Mentorships Are Measurable

Use metrics to determine a mentorship program's return on investment.

While many executives acknowledge the significant impact mentoring has had on their careers, these same executives often view structured mentorship programs as expensive and ineffective. Senior leaders who have experienced the individual benefit of mentoring relationships hesitate to formalize mentorship within their organizations. Why? The largest obstacle is many practitioners' inability to capture metrics that tell the quantifiable story of success in mentorship programs.

Mentorship programs are social learning relationships that are transformational for individual employees and drivers for strategic organizational success. When designed and launched thoughtfully, structured mentorship programs are the most significant tools talent development professionals have for sustainable and scalable talent development.

Turn learning relationships into visible metrics

Some practitioners feel overwhelmed at the thought of measuring mentorship program results because mentoring conversations happen beyond the program administrators' view. Whether programs have 50 participants or 5,000, the idea of tracking individual learning conversations and quantifying success may seem impossible. Some practitioners turn to anecdotal or qualitative data gathered from surveys or interviews. Although there is certainly a use for qualitative data, the story of success for mentorship programs can also be told using Donald Kirkpatrick's four-level model of evaluation and measuring return on investment.

Program administrators only need a handful of tools to get metrics in place that measure success. The secret is to develop the story you want to tell at the highest strategic level (ROI) and then work through Kirkpatrick's four levels to the tactical level (Level 1).

- **ROI**—This is the comparison of talent development solutions' strategic results to investment in the solution.

- **Level 4 (results)**—These are usually tied into the executive talent dashboard and are most commonly measured with engagement, retention, or mobility. Retention-based results are used because they are the clearest data set already gathered in HR applications.

- **Level 3 (behavior)**—This level identifies the impact on talent performance, which usually accumulates to have an effect on Level 4. By working down from Level 4 retention data toward more tactical measurements, some organizations use performance review data that show job performance improvement and increased networks, which leads to higher retention. Most important, any data used to tell the story of success should be consistently and reliably available for reporting.

- **Level 2 (learning)**—In this level, data are gathered to demonstrate how progress on goals set within the mentorship program leads to improved performance and increased networks in Level 3. Setting and tracking learning goals is the most important indicator of learning success for participants. Even mentorship programs with minimal structure should stress the importance of goal-setting.

- **Level 1 (reaction)**—This is the most frequently measured factor when it comes to mentorship programs. Practitioners often measure the number of participants, hours invested in the mentoring relationships, and satisfaction with the experience. One important Level 1 metric is Net Promoter Score, a simple but accurate view into participants' experience. A Net Promoter Score is gathered by asking participants, "Would you recommend that your colleagues participate in the mentoring program?"

Connecting Globally Via Mentorship

The Professional Risk Managers International Association (PRMIA) leverages mentorship programs to connect members globally. The program administrator, Adam Lindquist, has identified some of the challenges of connecting members across multiple time zones and regions and from diverse backgrounds and experience levels. He notes that a mentorship program for the highly analytical PRMIA members needed to demonstrate value.

Lindquist's focus is on expanding membership, so the association closely watches an increase in member numbers. The association also looks at participation in the program, time invested in mentoring relationships, and engagement in the mentoring process.

Most important, however, Lindquist focuses on measuring the impact of the program by using the Net Promoter Score as an indicator of the more strategic membership result. He says, "Metrics are good, but we ask if members would recommend the mentorship program to their colleagues. If they would, we know their experience has been positive and they've received value from the mentorship."

Leading indicators for mentorship programs

Clarity on what to measure is important for proving the value of mentorship programs, but understanding when to measure is also important. The key to curating a story of success for mentorship at your organization is to adopt lean reporting practices:

- Measure frequently throughout the mentorship program.

- Find meaningful metrics that are already being measured consistently and reliably.

- Leverage technology and automated processes to streamline administration.

A common mistake in measuring mentorship program effectiveness is waiting until the end of a program cycle to send out a survey to measure results. The information gathered after the cycle is complete is outdated, minimally useful, and only tells one part of the story.

Create a more complete and timelier picture by measuring Level 1 and 2 data throughout program cycles in a way that does not place a large burden of effort on either program participants or administrators. These pulse checks provide leading indicators of success or potential areas for immediate intervention. They also show progression of investment, engagement, and experience over time. Some organizations use software platform–enabled tools—such as one-minute surveys, mobile apps, and crowdsourced stories—to access leading indicators of success.

ROI of mentorship

Ultimately, proving the value of mentorship programs means communicating metrics to leaders in a way that resonates with them. Senior executives often look at sales numbers, stockholder value, cost reduction, profit, or margins. Historically, talent development has done a poor job of connecting our work with the numbers that are meaningful to leadership. Mentorship programs have the potential to demonstrate value through metrics that matter.

Avoid focusing on talent development language such as training hours, number of participants, and learning satisfaction. Those numbers don't draw a clear connection to strategic goals and will make you look less credible. Many practitioners lean on talent development metrics such as program completion rates because it's the easiest data to find. Unfortunately, only focusing on the talent development perspective gives the appearance of being siloed and unprepared to prove mentoring's true business value.

Instead, identify ROI using retention numbers. Retention is usually the most accurate data that HR systems capture, and you can look at it from multiple perspectives.

For example, a company could measure ROI by comparing how many more employees it retained, attributable to the mentorship solution, compared to the cost of that solution. Let's look at example numbers to explain how to calculate retention-based ROI.

First, how much did the organization invest in the solution? The company may spend $100,000 between licenses for a mentoring software platform, as well as work hours invested by administrators and other staff.

Next, calculate savings based on retention. By studying the company's data, you learn that its turnover is measured at 20 percent a year. After the firm implemented mentoring programs, turnover decreased to 10 percent a year. That means when comparing participants in the mentorship programs with the nonmentorship population, 10 employees out of every 100 stayed because of mentoring.

Now think about the cost of replacing employees, which typically includes sourcing and recruiting efforts, onboarding and training new employees, lost revenue, productivity, and impact on other team members. The industry rate for cost of replacement is 1.5 times salary, or $100,000 to replace one employee with a $75,000 salary (using an industry average.).

To calculate savings for ROI, multiply the 10 retained employees by the $100,000 cost of replacing each if the individual left the company. The result in this example is a $1 million savings or a value of 10 times return on the company's mentoring investment.

For a real-life example, consider Clorox brands. Using the ROI measurement process, Clorox estimated a savings of 19 times ROI for its mentorship programs. The retention of additional employees, attributable to the mentorship program, resulted in an estimated cost savings of more than $3 million.

Unparalleled talent results

Be prepared for questions and objections. It isn't commonplace to attribute success to talent development solutions in such a significant way that anything that's new tends to attract skeptics. Work with analysts or business leaders from other parts of the business to gain confidence in what you measure, how you measure it, and—just as importantly—how you describe ROI or the impact in business terms. Be able to explain how you arrived at the number and include assumptions or gaps that need to be addressed—for example, try to use your own organization's calculation for the cost of replacing employees.

Shift the conversation from "mentoring works, but mentorship programs don't" to "mentorship programs deliver unparalleled talent results" by:

- determining which metrics matter

- identifying frequent, low-effort leading indicators

- using business language that resonates with leadership.

Mentorship programs have incredible affect for leadership development, diversity and inclusion, onboarding, and technical talent needs. They are the best tools to establish community, create relationships, and increase visibility of underrepresented talent. As an industry, talent development needs to step forward and measure what matters.