

WHY MENTORING IS A VITAL BUSINESS STRATEGY

MENTOR LEADERSHIP TEAM





BENEFITS OF MENTORING

- Increased Employee Commitment
- Higher Productivity
- Knowledge Transfer and Growth
- More Effective Communication
- Enhanced Recruiting
- Higher Retention
- More Effective Succession Transitions
- Increased Brand Identity
- Better Customer Service
- Deeper Leadership Pool
- Higher Levels of Creativity & Innovation
- Greater Diversity in your Workforce

SECTION 1:

Mentoring and Organizational Culture

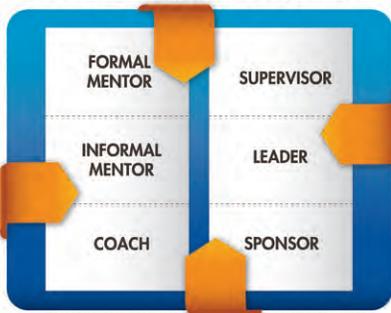
Organizational culture is the 'personality' of an organization—it affects what employees believe and how they behave. For instance, how employees understand the vision of the company, communicate, interact with customers, work out organizational values, and conduct daily business are all impacted by the organization's culture. The impact of culture reaches to every corner of the business and therefore is a key determinant of an organization's effectiveness, reputation and ultimately, it's success.

The benefits of an intentional mentoring culture are numerous: increased employee commitment to the organization, higher productivity, knowledge transfer and growth, a deeper leadership pool, more effective succession transitions, more effective communication, enhanced recruiting, higher retention, increased brand identity, better customer service, higher levels of creativity and innovation, and greater diversity in your workforce. Mentoring is arguably the best tool for harnessing talent and moving

According to an international study conducted by recruiting firm Robert Walters...

83% of professionals would like to be involved in a mentoring program, yet only 29% are in workplaces that currently offer mentoring programs.

SIX MENTORING RELATIONSHIPS



The key driver in building and changing organizational culture is people. "As employees are informed, trained and equipped to do things in new ways, the culture in which they are embedded changes as a matter of course."¹ This means that the training and development of people is an indispensable ingredient to success. Of all training and development strategies, mentoring is proven to be one of the most effective and cost efficient. When informal and formal mentoring are a way of life for an organization, a mentoring culture is born.

individuals to advance your organizational vision.

What makes mentoring different from most training and development initiatives is that mentoring is the vehicle for change, not the end goal. Mentoring is the mode through which learning is best retained, understood and applied. When mentoring is paired with exceptional state-of-the-art training, organizations—and the people within them—move from status quo to game changers.

What Exactly is Mentoring?

Mentoring can carry many different meanings. At Mentor Leadership Team we define mentoring as:

"A reciprocal and collaborative learning relationship between two (or more) individuals who share mutual responsibility and accountability for helping a mentee work toward achievement of clear and mutually defined learning goals." 2

Mentoring today may look different from traditional hierarchical pairing. Group mentoring, e-mentoring, reciprocal mentoring, reverse mentoring, and other models are ways organizations are capitalizing on the power of relational learning for the professional development of employees.



WHY MENTORING?

Mentoring uses the **power of relationships** to change the behavior of people, shape the meaning they attribute to their work, and ultimately deliver better organizational outcomes.



SECTION 2:

Employee Engagement & Mentoring Culture

We've all heard it said countless times that people are our greatest asset. This is only partially true.

Engaged employees are your greatest asset. Employee engagement and organizational culture have a two-way relationship. Engaged employees are attracted to high-impact organizational cultures, and they also help to shape them. Each reinforces the other. Does your organizational culture inspire employees to give their best? Taking a

closer look at your level of employee engagement is a great place to begin finding the answers to this question.

Employee engagement is the level of enthusiasm and dedication an employee feels toward their work. Engaged employees care about their work and feel that their efforts make a difference in the results of the company. When employees are emotionally invested in their work they



EMPLOYEE ENGAGEMENT

According to Gallup, **only 13% of employees worldwide** are engaged. America fairs slightly better with an engagement level of 29%, though this number **has not increased since 2000.**



EMPLOYEE ENGAGEMENT

Just how much do **disengaged employees** cost your organization?

1. Companies with over **nine engaged employees to every one actively disengaged employee had 147% higher earning per share** compared to their competition. Conversely, companies with about two engaged employees to every one actively disengaged employee experienced **2% lower earning per share** compared with their competition. ⁴

2. In a study conducted by the UK government, **companies with low engagement had an average operating margin that was 32.7% lower** than companies with more engaged employees. ⁵

3. Gallup estimates that actively disengaged employees cost U.S. businesses about **\$450B-\$550B** annually. ⁶

A study by the Corporate Leadership Council cites that...

4. When organizations **increase their levels of engagement** by only 5%, a 10,000 person organization can see an **increase in the bottom line estimated at \$40M.** ⁷

CONTINUED...

Employee Engagement & Mentoring Culture

"have significantly higher productivity, profitability, customer ratings, less turnover and absenteeism, and fewer safety incidents."³ Engaged employees are your top performers characterized by high initiative, more frequent and genius creativity and ultimately a strong commitment to the best interests of your organization.

According to Gallup, a global research and consulting company, only 13% of employees worldwide are engaged. America fairs slightly better with an engagement level of 29%, though this number has not increased since 2000. This means that on average, U.S. organizations are functioning at less than a third of their potential and they aren't improving.

Ultimately, if left unmanaged, employee engagement levels will remain stagnant. Only 7% of organizations focus on initiatives that target employee engagement. If you intentionally address your organization's engagement issues, you will see dramatic results.

If you want to manage employee engagement and build a strong organizational culture, harness the power of mentoring. A study by the Corporate Leadership Council cites that when peer mentoring is done effectively the "average engagement capital" can increase by 66%.⁸

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MENTORING INCREASES LEARNING

"I hear and I forget, I see and I remember, I do and I understand."

- Confucius, 450 BC

"Tell me and I forget, teach me and I remember, involve me and I will learn."

- Benjamin Franklin, 1750

SECTION 3:

Top 6 Reasons Why Mentoring is a Vital Business Strategy

1. MENTORING USES RESOURCES YOU ALREADY HAVE

With mentoring you already have all of the primary change agents and 'trainers' you need: your people! Mentoring is one of the most basic, organic forms of training available because it values all of your people, utilizing the valuable expertise and experience they already have. Mentoring literally creates an exponential knowledge expansion and limitless skill development opportunities, especially in the development of valuable soft skills like leadership, communication, problem-solving, self-confidence, and time-management. For example, NASA found that what makes good systems engineers great is the softer people skills that can be developed through mentoring.

2. MENTORING INCREASES LEARNING

From a training and development perspective, mentoring makes more sense than other training methods because mentoring significantly increases knowledge retention and action. Experiential learning, or learning by doing, is widely accepted as a best practice for learning. Mentoring provides a platform for action-based learning and life/work application.

87% of training dollars are wasted after 30 days if follow-up coaching or mentoring is not provided.

In her doctoral research, Lily Benavides found that...

When employees participate in seminars or training they are hard-pressed to recall what they learned after the events are over. Because of this, training can be a huge waste of resources. But when training is paired with mentoring, retention and application significantly increase. In her doctoral research, Lily Benavides found that 87% of training dollars are wasted after 30 days if follow-up coaching or mentoring is not provided.⁹ With mentoring, managerial productivity increased by 88% versus only a 24% increase with training alone.¹⁰ From the most basic financial arguments, mentoring just makes sense.



MENTORING & PROMOTION STATS

Employee diversity training **does not work** unless mentoring is provided.

Over **30% of employers** are finding it difficult to recruit the employees they need.

Talent shortages and high levels of attrition cost organizations **100-300% of the salary** of the replaced employee.

3. MENTORING ENCOURAGES BENEFICIAL DIVERSITY

Employee diversity training does not work unless mentoring is provided.¹¹ Diversity training tends to highlight differences rather than give people the skills to appreciate those differences. For instance, in a study conducted by the Washington Post, corporate diversity training resulted in a 7.5% drop of women in management. The number of black female managers decreased by 10% and black male managers decreased by 12%. Similar effects were seen on other racial minorities.¹² They found that diversity training made matters worse, not better. The diversity programs that were successful included mentoring as part of the initiative.

It has been proven that heterogeneous groups perform better than homogeneous ones, and an engaged mentoring culture is a sure strategy to promote diversity. Mentoring can be done across distance, with all generations, genders and global cultures, and with all skill levels.

4. MENTORING HELPS YOU KEEP VALUABLE EMPLOYEES

When people are engaged in their work they are more likely to stay. Over 30% of employers are finding it difficult to recruit the employees they need.¹³ Talent shortages and high levels of attrition cost organizations 100-300% of the salary of the replaced employee.¹⁴ Making up for the cost of turnover in your staff begins to add up quickly.

According to an international study conducted in 15 countries and 10 business sectors, 'learning and development opportunities' was the second most important driver of employee engagement, ranking more important than compensation, culture, leadership and recognition.¹⁵ People want to learn, grow and advance in their work.

You need to be proactive in engaging high performers in relationships that encourage, challenge, educate, and train, ultimately helping them see their vital part in the organization, giving them a sense of purpose, and encouraging their desire to stay. Mentoring is one of the best tools for supporting the personal and professional development of your employees. It is proactive, individualized, and can easily be part of retention strategies for your entire workforce.

Nearly 40% of internal job moves involving high potential employees end in failure.

Research by the Harvard Business Review discovered...

5. MENTORING FILLS YOUR LEADERSHIP PIPELINE

Employees in mentoring relationships are more likely to be promoted. Sun Microsystems found that employees who receive mentoring were promoted five times more often than people who did not have mentors. Mentors were six times more likely to be promoted.¹⁶

Without a mentoring initiative in place, senior leaders are far less likely to mentor younger generations due to the unprecedented competition and pressure to achieve results leaders today face. We are seeing the effects of this as organizations find they lack capable leaders to promote and fill their leadership needs. DeLong, Gabarro and Lees agree from their research: "Everyone we spoke with over the age of 40 could name a mentor in his or her professional life, but younger people often could not."¹⁷

Neglecting the development of your high potential leaders is not wise. Research shows that nearly 40% of internal job moves involving high potential employees end in failure.¹⁸ Mentoring gives direct, one-on-one attention to the challenges and opportunities people face as they begin new responsibilities at a company.

6. MENTORING INSPIRES CREATIVITY AND INNOVATION

Because so many people today are isolated, apathetic, and apprehensive about their futures, mentoring can be a great way to connect and motivate your workforce. Mark Paskowitz, a senior consultant with The Ken Blanchard Companies, points out that people need encouragement. Other leadership skills are important, but the need for leaders to encourage is a constant. "There is a difference between showing up at work and people doing their best work," he says.¹⁹ Through mentoring relationships, employees are encouraged to develop personally in ways that allow them to increase their influence at work. Encouraged employees feel valued and will allow their passion for their work to surface in powerful ways, opening up opportunities for creative solutions and innovation critical in today's rapidly changing markets.

Mentoring also allows for cross-discipline communication across departmental, and even national, lines. Relationships allow for the exchange of ideas and mentors can serve as a resource to help mentees refine their ideas, connect with people and find the resources they need to put their ideas into action. This respect for diverse views and skill sets support creativity and innovation.



MENTORING & PROMOTION STATS

Employees who receive mentoring were **promoted five times more** often than people who did not.

Mentors were **six times** more likely to be promoted.





ROI OF MENTORING

Sun Microsystems conducted a 13-year study of their mentoring initiatives and **calculated their mentoring ROI to be 1,000% or greater.** ²⁰

In a study done by Manchester incorporated, the **ROI of training is typically six times the cost** when coaching and mentoring is provided —well worth the effort. ²¹

71% of Fortune 500 companies use mentoring to assure learning occurs in their organizations. ²²

SECTION 4:

The ROI of Mentoring

Beginning a mentoring initiative does not need to be cumbersome or complicated. Within certain parameters, and given good preparation and tools, mentoring can be relatively simple and yield a much higher return on investment than more traditional training and development strategies. This is because mentoring provides long term encouragement and accountability to actually put that training into practice.

If you do not currently have a mentoring initiative in place, why not? Considering the cost of disengaged employees, attrition, poor leadership and missed opportunities, organizations must make a concerted effort to invest in their people. When done right, mentoring is proven to provide the biggest return on your investment.

About Mentor Leadership Team

We believe all individuals are essential to the success of your organization. Mentoring is a key strategy for empowering all employees to apply their unique potential to their work so your organization can soar.

Whether you are looking to enhance your current mentoring program, build a dynamic mentoring culture or start a new mentoring initiative from scratch, our team can help. Our expertise spans six continents and includes all types of businesses and not-for-profit organizations. We offer customized services that include in depth consultation, live and online training, eLearning courseware, mentoring software and much more. Our years of experience show that mentoring works and it doesn't have to be complicated.

Contact us and we can discuss how we can make mentoring work for **you**.



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