



# Why Corporate Mentoring?

## Five Benefits of A Workplace Mentoring Program

### Summary

Successful companies large and small use mentoring to tackle complex human resource challenges such as increasing employee retention and improving workforce productivity. Corporate mentoring is on the rise and in fact, 71% of Fortune 500 companies offer mentoring programs to their employees.

This paper examines how successful corporations like Boeing, Deutsche Bank, and Sun Microsystems have leveraged mentoring to improve employee onboarding, leadership development, and other initiatives.

# Mentoring Overview

## **Sun Microsystems**

released the results of a study that explored the value of mentoring in October of 2006. The study examined the financial impact of mentoring and how Sun could target its spending in this area. The researchers looked at data from more than 1,000 Sun employees over a five-year period. The study concluded that, “mentoring has a positive impact on mentors and mentees, producing employees that are more highly valued by the business.”

The study also found that 25% of employees in a test group who took part in the company’s mentoring program had a salary grade change, compared with 5% of employees in a control group who did not participate in the program. Mentors were promoted 6 times more often than those not in the program; mentees were promoted 5 times more often than those not in the program. In addition retention rates were much higher for mentees (72%) and mentors (69%) than for employees who did not participate in the mentoring program (49%).

Source: <http://knowledge.wharton.upenn.edu>

## **What is Mentoring?**

Traditional mentoring focuses on developing junior employees (mentees) by pairing them with more experienced and often senior staff (mentors) for several months. Though this form of mentoring remains popular, mentoring as a strategy has expanded to include group, reverse, and situational mentoring. Regardless of the form mentoring takes, it facilitates the sharing of knowledge, expertise, skills, insights and experiences through dialog and collaborative learning. It is goal-oriented and promotes professional and personal growth amongst participants.

## **The Objective of Mentoring**

The core objective of mentoring is to help attract, motivate, develop and retain profitable talent while increasing productivity. This is further elaborated as follows:

- To source new employees and help them get acquainted with the organization and accustomed to their job
- To train and develop existing employees to enhance performance
- To encourage personal and professional growth and increase job satisfaction
- To identify and develop employees with potential to fill key leadership roles
- To understand and respond to the diversity needs of the workforce

# #1 Knowledge Transfer

## **Hartford Financial Services Group**

found that its senior executives were reluctant to adopt social media. So it set out to train them in the tools and culture of social media through a “reverse mentoring” program that has entry-level employees in their 20s tutoring corporate officers.

Launched with C-suite executives and a line of business leaders, the program was so successful that Hartford expanded it to include direct reports and select department heads. Reverse mentoring has changed the organization fundamentally, erasing traditional hierarchies and flattening communications. “We’ve had executives work with people six levels below them in the organization,” says Lisa Bonner assistant VP-contemporary work practices at Hartford.

Source: <http://www.btobonline.com/>

## **Five Benefits of A Workplace Mentoring Program**

Mentoring is an effective strategy whenever there is a need to reduce the time it takes to share knowledge, skill or culture while continuing to progress at the current pace of business. Here are the top five scenarios where mentoring has proven to be extremely effective.

### **Internal Knowledge Transfer**

Helping employees acquire necessary knowledge, skills and expertise is essential for any organization. Mentoring is an effective approach to organize, create, capture and distribute knowledge. It supports short and longer-term situational and topical learning between individuals and groups. It reduces the time required for knowledge transfer by providing direct access to range of experts and peers who can share the required knowledge and skills in an environment that promotes rapid learning.

### **Benefits**

Mentoring is complimentary to established training programs. However mentoring relationships empower employees in ways manuals, intranets and training programs can't. Mentoring creates a culture, where learning and the sharing of knowledge becomes part of the daily fabric rather than a forced task.

## #2 Leadership Development

**KPMG** started its “Leaders Engaging Leaders” program, looking to expand opportunities for a diverse group of managers. The mentoring program pairs 60 top managers with members of the management committee, the board of directors, and national managing partners.

“It gives the most senior leaders in the firm an opportunity to engage with a cross section of leaders that they normally wouldn’t see in their day jobs,” says Kathy Hannan, managing partner for corporate responsibility and diversity. The program also shows mentees that just because there are only a few rungs of the corporate ladder left, it doesn’t mean they are stuck in the jobs they are doing now.

Several people in Leaders Engaging Leaders have taken on more significant leadership roles, including one who has joined the board of directors. KPMG is currently looking to expand the program. “The goal is ultimately to drive it down deeper into the organization,” Hannan says. “It really helps with retention ... and gives folks a line of sight to a number of opportunities across the firm.”

Source: Source: <http://Management.Fortune.Cnn.Com/>

Therefore from an organization’s point of view, mentoring shortens the learning curve, enhances productivity and helps employees align to business strategy.

### **Career Planning & Leadership Development**

Understanding key employees’ career objectives and identifying how they can be aligned with the organization’s goals is critical to retaining skilled employees and developing future leaders.

Mentoring serves as a platform for organizations to discuss employees’ career goals and offer development opportunities and guidance to employees who are willing to advance professionally. It also acts as a tool to enhance the quality of leadership within key individuals and within the organization. Conversely, mentoring partnerships help employees understand what they want from their career, and utilize the assistance offered by organizations to achieve their career objectives.

### **Benefits**

The collaborative nature of mentoring ensures that it simultaneously focuses on the development of individuals and the development of interpersonal links between these individuals that form the organization. Therefore it serves as a foundation for both career development and leadership development at the same time.

## #3 Diversity

**Deutsche Bank** found that in the aftermath of the financial crisis, a diverse workforce had become even more of a priority for financial service companies. Internal company research revealed that female managing directors who had left the firm did so because they were offered better positions elsewhere. In response, Deutsche Bank created a sponsorship program aimed at assigning women to critical posts. The company paired female executives with executive committee members who served as mentors. This not only raised the women's visibility, but also ensured that they would have a powerful advocate when promotions were being considered. As a result of this mentoring program, one third of the participants were in larger roles, and another third had been deemed ready to move up by senior management.

Source: <http://www.forbesmedia.com/>

Mentoring enhances employee performance, increases productivity, boosts employee retention and fosters vision. It also improves employee morale, increases job satisfaction and engenders employee loyalty.

### **Diversity Initiatives**

A diverse workforce is required to stimulate innovation, cultivate creativity, and steer business strategies. Mentoring empowers a diverse range of employees to share their opinions, ideas, knowledge and experiences on a level playing field.

### **Benefits**

Mentoring creates an environment of trust, belonging, understanding, support and encouragement for a diverse workforce. It gives employees an opportunity to voice their concerns, overcome hurdles and find solutions. As a result it inspires employees to perform to their highest ability.

Mentoring not only helps organizations develop and retain diverse talent, it also helps build a robust pipeline of diverse talent for the future. The effects of diversity mentoring help corporations differentiate them from their competitors, gain new clients and become successful on a global scale.



## #4 Onboarding

**Deloitte LLP** lost 9% of its recruits in 2007 and incurred attrition costs of more than \$8 million each year. In response, Deloitte developed a new onboarding experience for the approximately 9,000 people that were newly hired in 2008. A potential new hire is assigned a peer advisor/mentor who makes contact with him/her before he/she joins the organization. This mentoring relationship continues through the new hire's first year of employment.

Onboarding continues with a two-day interactive training session, access to an internal networking site, and personalized coaching opportunities.

As a result of this program, 89% of new hires surveyed said they felt welcome, and 87% percent said they knew how to access the information they needed. Deloitte's percentage of new recruits lost in 2008 fell by nearly a full percentage point.

Source: <http://www.astd.org/>

### **Onboarding New Employees**

While dealing with an increasingly mobile and globalized workforce, it is essential for organizations to help new hires gain the knowledge and skills required to become effective employees. It is also important for these new hires to receive help to acclimate themselves to the culture of their new organization.

Mentoring is an efficient method to reduce the time to competency for new employees. It links new hires to a range of specialists, peers, and managers who can not only provide the necessary information and knowledge, but also help new hires feel comfortable in a new environment.

#### **Benefits**

Group mentoring is particularly useful while onboarding new employees, where new hires are linked to colleagues in the form of peer group mentoring. The new employee benefits from establishing multiple connections. The varied knowledge accessed by the new hire plus the interaction within the group are what make onboarding programs a success. Mentoring to achieve onboarding also helps new hires develop key connections and networks that are critical to their future success.

From an organization's standpoint, mentoring helps new hires become productive faster and embrace company culture. It also demonstrates the organization's commitment to new employees' careers, which bonds new hires to the organization.

## #5 Employee Engagement

**Boeing** is full of bright and talented employees and there are numerous mentoring opportunities. So where is the value in a company-wide mentoring approach?

In 2007, Rick Stephens, Senior Vice President, Human Resources said, “Within the next five years, tens of thousands of Boeing employees will be eligible for retirement”. Consequently, the competition to identify, attract, retain and develop top talent will be fierce. “We’re looking at potential major shortfalls in skills and labor. Since it’s likely we’ll have more good jobs than qualified people, all hands must be readied, and every mind must be prepared to contribute,” shared Stephens. “This program is structured around best practices to make our mentoring world-class and strengthen people in ways other methods cannot,” he explained. Mentoring is a key component in Boeing’s rigorous pursuit to develop current and future leaders. As part of the ‘leaders teaching leaders’ approach, “mentoring gives leaders the opportunity to learn as well as to define and model leadership,” Stephens said.

Source: <http://www.boeing.com/>

### **Employee Engagement**

In today’s volatile business world, it is extremely important for organizations to be able to engage employees in such a way that they are intellectually and emotionally committed to accomplishing their work and the vision of the organization. Mentoring helps each employee identify themselves as a vital part of the organization and creates a heightened level of ownership where each employee wants to do whatever they can for the greater good of the organization as a whole.

#### **Benefits**

Mentoring relationships increase employee engagement by offering space for dialogue and regular feedback. As a result, mentoring creates clarity on various issues such as the importance of one’s role, job expectations, career advancement and reward. Mentoring also enhances employee communications and improves the quality of working relationships with peers, superiors and subordinates. These factors cumulatively contribute to improving employee engagement and ultimately lead to an increase in customer satisfaction, employee productivity and employee retention.

## About Chronus

Chronus harnesses the power of human connections to engage, develop and retain talent within organizations. Our software solutions foster learning and shorten time to competency through mentoring, coaching, and social learning. Every day, leading organizations worldwide rely on Chronus to drive talent and career development programs.

Chronus Mentor is software to start, manage, and measure mentoring programs online. This configurable, cloud-based solution is ideal for use by corporations, government entities, academic institutions and associations.

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