009). The author's axiological view is that is in the interests of objectively a quantitative approach is more objective as this approach is allows for detachment. In order to delve deeper into the results of the quantitative results it is vital that a qualitative approach is also adapted.

The author is of a pragmatic view of the world. According to Keleman and Rumens pragmatist claim that concepts are only relevant where they support action (Kelemen and Rumens 2008). They also accept that there are many ways of interpreting the world, embarking on research, no single viewpoint can generate a full picture and there can be many realities (Saunders et al, 2009). Therefore pragmatists use a method or methods that allow for credible, justifiable and relevant data collection that will progress the research (Kelemen and Rumens 2008).

	<b>Positivism</b>	<b>Realism</b>	<b>Interpretivism</b>	<b>Pragmatism</b>
<i>Ontology: the researcher's view of the nature of reality or being</i>	External, objective and independent of social actors	Is objective. Exists independently of human thoughts and beliefs or knowledge of their existence (realist), but is interpreted through social conditioning (critical realist)	Socially constructed, subjective, may change, multiple	External, multiple, view chosen to best enable answering of research question
<i>Epistemology: the researcher's view regarding what constitutes acceptable knowledge</i>	Only observable phenomena can provide credible data, facts. Focus on causality and law like generalisations, reducing phenomena to simplest elements	Observable phenomena provide credible data, facts. Insufficient data means inaccuracies in sensations (direct realism). Alternatively, phenomena create sensations which are open to misinterpretation (critical realism). Focus on explaining within a context or contexts	Subjective meanings and social phenomena. Focus upon the details of situation, a reality behind these details, subjective meanings motivating actions	Either or both observable phenomena and subjective meanings can provide acceptable knowledge dependent upon the research question. Focus on practical applied research, integrating different perspectives to help interpret the data
<i>Axiology: the researcher's view of the role of values in research</i>	Research is undertaken in a value-free way, the researcher is independent of the data and maintains an objective stance	Research is value laden; the researcher is biased by world views, cultural experiences and upbringing. These will impact on the research	Research is value bound, the researcher is part of what is being researched, cannot be separated and so will be subjective	Values play a large role in interpreting results, the researcher adopting both objective and subjective points of view
<i>Data collection techniques most often used</i>	Highly structured, large samples, measurement, quantitative, but can use qualitative	Methods chosen must fit the subject matter, quantitative or qualitative	Small samples, in-depth investigations, qualitative	Mixed or multiple method designs, quantitative and qualitative

**Source:** Saunders, M Lewis, P, & Thornhill, A (2007)

### 3.4 Research Approaches:

#### Inductive Theory

Within the inductive theory the authors commence the process by observing and towards the end of the research theories are formulated as a result of the observations (Goddard and Melville, 2004).

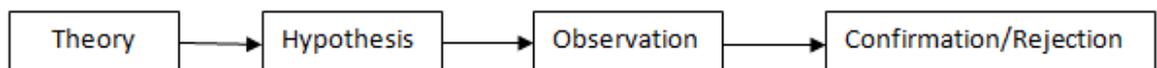


Source; <http://research-methodology.net/research-methodology/research-approach/inductive-approach-2/>

In other words, no theories would apply in inductive studies at the beginning of the research and the author is free in terms of altering the direction for the study after the research process had commenced (Bernard, 2011, p.7).

#### Deductive/Deduction theory:

A deductive research approach investigates a theory or phenomenon and then tests the theory to establish if it well founded in a particular scenario (Beiske, 2007).



“The deductive approach follows the path of logic most closely. The reasoning starts with a theory and leads to a new hypothesis. This hypothesis is put to the test by confronting it with observations that either lead to a confirmation or a rejection of the hypothesis” (Snieder and Larner, 2009, p.16).

This case study will take a deductive approach. There is a consensus in literature that training has a positive impact on organisational performance (Aragon and Valle, 2012;

Kraiger, 2003). In conducting an ROI evaluation of QFA training the author is testing if the consensus has merit in the CU.

### **3.5 Research Strategy**

There are several strategies provided in Saunders research onion model, some may of deductive approach while others are of an inductive approach (Saunders et al, 2007)

The choices are;

- Experiment
- Survey
- Case Study
- Action Research
- Grounded Theory
- Ethnography
- Archival Research

The focus of this study is one organisation and the impact if any, QFA training has had on the organisational performance using the Phillips evaluation model. Therefore case study has been selected as the strategy as it is believed it is the most appropriate option for this piece of research.

“A case study is a valuable detailed report on a confined body such as an organisation, event or an individual” (Quinlan, 2010 p.479). A case study strategy proves very insightful when one wants to gain a greater understanding of the research framework. Robson maintains that a case study is “a strategy for doing research which involves empirical investigation of a particular contemporary phenomenon with its real life context using multiple sources of evidence” (Robson, 2002, p. 178.)

### **3.6 Research Methods**

According to Saunders and Tosey (2012), this layer provides researchers with the options when facing research design; do they opt for quantitative method(s), qualitative method(s) or a mixture of both. In this case study a combination of quantitative and qualitative also known as a mixed methods approach is chosen. To evaluate the impact training has had on the organisation, the author used the Philips ROI model. Over the past twenty years mixed methods has gained recognition as a third methodological movement that complements the traditional qualitative and quantitative movements (Teddlie & Tashakkori, 2009).

Bryman and Bell assert that quantitative research “is described as entailing the collection of numerical data and as exhibiting a view of the relationship between theory and research as deductive, a predilection for a natural science (and of positivism in particular), and as having an objectivist conception of social reality” (Bryman and Bell, 2011, p. 150). Quantitative takes the form of numerical data, it is more objective as it analyses statistical data. It is “is the term given to data that can be counted and quantified to shed light on features of organisational and employment situations” (Anderson, 2013, p. 269). This feeds into the return on investment formula used in the Phillips model that aims to establish if there was a financial return on the investment in training.

Qualitative Data is a non-numeric data. As such can take many forms e.g. beliefs, opinions, perspectives, narratives, images and many more (Quinlan, 2011, p363). Saunders describes it as “all non-numeric data or data that have been quantified and can be a product of all research strategies” (Saunders et al, 2009, p480). In this piece of research it allows the author to establish if the organisation or to be more precise if senior management have observed non-financial effects of the QFA training. Aquinis et al, recommend qualitative approach to gain an in-depth knowledge that help explain the organisational outcomes of training (Aquinis et al, 2009).

Mixed Method is the term used for research that integrates quantitative and qualitative research in a single project (Bryan and Bell 2015). Mixed method is becoming the acceptable approach in research business research (Bryman, 2009). However Smith (1983) is of the view that the two research strategies support different procedures and have different epistemological inferences, therefore should not be accepted as complementary Anderson assert mixed methods can afford authors benefits such as triangulation (Anderson ,2009). As far back as 1966 Web et al were arguing that confidence in research findings were enhanced resulting from more than one research strategy (Webb, Campbell, Schwartz and Sechrest, 1966).

Triangulation is the use of data from various sources to investigate the findings. It is referred by to as “the use of different data collection techniques within one study in order to ensure that the data are telling you what you think they are” (Saunders et al, 2009, p 146) The mixed methods has been chosen in this study as the Phillips (ROI) formula will be used to calculate the return on investment in training (quantitative) and interviews will be used to capture any other business impacts that have occurred as a result of QFA training.

### **3.7 Time Horizon**

The research time horizons layer of the research “onion” model provides the author with two choices – cross-sectional and longitudinal.

Saunders et al. assert that a cross sectional study is “the study of a particular phenomenon (or phenomena) at a particular time” (Saunders et al, 2009, p. 155). While Easterby-Smith, Thorpe, Jackson and Lowe (2008) suggest that a cross-sectional research favours the survey strategy, Saunders et al. highlight that qualitative techniques can also be used in cross-sectional studies Saunders et al (2009). According to Saunders and Tosey cross-sectional is most likely to be used if research is undertaken to answer a question and is inclined to use a strategy such a case study Saunders and Tosey (2012).

Saunders et al. believe the key strength of longitudinal studies is that it has untold ability to study change and development Saunders et al (2009). It was the belief of Adams and Schvaneveldt that the author of the study can exercise a measure of control over the variables being studied, provided that the research process doesn’t affect them. This study has chosen a cross-sectional study due to the limited time available (Adams and Schvaneveldt, 1991).

### **3.8 Data Collection and Analysis**

In this layer of Saunder's research onion model the focus is on Data collection and analysis. According to Bryman & Bell collection of data is key in any research Bryman & Bell (2011). In this research the author will use Phillips Return on Investment formula as the quantitative research method and interviews for the qualitative research method. According to Kahn and Cannell an interview is "a purposeful discussion between two or more people" (Kahn and Cannell, 1957)

According to Bryman and Bell unstructured interviews allows the interviewer some latitude to ask more questions in the event that there has been a "significant" reply to a question. (Bryman and Bell,2011). Phillips asserts that this "can lead into more detailed information as important data are uncovered" (Phillips, 2009). This study has chosen semi-structured interviews as it allows for more flexibility than a structured interview and is the best option for achieving the aim of the research.

### **3.9 Ethical Considerations**

Research ethics refers to "questions about how we formulate and clarify our research topic, design our research and gain access, collect data, process and store our data and write up our research findings in a moral and responsible way" (Saunders et al. 2009, p. 184). Research ethics is to do with the obeying of "code of behaviour in relation to

the rights of those who become the subject of your work or are affected by it” (Wells, 1994, p. 284).

The Board and the Management of this Credit Union like any financial institution are reluctant to discuss organisational performance or for that matter employee related issues. With that in mind the author must tread carefully and be aware not to delve into any area that may be perceived to be of an operationally sensitive nature.

Semi-structured interviews allow individuals to disclose thoughts and feelings which are clearly private. This method relies on the inter-personal skills of the interviewer, the ability to establish relationship and rapport. These qualities are valuable but ethically very sensitive. The types of questions to be asked, issues of confidentiality and at times anonymity have to be thoroughly assessed and issued. As mentioned above, trust is fundamental and must be maintained through professionalism and respect for each person whose perspective through this method should be recognised as unique and valuable.

### **3.10 Limitations**

The research will be limited to Level 5 of Phillips ROI evaluation model and to QFA impact on organisational performance. It will not evaluate the impact of QFA training on the individual employees. There is also timing constraint together with access to members of the board and senior management in part due to holidays but also work commitments of both the author and the interviewees.

## 4 Analysis and Discussion

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The aim of this case study is to evaluate the impact of QFA training on organisational performance in a Credit Union using the 5<sup>th</sup> Level of the Phillips ROI model. The evaluation process took place one year after the completion of the QFA program by seven members of the Credit Union team. Due to time constraints and that the focus is on business results it was decided not to engage with levels 1 to 4 of the ROI model.

Phillips' ROI model is a measurement tool that will be used for calculating the return on investment in QFA training in CU. The results of training can be divided into Hard or Soft data (Phillips, 1996). Hard data measures in terms of organisational level performance which is easier to deliver in fiscal values e.g. increase in sales, efficiencies. The soft data is more challenging to deliver in monetary terms as it is more subjective e.g. improved employee relations, cross-skilling, and reduction in absenteeism.

To enable the calculation of a return on investment using Phillips' ROI and BCR formulas (both to be discussed later in this chapter), the business results in this case study are converted to monetary values and then compared with the costs of the program. It calls for a value to be put on costs associated with the training programme and the business results that were achieved directly as a result from the training program (Phillips, 2002).

As well as having tangible fiscal benefits, training programs will also drive intangible benefits that are impossible to quantify in economic terms, such as increased job satisfaction, better collaboration, increase in customer satisfaction (Phillips, 2002).

Saunders et al. assert that qualitative data is most likely to be flexible, vague and more complex than quantitative data as it is typically reflects a meaning that stems from social interpretation (Saunders et al.,2012). Analysing such data can be challenging as it lacks instruction on how to conduct a data analysis (Collis and Hussey, 2009). Horn contends that as qualitative is less structured in the collection of data, it gives the interviewer control over what the interviewee states by certifying a higher degree of internal validity (Horn, 2009). As the researcher processes the data it is reorganised and categorise appropriately. This allows the researcher to identify any themes occurring while review the data (Saunders et al, 2012).

To identify the intangible benefits of the program, there was a qualitative approach taken in the form semi-structured interviews. As this case study is looking at evaluating the impact of training on Organisational performance, it was decided to interview two directors, the CEO and the Lending Manager are well equipped to identify the intangible benefits of the QFA training. The Lending Manager was also a participant in the QFA training programme, the view was taken that it would be interesting to get his feedback on the program. All of the other participants of that program report into him.

In the interest of confidentiality they will not be named and will be identified in terms of their role within the organisation.

Interviewee 1	Lending Manager
Interviewee 2	CEO
Interviewee 3	Director 1
Interviewee 4	Director 2

The findings of the interviews conducted in this case study are presented in a table format under a thematic analysis which highlights the themes that recurred throughout the participant's responses as well as examples from the interviews which highlights the relevant themes.

<b>Recurring Themes</b>	<b>Quotes from Participants</b>
<b>Improved Employee Relations</b>	<p>“enhanced staff self-esteem”,</p> <p>“strong and professional team ethic”</p> <p>“Staff with QFA are being promoted to a higher positions are happier”</p> <p>“reduced absenteeism – the team spirit effect”</p> <p>“lift morale of employees”</p>
<b>Increased Productivity</b>	<p>“increase in productivity”</p> <p>“reduction in absenteeism”</p> <p>“Credit Control have reduced the bad debt provision by €500,000.00”</p> <p>“Tasks are taking less time”</p>
<b>Reduction in Absenteeism</b>	<p>“Reduction in absenteeism from 5/6 days per person to 1.3 days per person”</p> <p>“reduced absenteeism”.</p> <p>“Lifted morale of the employees which in turn reduced absenteeism”</p> <p>“reduced absenteeism – the team spirit effect”</p>
<b>Cross-Skilling</b>	<p>“With more confidence, staff are more willing to take on varied tasks”</p> <p>“Three staff have taken on other role which also added to their skill set</p>

Recurring Themes	Quotes from Participants
<p><b>Other Efficiencies</b></p>	<p>“QFA Staff are more willing to respond to increased regulation from Central Bank compared to non QFA staff”.</p> <p>“sale of home insurance has increased significantly” as “QFA qualification is required for home insurance”</p> <p>Better understanding of areas such as compliance and risk and why Central Bank rules are in place”</p> <p>“identified gaps in CU’s own approach to both risk and compliance and addressed it following the training program”</p>

The above themes will now be discussed in greater detail together with linkage between the above data and literature. The focus will be on the research aim the evaluation of the impact of QFA training on organisational performance in the Credit Union.

## **Employee Relations**

When the current CEO joined the Credit Union, employee relations were somewhat strained and had been for a number of year culminating in industrial action by the employees. The CEO acknowledge that this had left a bitter “after taste” at both employee and management level. There was little flexibility or collaboration post-strike as staff worked very much in line with their “job descriptions”. The CEO “worked hard” at building trust and a relationship with the employees. When QFA training was first mooted by him it was met initially with some “suspicion” but not the militant resistance that had been experience in previous years. The Management saw training as a tool to develop the staff, and to address a future issue of MCC becoming a requirement for Credit Union employees.

It was acknowledged by all interviewees that the QFA training has had a very positive impact on employee relations. According to the lending manager the staff “relations among the staff and with management” are more collaborative with less of the “them and us” mentality. Staff are “taking on more tasks” and “processes are more streamlined as a result of their initiatives following learnings from the QFA program. He also stated that “staff with QFA are being promoted to higher positions are happier”. Director 1 noted the “enhanced staff self-esteem” together with the “strong and professional team ethic”. He is also of the view that the “reduced absenteeism” has lead to “the team spirit effect”.

Oliseh states that training is intended to change behaviours in the workplace in order to motivate and improve employee performance (Oliseh, 2005). This is borne out by the responses from all of our interviewees relating to employee relations.

### **Productivity**

The CEO expressed the view there has been an “increase in productivity”, while the Lending manager acknowledges that “tasks are taking less time”. This is in part due to employees having a “better understanding of the Central bank regulations” which was “acquired on the course” and also gained the “insight how to ensure CU is compliant” while also working “smarter” ultimately saving time. During the financial crisis “credit control had been uphill struggle to get under control” which was acknowledged by both the CEO and the lending Manager. In one year post QFA training “the bad debt provision has been reduced by €500,000.00”.

Prior to having QFA trained staff the credit union was unable to sell insurance or any other financial product under the Minimum Competency Code introduced by the Central Bank of Ireland. The Lending Manager acknowledged that there was a “demand for home insurance by the members”, and therefore when “QFA qualified staff suggested rolling it out and taking ownership” he was “supportive” of their initiative. The Lending Manager is looking at “focusing on the sale of insurance next year”, “the management team see it as a potential area of growth together with the possibility of selling other products”, with “little effort insurance has generated revenues of €60,000.00 over twelve months”.

Of course it could be suggested that if the Central Bank did not have a minimum competency code in place relating to insurance that sales would be at the same level. There is a view in literature that training has a role to play in advancing the organisation and in doing so increasing productivity (Becker, Antuar and Everett, 2011).

### **Absenteeism**

Most employers expect that there might be days when an employee is absent over their duration of employment. They may be for any number of reasons from illness to family situation etc. Prolonged absenteeism can lead to low staff morale, decreased productivity that can lead to a reduction in revenues. In the two years absenteeism in CU was at 5/6 days per person had been at those rates for the previous number of years. The Small Firms Association (SFA) commissioned a report on absenteeism in Ireland for 2015 which concluded that small business (less than 50 employees) had an absenteeism rate of 4.7 days at an annual cost of over €490 million. (SFA, 2015).

The organisation has 25 employees and therefore there is very little wriggle room to be absent. One of the unexpected outcomes from the QFA training has been the reduction in absenteeism to 1.3 days per person. This alone has reduced the CU Sick Pay costs considerably. CU went from being having an absent rate that was above the national average to well below the national average. Two of the people with the highest levels of absenteeism in 2014 have the lowest levels in 2016. Following QFA training they were in a position to apply for two new temporary roles covering maternity as they now had the relevant qualifications. The CEO has seen them “blossom” in their new roles and for the first time appeared to be “passionate” about their work.

Skillnets identified a reduction in absenteeism during training evaluation conducted in conjunction with fifteen Irish Companies (Skillnets, 2005).

### **Cross Skilling and Other efficiencies**

The Lending Manger has noted that “with more confidence staff are more willing to take on more varied tasks”. As mentioned the Lending Manager has the QFA staff reporting into him. He has noticed that “QFA staff are more willing to respond to the increased regulation compared to the Non QFA staff”. He himself “identified gaps in CU’s own approach to both risk and compliance and addressed them following the training program” as he had a greater understanding of compliance and risk. Two members of the staff now sell home insurance, this is a new area for the credit union as in line with regulation only those with MCC can sell financial products. The sale of home insurance “has increased significantly”.

While staff are seen as a resource it is their talent, skills and knowledge that can generate economic growth (Nureev, 2010.), with that in mind it is imperative that the workforce have the skillset to meet the demands of the industry (Hunt, Hennessy, O’Brien and sherry, 2007).

Today organisations are becoming increasingly aware that training could improve their performance in terms of increases in sales and a reduction in areas like absenteeism (Salases and Cannon-Bowers, 2000.), and improving employee skills, knowledge and how they function (Salas and Cannon-Bowers, 2001).

In the literature training was described by Buckley and Caple as “a planned and systematic effort to modify or develop knowledge/skill/attitude through learning experience, to achieve effective performance in an activity or range of activities Buckley and Caple (2007). Its purpose, in the work situation, is to enable an individual to acquire abilities in order that he or she can perform adequately a given task or job”. This is supported by the discussions with the interviewees in this case study.

## **Return on Investment**

Prior to having QFA trained staff the credit union was unable to sell insurance or any other financial product under the Minimum Competency Code introduced by the Central Bank of Ireland. The Lending Manager acknowledged that there was a “demand for home insurance by the members”, and therefore when “QFA qualified staff suggested rolling it out and taking ownership” he was “supportive” of their initiative. The Lending Manager is looking at “focusing on the sale of insurance next year”, “the management team see it as a potential area of growth together with the possibility of selling other products”. With “little effort insurance has generated revenues of €60,000.00 over twelve months”. Of course it could be suggested that if the Central Bank did not have the MCC that sales would be at the same level.

In this case study every attempt was made to assign a monetary value to all data. To ensure the credibility of the results, it was decided not to estimate values on outcomes that were not a direct result of the QFA training. As a consequence business results identified by the interviewees that potentially could be estimated in financial terms but are not as a direct result of completing the QFA training will be listed under intangible benefits. The costs of the QFA program has been formulated with the assistance of the management team.

## **QFA Training Program**

The program was run by a visiting lecturer in the boardroom of CU after normal working hours on participants' own time. In other words they did not get paid for these hours. The exams took place in Limerick on a non-working day: The participants received a subsistence allowance together with travel expenses. The cost of the exams and the membership of LIA were incurred by CU.

### **Costs of Training: the following table lists the fully loaded cost of QFA training:**

Cost of Lecturer (External)	-	€7,500.00
<hr/>		
Cost of QFA Membership		€1050.00
<hr/>		
Expenses relating to travel and Subsistence on Exam days		€4,900.00
<hr/>		
Cost of QFA Exams		€12,250.00
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<b>Total</b>		<b>€25,700.00</b>

As mentioned before, the analysis presented a number of items that could have been assigned a fiscal value in order to arrive at an estimated return on investment. In line with ROI model and the standards instituted by Dr Phillips, the view was taken that only the sale of insurance could be linked directly back to training as only QFA qualified staff can sell insurance and it was the most conservative estimate. The other data items such as the reduction of the bad debt provision by €500,000.00 over a year will be addressed under the intangible benefits.

To calculate the return on investment the QFA Program, there are two key metrics;

There is the Benefits/Cost Ratio BCR formula which calculates the benefits over the cost of the program.

$$\text{BCR} = \frac{\text{Program Benefits}}{\text{Program Costs}}$$

$$\frac{€60,000}{€25,700} = €2.33$$

This calculation shows that for every €1.00 invested in QFA training there was a return of €2.33 in benefits.

There is also the Return on Investment (ROI) formula; It subtracts the costs of the program from the gross benefits to produce the net benefits which is then divided by the costs.

$$\text{ROI} = \frac{\text{Total Program Benefits} - \text{Total Program Costs}}{\text{Total Program Costs}} \times 100\%$$

$$\frac{€60,000 - €25,700}{€25,700} \times 100 = 133.46\%$$

This means that for every €1.00 invested in the QFA training in CU it had a return of €1.33 in net benefits, after the costs were covered. It is important to remember that the above Program Benefits are the most conservative estimate relating to outcomes in this case study as it only used the home insurance sales figures and none of the items from the intangible benefits such as the reduction in bad provision of €500,000.00 in year post completion of QFA training, reduction in absenteeism.

While there is a view in literature that training boosts organisational performance (Aragon and Valle, 2012.), there are a number of researchers who are not encouraged by the results of link between training and organisational performance (Guest, 1997; Paawe & Boselie, 2005). Senior Management often question the benefits associated with training and need to be convinced that investment in training is beneficial to the organisation. They want to see if there is an immediate return in terms of time, effort and a cost justification (Giangreco et al, 2010).

The ROI analysis of the QFA training program in CU has revealed a positive return on investment with minimal effort on the part of the organisation. It has also revealed that there have been a number of intangible benefits too e.g. improved relations, increased productivity together with more efficiencies.

# 5 Conclusions

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The aim of this case study was to evaluate if QFA training had an impact on organisational performance in CU. Both quantitative and qualitative sources were used with the view that it would produce a more accurate picture. Chapter four carried out an analysis of semi-structured interviews and two metrics BCR and ROI from the ROI model were used to calculate if there was a return on the investment in QFA training in this Credit Union.

There is recognition among organisations that training is key to improving employee output yet it is the first item to be cut from the budget in the event of cutbacks (McCarthy and Sheehan, 2014). The findings from this study would strongly suggest that it is not prudent to cut training as it has proven to increase productivity and increase revenues.

This case study concludes the following in response to aims and research questions set out Chapter one;

1. There was a positive financial return on the investment in QFA training. For every €1.00 invested in the Credit Union had a return €1.33 in net benefits.
2. There were five clearly defined intangible benefits identified in the research: Improved Employee Relations, Reduction in Absenteeism, More Cross-Skilling, Increase in Productivity and Efficiencies.

3. Based on the results from the data analysis this study can state with confidence that QFA training did have a positive impact on the organisational performance of the Credit Union in this study.

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