



The Business Case for Mentoring

Many organisations and individuals today know that the business and economic benefits of a well-structured mentoring program can be significant. They understand that mentoring delivers way beyond a “feel good” factor. This article explores the sound economic reasons to embark on a mentoring program.

WHAT DOES A WELL-STRUCTURED MENTORING PROGRAM LOOK LIKE?

Before we launch into the economic returns it is important that we clarify what we mean when we refer to a well-structured mentoring program. The International Standards for Mentoring Programs in Employment (ISMPE) provides a solid benchmark. Most critical is the structure placed around the matching and support of mentoring pairs. This needs to include recruitment of suitable participants, matching and re-matching as necessary, training for both mentors and mentees, measurement and feedback at key points and provision of ongoing support for mentoring pairs.

The evidence to support economic returns from mentoring refers specifically to structured and monitored mentoring programs.

ECONOMIC & BUSINESS RETURNS FROM A WELL-STRUCTURED MENTORING PROGRAM

► Attracting and Retaining Staff

Competition for talent is fierce in many sectors in Australia. So it is often challenging and costly to attract the right staff to your organisation. Then it can cost half to five times an employee’s annual wages to replace a staff member when he or she chooses to leave.

Mentoring programs provide an incentive for people to join an organisation, signalling to job candidates that the organisation

cares about the development of its people.

We also know that mentoring helps to build loyalty and job satisfaction, boosting staff retention. Studies indicate that, over the course of a mentoring program, mentees are only half as likely as their peers to be thinking about leaving their organisation.

Evidence suggests that job satisfaction is increased for both mentors and mentees. Programs can be particularly valuable in managing people through plateauing periods when they are waiting for the next challenge and may be itching for change.

► Increasing Productivity

Mentees often learn new skills, build confidence and develop greater focus in the course of a mentoring relationship, which enables them to be more productive. We recently surveyed mentees in a structured program we installed for one of our clients, to assess whether working with a mentor for six months improved the productivity of the mentees. Every mentee surveyed said they believed their productivity had improved as a result of mentoring; 48% believed they had had more than a 50% improvement in productivity.

► Breaking Down Communication Silos

Communication silos can cost money through misallocation of resources and failure to leverage internal successes and economies of scale. Good mentoring programs are shown to increase both the quality and the quantity of communication across internal boundaries.

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► Recognising and Managing Talent

Mentoring enables senior managers to gain a deep and personal understanding of their employees, equipping them to make better decisions regarding placement and development of talented people. It is also extremely effective in breaking down the cultural, ethnic and gender barriers that can lead to talent blindness, enabling senior managers to choose talent from a broader, more diverse pool.

► Actively Managing Corporate Culture

Leaders work hard to establish a code of values and behaviour that an organisation is expected to live by, yet often struggle to instil these values into all corners of the company. By selecting mentors who represent the values and behaviour they seek to promote, leaders can create a positive cycle of role modelling. Culture is reinforced and cultural change is accelerated.

Where organisations have a specific change objective, mentoring programs can be designed to help in achieving cultural change. Where companies wish to achieve greater diversity and equality, a Diversity Mentoring program can be effective in breaking down cultural, ethnic or gender barriers. If questions of ethics are of specific concern, Ethical Mentoring programs will help employees to develop ethical decision-making skills.

► Fostering a Coaching and Mentoring Environment

Almost every study on effective management demonstrates that managers who get the most out of their teams spend a high proportion of their time and energy coaching and mentoring others. A formal mentoring program puts the building blocks in place through mentor training and practice.

In today's knowledge economy, managing talent and corporate culture are not "soft" issues. Poor corporate culture and talent choices have sunk entire organisations over the last decade, so the costs can be high. A well-structured mentoring program is an ongoing commitment to good management practice.

References

Clutterbuck, D, (2004) Everyone Needs a Mentor
Clutterbuck D, Poulsen, K. and Kochan, F. (2012) Developing Successful Diversity Mentoring Programmes

Also see Ethical Mentoring and Diversity Mentoring on this website.

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