

**A**s the banking crisis amply demonstrated, money is a powerful shaper of behaviour. Even people with plenty want more, and are prepared to do questionable things to get it.

This may sit uncomfortably with those of us who bought into the whole Maslow thing, but it would appear that most non-monetary strategies designed to improve employee performance are noble attempts to achieve by other means that which would be delivered at a stroke if only we had the cash to command it.

This is not, perhaps, news. The link between money and behaviour is well made, albeit not always well understood. In 2008 Baba Shiv, Professor of Marketing at Stanford University, conducted a fascinating experiment in which he subjected volunteers to electric shocks and then administered a range of differently-priced painkillers to control the pain they claimed to be experiencing.

Putting aside the not-unrelated issue of how much you have to pay someone to endure such misery, the subjects reported that the most expensive painkillers were also the most effective. Which was odd because all of the painkillers were fakes; placebos of no pharmaceutical benefit at all.

This and many similar experiments have shown that consumers' beliefs and expectations are powerfully influenced by what they have paid for the object of their desire. Money talks and the more we pay, the louder it speaks. And the more we believe what we hear.

It's long been held that free goods are abused goods. Price has always been used to confer a value on goods and services even if they are in plentiful supply, to prevent wastefulness. Governments also use price to protect us from ourselves: cigarettes and alcohol carry enormous burdens of taxation ostensibly in the name of helping us to be wise in our consumption. They may have a point.

Why then do we provide training and development free of charge to our colleagues? The argument is that the organisation needs – and benefits from – the skills and should therefore be prepared to pay. But isn't

it more likely that a lot of training is so poor and so consistently fails to deliver the real intended outcomes – improved performance, personal and organisational success – that our colleagues could never be persuaded to part with their hard-earned cash if they had to pay for it themselves?

But if we re-thought the whole training value proposition, interesting things might start to happen. Let's try. Let's make it clear that, in future, colleagues will be promoted only if they can not only do their function but also demonstrate consistently their ability to work skilfully with others.

It's not always easy to assess likely future behaviour but we could use attendance at – and, more importantly, diligent practice on and after – appropriate training as a pre-condition for promotion. That should take care of the demand side.

So then we can start charging people for their training on the basis that their legitimate self-interest and that of the organisation are now aligned. Of course, we will need to clean up our act on the training. When people pay for something, they want to receive benefits not just features, so real outcomes (like being able to do something differently and better) must be the minimum acceptable result of their investment.

That might mean more effective trainers, more attention to transfer and application and a lot more support in the workplace – and that will unquestionably be more expensive. But, as people tend to turn up when they are spending their own money, cancellations will be a thing of the past: according to one estimate from the public sector, that would save almost 40 per cent of the training budget in one fell swoop.

The only thing I can think of that is free to the consumer, apart from corporate training, is air: on the basis of what we have been doing to the atmosphere for the last 200 years, the axiom 'free goods are abused goods' would appear to hold true. High quality training and development isn't free but as long as we allow our colleagues to believe it is, we will struggle to outperform even their low expectations and budgets will continue to dwindle. ■



# TRANSFER AND APPLICATION

In the last of a series looking at the issues surrounding the transfer and application of learning, **Robert Terry** makes the case for charging employees for their L&D

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