

## Transcription - John Eddy Part 2: Does Mentoring Help With Retention of Staff?

Welcome back this is Inside Exec, we're talking once again with John Eddy today. This is a continuation of our discussion on mentoring and retention of executive staff.

While we're talking about retention and some of the feedback, yes, maybe when we talk to people about why they like the company giving them a mentoring program. I think the feedback that I heard and John you might have heard the same or different is that, look, we've got a system where you know, I do a good job and I can be successful in my career.

There might be a bonus system that looks after when I go beyond, but they're all related to my performance, of what I'm bringing to the company. The mentoring is an investment in me personally. Yes. Eventually it translated to me being a better leader and therefore the company is better. But this is a demonstration, a tangible evidence that they care about me personally and they're paying money or time, whatever you want, investment in me personally to grow.

I think that's probably the biggest reason why people remain in organizations. If you have that mentoring relationship and people feel that they're being invested in and supported, they're more likely to stay with the organization. There's a high degree of frustration, I think, in some organizations where people don't fully understand where they fit in. They don't understand their job fully. They're not supported by the organization. Therefore you wonder why they leave. If you analyze turnover rates, why do people exit organizations?

Often just because no one's taking any interest. In this lack of engagement of the person, their lack of understanding how their job fits into the organization, a mentor can help that.

We used to always do an exit interview. It's too late. Too late just in terms of the exit interview. When can organizations identify that they've got an opportunity to provide mentors?

Look, I think it comes right back to when you recruit people, it's not that possibly to have a mentoring program, it's a commitment you're making for people development rather than sending them on a three day training program which costs a lot of money and you wonder about the return on the investment. Getting a mentoring program I think offers far more advantages for a person to learn and come up to speed quickly rather than attending a program which is theoretical. Learning from a mentor, you can put into practice pretty well straightaway. Most

learning is on the job, it's not going to learn in a training classroom.

So if you have a program at the beginning of the recruitment cycle and the onboarding cycle, people are going to come out and they're going to join, you will hear about your program and it's not that costly to set up a mentoring program for the companies that have done it.

They're the successful companies. So I would envisage setting up a program at the beginning of the employment cycle and you get a mentor when you join the company and sometimes we used to call it the buddy system and be given a buddy, someone to help you through those first couple of weeks, to work out this organization, all the activities that we have. I don't understand how we navigate the organization and that was the buddy system and then it developed into the mentoring system.

Do you remember getting the feedback when people came new to the organization? We said in your old organization, what would you have done differently? And they mentioned why they like mentoring and they said in the other organization, they did everything to give us tools to figure out where we're at and how we're perceived. For example, when they do the 360 degree type of measurement and it tells how we're perceived in our style or whatever, but mentoring in a company where it provides mentoring, it's helping us build on those perceptions that we're doing really well, but also helping us work on the things that we're perceived not so good with and we want to be better at.

So it's not just giving us the data to say what we're good at and what we need to do. It's helping us achieve that and bridge that gap. And in particular with the generation X. They're going to have probably, you know, maybe eight or 10 jobs in their career, whereas in the early days people might have stayed 20, 30, 40 years with an organisation. It's not going to happen anymore.

So you need to make sure that you help these people manage their career or they will leave you and they will go somewhere else. Loyalty is pretty small these days. I'm fascinated by the change in how we perceive a career and a career path. And if you were advising someone now who was at the beginning of their career, whether they've come out of university or straight from school or they've done odd jobs and decided this is what they want to do now, they've picked an organization for all sorts of reasons and we don't really know why they've picked the organization. When they first come to us, what are they expecting? How long are you expecting them to stay? And do you expect them to come back?

The investment in them is such that you decide that you want them to stay. You've gone through the selection process, you've decided that these are the people that you want. And you know, Fulyana and I went through massive graduate recruitment campaigns in our early days and we whittled down from 1200 applications. We whittled it down to 30 from that we'd interview, and 10 that we'd take on. How could we possibly know that we were getting the right ones?

But we had these 10 people, we would look at it and say we would like them to stay with us for the next 40 years until they retire. What can we do to ensure that that happens? Or should we be thinking that question? Because younger people today seem to have a different view about what I might have looked at when I was studying, and expect more sooner than later and very impatient to get to the next level.

Promotion is important, the money is important, the loyalty is there so long as their needs are being met. It comes back to what you said earlier about knowing what their needs are, meeting their needs and recognizing that what they do is of value to the organization.

The period of time in an organization will vary, but if you're looking at both sides, as long as the person continues to learn and grow and get rewarded through promotion and pay etcetera, and as long as the organization is getting that value from the person. But there will come a time where the grass looks greener elsewhere or they feel that that other company will give them something that this company doesn't and therefore you should always make them comfortable leaving, particularly your best people, with the hope that they will come back at a different level and stage of their career to contribute with their new learning and new experience, they bring with them the second time round or third time around.

So when they come back and they're coming back and they're in their mid 40s to 50s and you're looking at them coming back at a much higher level in the organization, are you then expecting them to stay till they retire? I think when they get to that, if they're in that mindset they probably are expecting move again.

But organizations today are very fluid, people come and go and circumstances beyond their control sometimes creates a situation where they lose their job. It's a topsy turvy world we're living in and the business world has no guarantees about longevity.

What's the role of mentoring there in that situation? It comes back I think to this whole employment value proposition. What are you offering people to come and work for you? And I think often we say we offer this promise and we do the opposite. So there's a disconnect and many organizations say all these things, but they actually don't deliver. People are not stupid. They see through this very quickly and they walk and the organization gets a reputation. I don't know what the average turnover in Australian companies today, but I would guess it's probably around 20% maybe 25%. In Asia, it's running probably 30 35% attrition in most of the Asian countries. So it's not unique. It's across the board and a lot of it is younger people who are moving fairly quickly because they were promised something and they never got it and there's no way of addressing the fact that they're not getting what they were promised. Mentoring will not solve all the problems, it certainly helps you retain talent that's for sure.

But you better be delivering on what you promised. People will see through you very quickly. And frustration comes in the motivation, lack of engagement in Australia and those countries that people turn up for work that they're engaged. There's a wonderful Yes Minister episode where the local council gets into trouble because they're not submitting their blue forms and nobody knows what they're for, but it's just that they're not submitting them.

The other point about what mentoring can do from retention of people, of course you want to retain the talent. It's keeping this knowledge within the organization. I think what's happening with this churn of people, there's all this knowledge walking out the door and a lot of them are being replaced. So all this information is gone. It's a vacuum and I know of a couple of organizations where this has happened where people don't have any history any more about the organization and why we do these things how we do these things because the brain drain, people have gone.

So this retaining people in the organization, this knowledge which is important doesn't seem to be important to some organizations that don't seem to care, that will move these people out for whatever reason. Where I think mentoring, if you have a proper mentoring program, you can retain the knowledge and pass it on to somebody else and keep these people.

But you know that the world we live in today, the business world, it is a tough environment. It is a tough environment, but I think that perhaps by not engaging people by not maintaining some business knowledge within a business itself, that you're just making it harder because you bring in new people all the time, they reinvent, they make mistakes, they make mistakes that were fixed last time we did this process because that knowledge is not being passed on and not

being kept within the organization.

We can't battle the way that society is moving. What can we do within an organization, apart from mentoring to retain that knowledge in the organization, apart from quality systems, I think the delivering on what people expect of you. What you say, you stand for and what you're going to deliver on. So if you say you pay competitive salaries, you better pay competitive salaries. If you're going to have opportunities for development, you better offer people opportunities.

So is it about measuring them? Because I know in the past organizations were big on measuring that they were delivering what they promised, whether it was to their people or to their shareholders and certainly to the shareholders that still happens, but perhaps we've lost the ability with the changes in HR to measure outcomes.

The return on investment, for example, running leadership training programs, I think sometimes a complete waste of money, tick a box approach. We put 3000 people through a leadership program, big deal. What's the return? What's the changes we should be getting for that investment? What could we do differently through a mentoring program? For example, I think they're invested interests in organizations who want to continue running the same old programs that actually don't have any value because they're happy. They've been judged, they've run 3000 programs or 3000 people have gone through the program and tick a box. Yes, I had a wonderful experience.

For many years. I was a consultant for the training course on negotiation skills and for the last three years, when they had me in six times a year to run negotiation skills courses, they weren't doing any negotiation at all.

The contracts were already signed. But they still had a mandate to get through this number of people that had to do this training course to move up the next level. So I ran the courses and I hope that the people who went to the courses use their negotiation skills somewhere else. In relation to your question about do they still measure, I believe organizations do still measure.

Staff satisfaction surveys get done about how engaged their employees are. I think the measurement is only one aspect. It's acting on that measurement is actually reading exactly what would make a person join the organization? What would make them come back to an organization? What would make them live and breathe what the organization values are and practice them? And I think sometimes, again it's a bit superficial, in that you get all that information and you see a movement and it's really more by accident than design and not enough

time and effort is spent in addressing those issues. Usually it's relating to cost. It's not a fair thing to say.

I haven't got the money or resources to do this because it will translate to the bottom line. If your turn over is high then that costs you a lot of money. Yes, we know people are more transient, they will move around a lot more and it's not job for life by the individual or the company. But if you know you get the movement every six months of that person or that position, the impact is extremely costly. So you need to spend the money and time in addressing things that will be relevant to the bottom line and not waste them on things like you just gave as an example. Negotiation skills not that he negotiates anything. So we've talked fairly broadly about big organizations. How does it work for small owner operators or up to what we would still classes the small to medium size, which the government classifies as under 50 employees?

I must admit I haven't had a lot of experience with small organizations in my career but I would expect the principles are similar if you're having a mentoring program and that's probably the occasion where they're going to use external rather than internal, but there might still be the opportunity for internal and maybe that's something they need to identify.

My recent experience with that over the last few years is with a small to medium and you're both right. Firstly it's even more important because in a big organization, even if you don't have a formal program, people turn to each other because there's lots of people, lots of divisions, so you can see someone outside your own area. In a smaller organization, I find more of the buddy system, teaching each other, coaching each other even in technical aspects as well as the general management aspects. People are getting a lot of value out of that because they see themselves growing by teaching someone else. So internally yes, they do invest in external as well. And again, that is limited in, you know, cost.

But if you are a medium sized organization, if you don't treat those people right, it costs you even more when somebody leaves. So that's why there is a bigger focus on it, even though it's not as sophisticated a program, but absolutely the heart of the program is there.

You know, I'm a big believer in mentoring and coaching.

I think it adds significant value to the individual and the organization if it's done properly and that's a structured type program that's formal and you put some money behind it and invest in people and people will rise to the occasion and

they will stay with the organization. If they see benefits coming from the program, that their career is growing, they're developing, the organization wins and the employee wins at the end of that and that's what it's all about. We want a win win situation and the companies that have done this, they're successful.

Thank you, John for joining us today on your brief sojourn in Sydney from Taiwan. If any of you are interested in getting in contact with John, please drop us a line via the website and we will pass on your details to him.

That's it for this session. I'm Kim Baillie, she's Fulyana Orsborn, we've had with us today John Eddy, this is Inside Exec.