

Can You Develop Successful People on the Cheap?!

What is the value of a MBA?

What is the financial return of investing in an extended education for one of your trusted employees?

How will the benefits to the individual and company stand up to the future needs of the business?

Will a MBA buy you success?

It can be a long and tough debate, I know, and this piece is meant to divert your attention to other options of training and developing people – but at far less costs.

Growing a person into future operational roles or leadership can be a complex process but it doesn't have to be a matter of climbing Mont Everest nor a matter of investing in a Rolls Royce when you need a Mini.

Let me start by saying that 'people' and 'cheap' are hardly two words meant to be in the same sentence.

(Wikipedia: Cheap = low in price, reduced in price, of poor quality, of little worth, frugal, stingy...)

Today's financial reality, however, begs a leaner, less expensive and an approach with higher hit ratio to developing people.

In 2015 US-based companies invested USD 12 – 50 BNⁱⁱ on training and development of staff. In Denmark the spend was USD 5.6 BNⁱⁱⁱ. By no standards small money.

But, are the money well spend? Are we gracing the planet with significantly better leaders and outrageously better performers? Does financing a MBA for your talents automatically translate into successful careers?

In my meetings with companies everyone points to the same; by default, human capital is a top priority so please make people development better, faster and less expensive – now!

This piece aims to offer simple ideas to what can be done with little money and argues that;

- People development must be based on long term plans with 3-5-10 years horizon, new standards and timetables as otherwise “good luck with luck” in reaching your goals

- Intangible dynamics like maturity, willingness to learn, role modelling must be tangibilized to direct guidance and training
- *"Don't ask what the country can do for you but what you can do for your country"* - reverse the burden of responsibility of learning so employees prove themselves worthy of investments
- Be creative – training, learning and inspiration can be cheap!
- Insource rather than outsource training – engage management and specialists in developing colleagues
- Show up leaders! Prove you are worthy role models for company values and high quality leadership characteristics.

To some corporations developing people has become a competitive advantage with high strategic priority and significant resources allocated. Many more have to compete on less and do so exceptionally well.

Here are 10 ideas to developing people on the cheap. The list is not exhaustive nor prioritized, and if you find them a bit too common place please feel free to offer your own ideas.

But to succeed – whether you spend big or small - you cannot negotiate your way out prioritizing human capital in your daily operation, allocating sufficient time and attention to people and offering your best intellectual efforts, and as a leader really-really-really show up!

1) Make Plans!

40% of today's job may not exist in 10 years. Technology will be stripping out large chunks of mid-skill level jobs. Many of today's in-demand jobs didn't exist 10, or 20 years ago. When did search engine optimizing or blogging become a full time job?

From a different perspective; +7 of 10 major new strategic initiatives and projects don't arrive at intended end points. Why? Primary due to insufficient quality of the human factor.

Any business strategy must be accompanied by a human capital strategy. That is an intellectual forecast of the future working environment – a horizon of 7-10 years out – establishing which capabilities could be needed and to which standard, which ambitions for diversity do we harbor etc etc?

Against these forecasts analysis are needed of the existing organization per individual basis; how their work place will change over time, intended actions for upgrade, each person's value match vs sharper future standards, agreed time plans for accelerated developments, potential job rotations or foreign postings for cultural maturity etc.

The plans should cost little to generate as they have to be made by the leadership of the company but it will offer you a clear picture of where to put future focus, efforts and eventual investments.

Taking the high-flying approach to ground level – any plan for any individual will be appreciated rather than no plan. The secret is not the plan itself, but the dedication to respect the content and agreements made, and that is a challenge to many managers and companies.

So plan up!

2) Use Company Values and Preferred Leadership Characteristics!

My first career job was in A.P. Moller – Maersk where culture oozed out of the walls. Values were knitted into the fabric of the operation, lingo amplified standards, the Chairman/ CEO personified the concept and non-compliance had consequences. To be onboard you had to up your game!

In the same manner leadership requirements were clear, simple and very demanding to anything else in the job market. To become a management prospect, you had a steep learning curve to climb and much to achieve to be respected.

In “Return on Character” Fred Kiel document the correlation between values and financial returns. The best companies, ie those where values translate into trustworthy behaviors by top management, which ignites employees to go the extra mile, produced on average a 5 times better RONA than bottom performers.

Therefore what does it cost you to articulate noble company values, progressive leadership characteristics and stick to them day in, day out?

3) Maturity – Can it be Taught?

Maturity is contextual and very much personal. Some people are always ahead of their time and age group, others are late-blossoms. Thus, can maturity be taught or targeted as a development KPI?

In my book you have to work deliberately on maturity and as a corporate CEO I would impose a KPI on all employees to the tune of:

“In 3 (or 5) years – your level of maturity has reached index X, Y or Z”

Each individual should have a ‘rolling mental picture’ of themselves 5 years out. So when you are 40 years old, how would you carry yourself at 45? What would you look like? Which values need tuning and how? Which specific behavioral traits should be trained? etc.

Behavioral development being so personal, some people can make overnight decisions to change when others take decisions in smaller pieces which inevitably take longer time. At the end of an agreed time frame/ process, however, there has to be a consequence to it all – a reward to reflect how well you did.

For the younger generations it is about fast-tracking maturity to higher standards and for senior people to keep learning, evolving as role models, and at least not to stagnate.

Is this too much to ask for?

Any company should have numerous mature role models. Educated in the Maersk Group I/ we were inspired by Mr Maersk Mc-Kinney Moller’s statesmanship and nobleness. Seemingly always calm and collected, he himself had undertaken +50 years training from his late father - so understandably it became a natural trait.

Who in your organization will inspire people to greater maturity?

4) Know Thyself!

Personality tests are questionnaires or other standardized instruments designed to reveal aspects of an individual's character or psychological makeup.

If being a corporate CEO I would demand all managers and leadership prospects – in fact all employees - to:

- a. Undertake multiple personality tests to uncover as many details as possible of their personality.
- b. Share test results with superiors, peers and employees so everyone understands one another's scope of potential, limitations and pitfalls which may impact daily performance, leadership and interpersonal interaction.
- c. Have individual plans in place about how to channel efforts toward strengthening strengths and which strategies to be built to lift under-trained facets.

No-ones arrive at a job opportunity or a company as the perfect match so we might as well help one another to take fast and decisive steps towards filling the role or culture best possible rather than leaving it to luck.

5) Job-rotation, Job-rotation, Job-rotation!

It beats me how organizations can 'chain people to a chair' for 10, 20, 30 or 40 years and call it a career. I understand that to some people it is perfectly fine, but to me we need to aim higher with and for people.

Inevitably people's learning ability slows down, halts or completely stop but as corporations we must arrest the development by constantly challenging people to continue learning. It is not only good for individuals but also organizations as people otherwise turn into bottle necks who discards change and innovation.

Therefore, ever so often new environment, people and inspiration are needed to add competencies, bring fresh perspectives etc. Job-rotation is one option, putting people on special projects is another as long as strings are cut to their normal chair!

6) Reverse the Burden of Proof - Make Employees Responsible for Proving Their Learnings

In my book too many companies have accepted the responsibility to proof that they are investing in their employee rather than reversing the culture – make employees responsible for proving that they have acquired and utilized new learnings.

If I was a corporate CEO I would measure all employees on a KPI alike:

"Learning – exhibit eagerness and willingness to find, absorb and utilize learning on your own as if you aspired to do an MBA!"

Already many people undertake to study Harvard Business Review, read business books of all sorts, follow management gurus etc. so why not direct, intensify and reward the efforts:

A Danish CEO holds his direct reports to:

“Read the top 3 best book within your area of responsibility – what are you learning, how have you applied learnings to the job or company and what can we learn from you?”

Extend that to 5-10 books within any major functions in a company and each employee are due reading 40-80 books over the course of say 3-5 years. That will generate a solid knowledge base useful for; extracting learnings, discussing new operational methods, innovation, new products or services etc.

With this - which 3 books would you recommend us to read within your field of expertise?

7) Make Your Colleagues Teachers!

Being a corporate CEO I would hold the organizational top layers responsible for a KPI like:

“Ensure the organizations is trained and educated in your field of expertise – preferably yourself being the teacher”

Let’s assume you were to expand your financial acumen. It wouldn’t be unusual to undertake multiple years of studies, maybe attending “Finance for non-finance managers” etc., but, how about learning from your in-house resources – the CFO, controller, financial analyst or accountant?

The curriculum would become local and current to your business and not a matter of translating case studies. Critiques will claim this is costly when encountering time and salaries but this the exercise is equally about building a peer-to-peer learning organization, breaking down silos, knowledge sharing, and very importantly to upgrade managers to become trainers etc.

Jack Welch taught leadership classes at GE’s Management Development Institute in Crotonville about every two weeks. Not only did he get to use his knowledge, but better he learned about current and future talents, picked up new ideas, fresh thinkings etc. Brilliant!

8) Become a Fly on the Wall...

This idea I steal with pride from www.IMPM.org which promotes the concept of shadowing a co-student for a week. In practical terms it means you sit in on customer visits, staff meetings, listen in on operational reviews, are present in the office for big and small events – all in the name of learning how leadership or operation are conducted in that particular organization. Similar you will host a colleague to observe your business conduct.

I visited a co-student at a French aluminum factory which was a far cry from my shipping/ logistic background. He had done a terrific job in assembling a diverse scope of duties and so we ended up attending to everything from the daily ‘good morning’ routine to employees, touring the factory for operational inspections, discussing union practices at the factory, visiting this, that and the other. My highlight of week became the garbage inspection tour. Apparently group policy was for any factory

manager to inspect recycling practices to ensure proper split of materials thus saving costs in the process. What impressed me the most was, that as a leader no event is too small to be a role model, and my co-student duly complied with heads down into the cans. Which signal does that send to 650 people in a factory?

One thing is for sure – it is free good practices – so which similar arrangement is possibly within your boundaries of your business, networks or circle of friends?

9) Calling on the Web!

With even more confident steps e-learning is taking over from traditional means of learning; classroom settings, reading books etc. Some of the benefits are^{iv}:

- a. It can be efficient, fast and scalable – you'll have the ability to quickly create and communicate new policies and training throughout an organization
- b. It offers capacity and consistency – you'll benefit from achieving high levels of coverage amongst your target audience and all of your learners will have access to the same thing
- c. It can result in higher retention rate – blended learning results in a higher knowledge retention rate, appealing to a wider range of learning styles with the added ability to go back to refresh their memory any time and place
- d. You can save time and money – by reducing away time from the work place, you'll cut down on travel costs and expensive classroom-based trainings
- e. You will be able to measure learning activities – using a learning management system to keep track of your learner's progress is a breeze, you'll be reporting on activity completing and results in no time
- f. It allows flexibility and finding hard to reach people – your learners will have the freedom to learn where and when they want to, and at their own pace. You'll be able to train staff that work remotely and have trouble getting to training venue.

The wealth of e-learning opportunities is possibly over-whelming so in choosing providers work with the same intensity as when choosing other suppliers of learning, here meaning^v:

1. Work with a supplier that provides both courses and software for learning management
2. Consider supplier's size, reputation and industry expertise
3. Choose a technologically advanced provider
4. Pay attention to the courses quality
5. Look for a user-friendly interface

What is your experience with e-learning?

10) Business Coaching

Am I beating a dead horse by calling for more coaching?

When I met leaders they claim to be in daily contact with employees hence no need for coaching. I have to disagree. The daily 2-3 minutes' interaction in the hallway or by the coffee machine are casual social talk not deliberate talks to train people.

If institutionalized well you make it a formal process aimed at guiding an individual on a/several specific matter(s) within a stipulated time frame. Visible or tangible results must be expected and

consequences drawn from efforts and outcome.

To some it will sound a bit tough-nailed and my response is; “who pays the bills around here – the employee or the shareholders? And, that will answer why we should talk of business coaching and not mentoring. By definition mentoring is ‘friendlier’ and less object-focused, so how do you want to run your business?

I like when people are coached by different people than their superior over time. It offers new perspectives on the person, typically a different voice to how things can be done and why, and not least potentially a more direct and candid dialogue as less politics would be involved. Speaking of coaching or reviews in general, the trend is going toward more frequent and direct methods. Bi-weekly 10 minutes ‘tough-love-talks’^{vi} with just one positive + one negative observation on the agenda are substituting part of the annual or by-annual performance appraisals.

Which dynamic would these talks create in your company?

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In closing – this list is not exhaustive, so which suggestions would you add?

It doesn’t have to be complicated or expensive to grow people. External consultants or a bulging HR-department don’t have to be your answers when just a bit creativity and courage is exhibited.

The most important aspect though is still – please, leaders show up!

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ⁱ <https://en.wiktionary.org/wiki/cheap>

ⁱⁱ Subject to method and scope of calculation. USD 12 BN estimated by McKinsey – USD 50BN estimated by Professor Jeffrey Pfeffer.

ⁱⁱⁱ Includes both private and governmental enterprises

^{iv} <https://www.learningpool.com/benefits-of-e-learning>

^v <https://www.eduson.tv/blog/5-factors-choosing-elearning-provider>

^{vi} <https://hbr.org/2015/08/tough-love-performance-reviews-in-10-minutes>