

Balti Investeeringute Grupi Pank – BIG

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Distance Learning in Credit Management for BIG Ltd at the University of Tartu, ESTONIA

1. Facts about the institution

Name of institution	Balti Investeeringute Grupi Pank AS - BIG (Baltic Investments Group Bank Ltd)
URL of institution	www.big.ee
Country	Estonia
Number of Employees	101
Balance Sheet total in 2005	M EUR 34.3
Experience with e-learning since	2004
Business sector	Finance
Target group/participants in e-learning	Branch Loan officers and Credit managers
Content	Credit Management I-II
Form	Blended Learning
Interviewees	Mr Kaido Saar, Manager of Branches (responsible for Training function), and a former Course participant

2. How the institution used e-learning

2.1. Description of e-learning courses provided

Course name:	Credit Management I-II, www.finance.ut.ee
Duration:	6 months
Target group:	<ul style="list-style-type: none">• Bank Loan officers and Credit managers• Corporate Financial managers• (Potential) Bank customers interested in Credit management issues• MBA students in Finance and Banking at Estonian universities
Objectives:	<ul style="list-style-type: none">• To determine Loan products and examine Loan conditions• To explain different Interest rate calculation methods• To clarify Credit management process• To define Environment risk aspects in Credit management• To form Bank Credit management policy as a strategic as well as legal matter

Programme:	<ul style="list-style-type: none"> • Module I - Private Loans: products, conditions, analysing process, repayment, legal issues and policies • Module II - Business Loans: products, conditions, analysing process, repayment, legal issues and policies
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2.2. Number of employees involved

The number of the course participants is not limited (usually approx 30 students). Since April 2006, the total number of participants from BIG Ltd is 22 (in two study groups) who are integrated with other participants.

2.3. E-learning platform and technology issues

The courses are designed in WebCT Campus Edition version 4.1 (see <http://webct.e-uni.ee>) in Estonian e-University server. WebCT Campus Edition gives instructors an easy way to prepare dynamic courses and efficiently manage interactions with students. WebCT Campus Edition includes a complete set of tools that support innovative approaches to teaching and learning. Using the rich feature set of WebCT Campus Edition, instructors can facilitate group-centred learning, personalise content and activities for students, and positively impact learning outcomes.

The Course training tools consist of:

- two hardcopy textbooks (340 pages in total)
- syllabus, calendar, group forums, student homepages, self-tests, cases, glossary, mail, discussions, my progress in course WebCT environment

2.4. Description of the course development process

BIG Ltd as a small company lacks the necessary resources and competences to develop the training courses itself. It is more cost-effective to send the employees to participate in university continuing education courses.

Course development process by the university includes the following steps:

- Clarification of:
 - learning objectives
 - qualifications and background of the students
 - learning principles
- Course content analyses
- Course content development (the texts of textbooks)
- Publication of textbooks
- Learning process planning (pedagogical concepts, teaching methods, timetable, requirements, etc.)

- Development of study guide and instructions (self-tests, glossary, instructions for assignments)
- Course technical design in WebCT

2.5. Description of the course administration process

Learning groups are formed 4 times in the year. The duration of the course is 6 months. The capacity of the course is 8 ECTS (240 hours of student work, including 6h class training + 1h class exam).

Learning process means independent work with Training materials, participation in face-to-face consultations and in the final exam. Course WebCT environment is used for

- communication (e.g., announcements, discussions concerning the course topics)
- supporting and guiding students in the periods between consultations
- exercising (self-tests which help to prepare for examination)
- tracking the students' progress

3. Effects and outcomes of e-learning activities

3.1. Completion rates

Primary initiative for the training comes from the company management. The training course Credit Management I-II is included in Basic Training Package for the positions Loan Officer and Credit Manager. The Credit Management I-II is the only subcontracted training course within this Package.

Other courses within this package (Law, Bank products) are conducted by the training staff of the BIG Ltd. Target group of the course is experienced staff members. It is also planned to include the course in Initial Training Package for new employees once the current rapid growth period of the company subsides.

90 % of the personnel participating in the training course have strong interest in training. For example in 2006, 16 out of 22 participants have completed the training on time and with positive result (positive completion rate 73 %). One employee (Mr Kaido Saar) took the final examination in advance. Two employees completed the training in the second attempt. Two employees will make the second attempt in the nearest future. Only one employee has dropped out the course.

The training course ends with a multiple-choice test. The average examination completion rate for the employees of the BIG Ltd was 78.7% (with minimum positive rate 70%).

3.2. Satisfaction

The statements below are composed to describe the satisfaction with the course (Table 1).

(Task: Please indicate your opinion about the training course. Using a scale from 10 to 1, please rate your preference where 10 indicates your strongest preference and 1 indicates no interest/preference, Columns (2) and (3))

Column (4) in the Table characterizes arithmetic mean indicators of the employees of BIG Ltd (scale from 5 to 1 where 5 indicates the strongest preference and 1 indicates no interest/preference).

Mr Saar has ranked the statements as shown in the Table 1 (Column 2 ranked from the point of view of the BIG Ltd, Column 3 from the point of view of the student).

Table 1. Big Ltd employees' Satisfaction with the Training Course Credit Management 2004- 2006

Statement about the Training Course	Significance of the statement (Scale 10→1)		Mean estimation
	Institution's point of view:	Student's point of view:	
(1)	(2)	(3)*	(4)**
1. Employee acquires new knowledge from the Course	10	10	4.4
2. Employee can use the acquired knowledge in his/her work	6	4	4.0
3. The course materials are appropriate for independent learning	7	7	4.1
4. Employee studies in a sufficient and organized manner	5	2	3.2
5. Examination test is comprehensible	1	1	3.8
6. Difficulty of the examination test is in accordance with the learning materials and knowledge acquired in consultation	2	6	4.1
7. Employee intends to take more distant learning courses in the future	3	3	3.6
8. Employee recommends the Course to his/her colleagues	4	8	3.8
9. Correlation between cost and quality of the Course is excellent	9	5	3.2
10. Expectations of the company/employee were met	8	9	4.1

* Estimations of Mr Kaido Saar

** Estimations of employees of BIG Ltd (as indicated on participant feedback sheets)

Conclusions:

- The most valuable feature for both company and employees (students) is the acquisition of innovative knowledge (10 points).
- The students tend to favour the emotional aspects of the studies more: whether their expectations were met (9 points) and whether employee is ready to recommend the training course to his/her colleagues (8 points).
- The correlation between cost and quality (9 points) and judgements on expectations and outcomes (8 points) are of importance for the institution.

- The fourth important criterion for both the company and employees is the quality of study-materials (7 points).
- It is interesting to point out that employees' ability to use the acquired knowledge in their daily work is rated only fifth in the order of importance (6 points). The explanation to this might lie in the broader objectives set to particular training course.
- The next indicator for the student is clarity of the examination test (6 points) and only then the cost of the training (5 points).
- Company managers valued the subject of learning styles of the employees with 5 points. Surprisingly this is almost the least important matter (2 points) for the employees themselves. There might be two possible explanations for that: whether this is not important feature for the 1) particular course or 2) for the particular target group.
- Recommendations from the colleagues indicate possible predisposition of the (future) attendants of a compulsory training. Surprisingly the company opinion shows low interest in positive recommendations (6th position, 4 points).
- The opinions of the students and managers overlap again in their views of the comprehensibility of the examination test, which both see as the least important. The examination was estimated as of low importance even though this is the characteristic that should determine the quality of both materials and performance.
- The highest average assessments (4.4 and 4.1 points) were given to the components valued most by the management and employees of BIG Ltd - i.e., Employee acquired new knowledge from the Course and Expectations were met.
- Regrettably the reason for placing the issue of correlation between cost and quality of the training course to the last position by students (3.2 points) can not be estimated accurately. It is impossible to estimate whether the students find the cost too high or too low (please see Part 6 for details).

3.3. The most valuable outcome

From the Student's point of view:

Mr Saar points out that the most valuable outcome of the current training course lies in acquisition of knowledge in the form of contemplation and ideas. *"I do not particularly like face-to-face training and obligatory personal attendance. Independent work with materials suits me better. I would dislike the obligation to attend the classes regularly during a long period of time."*

From the Institution's point of view:

The most valuable outcome of the training lies in employees' understanding of why they should accomplish one or another business in a certain manner. The premise of the training could not rest on the command "a Loan Officer should be more competent!"

BIG Ltd benefits much from the form of distant training as the company has employees in several regions of Estonia. Bringing employees together to one classroom would consume a lot of valuable working-time. If the opportunity of distant training were not available, most probably only the employees from Tallinn office could attend the training.

4. Challenges and barriers:

4.1. Technical issues

Challenges

Actual training was arranged in a form of paper-based materials. Student could log in to LMS, but they did not get much instruction there. Mr Saar also pointed out that if there were web-based materials available, he most probably would just have printed them out.

Barriers

No actual performance was carried out in web environment.

4.2.1. Organizational issues from the institution's point of view

Challenges

There is not much competitive training available in the field of Credit management and not every training program is worth purchasing. Low cost does not ensure quality. BIG Ltd would not replace the training course even if the Program offered by the University of Tartu would change its vendor, because BIG Ltd is convinced of the quality of the Course. In the case of new training courses offered by other training institutions, BIG Ltd would certainly run a background search and investigate the former clients' satisfaction.

4.2.2. Organizational issues from the student's point of view

Challenges

Opportunity to get and transfer credit points. This motivates the group not only to finish the training but also to synchronise the training with one's Degree Studies.

Barriers

The students are under-motivated as the only form of supervision is the final examination.

4.3. Financial issues

Challenges

The training is financed by BIG Ltd and it is free of charge for the employees. In the case of negative examination attempt, the employee has to reimburse the fee of the second attempt. This and as well as the discredit resulting from failure are excellent motivating factors for employees.

5. Success factors

Premises for the successful cooperation between the Distance learning project at the University of Tartu and BIG Ltd:

- Distance learning project at the University of Tartu is practically the only high-grade training in its field that uses practitioners as lecturers. There are more training programs available in Estonia, but their content is mostly theoretical.
- Learning materials of the course are up-to-date. The company cannot afford lectures about methods stemming back 20 years.

- Distance Learning can integrate geographically dispersed target groups and this permits BIG Ltd to give instruction to employees from different regions of Estonia.

5.1. Identification of Pitfalls

The mistakes that should be avoided by Course provider are the following:

- As long as the University of Tartu conducts high-quality training and avoids low-cost popularity, Mr Saar does not foresee any serious competitors to it.
- The content of the training is very good, but more effort should be put into marketing. Distance Learning courses could offer personalised schemas to the companies and motivate companies to increase the numbers of employees attending the training. Offering discounts to the company would also increase the number of participants! Mr Saar suggests the messages "we are the biggest and best-quality trainers", "we have excellent feedback from our clients", "Ten years of experience" for attracting new clients.
- Focus should be kept on distance learning. Replacing the distance learning with face-to-face learning would reduce the target groups. More emphasis should be placed on stimuli instead of bringing people to lecture hall.
- However, fully web-based training is also not favourable. The printed learning materials can be re-used and the materials also serve to promote the university brand.

6. E-learning investments, developmental costs and operational costs

As BIG Ltd does not develop and implement training courses itself, their only investment is payment of the course fees. Course fee per one participant is 226 EUR, i.e. 37 EUR per ECTS and this fee includes:

- Paper- and web-based Training materials
- Class and web Mentoring and Tutoring
- Course Administration charge
- Program development investment
- VAT (18%) since Jan 2006

The Course fee has not risen since the opening of the course in year 2000. To compare: average monthly gross salary in Estonia in Dec 2005 was EUR 593.9. It is cost-effective for small enterprises to purchase training courses from outside, not to develop courses themselves.

BIG Ltd covers the expenses of the training and, correspondingly, the employee has the obligation to work for the company for the next 12 months. If the employee chooses to quit earlier, he/she is required to reimburse the expenses (proportional to the time spent in the company). This is an effective restraint, but in reality, BIG Ltd has considered every case individually.

BIG Ltd does not allow employees to take study-leave to complete the training. The main reason for that is the fact that it is difficult to evaluate the quantity of time spent on the Course. In the case of study-leave, the company should also finance the salary and the cost of work not completed. This would only be possible if the employee paid for the

training himself/herself. Until now, BIG Ltd and its employees have managed completing the training courses without serious backlashes.

7. What else could University of Tartu offer to BIG Ltd?

BIG Ltd is in a serious need for skilled graduates who would start their careers at BIG Ltd. Only recently, there were many unemployed people looking for a job. At present, there is a considerable labour force shortage; the best students are recruited already during their first year of studies.

The completion of the training is a sign of quality and credibility of the employee. BIG Ltd plans to include the course Credit Management I-II to the Initial training package for new employees. BIG Ltd also intends to start purchasing training from Distant Training Programme for the company's IT-staff.