

WILD About Testing



Volume 1, Issue 2
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A newsletter aimed at certification professionals interested in continuously improving the certification experience for their certificants and other stakeholders (employers or government agencies that might use the certificate).

From the Editor

Welcome to the second issue of **WILD about Testing**. We launched the e-zine at the Association of Test Publishers (ATP) meeting in Palm Springs – thank you to all the readers who went to my web site to sign up. As with the inaugural issue, content of the newsletter has been shaped by reader feedback.

Anyone who would like to provide additional feedback may go to www.wildandassociates.com to help with the design of future issues.

One of the top requests for continuous improvement tips from our readers was setting priorities for continuous improvement. The first step in setting priorities is identifying the potential areas for continuous improvement. Conducting internal audits (featured in February 2009 issue) is one way to identify potential areas for improvement. Another way to identify potential areas for continuous improvement is to identify costs of poor quality. This month's tip talks about identifying the cost of poor quality, a second tool to identify potential areas of improvement. A third way to

identify areas for improvement is to collect customer feedback. Once you have a complete collection of information about potential areas for continuous improvement, what do you do with it? The quality tips section of future issues will explain how to set priorities. You need to keep reading **WILD about Testing** to get the complete picture.

This issue also presents the buzz from ATP and continues our discussion of whether the new administration's focus on transparency in government will have any influence on certification testing. Also, you get the next installment in the series on benchmarking best practices.

Enjoy the newsletter and share it with your colleagues. Please use the "Forward to a Friend" link in and help me reach out and find everyone who can benefit from years of great experience, which I am delighted to share.



Dr. Cheryl Wild, President
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Continuous Improvement Tips:

Identify Costs of Poor Quality

Why Are Costs of Poor Quality Important?

In most organizations cost of poor quality is between 25 and 40 percent of operating expenses. The number is shocking.

Unless your organization has actively been investigating and eliminating these costs, your organization probably has these hidden expenses – and your vendors probably do too! (See the **Cost of Quality Case Study** in free articles at <http://www.wildandassociates.com/articles/costofquality.html>.)

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What Are Costs of Poor Quality?

Joseph Juran explained quality costs as **“those costs that would disappear if there were no quality problems.”** Quality costs are typically divided into internal costs and external costs.

Internal costs include costs for controls, inspection, scrap, repair and rework. One example of scrap in a certifying organization would be the items from outside writers that are discarded because they are poorly written or don't meet the test specifications.

Have you ever printed certificates, brochures, or application forms and had to throw them out because of a printing error? Scrap!

Speaking of the questions submitted from item writers, how often do the draft questions have to be reworked until they are editorially and content appropriate for your test?

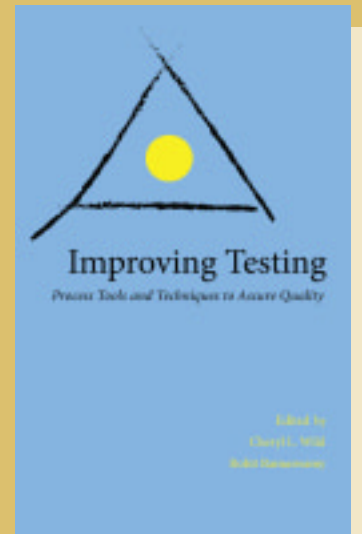
Whether you print your test on paper or publish it on the computer, you no doubt have found a mistake during proofing and had to repair the test. Internal costs also include the salaries of all the people checking – even if they find no problems.

External costs are those you really want to avoid because they mean your customer has experienced a problem. These include litigation, loss of market share, refunds, returns, replacements, and reputation.

Did anything ever go wrong at one of your test centers – electricity went out, a snow storm prevented examinees from making it to the test center? A bigger problem occurs if the test is not scored properly and you have to reissue score reports.

Loss of reputation because of poor quality service hurts organizations even when they do not have an apparent competitor – the applicant for certification always has the option of not applying for certification. Employers of certificants may stop recognizing or encouraging their employees to obtain certification.

Although some of these external costs of poor quality are difficult to estimate, they are critical to recognize and understand.



This best selling book was recently reviewed in *CLEAR Exam Review* and cited as **“a valuable addition to the reference bookshelf which covers a number of topics not well represented elsewhere in the testing literature.”**

For more details go to:
www.wildandassociates.com/books.html

How Do You Estimate Cost of Poor Quality?

Some organizations calculate cost of poor quality for the whole organization. More often, cost of poor quality is calculated for one product or one part of the organization.

Often the necessary costs are not collected as part of the accounting system and costs must be collected separately or estimated in some way.

What Do You Do With the Number Once You Have It?

Reduce it. Find ways to prevent the costs. One organization I worked with discovered that they did a large amount of quality control on a new computer system and found an error. The original error was fixed, but the high level of quality control continued even after the correction was verified and the prevention of the problem was working. **Sometimes you can stop doing some quality control steps.**

Use the numbers to set priorities for future quality improvement work or for designing new processes to prevent the problem. Read next month's article to learn more!

BUZZ at ATP Annual Conference

The Association of Test Publishers Annual Conference (ATP) was exciting as usual – a great place to learn and to meet others working in certification. And a great place to do benchmarking! So what were people saying at ATP?

The most important “benchmarking” issue that I heard at ATP was that more and more organizations are using quality management tools to manage their certification testing.

Our workshop on quality design, control, monitoring and improvement was the first such workshop that ATP has sponsored. (Go to my web site at www.wildandassociates.com for slides and handouts from that presentation.)

At the conference I learned that the National Commission on Certification of Physician Assistants uses six sigma tools to ensure quality. Excelsior College is certified to ISO 9001 quality management standards. Other organizations are applying lean quality management tools to their certification programs.

New accreditation standards are being developed for certificate programs. The important point in all this is not “which” quality tool is most important to your organization – it is that **you need to be focusing on assuring the quality of your services using proven methods that have been available for a number of years.**

Quality gurus estimate that 80 to 90 percent of the tools are the same – the labels are there to sell a new service. The point is that the testing industry is finally becoming aware of the need to systematically apply these tools. If your organization does not begin to address issues of quality, you are going to be falling behind in the certification industry.

Impact of Economy on Testing

Much of the talk was about the economy and how it would impact testing. This isn't a scientific sample, but the conclusion, based on those that were at ATP, would indicate that the number of applicants for certification in industries related to construction is down. Certification in the financial industries is also down, but not as much as in the construction industries. Other industries are about the same.

There is anticipation that certification may increase as workers try to improve their credentials in order to find new or better jobs – but it is too soon to know whether this will happen. Even in health care, where the number of certifications is currently steady, the economy may have some impact.

Certifications often depend on the number of students finishing college courses, but if financial aide is not available for students then the pipeline for these certifications will decline over time.



If your organization does not begin to address issues of quality, you are going to be falling behind in the certification industry.



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Transparency in Testing

In last month's issue I commented on the fact that the new administration is trying to create an environment of *transparency*. According to the *American Heritage Dictionary of the English Language*, Fourth Edition (2006) something is transparent if it is "easily seen through or detected or obvious: transparent lies." Another meaning is "Free from guile; candid or open: transparent sincerity."

I interviewed six colleagues to learn their views on transparency in the certification industry. Thank you to Paul Grace, National Board for Certification in Occupational Therapy; Jim Kendzel, National Organization of Competency Assurance; Cheryl Harris, CRG Inc.; Mickie Rops, Mickie Rops Consulting, Inc.; Michael Rosenfeld, Rosenfeld & Associates; Roy Swift, American National Standards Institute.

All of the respondents felt that transparency of the certification process is important and that discussions of transparency in the certification industry have been around long before the current administration. The fact that NCCA and ISO 17024 standards require important information related to the certification program be made available to the applicants, certificants, and to the public provides some evidence that this is not a new issue.

Five Methods of Increasing Transparency in the Certification Process

During the interviews, five methods of increasing transparency in the certification process were identified:

- 1 Provide basic information about the processes used in certification.
- 2 Increase the range of expertise and the number of participants in policy decisions on such activities as developing the content standards and test specifications, setting the cut score.
- 3 Educate your constituents (consumers, regulators, test takers, professional associations, payers (e.g., insurance) and employers) about the certification process and what is important in the process.

- 4 Involve certificants in the improvement of the program. Ways to do this include customer satisfaction surveys or focus groups to identify ways of improving customer service.
- 5 Obtain third party accreditation against a certification standard is another way of improving transparency.

What Types of Information Should be Available to the Public?

Mike Rosenfeld suggested the following types of information be provided:

- Processes used to build examinations;
- Types of professionals involved in the building of examinations;
- A description of the content areas of the certification examination;
- Practice examinations or at least sample questions;
- Suggestions about how to prepare for the examination;
- How studies (e.g., job analysis studies) are conducted and who is involved in these studies; and
- How cut-scores are determined and who is involved in these determinations.

Paul Grace provided a best practice example of increasing the range and number of participants in policy decisions. He indicated that the National Board for Certification in Occupational Therapy (NBCOT) uses a public vetting process and comment period whenever significant changes are to be made in the requirements for certification.

He indicated that ***"For the introduction of our professional development requirement, we had more than 3,000 people comment and we used some of the comments to revise our draft standards."***

Transparency in Testing *(Continued)*

NBCOT also uses some extensive methods to educate constituents about their examinations. They publish a monograph series available on their home page to educate the public on psychometric topics such as equating, scaling and a practice analysis. They invite observers from constituent groups to standard setting meetings and practice analysis study groups. The observers are asked to write up their comments and these are included in the final report of the meeting. In addition, there is a slot on the test development committee for someone from the regulatory field.

Third party accreditation aimed specifically at certification is available using NCCA Standards and ISO/IEC Standards. Cheryl Harris, Roy Swift and Jim Kendzel all commented on the increasing use of accreditation by government agencies.

Cheryl indicated ***“There is some discussion, especially in the construction field, of using certification examinations in lieu of states developing their own licensing examinations. However, states will likely require the certification program be accredited in order to recognize the certification examination. Such a move would reduce the cost of maintaining their own test, since in the construction industry budget dollars to support state regulation staffing and licensure examinations will in the near future decline.”***

Jim Kendzel expanded on the trend of state legislation beyond the construction industry. Jim indicated ***“There is currently a trend in state government for increased legislation about certification testing. First, states are increasingly requiring certification of individuals through legislation. Second, to assure that these certification programs meet minimal standards, states are requiring that certification programs be accredited.”***

State requirements for accreditation of certification programs have been discussed or implemented in the fields of crane operation, drug counselors, midwifery, pharmacy technicians, and senior advisors – including financial and insurance advisors.”

Roy Swift said, ***“There is not only increasing interest in accreditation at the state level, but also at the federal level. We have been asked to discuss accreditation of certification programs with the Department of Energy,***

EPA, Department of Education and FDA. There is also some interest in looking at the quality of accreditation since many accrediting bodies do not meet generally accepted national practices for a quality accreditation program.”

Mickie Rops believes that third party accreditation will improve testing. She indicated ***“From my work with the certifying bodies that are seeking accreditation because of state mandates, I have seen a real improvement in the quality of their programs.”***

A Caution

Although professionals in the accreditation industry talk about transparency, Cheryl Harris cautions that only a small minority of certification programs seek accreditation, and transparency isn't widely discussed beyond the accreditation community. Cheryl conducted a survey of about 20 certification organizations and about 40% of the staff members were unable to tell her the total number of certificants or the number of examinations given a year. These are basic numbers that one would expect a certification organization to know and to communicate to their certification community.

Overall, Mike Rosenfeld said, ***“I think transparency helps to engender trust and confidence that the procedures and processes being used by credentialing agencies are fair and professionally sound.”*** I agree, and so did the other respondents. But Cheryl's caution is important and one we need to consider.

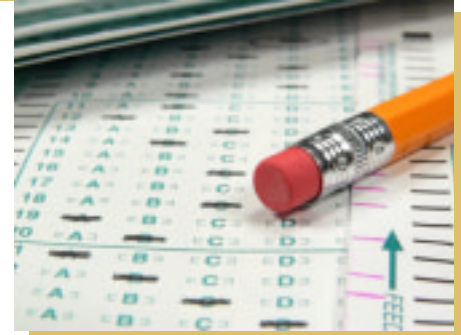
What is your experience with transparency in certification? Do you have some best practice examples of transparency to share with readers? Do you believe that most certification organizations recognize transparency as an important goal?

What can we as professionals in certification do to increase the recognition of the importance of transparency?

Please let me know at cheryl@wildandassociates.com so that we can share your ideas with other readers.

Benchmarking: Learn What You Don't Know

(or Conducting Secondary Benchmarking)



Benchmarking is a field of study and there are best practice steps and processes for conducting benchmarking, just like there are best practice processes for developing a certification test.

Most people have been using informal benchmarking and taking tests all their lives – many certification professionals use benchmarking but may not know formal processes for benchmarking. During the next several months this column will cover issues that certifying organizations may come across in designing and conducting benchmarking:

- Selecting benchmarking partners;
- Identifying metrics for benchmarking; and
- Minimizing costs for benchmarking.

Has your organization conducted a benchmarking study? Would you like your lessons learned included in this column? Please contact me at cheryl@wildandassociates.com to share your benchmarking experience with others.

From Goals to Details

Last month's column covered the first steps in the process of a benchmarking study – identifying the goals of the study and the benchmarking team that will work on the study with you. At your first team meeting, your team comes together to review your goals. You talk about the current process.

You recognize that a benchmarking study requires that you compare your organizations to others, but where do you begin?

There is a saying in the quality field that “you don't know what you don't know” and to conduct a great benchmarking study you need to identify and try to eliminate those blind spots. Who are the best practice organizations in the field you are studying? What are the metrics that are commonly used in the field? If you aren't knowledgeable about the field, benchmarking partners will be less willing to work with you. And if you do find a benchmarking partner, you may not know what to ask.

Secondary Benchmarking

Secondary benchmarking is the term used to refer to the next step of a benchmarking study. Secondary benchmarking includes looking at secondary sources to find out what is publicly available about the process you are studying.

One way of doing secondary research is through a literature review – what has been published about your question of interest? Your local library will have a number of search engines that you can use to identify articles about your topic.

Another way of finding available information is to identify the associations in the field of interest. If you are interested in certification, for example, the National Organization of Certifying Agencies (NOCA) and the Association for Test Publishers (ATP) would be organizations that might have information relevant to your search. Attending conferences or reviewing conference proceedings can provide a great deal of information.

A third way of identifying information is to look at web sites of various relevant organizations. For example, if you were interested in learning what information certification organizations provide to their applicants for certification, you might look at web sites of other certifying bodies. But there are 3000 or more certifying bodies. Which would be a good bet to look into?

You found out when you did the search of NOCA and ATP (the second way of searching above) that there are two standards for certifying organizations and that organizations that are accredited to these standards are listed. You decide that the accredited organizations' web

Benchmarking: Learn What You Don't Know *(Continued)* (or Conducting Secondary Benchmarking)

sites might be a good place to start to see what information others provide.

A fourth way of identifying best practices is to go to an expert in the field to ask them who or where information on your topic might be found. Sometimes you discover that you have an expert right in your organization. The spouse of one of the team members on one of my projects worked for a company that specialized in assuring data quality – the spouse was able to provide a lot of information that the benchmarking team could use to understand the issues.

What Information is Provided by Secondary Benchmarking?

Different projects look for different data, but the types of information you are looking for includes:



- How other organizations measure success;
- What organizations are doing the best job;
- What is the expertise of the individuals doing the work; and
- How the work is done.

Often you don't know what you are looking for until you have read it in several articles. The information you find will help you to look at the scope of your project in new and different ways. It will give you ideas for improvement, ideas for benchmarking partners, and ideas for questions to ask your benchmarking partners.

Advantages of Secondary Benchmarking

As your team learns new information, you can share this information with others in the organization. This positions you and your team as experts. It provides information to help the rest of your organization buy into some of the changes – increasing the possibilities of future success.

Conducting Benchmarking Study

Conducting a benchmarking study can take time – doing research, planning the study, preparing the



benchmarking data collection instrument, conducting the primary benchmarking (whether an on-site visit, telephone surveys, on-line surveys, or some combination), analyzing the data collected, writing the report, determining the implications for your work, and implementing the new process.

Do your staff members have time and expertise to do the leg work? If you are going beyond certification tourism, if you are planning a major upgrade in your work processes and/or services, it is often best to hire a consultant who is knowledgeable about benchmarking tools and certification.

Call me at 732-774-5188 to discuss this further. Your ability to identify great benchmarking partners and encouraging them to agree to work with you is partly related to their perception that you are serious and not wasting their time on benchmarking tourism.