

Case 35

Evaluating Training

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Faddish Training

Rajput Insurance Company, RIC, is a large insurance brokerage firm operating from the beautiful town of Udaipur in Rajasthan. The company was founded in 1922 by Mr Rann Singh, grandfather of the present owner, Madheo Singh Ji. RIC offers complete line of insurance services. RIC faces stiff competition. As is true with other insurance companies, RIC lays emphasises on sales. In fact, over half of all corporate employees are involved in sales, to some degree.

Because the sales activity is so important to RIC, the company spends a considerable amount of time, effort and money on sales training. Its Training Director, Shiv Raman, is constantly on the look out for new training techniques that can improve sales and profits. He recently uncovered one that he had never heard of before, but which seemed to have some promise. He immediately scheduled a meeting with his boss, R.L. Agarwal, Vice President (Human Resources), RIC, to discuss the possibility of sending some sales people to this new training course.

R.L. Agarwal: 'Come in Shiv Raman. What's this I hear about a new sales training course?'

Shiv Raman: 'Well, as you say, sir, I always try to keep up-to-date on the latest in training techniques so that we can remain competitive. I got a flyer yesterday in the mail announcing a new approach to sales training. The course is offered by revered Bagwan Sri Lansing. Apparently, the course

involves flying the trainees off to a scheduled spot in the Himalayas near Leh, where they undergo a week of intensive training, personal growth exercises, synchronised chanting and transcendental mediation. The brochure is brimming with personal testimonials from ‘million-dollar’ sales people; who claim to have been helped immeasurably by the training. I already have 10 people in mind to send to the training session next month, but before I speak to them, I thought I will discuss it with you.’

R.L. Agarwal: ‘How much does it cost?’

Shiv Raman: It’s not bad. Only Rs 50,000 per person. And there’s a 10 per cent discount if we send more than five people.’

R.L. Agarwal: ‘I don’t know, Shiv Raman. That sounds a little steep to me. Beside, Madheo Singh Ji has been bugging me, again and again, about the results of our last training effort. He wants to know whether all the money we’re spending on sales training is really paying off. As you know, sales and profits are down this quarter and Madheo Singh Ji is looking for places to cut corners. I’m afraid that if we can’t demonstrate a pay-off somehow from our training courses, he is going to pull the rug out from under us.’

Shiv Raman: ‘But we evaluate all our training programmes! The last one got rave reviews from all the participants. Remember, how they said that they hardly had time to enjoy and do shopping at Singapore, because they were so busy learning about proper deal closing techniques?’

R.L. Agarwal: ‘That’s true, Shiv Raman. But Madheo Singh Ji wants more proof than just the reactions of the sales people. He wants more tangible results. Now before we buy into any more sales training programme, I want you to develop a plan for evaluation of the training effort.’

Questions

1. What is meant by the statement that training is extremely ‘faddish’?
2. How can Rajput Insurance Company avoid becoming a victim of the faddishness of training business?
3. Develop a detailed training evaluation strategy that Shiv

Raman can present to R.L. Agarwal, which would provide evidence of the effectiveness of a particular training technique.

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