



# Mentoring gets the thumbs-up

BIG BUSINESSES ARE INCREASINGLY PAYING TO FIND THE RIGHT ADVISERS FOR THEIR HIGH-POTENTIAL STAFF BY EMILY ROSS

**T**he software of executive life — the unspoken rules of the corporate world — fascinates Wendy McCarthy. The higher people climb on the corporate ladder, the more it is expected that they use and understand this software, says McCarthy,

who has a career spanning management consulting, company directorships, university chairs, and roles in the feminist movement and in non-profit organisations. She says the problem is learning these skills in such a competitive environment, and that is where mentoring comes in.

Companies McCarthy works with include Citibank, Reader's Digest and UBS Warburg, where she matches senior executives with external mentors selected from her network of contacts, which she has developed over almost 40 years in corporate life. Each mentor is paid an hourly rate, and clients

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WENDY MCCARTHY

pay McCarthy Management a fee for the mentoring program. Mentors working with McCarthy include former government ministers (for example, the former Labor senator Susan Ryan) and company directors or chief executives (such as Diane Grady, a director of Lend Lease, Neil Gamble, the chief executive of Solution 6, and Oliver Freeman, managing director of Prospect Media).

Since the beginning of the 1990s, mentoring has crept on to the agenda of big business. Companies such as Apple Computer, IBM, Shell and Microsoft started programs that matched their own staff in mentor/protege relationships. In Australia today, about 60% of the 25 biggest public companies have mentoring or coaching programs, and others are developing programs. External mentoring is less common.

Mentoring is seen as an important part of staff development at Westpac, particularly for "high potential" staff. Ann Sherry, the chief executive officer of Westpac's Bank of Melbourne subsidiary and a former head of human resources at Westpac, says: "The advantage of mentoring is that there is someone there to push you, to challenge you in ways that you are not used to being challenged."

Some of the bank's programs involve matching employees from different units. In other cases, external mentors are used. "It is high-cost, it is personal, it is one-on-one," says Sherry, who estimates that the cost of an intensive, six-month mentoring program is \$15,000-30,000 — about the same as a one-month training course at one of Australia's prestigious business schools.

The Wesfarmers mentoring program for senior managers has been running for four years, with mixed results. The company's human resources director, Chris Ryan, says that, initially, staff chose their own mentors, but they just chose someone they were comfortable with. Now, managers from various departments are paired by the Wesfarmers human resources department. Ryan says that of the 15 mentor/protege relationships Wesfarmers has set up, based on feedback from the participants, half were successful, 25% were ambivalent,

leading to no great changes in work style, and 25% flopped. The lesson, Ryan says, is that mentoring must be driven by the two people involved.

McCarthy says she has had a higher success rate with the mentoring program she started at Citibank in 1996. "This is a reward, not a remedial program," she says. "I am involved with people the company wants to invest in."

Initially, the program was established to tackle the problems of a more diverse workforce. McCarthy was hired to help change a company culture that, despite an increasing number of women in senior roles, was still male-dominated. The director of human resources at Citibank, John Eddy, says: "Women hit the glass ceiling and left, and we wanted to do something about that." As the mentoring program developed, more of Citibank's male executives became involved.

So far, 30 Citibank employees have gone through the course and only one relationship was not amicable. McCarthy is a strong advocate of the use of external mentors, which gets people out of their workplaces and provides them with another perspective. It is like a blind date when McCarthy gets a potential mentor and protege together. "I don't tell either of them anything about the other." At the first meeting, McCarthy defines the mentor and protege roles and a confidentiality agreement is signed. The letter also has a quick-escape clause.

"Confidentiality is huge," McCarthy says. "They must never disclose what is discussed. Trust is crucial." The contract states there must be at least four face-to-face meetings in the first six months.

Although the formal relationship ends after two years, because, McCarthy believes, "you have exhausted what is worth paying for", meetings between the mentor and protege often continue. Eddy says the Citibank program has been successful, the main reason being the retention rate. Of the 30 senior managers that have done the course since 1996, only one has left the company, he says. There has been good feedback from the proteges, and he has seen

staff members' networking skills and contacts grow. This is the executive software that McCarthy believes is so important to develop.

Eddy says: "The return on investment is astronomical." He will not reveal the cost of the program to Citibank. "It is peanuts," he says, pointing to the cost of recruiting senior staff. The high retention rate of staff involved in the program has saved money on recruitment, which, per senior executive, is more expensive than mentoring.

When the chief executive of Miller's Retail, Ian Miller, arrived in Australia from South Africa in 1977 with his wife Sara, he did not know a soul. After landing a job at the clothing retailer Katies, he found a mentor in founder Sam Moss. Miller says: "It was a family-type business and I became a part of the family." The connection between Moss and Miller, despite their 23-year age difference, was almost instantaneous, Miller says. "I think for this kind of relationship to work you have to be like-minded.

We are both traders at heart and he is one of the finest

### WHO'S HELPING

Mentoring in the top 25 public companies\*

COMPANY	DOES IT HAVE A MENTORING OR COACHING PROGRAM
AMP	N/A
ANZ Banking Group	Yes
BHP	N/A
Brambles	Yes
Cable & Wireless Optus	Yes
Coles Myer	Yes
Commonwealth Bank	Yes
CSL	No
CSR	Yes
Foster's Brewing Group	No
Lend Lease	Yes
National Australia Bank	Yes
News Corporation	Yes
PBL	N/A
Rio Tinto	No
St George Bank	No
Telecom New Zealand	No
Telstra	Yes
Wesfarmers	Yes
Westfield Holdings	Yes
Westfield Trust	No
Westpac	Yes
WMC	Yes
Woodside	Yes
Woolworths	Yes

N/A Not available

\* Based on market capitalisation at April 16, 2001

SOURCE: BRW

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## MUTUAL ADMIRATION SOCIETY

Nearly two years ago, they started meeting, at the same table in the same quiet corner of the Royal Automobile Club on Sydney's Macquarie Street. A ritual was set that continues every month. They sip tea and, in confidence, talk shop. The director of technology at Citibank, David Madden (protege), and the managing director of the publishing company Rala International, Barbara Cail (mentor), were matched as part of McCarthy Management's mentor program for Citibank. "David has this tremendous potential," Cail says. "It was very obvious as soon as I met him. He is very much executive material." Both say that, after their first meeting, they felt they had an understanding of one another. "We have the same likes and dislikes," Cail says.

From the outset, Madden wanted to learn more about the politics of organisations, to gain a better understanding of politics in the workplace. Cail was chosen for her long experience working on government policy at state and federal level. Madden says: "Barbara makes me think about things very systematically. She has this wonderful ability to pick up something I have said and work



PAUL JONES

it through. This has been the theme of a lot of our discussions, distilling things down to the core."

Cail and Madden, wanting to do things systematically, chose the Royal Automobile Club rendezvous. Too busy for workplace meetings, they find the two hours they put aside each month far more effective. It is long enough to talk issues through to a resolution, which they would find impossible to do with the interruptions common in the workplace.

When they started meeting, Madden was director of technology at Citibank. He has since been promoted to director of technology for Citigroup. Cail says: "David has grown a lot in the last two years but it would be ridiculous for me to say that it is because of me."

Cail, who is paid a fee by McCarthy Management, says mentoring should be a part of every executive's development program. "There is so much stress at senior levels and no time to download, in privacy, in confidence."

Of her mentoring relationship with Madden, Cail says: "I have been nourished being able to watch David grow." Madden says: "There is no baggage ... I don't have to think twice about what I say." Their formal, two-year arrangement expires in a few months, but they say they will continue their monthly meetings.

EMILY ROSS

DAVID MADDEN and BARBARA CAIL:

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traders I have met. We have both spent our working life in retail and we both have that drive, that ambition to succeed."

Moss (now deputy chairman of Miller's Retail) and Miller continue to have almost daily contact, face-to-face or over the phone. Miller says: "In 24 years, hardly a harsh word has been spoken. It is wonderful to be able to bounce ideas off someone. It is a nice anchor and his help and advice have been instrumental to my success. It goes beyond business. I am not a great networker, but Sam is such a well-networked person. He will always know someone, and he has introduced me to a lot of people."

Miller's experience with Moss has inspired him to become a mentor to three employees in the company.

Now a director of NRMA, Susan Ryan often takes her Citibank protege, Paul Newham, senior country operations officer, to a Sydney business haunt, Machiavelli, for their lunch-time meetings. "We discuss the things that matter to him that he wouldn't otherwise get the chance to discuss," she says. At the restaurant, Ryan also often bumps into her political friends (and foes),

## HOW TO MAKE MENTORING WORK

The mentor must have:

- A commitment to mentoring.
- A good record for, and interest in, developing other people.
- Strong interpersonal skills.
- An ability to share credit.
- A wide range of current skills.
- Technical competence.
- Patience and a willingness to take risks.
- Status and prestige.
- A willingness to take responsibility for another person's growth.
- A network of contacts and influence.

SOURCE: WENDY MCCARTHY MANAGEMENT

whom she introduces to her protege. Their common ground is a fascination for politics. "I like to do things that are useful," Ryan says. "I am not doing this for the novelty of it. What I am doing is assisting a really talented person make his way in the jungle

of corporate life. And I know Paul thinks it is useful. It goes way beyond coaching."

Mentoring is not a matter of touchy-feely workshops and short-term camaraderie. When the mentoring relationship works, it is a unique connection that can give the protege insights into management, a kind of initiation into the ways of business. A mentor and management consultant, Gordon Ramsay, says: "Senior executives have lonely jobs. They have problems they can't share with business associates or subordinates. This is where a mentor comes in — a person who can look at these things at arm's length."

McCarthy says: "I thought it was normal for everyone to have mentors. Just this morning, I spoke to [Dame] Beryl Beaupaire. I was bouncing ideas off her." Throughout McCarthy's career, people such as Beaupaire, women's rights campaigner Edna Ryan and the former chairman of P&O Australia, Bob Somerville, have played the role of mentor. She says: "I have had all the benefits of those people walking through life with me." ●