



How High Impact L&D Can Drive Business Profits

Mandy Johnson

When I was working for Flight Centre, the company's property area decided to analyse the top 200 most profitable stores worldwide to see what was the key factor in their success. Was it expensive shop rentals? High customer walk past? Attractive store-front displays?

The conclusions were surprising. The research showed that these kind of factors had no impact at all. The most profitable stores were in high-end locations and down dingy back streets. Some had loads of walk past and some were nearly all phone and internet-based. Different store-front displays didn't make an iota of difference.

After more analysis the company discovered that there was actually only one statistically significant factor across the board:

- All the most profitable stores consisted of teams who had been together for more than 12 months.
- In essence, staff retention proved to be the single biggest factor in relation to profit.

The big 'wham' strategies for staff retention

So what are the key strategies for keeping good people? This question is critical because the most effective techniques are not always the obvious ones. Take one of my clients, who seemed to offer it all. They paid their employees a high incentivised salary, gave them a day off on their birthdays, built an in-house coffee shop with their own barista, subsidised lunches, provided free fruit baskets and took the managers away on an all-expenses paid conference once a year. Yet their staff turnover rate was a staggering 64 per cent. Their list of seemingly impressive initiatives was longer than most Chinese restaurant menus, but they had zero focus. They threw perks at their employees like lollies

to children, but used very few of the real techniques that truly keep people around.

It's the 80/20 rule: 20 per cent of strategies have a greater impact on staff turnover than all of the other 80 per cent put together. If you look at the diagram below you'll see my list of big 'wham' items – the practices built on a foundation of effective recruitment – which have been proven both through my direct experience and empirical research to lead to the most outstanding staff retention success.

These six factors look deceptively simple but their impact on an organisation is transforming. Take learning and development which for those with increased retention in their sights is an essential part of the package in the twentieth century workforce.

The characteristics of high-impact L&D

The characteristics that underpin high-impact L&D are as follows:

Quality not quantity

As an HR leader I once asked our regional managers what they would like included in the induction process. Once I'd collated all their responses I had enough information to keep a person busy for about two years. In practice I've found that just a few inspirational sessions have greater impact than hundreds of mediocre ones.

Short and sharp

I've never had the budget luxury of being able to send my employees out of the office for days at a time so I've always looked for short, sharp or bite-sized programs, a day or less, that really inspire people – ones that I could be certain would deliver that holy grail of transference from the classroom to

the workplace. Unfortunately trainers are actually incentivised to drag programs out as they get paid more for longer sessions.

Fun and engaging

Every successful L&D course has an engaging element of fun, interactivity or 'theatre'. Anthony Robbins, with his 'walking across hot coals' exercise, which shows people they can achieve things they thought were impossible, is a master of the 'show'. Yet participants tell me that his content is also transformative. It's this winning combination of the two – process and content – that makes people remember, learn and apply new actions. In contrast, many courses have good content but sitting through them is like being fed horse tranquilisers. I'll never forget a three-day strategic planning course – for which I paid \$2500 – where the facilitator gave

us a folder and then read through it for the duration of the course. Without any entertainment or interactivity (process), I didn't retain a thing.

Relevance

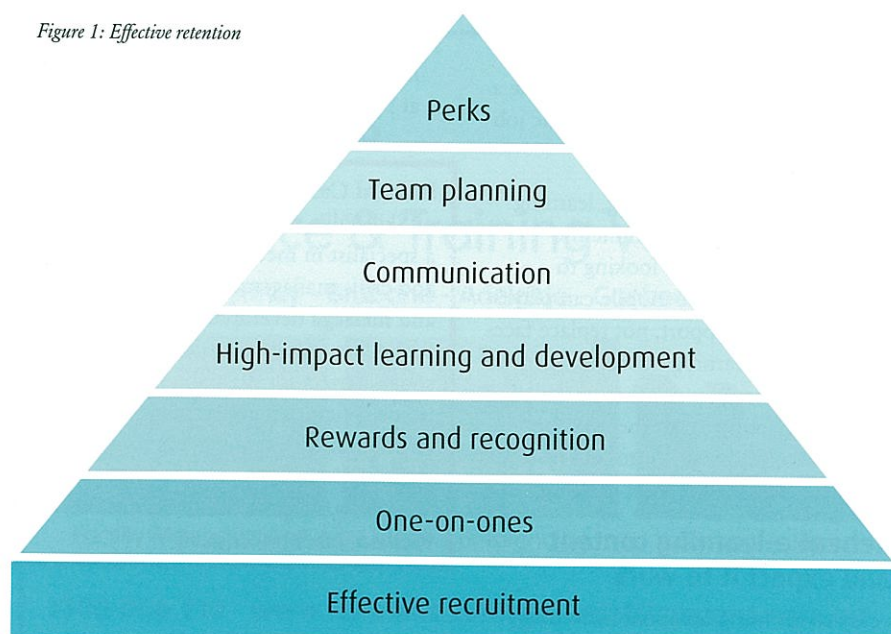
This should be obvious, but in practice it's not. One of my clients who ran a sales business had hundreds of L&D modules but not one sales course. His new recruits learned how to sit in a chair to avoid back strain, what to do if they were bullied or sexually harassed, and absolutely every facet of how to use the IT system in over 30 separate courses. Yet they weren't taught how to handle customers and convert their enquiries into sales. I felt sorry for these novices, especially as all the business leaders kept complaining to me about the time it took employees to get up to speed and how


they seemed incapable of reaching their targets. On the positive side, they did sit very upright in their chairs.

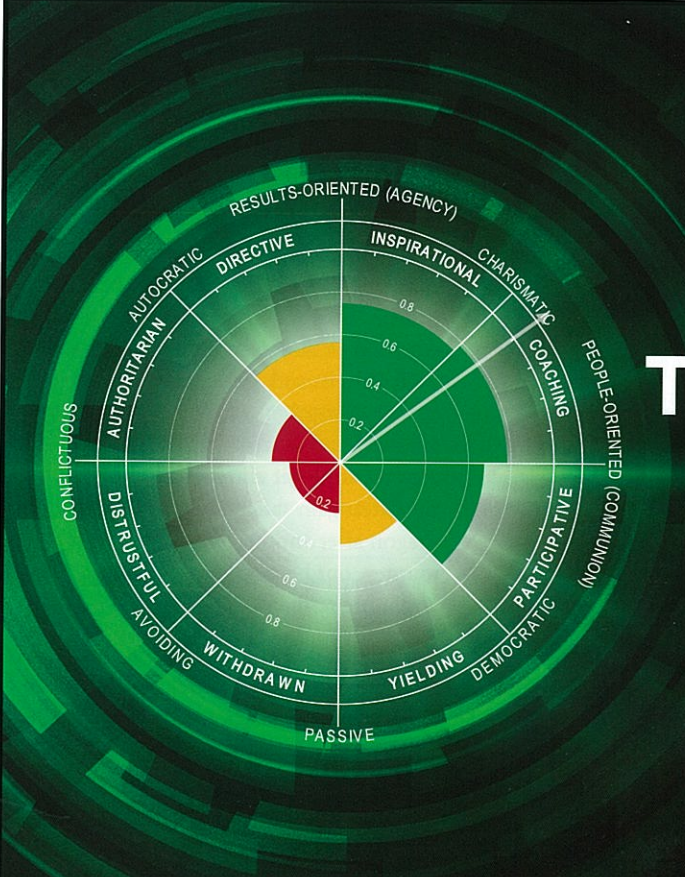
High impact learning and development has emerged as a key strategy for retention of employees. With these characteristics in mind, it is possible to build or transform an existing area into a high-impact learning and development team. This, in turn, will lead to better staff retention and a more profitable business. ■

Mandy Johnson is the author of the new book *Winning the War For Talent* (Wiley, 2014). She is a former UK Director and Australian Head of Human Resources at Flight Centre Limited and an active speaker and adviser to both public and private organisations.

Figure 1: Effective retention





CLS360
 THE NEW EDGE IN LEADERSHIP



THE LEADERSHIP CIRCUMPLEX

The **evidence-based** approach to identify, measure and change the full range of leadership behaviours

CLS360 PTY. LTD.
 Quentin Jones / Margherita Larné-Jones
 P +61 3 9787 2520 E info@cls360.com
cls360.com



Copyright © 2007-2014. Licensed exclusively to CLS360 Pty. Ltd.