

# MHA Institute

Solving real problems in real time

2011 Award for Excellence in Program Innovation  
and Design for Lifelong Learning

PO Box 4590  
Edmonton, AB  
Canada T6E 2A0

phone. 780.686.4128  
fax. 780.481.7956  
info@mhainstitute.ca  
www.mhainstitute.ca

## Your Investment Level

1. Investment Defined
2. The Question is ...
3. Here's the Rub
4. Managing the Risk
5. Short-Term Training Events Are High Risk
6. Short-Term Training Events Can Produce High ROI
7. What's Your Investment Requirement
8. Very High Investment in People
9. High Investment in People
10. Medium Investment in People
11. Low Investment in People
- 12. What It Takes to Produce Outstanding Results**

To help you to identify the appropriate investment level, we've developed an **Investment Level Indicator** that is described below. We're assuming that when you invest in people, you're investing in their ability to think and learn in expanded ways so that they can learn at the speed of change.

### Investment Defined

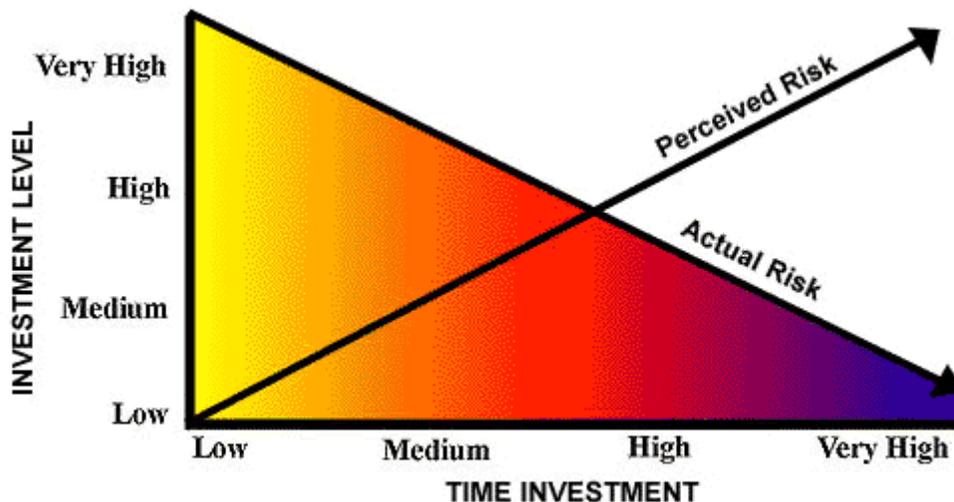
The concept of investment means that if you invest, you expect to receive a return on your investment (ROI). In other words, you get back more than you invested. This applies to any investment in people in an organization. When you invest in people, you expect the return to be measured in certain ways, such as increased productivity, revenue generation, cost savings, employee wellness, safety, innovation, management, and competitive advantage.

### The Question Is ...

The question is not whether investing in people pays off. There is plenty of research and literature written on the fact that investing in people does pay off enormously. The question is: What kind of investment pays off? To get a ROI, you must select the investment that will produce a return. This is true, whether you invest in financial markets or in people.

## Here's the Rub

Long-term investments usually pay off better, and with higher returns, than short-term investments. You've probably heard this before, because that's how the stock market works. The problem is that most people think long-term investments are more risky, because they take time - lots of time - to pay off. It's much harder to see the ROI in the short term, and much easier to write off the investment as not working. The reality is that short-term investments are actually more risky than long-term investments, because short-term investments are likely not to produce ROI. But short-term investments seem easier and more effective. That's the illusion and seduction of short-term investments.



## Managing the Risk

Risk management is about making decisions and investing in high-leverage options. This means that you manage risk by investing in a way that optimizes your ROI and minimizes the chances that you will lose your investment. Most people know this when it comes to money. But most people don't use the same logic when it comes to investing in people.

There is an illusion about risk when you invest in people. For example, short-term investments, such as one- and two-day training courses, appear to be low-risk. You're not spending as much money, your people are not away from their work for long, you're in line with your colleagues who are doing the same thing with their people, and the people are getting trained - or so it seems.

## Short-Term Training Events are High Risk!

Why is it that most short-term training events do not produce any lasting results that translate into higher performance? It's because short-term investments are an effective illusion. They fit our view of learning in organizations, even though short-term courses don't work very well in changing thinking and behaviour. One week after the course, everything is back to the way it was before the training occurred. In fact, if you decided

on a short-term course, you probably threw most of the investment down the drain, even though it doesn't **feel** like you did.

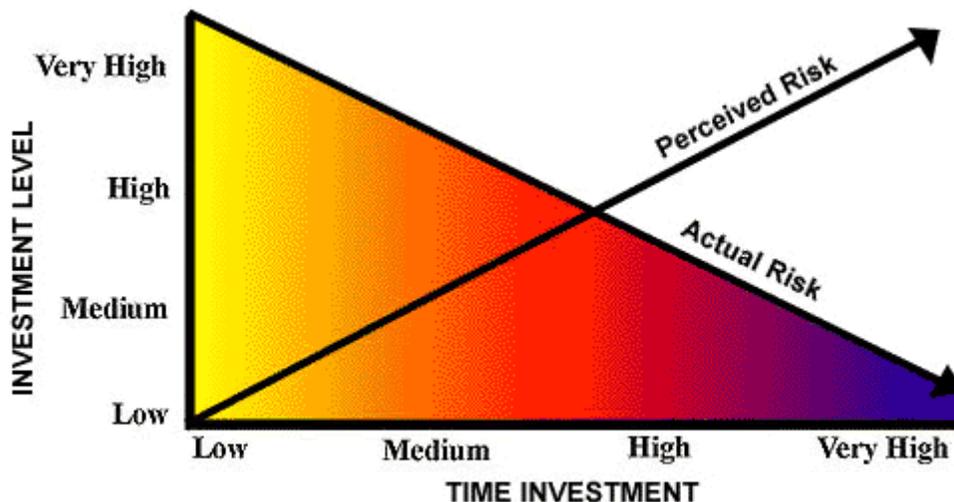
### Short-Term Training Events Can Produce High ROI

This doesn't mean that short-term training events don't work. In fact, given the right conditions, they work very well. For example, if the training event is designed using whole brain learning design principles, the learning is ready to be assimilated into the workplace. What learners need is a way to translate what they have learned once they're back at work. Follow-up is the key to cementing the learning into long-term memory that is also useful and accessible.

For example, let's say that three members of a team attend a one-day session on dealing with conflict. Two days after they get back to work, at a team meeting, these learners spend two hours teaching the other team members what they learned, and how it applies to their work. The team leader then meets with each of the learners to jointly develop a performance plan that will make sure that the learners continue to apply the learning in the workplace. Guess what? The team leader is actually doing a long-term investment in what appears to be a short-term strategy (i.e., a one-day training session).

### Long-Term Investments in People Work

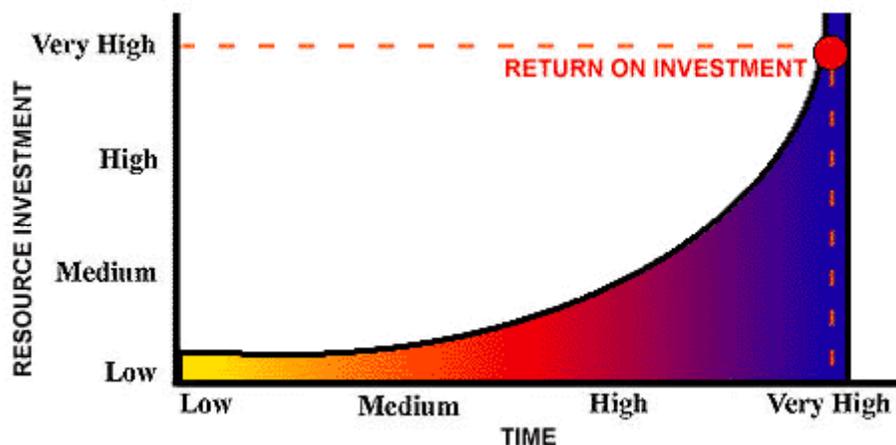
If you're the person who's making a long-term investment in people, the illusion is different: you appear to be taking a greater risk, when in fact you're taking a different risk. It looks like you're spending more time and more money, with little short-term results. In fact, with the right long-term program, you can earn your investment back in as little as six months, and start generating a ROI that will astound everyone, including you. The risk lies in how well you stand by your decision while the organization, your colleagues, senior people, and other departments form an immune response to your decision.



### Very High Investment in People

**Investment:** Everyone involved commits to a long-term strategy in **many areas** (e.g., two years) by giving their time, knowledge, and expertise to making the investment work. If you use a consultant to help you, there will be a dollar investment that can appear quite high. Whether you use a consultant or not, there is a great deal of time required in this investment strategy.

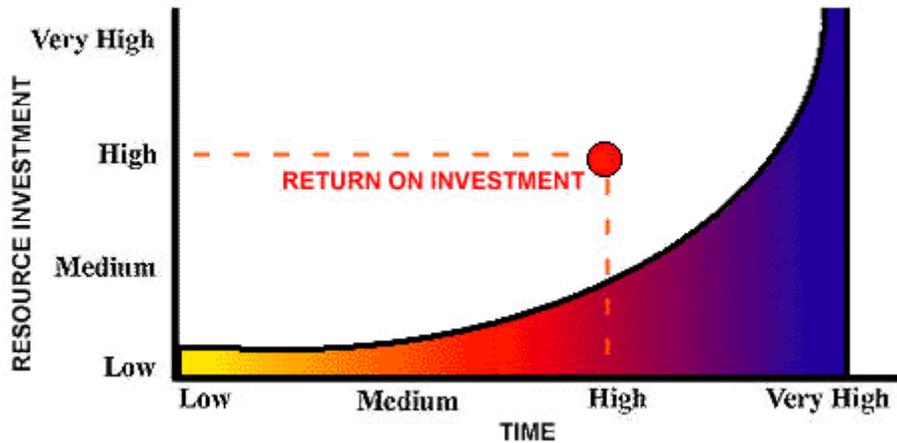
**ROI:** Within six months, there is a noticeable change in behaviour in **many areas** (e.g., effective planning, effective communication, lower stress, new cultural norms). Within one year, there are bottom-line results (e.g., goals met and exceeded, lower absenteeism and turnover). Within two years, the new learning culture is no longer new, so that learning is more a part of work, rather than an add-on. The learners provide their own support for continuous learning, which fuels learning at the speed of change.



### High Investment in People

**Investment:** Everyone involved commits to a long-term strategy (e.g., one year) by giving their time, knowledge, and expertise to making the investment work. If you use a consultant to help you, there will be a dollar investment that can appear quite high, although not as high as with the very high investment. Whether you use a consultant or not, there is a fair amount of time required in this investment strategy.

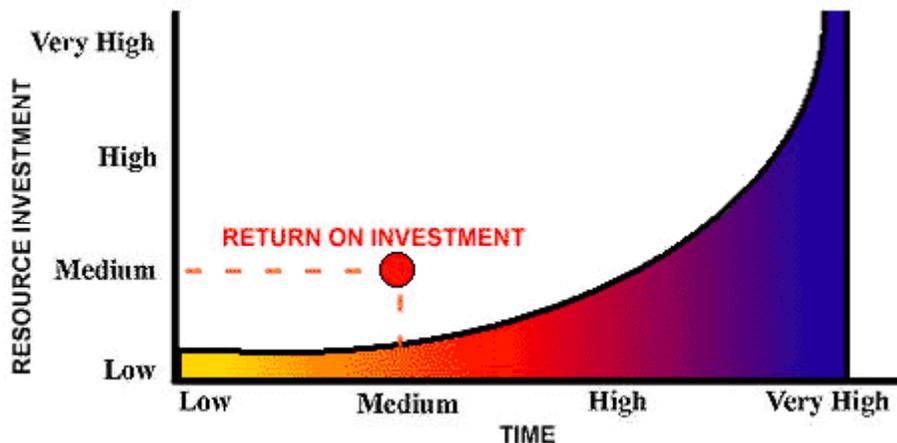
**ROI:** Within six months, there is a noticeable change in behaviour in **more than one area** (e.g., effective planning, effective communication, lower stress, new cultural norms). Within one year, there are bottom-line results (e.g., goals met and exceeded, lower absenteeism and turnover). Within two years, without support, some of the old behaviours return, with some of the new behaviours retained.



### Medium Investment in People

**Investment:** Everyone involved commits to a medium-term strategy (e.g., 6 to 9 months) by giving their time, knowledge, and expertise to making the investment work. If you use a consultant to help you, there will be a dollar investment that can appear high. Whether you use a consultant or not, there is a moderate amount of time required in this investment strategy.

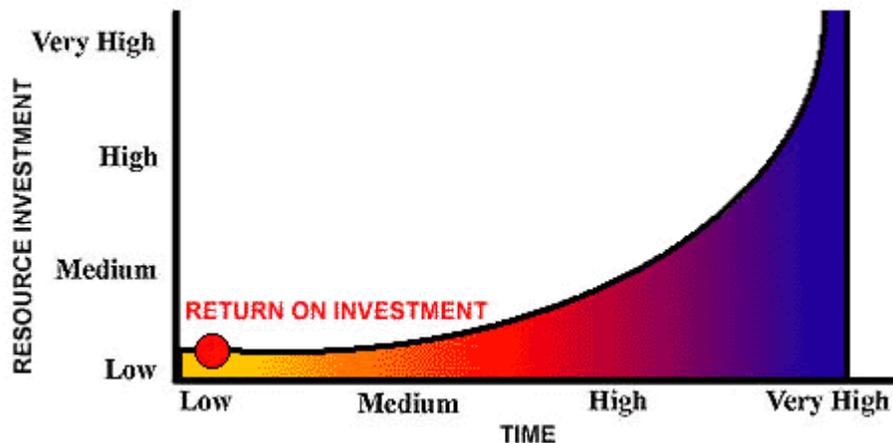
**ROI:** Within six to nine months, there is a noticeable change in behaviour in **one specific area** (e.g., effective planning, effective communication, lower stress, new cultural norms). Within one year, without follow-up, the learning will start to dissipate. It is retained only if there is continuous follow-up. There is a chance for bottom-line results (e.g., goals met and exceeded, lower absenteeism and turnover); however, these are not usually repeated in the next year. Within two years, without support, many of the old behaviours return, with a few of the new behaviours retained.



## Low Investment in People

**Investment:** Everyone involved commits to a short-term session (e.g., 1- or 2-day course, with no follow-up). If you use a consultant to help you, there will be a dollar investment that is standard. This is a strategy that is easily accepted in most organizations. You will need to use either an internal or external consultant to deliver the course.

**ROI:** Within two days, without support (e.g., follow-up), the learners will retain only a small percentage of what was covered in the course. Within one week, without support, most learners will return to old behaviours. Learning continues to be seen as an add-on, rather than a part of work, so it gets shelved with all the other binders.



## What's Your Investment Requirement?

If you want to produce outstanding results, you need to invest for the long term. This means investing in a learning intervention that will last at least one year. Your payoff is outstanding measurable results that outstrip the competition's ability to keep up with your organization. However, this decision is a difficult one to make, so we suggest that you try out a shorter-term program to see what kind of results you can get in six months. This would give you a fair idea of what it would take to go the distance. Then, you can decide if a long-term investment is worth the price.

## What It Takes To Produce Outstanding Results

We define high-performance capabilities as those thinking and learning capabilities that transfer across many situations within an organization. We're talking about the difference between the performance capabilities of a Ferrari and those of a Volkswagen Beetle. Both are good cars, but the Ferrari out-performs the Volkswagen Beetle. Individuals and teams that display high-performance capabilities continuously learn at the speed of change, because they know how to mine every success and failure for its learning potential. Their learning serves them in same way as a pit team on a raceway, which supports the race car not only staying in the race, but winning the race.

If you want to create outstanding results, we work with you:

1. To identify your needs
2. To meet with each team to present the high-performance concept, to identify a starting point for each team, and to set expectations for measurable outcomes
3. To discuss and determine the commitment and investment level required for such a program
4. To design the first part of the program
5. To develop participant materials that can be used in the workplace
6. To develop a schedule for the process that meets participants' work schedules
7. To facilitate the process through to action that participants can implement
8. To evaluate effectiveness of the process for participants, for meeting the need, and for producing measurable outcomes

"Remember, the Mercedes ride doesn't come cheap. If you want that driving experience, you will have to pay for it. The same is true for high-performance teamwork in your organizations. It is probably not advisable to consider high-performance team design as a cost-saving measure. It is relatively expensive to design for teams, and it is also expensive to provide the ongoing development they will surely need. ... Tom Cummings (quoted by Edward Lawler in the book **From the Ground Up**, 1996), describes high-performance self-managing work teams as 'the Ferraris of work design. Why? Quite simply, they are expensive to build (training costs are high; reward and information systems need to be changed to support them) and they often have high operating costs (they require time to meet, and replacing members can be complex).' But Ferraris will outperform just about anything else on the highway."

— Robert C. Ginnett, "*The Essentials of Leading a High-Performing Team*"  
in **Leadership in Action**, Vol. 18, No. 6, 1999