

Capturing ROI of Mentoring Programs – Best Practices

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High-performing organizations view people as a source of competitive advantage and as key contributors to optimal business performance. They also have mentoring programs which align mentoring goals with business strategy, roundly considered to be one of the most critical factors for mentoring success. Yet in a recent survey of almost 100 Canadian organizations ([Mentoring and the World of Work in Canada](#), Courier, Mossop et al, Canada, 2003), only a handful of participants linked program goals to business strategy — thereby effectively undermining the program from the start. As is often the case, programs without clear outcomes and successes end up being dismissed as yet another flavour-of-the-month program from the HR department. The absence of alignment makes no sense.

Many mentoring programs are introduced into organizations with great fanfare, energy and enthusiasm. Since mentoring can be one of the best and rewarding ways of human development, the excitement can be contagious and far reaching. However, programs that are not linked to the organization's strategic direction, lose their momentum and die. Taking the time to think through how a mentoring program is linked to business strategies and goals is the most important step to the design and implementation of a high-impact learning initiative.

Like all career development activities, mentoring must address both intrinsic and extrinsic motivational levels. Extrinsic motivations include pay, benefits, titles, physical location, but the overall value in providing effective motivation is limited. On the other hand, intrinsic motivations are the psychological rewards people derive directly from their work. They have the greatest influence on employee attitudes, commitment and value contribution to the organization.

By implementing a program linked to business strategy, organizations address intrinsic needs — providing development opportunities for employees and thus, significantly improving motivational levels.

Employees become intimately aware of organizational goals, plans, strategies and how they, individually, contribute to the attainment of those goals. Career development then takes a different mantle — one of individual learning and growth providing for flexibility and adaptability to change, new roles, and new responsibilities. Its goal is to increase the employability of the individual — to broaden their abilities to contribute in different roles and to add value. This is in full alignment and supports today's employment contract of shared responsibilities.

Keeping these principles in mind and allowing for this new mantle of career development, the suggested process below will make it easier to link the mentoring program to business strategy.

Step 1: Climate review

Assess the economic, social, political, and environmental forces that are affecting the organization today or may in the near future. Synthesize the risk factors to the organization.

Step 2: Strategy review

Based on the organization's strategy identify the two or three most significant goals to be addressed (This information is typically available in the organization's annual report or president's letter to employees.)

Step 3: Human resources strategy review

Identify the factors or forces having an impact on staff today and in the near future. Consider: demographics; reward systems; current capabilities; career development and mobility systems; business cycle changes that may have an impact on competencies and capabilities. For example, do staff have the capabilities needed to meet the organization's goals? Synthesize these and link to organization's goals.

Step 4: Development plan creation

Establish how the development plan will address or meet the needs/goals of the organization then design the program and operations to meet the various needs of individuals and organization. Finally establish performance measures for assessing whether business goals are being met through the development process

Step 5: Evaluate and revise

Analyze the performance data and determine who needs to receive reports of the results. Then document possible program changes and feed these back to the program designers.

Mentoring is an excellent mechanism for addressing the unique career development needs of individual employees and the productivity needs of the organization. Mentoring programs that are linked with talent pool development strategies and the business strategy demonstrate outstanding returns on investment — returns which are easily quantified. The following two case studies and "guiding principles" demonstrate just how this can be achieved.



A Canadian provincial government organization providing a direct public service went through significant change over the past 10 years to improve accessibility. The changes resulted in positive outcomes from a delivery perspective, with turnaround-time for delivery of services reduced from nine months to six weeks.

However the change also resulted in a significant reduction in the talent pool, as headcount was reduced by 30 per cent and a “last in, first out” downsizing policy resulted in a unique internal age demographic as employees took advantage of retirement offerings. The average ages: 47 for all staff and 59 for management.

This staffing situation was further compounded by several factors:

- The nature of the services required front-line staff to handle fairly complex customer inquiries and problems — a competency taking approximately five years to develop
- Due to newer technology, a broader span of skills was needed
- Human resource planning determined that entire management team was likely to retire within four years and the organization did not possess the talent needed to replace them
- A significant group of the most technically-expert specialists was retiring within a three-year timeframe

With a service delivery strategy objective of further improving public access to services and reducing turn-around time to two weeks from six weeks, innovative human resources strategies were needed to resolve this situation. Integral to the overall solution, was the creation of a knowledge management inventory and a knowledge transfer process — in other words, a mentoring program.

Senior employees with specialized skills and knowledge were matched with junior employees with a goal to transfer knowledge and accelerate the development of their capabilities. Metrics for success included assessments of how well people implemented their learning and how they contributed to the achievement of the organization's strategic objectives.

This was achieved by engaging employees in committees charged with the responsibility of identifying learning needs and alternative means of development. Learning teams with mentors/coaches were created and these teams worked together over 6 months. Group members took responsibility for ongoing meetings and setting the agendas. Guidelines were created around what topics would be discussed and included, such as: managing change, practicing skills, being in a team. Getting people involved in the change process early, paid dividends.

A manufacturer of highly technical equipment whose business objectives were to become a world-class leader of its product and grow and meet worldwide demand through internal development and acquisitions, faced an impediment to the realization of these goals.

For one thing, there was a 37 per cent turnover level among the highly

valuable engineering talent. Several factors drove this retention crisis:

- over-promotion (promoting too early) — before individuals were ready for increased responsibility
- lack of support resources needed to ensure employee success
- lack of cross-development opportunities due in part to the crisis of talent losses and to a perceived need to leave specialists in their current positions
- a highly competitive talent market leading to significant time lags in the hiring process

Included in the solution to this retention crisis was the creation of a one-year high-potential development program with mentoring for each individual involved.

The program had two objectives: reduce annual turnover of high-potential talent and reduce the time to prepare a person for a management position from five to two years.

The results: 18 months later turnover was down from 37 per cent to one per cent. Successful retention and productivity of those individuals who were promoted followed.

In this program, the direct manager had a role to play in supporting the development process and assuring the learning plan was linked to business objectives. They were prepared by attending an executive forum which clarified roles and expectations. Participants also attended a program introduction workshop focused on leadership assessment, clarifying roles and responsibilities, and drafting a learning plan with measurable outcomes. Participants also identified a learning project and an internal executive “sponsor” to assist with internal credibility-building and to assure links to the strategy. Participants were matched with an external executive mentor and met monthly for one year. The keys to success were: the clear links of program goals and individual learning plan goals to organizational strategy; leadership and career assessment as the pre-cursor to creating a learning plan; internal preparation of the line managers for their role in developing their high performing staff; and the external executive mentors who contributed tremendous perspective, context, and insight to the personal and professional development of a talented group of people.

Measurement for this mentoring program was based on observations by superiors of successful on-the-job performance; measures of costs and productivity — costs decreased dramatically while productivity improved as participants applied learning and new capabilities and promotions were linked to competencies. Overall ROI was calculated at 190 per cent.

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