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CHAPTER 2

The Business Case for Mentorship

The case for mentorship in business is so solid that the Center for Creative Leadership (CCL), a global nonprofit leadership development network boasting more than 1 million alumni across 160 countries, has further developed and refined its white paper *Mentoring First-Time Managers: Proven Strategies HR Leaders Can Use*. This handbook of sorts is authored by two thought leaders in topics including organizational psychology, first-time management, cross-cultural leadership development, and strategic coaching and mentoring: William A. "Bill" Gentry, PhD, and Richard J. Walsh.

Gentry and Walsh took on the challenge of addressing an overlooked truth: **First-timers to formal leadership positions, those of the freshly minted promotion, are often not equipped for the transition.** These individuals underestimate how tough the move into leadership will be. In fact, Gentry and Walsh note that in their work with organizations, the CCL often hears from business reps who assert that "these [first-time] leaders are not prepared," "they do not have a path forward," "they can't transition successfully," or "they're suffering."

Without appropriate development and support, Gentry and Walsh say, *everyone* suffers—managers, their teams, the broader organization, and (looking down the road), the "HR management pipeline." This cascade of negative effects, triggered by a poor leadership promotion or hire or a poorly prepared first-time manager (FTM), ultimately causes the organization's bottom line to suffer.

"First-time managers are an important part of an organization's talent and succession management," the authors state in their executive summary. "In turn, organizations may attempt to help first-time managers make the transition into leadership easier by implementing a formal mentoring program."

Such structured programs transcend the casual notion of mentoring, whereby one expects mentors and mentees to connect and grow their relationships organically. In this model, no strategic or intentional grooming takes place whatsoever. The relationships either achieve the connection and traction to propel them onward and upward, or the chemistry is simply not there and the relationship expires as naturally as it was brought (or matched) together.

The implications for the sustainability of one's talent—now and notably well into the future—are great.

Consider this:

- In a report for the Exit Planning Institute, the leading certifying body of exit planning and succession advisors, Christopher M. Snider notes that 50 percent of all business exits are characterized as a "forced exit."
- A "forced exit" means that owners and leadership are forced by influences beyond their control (and that were not addressed with appropriate planning) to leave their businesses on terms other than their own.
- The "forced" part comes about from an unexpected and unaccounted-for combination of the "Five Ds": death, disability, divorce, distress, and disagreement.

Mentoring and supporting key employees minimizes the risks of leaving one's organization or position under unfavorable circumstances. The organization as a whole is addressing the big topics that fall under the business succession umbrella, as it should, well before a slew of leaders retire or otherwise go through the exit door potentially because of some of those "Ds."

Furthermore, appropriately grooming individuals to manage others optimally goes a long way toward minimizing or eliminating distress and disagreement. It is natural, even healthy, to have some disagreement or pushback. An active discourse and diversity of thought should be encouraged. In fact, these are hallmarks of psychologically safe organizations and workplaces; however, depending on the nature of the disagreement and how long it has been allowed to simmer, there may be some sources of tension that are insurmountable and stem from long-term problems associated with poor management. Fortunately, these tension triggers can be headed off.

Citing the Committee for Economic Development's Conference Board, the *Mentoring First-Time Managers* report notes that CEOs were most challenged on the human-capital front to improve those managers who specifically fall under the "frontline and first-time" category. Why is there such considerable opportunity within this segment of the worker population?

- While they may not be the most visible population within one's organization, *first-time or frontline managers make up the largest population of leaders within businesses*.
- Furthermore, many of these frontline managers *are managing others for the first time* in their careers.
- In addition to making up the biggest percentage of leaders in the workplace, these frontline managers are tasked with *directly leading the most workers* within the workforce.
- Frontline managers *set the tone for pipeline-building efforts* well into the future. So what you do now in hiring and onboarding these individuals can either propel the organization forward or hold it back. Remember that each leadership position generally begets another leader behind it.
- Similarly, these managers are the "bench strength." They are supposed to be the leaders whom you can call upon

within your organization and whom you can pull from the sidelines. Ideally, they effortlessly fill those roles when the stars of the organization leave for greener pastures, have to step away for a time, are promoted elsewhere, take on new gigs, or encounter whatever life has in store for them.

- Likewise, bench strength is critical to one's organization during times that are frequently described as "wars" for optimal talent. You want these managers to present a seamless transition into positions that are affected by critical talent and skill shortages. You do not want your bench filled with underskilled people who do not inspire confidence or instill respect, or who are lacking other qualities—such as "heart"—that are necessary in the best leaders.

As stated by Gentry and Walsh, many of the inadequately prepared first-timers on the frontlines *do* have the self-awareness or sense of self to know that they are failing. These individuals acknowledge and articulate feelings of helplessness:

> Even though the trend to focus on frontline managers can ultimately become a competitive advantage for your organization, **most first-time managers (FTMs) on the frontlines are not ready to lead, receive limited if any development, and believe they are failing at their jobs.** [emphasis in original]

Furthermore, research has confirmed what FTMs sense and what the CCL is concluding here. Gentry and Walsh go on to cite a Careerbuilder.com survey, which reported that

- almost six of every 10 new managers (58 percent) have received no formal training at all related to development or managing people before transitioning into their first-time management position;

- two of every 10 FTMs are doing a poor job, according to their subordinates; and
- more than a quarter (26 percent) of FTMs surveyed said they were "not ready to lead others."

Manchester International, by way of the CCL, also asked the question, "Why are so many new managers and executives failing?" Over the course of their research, the firm found that a staggering 40 percent of those managers failed within 18 months of being promoted.

When one considers the amount of effort and money that is traditionally spent on onboarding and transitioning, the results are even more concerning; however, time and time again, these findings suggest either misplaced resources or a failure on the part of the employer to provide sufficient or appropriate resources to managers who are leading for the first time.

This research is further substantiated by Bersin & Associates (now Bersin by Deloitte), a talent management consulting provider. In the *Leadership Development Factbook 2012*, analysts Karen O'Leonard and Laci Loew looked at first-level, frontline supervisors' readiness for their respective positions. Many of these supervisors are also FTMs. They found that these leaders "receive the least amount of money and support in training and development dollars compared to all other managerial populations (e.g., mid- or senior-level executives)."

Additionally, the CCL's internal researchers discovered that half of all managers in organizations were regarded as "incompetent, disappointments, the wrong hires, or failures." The researchers conclude, "Clearly, more should be done to help FTMs make that all-important transition from individual contributor into a leadership position as smoothly and effectively as possible."

It bears repeating that, since these FTMs manage most of the people within their respective organizations, they can then have the greatest influence over key areas of performance and sustainability, ranging from client (patient) satisfaction to employee productivity, engagement, and psychosocial well-being.

As today's boomers are in close proximity to (or halfway out) the exit door, it is an absolute must that ready and capable successors are prepared to take over for them. Formalized leadership or mentoring should also be in place, as this feature has been noted as lacking in large bodies of research literature.

"Formalized mentoring," as used throughout this book, largely refers to officially supporting and sanctioning leadership development and mentor-mentee relationships. Formalization further suggests structures, policies, clear and specific support, and guidelines set forth by the organization to aid in launching, successfully positioning, and nurturing these relationships over the longer term.

"Informal mentoring" refers to relationships that are launched, maintained, and ended by those involved within the relationship: the mentor or the mentee. These relationships arise organically or spontaneously. And while it can be said that too often mentoring has been left to the "fingers crossed, we hope this works!" approach, there are cases where Gentry and Walsh conclude that these organically hewn partnerships can be just as beneficial for FTMs as partnerships built within formal frameworks.

The CCL suggests a combination of both approaches; after all, who would turn away a great mentor or mentee opportunity if it landed in one's lap? It is just as important to refrain from waiting for those relationships to emerge or come to us. Organizations quite literally cannot afford to take a wait-and-see approach.

Regardless of how these relationships are developed and deployed, Gentry and Walsh emphasize that access to allies or mentors in the workplace fosters

- better preparation for promotions,
- higher success rates,
- greater satisfaction with jobs and careers,
- higher ratings on performances measures or indicators,
- innovation and creativity,
- greater resiliency to setbacks, and
- stronger networks.

In a meta-analysis of more than 15,000 articles published between 1985 and 2006, researchers in the *Journal of Vocational Behavior* confirmed the results and, in turn, the importance of mentoring relationships. These findings feature outcomes in six key areas:

- Behavioral
- Attitudinal
- Health-related
- Relational
- Motivational
- Career

The longitudinal research indicates that mentoring drives outcomes in each area, and these various categories inform and feed into each other. For instance, the partnerships that are fostered beget relational outcomes, which set a motivational foundation that further drives positive career, behavioral, attitudinal, and health-related transformations. The study concludes the following:

> Mentoring is significantly correlated in a favorable direction with a wide range of protégé outcomes.

STATE OF THE WORKPLACE

Around one-third of the more than 100 million people in America who work full time are engaged and inspired at work, according to Gallup's *State of the American Workplace: Employee Engagement Insights* report, derived from a massive, multiyear engagement survey of employees. So what exactly are the other two-thirds of employees doing?

Millions of workers (about 16 percent) are the exact opposite of "engaged"; they are "actively disengaged." These employees are, as the report puts it, "miserable in the workplace and destroy what the most engaged employees build." They are not merely unhappy. They are acting out on their personal misery. Their unhappiness is being used as a missile, to actively undermine colleagues' healthy performance and engagement every day. The remaining half of American full-time employees fall into neither category: they are "not engaged," but they're not "actively disengaged," either.

The report says that the remaining 51 percent of workers "are not engaged and haven't been for quite some time." If we all haven't been them, we have seen them—they're the "zombies" at the watercooler. They are not actively spreading malcontent. They're going through the motions, punching the time card, doing the bare minimum. They *exist,* but that's about it.

An earlier version of the Gallup report from 2013 was quick to implicate "bosses from hell" in the epidemic of the actively disengaged. Gallup chairman and CEO Jim Clifton noted that these bosses "make [workers] miserable." Then there are the hordes of the not-engaged who are sleepwalking through the job: "not inspired by their work or their managers."

There are substantial, real dollars on the line when teams are not managed well. Naturally, Gallup has put numbers to the effects of poor managers on team performance and well-being. The top 25 percent of best-managed teams experience *70 percent fewer* on-the-job accidents compared to their "worst-managed" counterparts in the bottom 25 percent of teams.

Additionally, poorly managed team members have recorded 40 percent more quality control defects than their counterparts with stellar managers. The poorly managed teams are also incurring far greater healthcare costs. These teams' members are more likely to visit your institution's emergency room or occupational health service.

Gallup calculates that the total costs attributed to active disengagement and so-called "managers from hell" is a whopping *$450 billion to $550 billion each year*. In the 2013 report, Clifton concludes:

> Having too few engaged employees means our workplaces are less safe, employees have more quality defects, and disengagement—which results from terrible managers—is driving up the country's healthcare costs.

According to Clifton, for too long business schools have failed to instill in leaders a critical truth, the single biggest decision that they will make in their jobs, dwarfing all of the rest: *whom you name manager.* "When you name the wrong person manager," he continues, "nothing fixes that bad decision. Not compensation, not benefits—nothing."

Now, imagine the impact that doubling the number of great managers can have on our economy and society. You can effectively double the number of actively engaged employees alongside their confidence- and inspiration-boosting leaders. It is the millions of engaged employees who truly drive positive organization-wide and economy-wide changes, including

- groundbreaking innovations,
- new clients,
- brand ambassadors,
- an entrepreneurial culture,
- renewed energy and morale, and
- sustained boosts to the bottom line.

MENTORING THE RIGHT MANAGERS

So what exactly does fostering great managers have to do with conversations around mentorship, sponsorship, and coaching?

In the Gallup survey, the business case was made for selecting the right managers and establishing strong connections with each and every employee. An organization with a culture of mentorship prioritizes the identification of each employee's strengths and matches that talent to positions where those strengths are best leveraged.

Smart leaders and organizations make substantial investments (time, talent, treasure) toward helping associates better know themselves so they can rise to their unique exceptionalism. Then, these leaders double down to facilitate those authentic connections and access to allies, which further aid the maximization of employees' distinctive strengths.

Notably, researchers emphasize that attention must be paid to aligning the young or early would-be leader's strengths to their responsibilities. Not everyone has the "it" factor to be an excellent leader or manager, and the statistics bear this out. As Gallup notes, a number of suboptimal managers lead by example and perpetuate more of the same in their followers and teams, time and time again. It's a vicious circle.

To transform engagement and thereby the workplace, there must be the following intentional strategies:

- "Scientifically" selecting managers for their *specific talents and strengths related to managing people*. Management positions should not be treated as promotional prizes, where you just "put in the time" and the manager title will come to you. Instead, managers must be selected from the get-go to be successful in the specific functions and demands that will be placed on them. They must truly be "management material," with the right combination of abilities to support, empathize with, and position others to their greatest potential each and every day and to empower and engage the team members that report to them.

  Of course, this concept flies in the face of the "Peter principle." Back in the 1960s, the Canadian educator and organizational structure researcher (or self-proclaimed "hierarchiologist") Dr. Laurence Johnston Peter surmised that individuals within a hierarchy tend to rise to "a level of respective incompetence." As Jonathan Grudin puts it in "The Rise of Incompetence," employees are continually being promoted because of their successes in previous jobs—that is, until they reach levels at which they are no longer competent. The skills at their now-high position do not necessarily reflect the skills they exercised and performed so adeptly in the past. Their experience, knowledge, and strengths simply fall short of the demands and responsibilities placed on them in this higher role.

The employee will not qualify for another promotion after reaching the ominous-sounding "Final Placement" or "Peter's Plateau." They are stuck. And if you get enough of those "stuck" or "plateaued" managers, you really have a dark situation on your hands. Each wildly incompetent and dissatisfied manager can further infect their staff. If you have ever been perplexed by a sudden Jekyll-Hyde transformation in a top-performing employee following that employee's promotion, you may be witnessing the Peter principle in action. The Peter principle is often used to explain the shortcomings of organizations and why organizations with increasingly experienced people (who are further rewarded for their tenure and strong track records) appear to regress rather than move forward.

- *Cultivate well-selected and well-prepared managers* who are truly management material. There should be a system or structure in place to successfully onboard new managers into these roles. It is critical to provide ongoing support to these individuals, establishing clear goals for engagement. Hold managers accountable to those priorities. Get quantitative by tracking and measuring the progress that has been made. You must know what the manager is doing, as only then can improvements in the areas of management effectiveness, employee engagement, and workplace well-being be made.

  This process relies on intentionality—identifying specific objectives, and following up by measuring and tracking where someone is in terms of achieving those goals. These characteristics get to the very essence of the accountability that has been sorely missing because of our societal and organizational histories, as well as our damaging tendency to let managers and the managerial promotion process go on autopilot.

- The beating heart of any organization should be its *people-to-people connections.* The previous item in this list discusses connecting with new or would-be managers in meaningful ways, with outcomes that include a level of accountability. This approach drives performance and positive outcomes in both intangible and tangible ways. In establishing a culture whereby managers are properly supported and mentored, sponsored, and coached, each manager is also better equipped to turn around and bidirectionally support their team members or direct reports.

  There is intimate familiarity with establishing and maintaining the connections that foster better employee relations, customer and stakeholder relations, and overall monetary returns on an organization's investment in its talent- and engagement-building. It is important to maintain an awareness that each interaction with the manager's staff has the potential to either hinder or help one's perspective on day-to-day work responsibilities and functions, and the workplace as a whole.

KEY TAKEAWAYS

- Mentorship is particularly important for first-time and frontline leaders.
- Investing in mentoring leaders at all levels of the organization builds bench strength and contributes positively to succession-planning efforts.

- Mentoring leads to desirable workplace outcomes, including better preparation for promotions, higher success rates, greater job and career satisfaction, higher performance ratings, greater innovation and creativity, greater resiliency to setbacks, and stronger networks.
- Leaders and organizations that invest in building awareness of strengths drive both performance and engagement within individuals and teams. Leaders are the primary key to unlocking performance and engagement in teams and organizations.
- Leaders who actively mentor, sponsor, and coach produce powerful outcomes in and through their people.

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