

Mentoring Solutions White Paper



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Overview

It has been said of benchmarking that data is filtered, massaged, scrubbed, and manipulated with end result numbers that often provide little insight, no context, and, as a consequence, have little value. This number is then used by an organization to make a decision that can have negative consequences on the bottom-line, on quality, service, or employee satisfaction.

Organizations commonly talk about *"the importance of benchmarking best mentoring program practices"* meaning the high value placed on being able to make meaningful comparisons as a basis for decision-making. The challenge is to have at hand good and appropriate metrics and then to understand the implications at individual, programmatic and organizational levels. It's easy to benchmark to mediocrity yet it is also possible to have success and significance emerge out of mentoring programs.

We at Mentoring Solutions have set out to reduce this challenge by giving mentoring program information a meaningful context. Here's an example.

One survey we carried out in 2002 shows that organizations spend an average of 12-14 hours on benchmarking with this part of the process commonly involving entire Task Forces and support staff, not just one person.

Several principles guide successful benchmarking:

If Organization A is achieving a result that exceeds Organization Bs, the goal should be to understand what, how, and why of that success.

The practice or process that produces the desired level of performance is the driver of change not the actual metric(s).

Successful organizations adapt rather than adopt best practices. Just because it works for one, doesn't mean it will work for another. Most practices and processes are not plug and play.

Benchmarking requires discipline, careful preparation, bulldog stick-to-itiveness, and an open mind. Solid preparation beats good intentions every time. Too many mentoring programs are built on good intentions. The saying goes: *"The willingness to win is not as important as the willingness to prepare to win."*

Einstein once said: *"The significant problems we face cannot be solved with the level of thinking that was used to create them."*

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Why offer mentoring?

"The best way to predict the future is to create it." ~ Peter Drucker

√ A poll of 378 companies from across the United States on why they offer **mentoring programs** to develop the leadership abilities of managers, executives, and employees shows the following:

Enhance career development	62%		Put high-potential individuals in the fast career track	49%
Improve leadership / managerial skills	71%		Promote diversity	48%
Develop new leaders	66%		Improve technical knowledge	30%

- 59% currently offer coaching for managers and executives
 - 20% plan to offer coaching within the next year.
 - 25% have set up **formal mentoring programs**
 - 25% plan to set up **formal mentoring programs** within the next 12 months
- (Source: Retention and Staffing Report, Manchester INC./Modis Professional Services March 1999)

Some specifics

Employee retention:

- √ 77% of companies report that **mentoring programs** are effective in increasing retention.
(Source: Center for Creative Leadership)
- √ 1999 *Emerging Workforce Study* report on companies without a regular **mentoring program**: 35% of employees plan to look for another job within 12 months. "But just 16% of those with good mentors expect to jump ship... The survey pegs the cost of losing a typical worker at \$50,000."
(Source: Business Week March 1999)
- √ A corporate study of 2,400 newly-hired life insurance agents indicates: 74% remained after the first year if paired with a **mentor** vs 64% not paired. Sales 15% higher for individuals involved in **mentoring**.
(Source: LIMRA International)

Job satisfaction:

- √ Individuals who had a **mentor** report greater job satisfaction
(Sources: Roche 1979 /Riley and Wrench 1985)
- √ A survey of committed employees planning to stay with current employer more than five years, rate what makes them most satisfied: - Type of work 89% Respectful treatment 69% - **Mentoring**, coaching and feedback 64% - Learning new skills 61% (Source: Hay Group, 1998)

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The presence or absence of a **mentor** is more important in job satisfaction than income or gender.

(Source: Mobley, Jaret, March & Lin 1994)

A study of professionals shows those who have had **mentors** earn between \$5,610-\$22,450US more annually than those who do not have mentors. (Source: HR Magazine, April 1998)

Mentoring has been related to positive career outcomes for proteges such as salary, promotions, and career satisfaction. (Sources: four studies in period 1989-94 alone plus others since then)

Personal / professional development:

1996-99

- ✓ 44% of CEOs of USA corporations polled say “**formal mentoring programs** are an effective strategy for advancing women”; 37% of women polled cite “informal **mentors** are essential to success.” (Source: Catalyst Corporate Ladder Progress Report, 1996)
- ✓ 71% of Fortune 500 companies reportedly use **mentoring** to ensure that learning is happening within their organizations. (Source: InfoWorld Media Group, 1998)
 - ✓ Training alone increases managerial productivity by 24%; the combination of **mentoring** and coaching increases productivity by 88%. (Source: American Society for Training and Development, 1998)
 - ✓ In a survey of Fortune 500 CEOs, respondents state that one of the top three factors affecting career growth is **mentoring**. (Source: Account Temps, 1999)
 - ✓ 75% of executives interviewed in one study say **mentoring** has played a key role in their career success.

2000

- ✓ Avon’s Mentoring Matters Survey of 2000 respondents revealing that **mentoring** makes a decided difference in career advancement and business success for women. Women who have had **mentors** are almost twice as likely as other women to mentor someone else. More than half of women entrepreneurs have had mentors; 94% of women owning small businesses who have had mentors say the experience was “crucial / very helpful” to their success. (Source: Minerva Online 2000)

2002

- ✓ A March 2000 survey by WR Hambrecht+Co -- *Corporate E-learning*: -- cites statistics from the Society for Human Resource Management on graduates’ preparedness for the work world. The most common arrangements are: paid work experience programs (88%), job shadowing (73%), workplace **mentoring** (55%) and unpaid work experiences (40%).
 - The greatest measure of the effectiveness of these programs is whether an employer ultimately hires the student. The majority of respondents indicate that the four programs (above) are effective in subsequent hiring with paid work experience and workplace **mentoring** being the most effective. (Source: *Human Resources Forum*, 2002)

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Is Mentoring Cost Effective?

"The bitterness of poor quality remains long after the sweetness of low price is forgotten." ~ Benjamin Franklin

1990-98

- √ In a study of training, employees who receive **mentoring** learn the ropes and unwritten rules faster and more effectively than those without the benefit of mentoring. (Source: Wilson and Elman 1990)
- √ In four studies of organizations, **mentoring** is considered a component of an effective training and development process in many organizations. (Sources: Burke & McKeen, 1989 / Hunt & Michael, 1983 / Zey, 1988 / Scandura, 1992)
- √ Back in the early 1990's, a study of staff in Utilico Inc. reported *"women who have been recipients of successful **mentoring** relationships report an increase of nearly 94% in their professional effectiveness as a direct result of mentoring. If it's possible to provide mentoring to 25% of women managers in an organization, and allow for a reasonable increase in the productivity of their subordinates, the loss of this added value can be estimated at \$9,562,320 US annually."* (Source: *Workforce* 1992)

- √ In a study of the cost of employee turnover: **mentoring programs** are used to develop, diffuse and retain intellectual capital. What are the estimated costs?
 - Estimate 1.5X annual salary if you lose a staff persons (e.g., candidate recruitment; selection, training)
 - Training: While only 15 -20% of standard formal training is relevant to employee needs -- because it is designed for everyone -- instruction and advice given by a **mentor** can be tailored to the specific needs of an individual protégé and therefore the relevancy percentage shoots up towards 100%.
 - Estimated cost of **mentor-related training and development**: \$500-1000 per person.
(Source: American Society for Training and Development, 1998)

Is mentoring a best practice?

"Change is like being on a roller coaster. Some days you're up, some days you're down and everybody in your organization is in a different seat." -Anonymous

2000

- √ Hewitt Associates analysis of data on corporate people practices -- from *Fortune* magazine's 100 Best Companies to Work for in America -- shows the best have three main characteristics in common: (A) they take more steps to engage employees in the business, (B) give greater consideration to their employees' quality of life and (C) make an effort to create a supportive and inclusive company culture and environment.
 - For item C, the Top 25 are more likely to offer **mentoring programs**. Of the Top 25 firms, 76% offer **mentoring programs**, compared to 56% of the non-best. According to the Top 25 companies, **mentoring** can be a very effective component of an organization's overall comprehensive development strategy.
(Source: *Fortune*, January 10, 2000)

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2002

√ *Computerworld* national weekly newspaper's 2002 list of the top 100 best places to work in informational technology in the USA ranks responses to a 75-question survey from the magazine covering training, salary increases, turnover rates, **mentoring programs** and benefits. Top-ranked firms are ranked so for **mentoring programs**, internships and challenging projects for staff to work on.

A study, *Competencies and the Competitive Edge*, with responses from 1,020 North American organizations and in-depth case studies of 17 companies, including on-site evaluations and interviews shows 70% of companies with "above average financial performance" say employee development, efficiency (64%), technology (58%) and financial stability (42%) are building block of future corporate success.

- When asked about the primary HR practices that can help employees become more productive, respondents cited training and development, performance management, and having a clearly defined set of skills and abilities.

- The study also found the following: **mentoring programs** are among the most frequently-cited HR programs in high-tech, health care (where they came in as first choice), followed by programs in energy, and finance sectors. (Source: Watson Wyatt Worldwide, 2002)

In a study of the use of blended learning [multiple types of information delivery in structured learning experience] shows job performance is dramatically improved -- compared to traditional single delivery options. --such as: speed of job performance increases 41%, and accuracy of job performance increases by 30%.

- Learners participating in the study who had easy access to a **mentor** exhibit a higher rate of performance improvement when compared to participants who receive a pure e-learning experience.

[Source: Thomson Learning, March 2002]

Is mentoring still lacking?

The price of the democratic life is a growing appreciation of people's differences, not merely as tolerable, but as the essence of a rich and rewarding human experience. ~ Jerome Nathanson

2000

In a study, *What Works to Help Find and Keep Employees* published by Minnesota Department of Economic Services, four factors were cited by employers as improving retention: flexibility, **mentoring**, family and smart hiring.

A report describing the initiation and maintenance of leadership programs for women in seven U.S. medical schools shows **mentoring programs** feature prominently in strategies to improve faculty life. The biggest obstacle reported was inadequate time to participate. Strategies to counter this issue include developing mentoring awards, revising promotion and tenure to require and reward mentoring, and including mentoring activities on curricula vitae. [Source: Virginia Commonwealth University, Faculty of Medicine]

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1999-2001

According to a 1999 National poll conducted by the Welfare to Work Partnership, **mentoring** has a significant impact on employees entering the workforce: 75% of businesses reported improved work performance, 67% reported higher job retention, 63% reported reduced absenteeism and 52% found cost savings for their companies.

Benefits

Mentoring programs have been proven to improve job retention, reduce absenteeism, and increase productivity. Among companies using mentors:

75% reported improved work performance;

67% reported higher job retention;

63% reported reduced absenteeism; and

52% reported that it resulted in cost savings for the company.

According to a 2001 Catalyst survey of executives, when asked to identify barriers to women's advancement in financial services firms, 70% of women named lack of **mentoring** activities and 67% cited exclusion from informal networks of communication, a nonprofit organization working to advance women in business.

Lack of **mentors** was perceived by the women surveyed as a bigger barrier to advancement than personal and family commitments, which were cited by 69% of women. 46% of women of color respondents pointed to "lack of **mentoring**" as a barrier to their advancement.

By contrast, 38% of men surveyed said that they believed women were held back by a lack of **mentoring** opportunities. Only 25% of the men surveyed felt women were excluded from informal communication networks.

CEOs voice support for several organizational approaches to enhance women's advancement to senior management. Strategies deemed most effective by CEOs include:

* Give women high-visibility assignments (74%)

* Ensure succession planning incorporates gender diversity (54%)

* Institute formal **mentoring** programs (44%)

* Hold managers accountable for women's advancement (41%)

[Source: Women in Corporate Leadership: Progress and Prospects, 2001]

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9. Trainer preparation	10.3 hours – 12.4 hours
10. Monitoring	11.2 hours – 13.2 hours
11. Determine protégé benefits	8.7 hours – 11.1 hours
12. Determine mentor benefits	4.7-7.2 hours
13. Determining ROI=	7.5 hours – 10.1 hours

Total number of hours estimated per program = 131.1 hrs to 158.4 hrs

(Source: *MentorInk Newsletter*, Corporate Mentoring Solutions Inc., 2000)

CMSI 2001 Mentoring ScoreCard

(Source: *MentorInk Newsletter*, Corporate Mentoring Solutions Inc., 2001)

Overall response profile:

- 71.4% respondents = Co-ordinators (about 50% also play another role - protege or mentor)
 - 10% = proteges only
- 66.6% corporate programs • 14.2% = medical /health care • 14.2% = non-profits • 5% government
- 61.9% = programs run in USA • 14.2% = Canada • 23.9% other (New Zealand, China, England, Mexico, Australia)
- When was program started?
longevity prize: one established in 1990; median start date 2000; 40% started in 2001.

Program Type:

Formal = 57% One program fits all = 47.6% “Informal” = 42.8% Distance = 42.8%
Electronic = 28.6% Newer Hires focus = 19% Group = 19% Leadership =14%

Program/Cluster size (number of participants):

1-10 = 55.5%	11-20 = 16.6%	21-50 = 11.1%	51-100 =11.1%	101-500 = 5.5%
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Benefits

honed my mentoring skills	68.5%		made me more objective	42.1%		no answer	9.5%
made me explore new ideas /career possibilities	58%		tested my management skills	26.3%		unsure	9.5%
made me feel valuable to organization	52.6%		made me decide to stay with organization	16%		little or no value	4.7%
tested my leadership skills	42.1%		made me more promotable	10.5%			

CMSI 2002 Trends Survey

Trend 1: Demographics

The strongest impact was in terms of the large numbers of retiring baby boomers causing programs to be re-designed to capture their intellectual capital before it “disappears”.

- retiring baby boomers = 36.3% - new generation of workers with different values = 33.3% - cutbacks & mergers create programs to develop a sense of belonging = 9.1% - large influxes of workers in a particular field = 6.2% none of these / other demographics = 15.1%

Trend 2: Scalability

Trend 3: Globalization / Scope /Scalability

Trend 4: Self-directed mentoring

Trend 5: Legal issues

CMSI Mentoring Solutions® is a leader in the broad fields of mentoring, knowledge transfer, skill coaching, and people-to-people collaboration providing both Professional Services and proprietary web-based application software, Colaboro®. Developed starting in 1997 – Colaboro is the world’s premiere scalable Online Mentoring Management System®. For details, go to www.mentoring-solutions.com.



Marilynne Miles Gray is Vice President of Mentoring Solutions. She is Editor of *MentorInk Newsletter* (available at: www.mentoring-solutions.com)

She can be reached at 1-250-652-0324 or 652-9247