

5 Ways Mentoring Can Help Your Company



A Thought Paper by Management Mentors

January 2009



Introduction:

As we approach the end of the decade, it appears we have a new buzz term: “talent crisis.” Unlike some other overly hyped terms, however, this one appears legitimate. On September 19, 2008, *BusinessWeek* reported in an article called “The Global Talent Crisis” that, “Companies and countries will need more than 3.5 billion people by 2010 to fill knowledge worker positions. By 2020, that number will exceed 4 billion. Projections indicate that there will be shortages between 32 million and 39 million people to fill these positions. The U.S. will have the biggest shortfall—needing as many as an additional 14 million people.”

To add to the bleak picture, consider this: A 2008 study by Deloitte Research found that one in three new hires leave a company within the first year of employment. The first-year turnover rate grew to 31.7 percent in 2007. In addition, according to Business Performance Management (BPM) Forum and Success Factors, which conducted a survey of over 700 human resource professionals (in cooperation with the Human Capital Institute), 98% of respondents said competition for talent is increasing in their industry, and 65% said it’s increasing to a “high” or “very high” degree.

As you can see, attracting, developing, and retaining top talent is likely to remain a challenge. What companies need is a proactive and viable solution to this challenge. Luckily, that solution exists: mentoring programs.

Mentoring programs involve matching talented, experienced employees (mentors) with promising, less experienced employees (mentorees). Over time, working one-on-one, the mentor and mentoree—and the organization—reap real rewards.

A successful mentoring program benefits your organization by:

- Enhancing strategic business initiatives
- Encouraging retention
- Reducing turnover costs
- Improving productivity
- Breaking down the "silo" mentality that hinders cooperation among company departments or divisions
- Elevating knowledge transfer from just getting information to retaining the practical experience and wisdom gained from long-term employees
- Enhancing professional development
- Linking employees with valuable knowledge and information to other employees in need of such information
- Using your own employees, instead of outside consultants, as internal experts for professional development
- Supporting the creation of a multicultural workforce by creating cross-cultural mentoring programs with diverse employees and allowing equal access to mentoring

- Creating a mentoring “culture”—one that continuously promotes individual employee growth and development

In this thought paper, you’ll learn how mentoring can help your company do the following: attract the best and brightest talent, develop current employees, retain top talent, lead the way in diversity, and succeed in succession planning.



Attract the Best & Brightest

Consider how your company currently attracts the best and brightest talent. Certainly, your organization’s reputation is a huge incentive for these eager and skilled men and women. However, can your company expect to survive strictly on its laurels?

Think of it like this: if a prospective employee is deciding between a company with an outstanding reputation but a notoriously brutal work environment and an organization with an outstanding reputation *and* a proven mentoring program that grows and nurtures its top talent, which company will the person likely choose?

A planned approach to a person’s career development, such as a mentoring program, has become a “must-have” for organizations that want to attract top talent. When marketing to prospective employees, advertising that your company has a professional and effective mentoring program can be a significant differentiator between you and your competitors.



Develop Your Employees into Tomorrow’s Leaders

While it may be easy for companies to adopt the “workhorse” mentality—i.e. you just need bodies to churn out work—the reality is that as human beings, people would like more from their employers. After all, it’s human nature to want to feel appreciated and respected for quality work, and when a person feels appreciated and respected, he/she will produce higher quality work.

Still, developing your company’s junior employees can be a daunting challenge. Where does a new employee go if he or she wishes to gain from the experience and wisdom of a more seasoned manager? Yes, new employees can always turn to their immediate supervisors and HR directors, but there is an inherent hesitation to do this because the new employee doesn’t want to appear “incompetent” or “weak.”

Mentoring is a strategic initiative that will pair newer and junior employees with those senior employees and managers who can provide not only the experiential wisdom they have, but also a supportive environment whereby the newer employee can share the real issues affecting success.

It might not be obvious at first glance, but these pairings will have positive effects on your company as well. During the mentoring relationship, mentorees and mentors will discuss important issues, such as how to interact and work effectively with your top clients; how to get along and communicate with peers and upper management; how to understand and fit in better with your organization's "corporate culture"; and how to deal with increased scrutiny; plus so much more.

While baptism by fire often remains a popular strategy for getting new employees up to speed, it still makes sense to provide a safe haven—the mentoring relationship—where the associate can relax and let down his or her guard.

Why will this investment in mentoring help your company in the long run? Studies show that organizations that make a commitment to mentoring produce appreciative employees who show their gratitude through hard work, loyalty, and longevity. Make the investment in your best and brightest now, and reap the awards immediately as well as years down the road when they become senior managers (and then "pay it forward" by mentoring the next crop of new and junior employees). You'll find more on this concept in the next section.



Retain Top Talent & See High ROI

According to the Deloitte Research study, "Research suggests that a company's 'stars' are the first to be poached by competitors and are less likely to stay. Moreover, a study of investment banks found that when imported from elsewhere, stars rarely sustain their performance in the new organization."

The last thing you want to see is your top people walk across the street to one of your competitors. Talent retention affects the bottom line not only by reducing costs, but also by building an effective workforce. Companies often invest hundreds of thousands of dollars in recruiting talent but then stop there and miss the opportunity to get the best return on their hiring investment.

Some organizations invest in a "buddy" system, which is a good investment, but it's a short-term (2-3 months) solution and addresses only the issues of adjustment. Mentoring, however, is more strategic and aims to do the following:

- Demonstrate to new employees the company's investment in their future with the organization
- Create a more effective contributor to the company's overall goals
- Engender a sense of loyalty in employees

Think of it this way: loyalty breeds longevity. If you invest in nurturing your top talent early on, the less likely you'll be dealing with the scenario of him or her walking across the street to another company.



Lead the Way in Diversity

There is a strong business case for workforce diversity and diversity initiatives, such as cross-cultural mentoring programs. Baby boomers are aging and remaining in the workforce longer, companies are conducting more business globally, women are playing a stronger role in executive teams, and a growing number of minorities are entering the U.S. workforce.

Today's workforce is evolving, and the best companies are responding to it by offering and fostering diversity initiatives to expand understanding and encourage collaboration across different demographics. That's good news, but there's still a big problem: most diversity initiatives don't go far enough. And companies that offer insufficient programs are wasting time and money.

For example, a white male senior attorney attends a training class in diversity. He completes the course feeling more sensitive to the issues facing minorities in the workplace. But then he never interacts with junior associates who are different from him, so he loses the opportunity to change his behavior in a meaningful way.

The changes that diversity initiatives aim to achieve cannot occur without real-life interactions in the workplace. So how can your company ensure that the money it spends on diversity initiatives yields desired results? By executing a mentoring program to supplement its diversity-training initiatives.

How Mentoring Promotes Real Diversity

It's critical to create a safe environment where both individuals feel comfortable enough to honestly address the tough topics related to diversity—the obstacles, fears, prejudices, challenges, misconceptions, etc. When both individuals become engaged and feel safe in the mentoring process, they can confront their own blind spots and prejudices openly and see what they need to change. It's common for a white male, for example, to mentor a woman and gain a greater understanding of how his wife feels, and why she feels a certain way. It's also common for individuals who are paired with someone of a similar

race or gender to make an incorrect assumption about the person based on their shared demographic. The person quickly learns the importance of not projecting his or her feelings onto someone else, just because he or she assumes the person shares these feelings.

Mentoring allows people to take the theories learned in diversity trainings into the workplace. They practice what they learn because they're being challenged regularly within their mentoring relationships and they know that any prejudices they have will show up.



Succeed in Succession Planning

Mentoring is an ideal strategy for enriching your succession-planning program. In succession planning, you're targeting individual talent to take on increasingly more responsible positions and eventually assume a major position within your organization.

This requires solid experience and solid advice from seasoned employees. Adding mentoring as a method of pairing such individuals with your talent pool ensures that the right expertise will complement your succession-planning goals.

Mentoring also ensures that your senior managers' expertise will not be lost once they retire or leave the company. Rather, the expertise will be retained by having been shared with those who are poised to take their place.



Mentoring Success: Next Steps

As you can see, mentoring programs can achieve many positive results. They're one of the best ways to attract the best and brightest talent, develop your new and junior associates, retain top talent and turn them into tomorrow's leaders, improve your existing diversity initiatives, and shore up your company's succession plans. Give your organization the edge by investing in and developing a quality mentoring program.

About Management Mentors:

Management Mentors is a mentoring training and consulting firm that has achieved a 90% success rate with pairs it matches using a thoughtful, proven process. For more information on how your company can enjoy greater success through mentoring, contact us at (617) 789-4622 or visit us at www.management-mentors.com.



P.O. Box 67291, Chestnut Hill, MA 02167
617-789-4622/ www.management-mentors.com

Source Information:

Business Performance Management (BPM) Forum & Success Factors. "Performance & Talent Management: Trend Survey 2007." 2007.

Deloitte Research. "HR That That Means Business: Focusing on Value Creation." 2006.

Foster, Mark. "The Global Talent Crisis." *BusinessWeek*. 19 Sep. 2008. 13 Jan. 2009
<http://www.businessweek.com/managing/content/sep2008/ca20080919_403840.htm>.

LawCrossing. "The Legal Industry: Facts & Figures." PowerPoint. Accessed on 13 Jan. 2009 <<http://www.lawcrossing.com/>>.