

ABSTRACT & CONCLUSIONS

ABSTRACT:

In the middle of the information age, where every day we can incorporate new technologies and business strategies, discover new ways of conducting business, embarking on a process of expansion, not only national but international. The technology is a key indicator in the growth of the economy.

We belong to a Global economy in which its activities are articulated around international financial markets and global organizations which produce goods and services in one part of the world that are distributed to the rest.

Thanks to the dramatic reduction of transaction costs, largely caused by information technology, markets are increasingly free and transparent. The information circulates freely, without passport or customs which slow its speed. The changes are increasingly faster. Information of yesterday is obsolete today.

Living in this world that changes so rapidly, day by day, we must be flexible and have a great capacity for adaptation. Those economies, businesses, and individuals who are not able to adapt quickly will have the same fate that the information being outdated prematurely.

In turn, this rapid and continuous change represents a unique opportunity for those who are able to use it and take it on time. Thus we find that, being able to adapt and taking advantage of opportunities,

many companies are born one day and soon increase their profits quickly. The opposite occurs with those who are not able to do the same and are forced to close. Flexibility conditions the economic performance and growth of an economy, as it allows the adaptability of business strategy to this changing global market.

We are talking about a world economy that works in terms of the internationalization of the economy. This internationalization is extended in the area of the capital, labor, production process, markets, management and information technology. New technologies, being the lifeblood of the global economic system play a key role in this global process.

In an environment where the only thing we know is that it changes; we must develop the capabilities needed to adapt to this ever-changing and generate competitive advantages. **Training** is the essential tool to combat in this environment. Training to develop the capabilities of the employees that make up the Organization, a training that endures, training in skills, through which the company can give workers the skills they need to fight in the market and leave victorious.

Along this research we intended to show up the value of training as one of our main weapons to fight in this changing and challenging environment. Our main goals were:

- To identify the skills that provide greater value and influence the development of talent in the company, generating a competitive advantage.
- To establish the ways of learning (on-site and e-learning) more appropriate to develop each competency while optimizing company resources (human and economic).

- With the two statements above, to be able to develop a full training program.
- To identify the costs of the program and the training process.
- To estimate the benefits, by adjusting the estimation with a level of confidence.
- To be able to predict the ROI of the investment in training, demonstrating not only its theoretical value but also the economic one.

The present study is divided into three parts. In the first part of the thesis we deal with the globalization process and we try to explain the new variables that governing the market. We say try, because at the pace we move forward, it may be that the day after tomorrow the variables are others. Everything changes, but the training lasts, it gives us capabilities and enables us to adapt to new environments. In this first part we set out the process of globalization driven by technology. We introduce Information Technology, which has led to a change in the business paradigm, giving rise to a new way of trading and emerging innovative business organizations. Another characteristics of the current market: globalization and relocation, and it consequences in the international expansion of the company. Without it, it is difficult to conceive nowadays companies; local companies tend to disappear if they have not done so already.

In the second part of the thesis, we introduce training as the key to business excellence. Training not only in content, given that the speed with which moves the market, the specific content of today may not be valid tomorrow. In addition to that, with Internet, everyone has access to the content. Customers do not seek an expert, which can be accessed

through Google; where they find the information they need and it is also perceived as objective; once identified the rigor and breadth of such information. There are external consulting published market studies and compares products and services from different suppliers. Customers have the information they need and in an orderly manner without moving from their chair or wasting time with useless meetings. What the customers are looking for is another thing, they need something more, a differentiation.

The training allows the company to differentiate themselves; to develop the skills of all employees, by fostering and to grow the individual talent of each one and, therefore, the organizational talent, as the sum of all individual talents. Training, which will allow the company to generate competitive advantage to grow in a complex marketplace and not disappear.

Once we have shown up the value of training, we have defended its strategic position within the Organization and necessary for the company; we develop the third part, in which we defend that in addition to required, training is cost-effective. To demonstrate it, we have recovered quantitative and qualitative information, through the questionnaire distributed to large expert instructors associated with the company and workers of the enterprise, both public and private, with talent and through the five focus groups.

From our research and with the information obtained from the questionnaires, we develop a training plan considering the competencies which we consider most important for the development of the company. We also select the most suitable training way to develop these skills and optimize the resources of the company at the same time. We have also

implemented several focus groups with experts; through them we have identified the potential benefits and costs of this training plan.

We have estimated benefits and costs (gathered by an external consultant) that has enabled us to predict the ROI (Return On Investment, return on investment) of the training, using the formula:

$$\text{ROI} = \frac{\text{Benefits} - \text{Costs}}{\text{Costs}} = \%$$

We have followed the model of Phillips (2002, 2005 and 2007), to collect data, turning them into information and calculate the forecasted ROI. Phillips has been a pioneer in defending the cost-effectiveness of training within the company, through ROI, we managed to demonstrate the cost-effectiveness of training and transferring it to economic values. In this way, we can defend the investment in training before a Steering Committee and that it can be compared with other investment analyze the profitability of all and decide what to invest.

The introduction of the ROI on training, is a before and an after in their conception within the company. It is always been known that training was a need, but it has usually been considered as an expense. The change in the paradigm comes by perceiving the training as an investment instead of as a spending.

Due to the scarcity of resources, in particular economic, the need to assess an investment, before tackle it prevails. More and more, we are looking for the prediction of trends, not only in investment, but forecasting of consumption by product, by sectors of customers, markets, values, evolving trends, etc. The innovation of this study is the

prediction of the ROI on training. It is difficult to predict the benefits that we will get in almost any investment, even more in training, due that its effects are very extensive and produced in several years. Our challenge is to identify the training areas in which it is more interesting, from a point of view of profitability for the company, to invest and estimate their economic benefits.

Before undertaking any investment, and due to resources' scarce; especially the economic ones in crisis period, management, should have the certainty that this training program will bring benefits. So on, the importance to predict the profitability of investment in training and make an estimation of its benefits, prior to her. In this way, we can defend in a Steering Committee the need for an extension of the budget.

The study of the ROI is being implemented to assess all kinds of investments that can undertake a company such as the purchase of equipment, software, new acquisitions of companies, marketing campaigns, development of products, etc. General rules should be established in order to be able to compare investments with others, such as the use of a parameter that uniforms all, like the ROI does. If all departments use the ROI, senior management can compare the same parameter and decide to invest in more profitable projects.

By including the ROI in the analysis to present to senior management to obtain resources, we can predict and demonstrate the profitability of investing in training. So we get a stronger position when it comes to ask for our budget. The company benefits not only for the increase of knowledge, which is always enriching, but also for the economic benefits produced by the training.

For this study, we have not considered relevant to specialize in a sector, country, or type of company. Today reigns the versatility, the specialization has become outdated, the most profitable companies are those that operate in different sectors and, of course, around the world. Thus we find companies that operate in different sectors. What we are proposing in this thesis is a plan of training to develop skills that will be profitable regardless of the type of company to implement, is a universal plan and non-bounded, it is a versatile plan as the market in which we find ourselves.

CONCLUSIONS:

Throughout the conclusions we have exposed the analysis of data and the results obtained; allowing us to assess, through the proposed tools the objectives of this research. We have been focused on the results achieved both in the questionnaire, in its part quantitative and qualitative, as in the focus group. On the basis of the achieved goals we have examine the level of achievement, as well as training decisions that allow the company to get positive results of this investment. In addition the training, to be aligned with the organizational strategy, facilitates the achievement of the strategic objectives.

Questionnaire conclusions:

Goals and features of learning at the workplace

We choose the main group of responses which identify the dimensions of the questionnaire rated from 1 (lowest score) to 6

(highest score), this way and against those features and goals which must have the in house training, the highlighted ones (rated 5 and 6) are the following:

- Knowing training benefits.
- The training must have clear goals.
- Efficiency.
- Satisfaction and motivation.
- Productivity increase.
- Once the program has concluded, the attendees must develop an action plan to put in practice all of what they have learnt and to continue with the training.
- Importance of training at the workplace.

By knowing the benefits of training, those employees attending the training will be more motivated and engaged with it. Employees will therefore understand the value of the training and will get a higher yield on it which will impact on them taking more advantage on the course and a better understanding on the impacting economic value coming from it.

Training must have clear goals and they must be well known by those taking part on it. The training must have its own goals which will be aligned with the company's strategy, helping to achieve the general set goals.

The efficiency of the training is crucial for this study, it aims to minimize costs and increase benefits. Training must be an effective tool, that helps the company to overcome itself, achieve its goals and keep on taking new challenges.

The respondents gave a high rate to the "increase satisfaction and motivation for employees" goal. It is proven that training is a good tool to increase employee's fulfilment and their degree of engagement with the company. When an employee is motivated and enthusiastic about his job, this job will make him feel happier but also it will bring great benefits to the company; we are talking about a more productive employee who can transmit his good spirit to his peers.

Another highlighted item was that once the programme finishes, those who attended the course would develop an action plan in order to put into practice what they had learnt and to continue the training. One of the biggest challenges that training faces is putting into action the training contents. Through an action plan, employees will identify real ways of putting into practice the learnt contents. This ensures the real use of the training and its continuity in time.

Most respondents rate within 5 and 6 the importance of training at the workplace.

Skills to be developed or improved by the Training Programme:

The following skills were the ones with a higher score and the ones that will be developed through the Training Programme:

- Customer relationship management.
- Focus on results.
- Increase cross-functionality within the company.
- Emotional Intelligence.
- Leadership.
- Using time effectively

On site training vs e-learning

In this part we asked employees to compare both on site training and e-learning, depending on the identified elements:

Respondents considered on site training in the following cases:

- Effectiveness.
- Performance increase.
- Meeting learning goals.
- Employee's satisfaction.
- Impact on the company's strategic objectives.
- Perceived benefits.
- Knowledge improvement.
- Team work.

E-learning was considered that better addresses the following items:

- Low costs.
- Time saving.
- Use of technology.
- Flexibility

Each training method has different pros and cons which must be adapted to the didactic content of the training plan. On the first focus group we asked the participants, taking into account the highs and lows of each training, to choose the best one to develop each skill. This allows us to optimize resources and maximize the knowledge.

Focus Group Conclusions:

Developing and completing five focus groups was both hardworking and profitable. In the first focus group we managed to improve our training plan, choose the best training for its development, optimize resources and find out the training plan cost. All of it is input needed for the development of the ROI.

On the 2nd, 3rd and 4th focus groups, we covered these dimensions of the questionnaire:

- Goals and features of the training.
- Skills to be developed by the training program.
- On site learning Vs e-learning.

In each of them we covered some of the opened questions in order to complete our in house training course.

As a conclusion, the company must train employees for them to be self-sufficient and able to solve their day to day problems. We asked respondents if training is a cost or an investment, all of them consider for it to be an investment. One of them says: "I will only do training when I see its impact".

It is crucial to identify the company's training needs for this training to be a real investment. Otherwise, we can find our resources to be wasted in a programme which is unnecessary and valueless. We need to develop a program that addresses companies and participants needs.

We highlighted the need to complementarily the on-site learning + e-learning = blended learning (b-learning) to enhance learning models.

Participants to the focus group considered that, through training, we can achieve more motivated and committed employees. The training mechanism has been highlighted as a talent retainer. If a professional leaves the company, the lost is directly proportional to the value of his talent.

Triangulation Conclusions:

A training model is crucial for the development of the skills of the employees and for its implementation within the company's activity: achieving an increase in productivity and in employee's motivation, through a comprehensive and flexible collaboration perspective based on the company's needs that allow it to generate competitive advantages.

In this process is key to set the training goals according to those of the company; being training the most powerful weapon that the company has to achieve them.

The key skills to be improved or developed in a training programme must be based on the employees' needs and the needs of the company as a group; generating shared skills that make it easier for the company to compete in the market.

Regarding training types, on-site learning is the most valued by respondents for its development of strategies such as team work and collaboration, highlighting the increase in employee's functionality within the company. In a complimentary way, e learning develops key skills such as technical knowledge and the development of consultatove

strategies, considered as more accessible and more related to use of information technology.

ROI Conclusions:

Together with the two tools, questionnaire and focus group, we gathered the needed information to estimate the benefits and identify the costs for the competencies training plan and complete our analysis doing the predictive ROI study.

We asked a training consultant company for the costs of our training plan for two types of companies: 1) a company listed on the Stock Exchange and 2) a small to medium size company. This allowed us to see that the ROI was more attractive in bigger companies due to their obtained benefits also being bigger and therefore, when investing in training we achieved an important profitability. We considered two case scenarios according to data obtained in the questionnaire, one conservative (Company Professional) and one optimistic (Training Professional). Being the estimated ROI on the conservative case scenario for company 1) of 25,11%, taking into consideration just 1st year benefits.

By this study we have achieved the stated goals. We have built up a whole Training Programme that includes the competencies and skills to be developed by organization' employees, in order to reaffirm its competitive position in the market. We have identified the best training method to develop each competency while optimization company's resources, human and economic. We have also estimated the potential benefits of implementing the Training Programme, with the costs

provided by the consultancy; we have calculated the ROI analysis. Showing up that investing in Learning is profitable, not only because it enhances our knowledge and increases our performance; reaffirming the company's competitive position, but also because we can quantify this profitability.