

THE ROLE OF MENTORSHIP IN ENTREPRENEURIAL VENTURES

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By

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THE ROLE OF MENTORSHIP IN ENTREPRENEURIAL VENTURES

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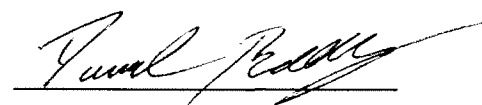
Economics

Abstract

This thesis explores the role of mentorship in entrepreneurial ventures. With staggering failure rates of entrepreneurial firms, the study of the determinants of success and failure of entrepreneurs is abundant. Among the key determinants of success are the factors comprising the human capital of entrepreneurs. Using models and theories based on corporate mentorship, this thesis bridges the gap between the study of entrepreneurial human capital and mentorship. Relying on seventeen interviews with a variety of entrepreneurs from around the country, this thesis identifies the significance placed on mentorship, reveals the models these relationships can take, and identifies the primary benefits of mentorship among entrepreneurs.

KEYWORDS: (Mentorship, Entrepreneurship, Determinants)

ON MY HONOR, I HAVE NEITHER GIVEN NOR RECEIVED
UNAUTHORIZED AID ON THIS THESIS

A handwritten signature in black ink, appearing to read "Paul Perry", written over a horizontal line.

Signature

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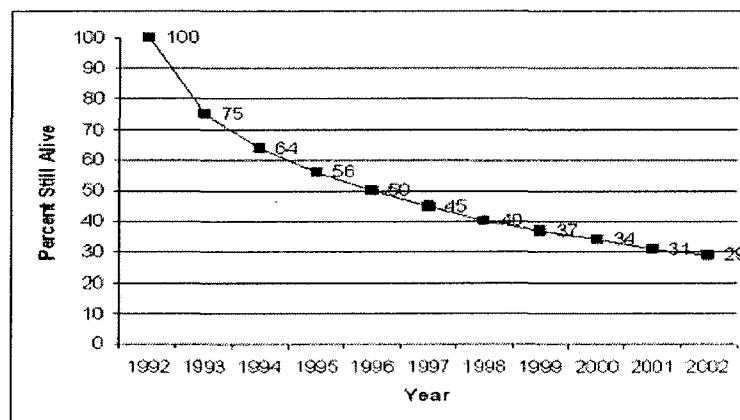
I would like to thank my advisor Julie Chesley for her tremendous help and guidance throughout this thesis. Julie never wavered in her positive attitude and valuable advice. I would also like to thank all of the participants who generously volunteered their time. I learned more than I ever could have imagined by interviewing these amazing individuals. Without the help of Julie Chesley and my participants this thesis would not have been possible.

CHAPTER I

INTRODUCTION

Start-up companies are a topic of great attention and excitement. Many receive a significant amount of media recognition and are often glamorized thanks to a reputation as potential fast track vehicles to the accumulation of tremendous wealth. This idealized conception certainly occurs, however, far more frequently the opposite is true. According to the Small Business Administration no more than fifty percent of start-up firms remain open for more than four years¹. As figure 1.1 reveals this statistic continues to fall to less than thirty percent after ten years².

Entrepreneurial Venture Survival Rates



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Figure 1.1

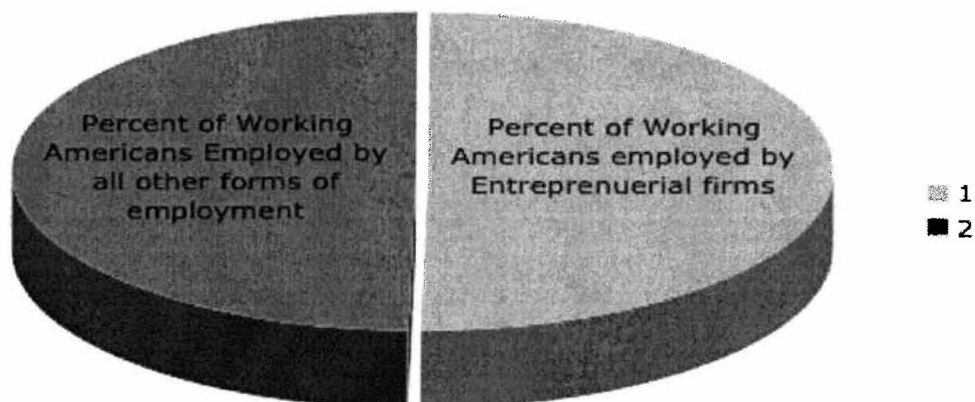
¹ Brian Headd. "Redefining Business Success: Distinguishing Between Closure and Failure." *Small Business Economics* 21: 51-61, 2003. http://www.sba.gov/advo/stats/bh_sbe03.pdf.

² Brian Headd. "Redefining Business Success: Distinguishing Between Closure and Failure." *Small Business Economics* 21: 51-61, 2003. http://www.sba.gov/advo/stats/bh_sbe03.pdf.

Entrepreneurial success and failure is an issue of paramount importance.

Entrepreneurship, also referred to as small business, is an essential part of the American economy, providing “50.4% of jobs in the United States”⁴(See Figure 1.2). Clearly the ability of individuals to successfully start new firms impacts the American economy.

Sources of Employment



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Figure 1.2

However the effects of entrepreneurship are wider reaching than employment alone. Start-up firms are a tangible example of investment in a country that is plagued by poor investment levels. Investment is one of the most sustainable drivers of economic growth and prosperity. Lack of investment is one of the primary reasons for the decreasing status of the American economy with respect to other nations⁶. Personal investment drives an economy and entrepreneurship is a very tangible form of personal investment.

⁴ National Small Business Association.” http://www.nsba.biz/vote/70_MAV_Factsheet.pdf

⁵ National Small Business Association.” http://www.nsba.biz/vote/70_MAV_Factsheet.pdf

⁶ John Stossel, “Is America Number One?”. ABC 20/20. 1999.

Entrepreneurial activity has also been identified as a contributing factor to economic growth rates. Studies have shown that there is a strong relationship between increased levels of entrepreneurial start-ups and local growth rates, revealing that the natural position of firm creation rates and growth rates move together. Zoltan said “this relationship is consistent with the theories of Porter, Jacobs, Hannan, Freeman, Aldrich and Zimmer”⁷. Entrepreneurship is an incredibly important component of the American economy that is intrinsically intertwined with health of the economy as a whole.

The encouragement of entrepreneurship is not a new topic; many state and national government initiatives have been created over the years in an effort to foster the creation of small business. Additionally a movement has also begun in the private sector with the creation of numerous organizations striving to support and encourage entrepreneurship. Understanding of what incubates and more actively facilitates the creation of new firms and enables entrepreneurs to succeed is of tremendous value. Such knowledge can be used to advance the economic well being of the nation. The amount of studies and attention paid to entrepreneurship appears to be on the rise with the increasing popularity of entrepreneurship programs at schools and an increasing media profile of social entrepreneurship. Social entrepreneurship is an adaptation of entrepreneurship that focuses on its ability to enact positive change within a social venue. Another topic that is receiving increasing attention is the micro-finance of struggling entrepreneurs in developing nations. These highly publicized topics in entrepreneurship are illuminating

⁷ ENTREPRENEURIAL ACTIVITY AND ECONOMIC GROWTH, Zoltan J. Acs and Catherine Armington. http://www.babson.edu/entrep/fer/Babson2002/XI/XI_P1/XI_P1.htm

the subject and increasing the interest paid to the academic studies of entrepreneurship as a whole.

Due to the many benefits that entrepreneurship creates for individuals and communities it is important to continue and extend the research on entrepreneurship. Through the study of key determinants of success and support networks of entrepreneurs more knowledge becomes available that better equips aspiring entrepreneurs for their ventures. Increasing the information available in the field of determinants of entrepreneurial success and in support networks such as the role of mentorship within entrepreneurial venture provides value to both individuals who own small businesses, are striving to start new firms, as well as local economies and the nation.

This thesis will explore the role of mentorship in entrepreneurial ventures. Within the current literature base of the determinants of success and failure of entrepreneurs, the topic of human capital is in the greatest need for expansion and innovative research. Human capital is a conglomeration of an individual's skills, strengths, knowledge and capabilities as determined through a sum of their life experiences.

Many factors contribute to the formation of human capital. A mentorship relationship can play a major role in the development of human capital due to its ability to increase the skills, knowledge and behavioral development of an individual⁸. Figure 3 displays a visual valuation scale of various activities that are used to develop human capital placing mentoring as the most valuable.

⁸ <http://www.emeraldinsight.com/fig/0370360305001.png>

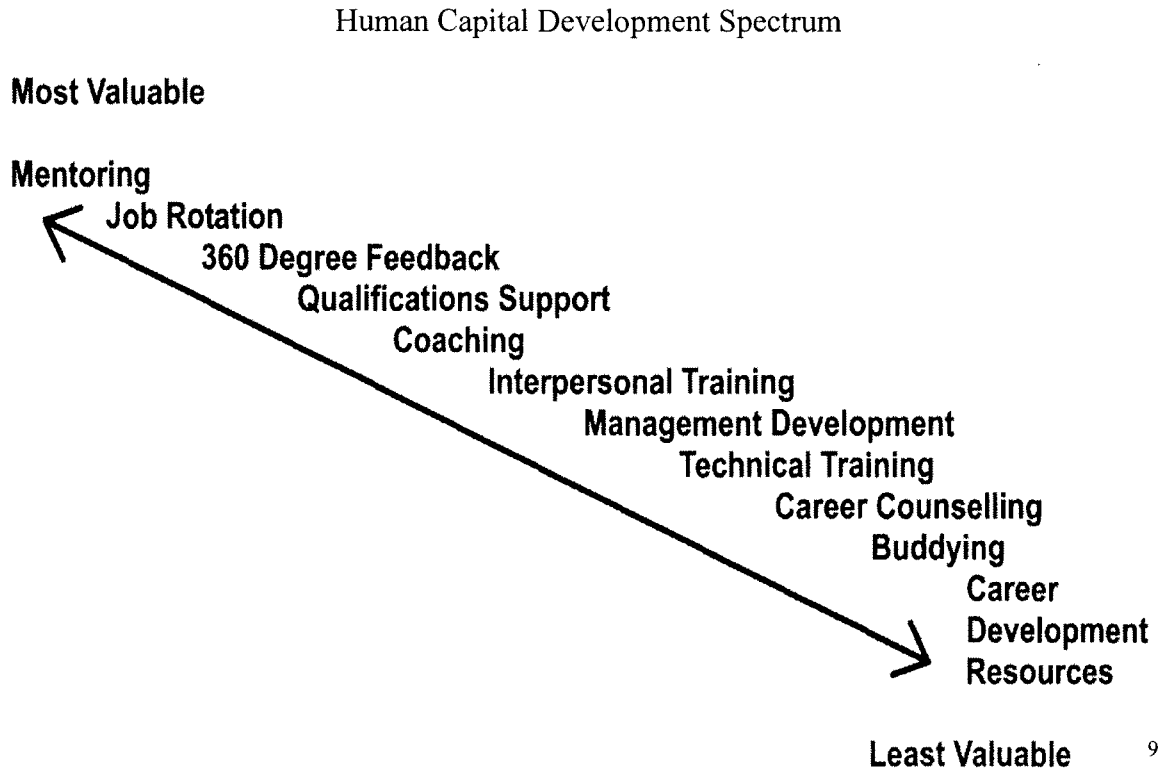


Figure 1.3

Due to the high value placed on mentorship an extensive research base has been established. Past literature primarily explores the role of mentorship within established organizations, with little mention of mentorship in the entrepreneurial world. The goal of this thesis is to bridge the gap that exists in the literature by extending the comprehensive theories and frameworks of mentorship to the explicit role it plays for entrepreneurs in the development of their human capital.

Better identifying and explaining the role of mentorship in entrepreneurial ventures promises to provide critically important information which can better explain the development of the human capital of entrepreneurs. The potential findings could open up a new field of study on small business and entrepreneurship. There is reason to believe that mentorship may play a vital role in the development of human capital and the

⁹ <http://www.emeraldinsight.com/fig/0370360305001.png>

development of highly productive and innovative members of the economy should be explored. Uncovering how entrepreneurs accumulate the skills to create businesses, jobs, and economic value opens up an opportunity to encourage and further support these activities.

Overview of methodology

This thesis explores the role of mentorship in entrepreneurial ventures through an empirical study. Seventeen entrepreneurs from across the nation working in a variety of industries were interviewed to gather first hand data on the experiences they have had with mentorship relationships and the ways they have been affected by these relationships.

Overview of Remaining Chapters

Chapter two begins by presenting the primary topics within the literary base of the determinants of success and failure of small businesses, including environmental pressures, issues of organizational efficacy, and the human capital of the founders. The chapter continues by examining the current research on mentorship and the frameworks that have been created to explain the various facets and forms of mentorship. Chapter three provides the methodology of the study including the techniques and theories utilized. Chapter four reveals the findings resulting from the interviews. The fifth and final chapter articulates the implications of the findings and concludes the study.

CHAPTER II

THEORY AND LITERATURE REVIEW

This chapter will explore the themes and major findings regarding the determinants of entrepreneurial success as well as the literature base of mentorship. The study of the determinants of success and failure shares integral commonalities with the mentorship literature, lending themselves to be used as compliments to further explore the gaps that exist in both literature bases. Below is a table providing the sources used in this literature review, organizing the articles into like groups and identifying the overarching conclusions of each group.

Table 2.1 Determinants Literature Chart

Literary Topics	Themes and Findings	Authors
Determinants of entrepreneurial success and failure	Entrepreneurial traits, environmental pressures, and organizational strategy and efficacy are the most predominant determinants. These characteristics stem from the Human Capital Theory, the Resource Based View, and the Entrepreneurial Cognition Theory.	Bates 1990 Bruderl 1992 Cardon 2004 Delmar 2002 DeTienne 2002 Headd and Keeley 2000 Kim 2005 Lee 2005 Metha 2000 Mitchell 2005 Thornhall 2003 Welbourne 2005

There is a great deal of research that examines the determinants for success and failure for start-up firms. Much of this research subscribes to a few different economic theories. These theories are used to frame the exploration of what is behind the success or failure of entrepreneurial ventures. Some articles do not explicitly state the inspiration for the study as being a specific theory, however the ideas behind these theories appear within this literature base. Among the most prominent theories and concepts employed are Human Capital, the Resource Based View, and Entrepreneurial Cognition Theory. Human Capital Theory encompasses the traits, skills and competencies of entrepreneurs and investigates how they contribute to the likelihood of success. In this area of study the Resource Based View looks at the bundle of strategic resources a company possesses and how these resources translate into a determinant of firm success. The Entrepreneurial Cognition Theory explores an entrepreneur's ability to process store and use incoming information. Organizational strategy and efficacy is the ability of a firm to perform within a certain market.

Organizational efficacy and strategy is most predominantly used in conjunction with the Resource Based View and the Entrepreneurial Cognition Theory¹. These theories hypothesize that a major cause of new enterprise failure is deficiency in management and an overall inability to reach organizational efficacy². The Resource Based View is used to identify the major differences between the determinants of failure between young firms

¹ Dawn R. DeTienne, Dean A. Shepherd and Julio O. De Castro. "The Fallacy of "Only The Strong Survive": A Social Cognitive Perspective On The Persistence Of Underperforming Entrepreneurial Firms." *Frontiers of Entrepreneurship Research*, Available from Babson College Research Conference, 2002. <http://www3.babson.edu/ESHIP/outreach-events/fer.cfm>. Accessed September 2008

² Josef Bruderl, Peter Preisendorfer, and Rolf Ziegler. "Survival Chances of Newly Founded Business Organizations." *American Sociological Review*, Vol 57 (April:227-242) 1992. <http://www.jstor.org/stable/2096207>.

and established firms. In Thornhill and Amit's 2004 article reveal that a dichotomy arises in the determinants of failure, with young firms more frequently meeting their demise as a result of "deficiencies in general management and financial management", conversely more mature firms often fold due to an inability to adapt to the changing tides within their industry³. Such shortcomings in administration of the business may manifest in a variety of ways whether it be mismanagement of funds or "failures that lead customers away"⁴. The efficiency of firm management has also been shown to reveal the success of the company even before there is a product sold or a service rendered. The time frame that a start-up abides by and how expeditiously an idea is formalized in the planning process and eventually the establishment of a company has been shown to influence the likelihood of the ventures success. Research suggests that the more quickly an organization comes into being, the more likely that firm is to succeed⁵.

Environmental pressures are also a source of firm mortality. As discussed earlier some established firms that have a history of success are susceptible to collapse as a result of environmental pressures and shifts. These pressures also influence start-up firms and can contribute to their demise⁶. Fluctuations in the general state of the economy can

³ Stewart Thornhill. and Raphael Amit. "Learning About Failure: Bankruptcy, Firm Age, and Resource-Based View." *Organization Science*, Vol 14 No. 5 (Sep – Oct 2003). <http://www.jstor.org/stable4135145>. Accessed September 2008

⁴ Melissa S Cardon. and D. Ryland Potter. "Are Failures Blamed on Misfortune or Mistakes? Entrepreneurial Failure Attributions in US Newspapers." *Frontiers of Entrepreneurship Research*, Available from Babson College Research Conference, 2004. <http://www3.babson.edu/ESHIP/outreach-events/fer.cfm>. Accessed September 2008

⁵ Frederic Delmar. and Scott Shane. "What Firm Founders Do: A Longitudinal Study of the Start-Up Process." *Frontiers of Entrepreneurship Research*, Available from Babson College Research Conference, 2002. <http://www3.babson.edu/ESHIP/outreach-events/fer.cfm>. Accessed September 2008

⁶ Stewart Thornhill. and Raphael Amit. "Learning About Failure: Bankruptcy, Firm Age, and Resource-Based View." *Organization Science*, Vol 14 No. 5 (Sep – Oct 2003). <http://www.jstor.org/stable4135145>. Accessed September 2008

have great influences on small businesses. The typical life cycle of a firm fluctuates in growth with the health of the economy with expansion in good times and possible layoffs and reduced production in less favorable times. However, a recession can cause many companies that are less competitive and efficient inside of their own industry to close⁷. As important as the environment itself, is the perception of the environment by the company. “Entrepreneurs of the failed ventures perceived an environment as a less dynamic and competitive” than it actually proved to be⁸.

The final category of success determinants is entrepreneurial traits. This category is composed of all the various factors that contribute to what is known as human capital. “Human capital theory identifies individual characteristics of the founder as important prerequisites for survival”⁹. Bruderl’s article “Survival Chances of Newly Founded Business Organizations” suggests that the higher level of education, the more work experience, leadership experience, and if the founder’s father was self employed lead to an increased probability of venture success. The findings that the higher the levels of education of the firm’s founder, the more likely the venture is to survive has also been corroborated by other studies¹⁰. In this study education is not strictly limited to formal

⁷ Theresa M. Welbourne. “Learning about Leadership and Firm Growth Through Monthly Data Collection and Dialogue with Entrepreneurs.” *Frontiers of Entrepreneurship Research*, Available from Babson College Research Conference, 2005. <http://www3.babson.edu/ESHIP/outreach-events/fer.cfm>. Accessed September 2008

⁸ Jangwoo Lee. and Sunghun Lee. “Failures of New Technology-Based Ventures According To Growth Stages.” *Frontiers of Entrepreneurship Research*, Available from Babson College Research Conference, 2005. <http://www3.babson.edu/ESHIP/outreach-events/fer.cfm>. Accessed September 2008

⁹ Josef Bruderl, Peter Preisendorfer, and Rolf Ziegler. “Survival Chances of Newly Founded Business Organizations.” *American Sociological Review*, Vol 57 (April:227-242) 1992. <http://www.jstor.org/stable/2096207>.

¹⁰ Timothy Bates. “Entrepreneur Human Capital Inputs and Small Business Longevity.” *The Review of Economic Statistics*, Vol LXXII No.4. (Nov., 1990). <http://www.jstor.org/stable/2109594>. Accessed September 2008

schooling as there are many learning experiences that can be evaluated as influences that could affect the probability of a firm's success. Failure has also been related to performance. Though this is not a predictor of future success or failure, it may increase human capital through added experience. The experience of a failure can modify the perspective of an entrepreneur providing more caution and awareness of the possible obstacles and disasters a new venture may face¹¹.

Perspective is powerful in the world of entrepreneurship, it can be the difference between business growth and business failure. The influences of a business owner's perspective can be seen through the common difficulties encountered in the transfer of ownership of businesses. A case study of such transfers reveals a great deal of seemingly avoidable financial loss due to the differing perspective of business buyers from those of the sellers¹². A company at peak performance can quickly fall into trouble when a buyer fails to value the perspective of the seller and purely values his or her own methodology of business¹³.

Human capital also includes team dynamics and the attitude of the entrepreneur. A study into the demographics of entrepreneurial teams reveals that there is an increased movement towards homogeneity within teams when there are additions, substitutions and

¹¹ Ronald K. Mitchell, J. Robert Mitchell, and J. Brock Smith. "Failing To Succeed: New Venture Failure as a Moderator of Startup Experience and Startup Expertise." *Frontiers of Entrepreneurship Research*, Available from Babson College Research Conference, 2005. <http://www3.babson.edu/ESHIP/outreach-events/fer.cfm>. Accessed September 2008

¹² Robert Keeley, Sandra Keeley, Robert W. Knapp, and James Rothe. "'Harvesting': For Better? For Worse? What Makes The Difference?" *Frontiers of Entrepreneurship Research*, Available from Babson College Research Conference, 2000. <http://www3.babson.edu/ESHIP/outreach-events/fer.cfm>. Accessed September 2008

removal of individuals¹³. The “Initial optimism” of founders is related to the realization of entrepreneurial success after three years¹⁴.

While Human Capital has been used as a determinant of identification of business success and failure there is more opportunity for expanded inquiry. Mentorship is a practice that a wide variety of organizations use to improve human capital. Organizations ranging from The Big Brothers and Big Sisters of America, to sports teams, grade schools and big business use mentorship. Corporations formally and informally use the practice of mentorship as a method of increasing human capital, improving team relations and providing career guidance within an organization. Mentorship is also a practice that is informally used outside of corporations between aspiring and established entrepreneurs. There is some research that explores the affects of having a parent who is self employed however this is limited and has some notable differences from a true mentorship relationship as family relationships can take on a variety of forms. There is much to learn about the full significance of entrepreneurial mentorship in the construction of human capital, as a possible predictor for success, and as an informal social incubator for entrepreneurial endeavor. Human capital is explored through the investigation of

¹³ Phillip H Kim. and Howard E. Aldrich. “Teams That Work Together, Stay Together:Resiliency of the Entrepreneurial Teams.” *Frontiers of Entrepreneurship Research*, Available from Babson College Research Conference, 2005. <http://www3.babson.edu/ESHIP/outreach-events/fer.cfm>. Accessed September 2008

¹⁴ Shailendra Raj Mehta. and Arnold Cooper. “Optimism As A Predictor Of New Firm Performance” *Frontiers of Entrepreneurship Research*, Available from Babson College Research Conference, 2000. <http://www3.babson.edu/ESHIP/outreach-events/fer.cfm>. Accessed September 2008

characteristics such as “the founder’s education, career history, family, and occupational background”¹⁵

Mentorship

The field of mentorship literature is expansive and diverse. There are numerous models that explore a vast array of components and outcomes of mentor relationships. Five primary categories exist within the literature base on mentorship. The study of the characteristics and demographics of mentor relationships helps build the foundation of mentorship research. The findings on mentorship characteristics and demographics contributed to the initiation of studies that assess the effectiveness of formal mentor programs within organizations. The expansion of the traditional model of mentorship adds tremendous insight and value to the field. Two additional categories of research exist to identify and explain the effects of mentorship on organizations as well as on the mentors and protégés whom are involved in mentor relationship and mentoring programs within organizations. Table 2.2 outlines the major mentorship literature.

Table 2.2 Mentorship Literature Chart

Literary Topics	Themes and Findings	Authors
The effects of mentorship on organizations	Focuses on the role and effects of mentorship within an organization. Increased organizational commitment and a reduction in turnover are primary benefits of mentorship activities. Additionally the ability of an organization to convey company culture; spot talent, and groom human capital have also been cited as benefits.	Wilson and Elman 1990 Payne and Huffman 2005

¹⁵ Josef Bruderl, Peter Preisdorfer, and Rolf Ziegler. “Survival Chances of Newly Founded Business Organizations.” *American Sociological Review*, Vol 57 (April:227-242) 1992.
<http://www.jstor.org/stable/2096207>

Characteristics and demographics of mentor relationships.	Age, gender, organizational positions of participants, the stage of the relationship, and the circumstances of the origination of the relationship have been investigated with the motivation of determine how they affect the resulting benefits and outcomes of mentorship relationships.	Bova and Phillips 1981 Hunt and Michael 1983 Noe 1988
Mentorship relationship affects on protégés.	The effects of mentoring relationships on protégés have been identified as an increased instrumental skill set, and increased psychosocial competence. Specifically increased promotions, increased salaries, a reduction in burnout, and an increase in experiences of accomplishment. The decrease in burnout translates to the reduction of underperformance, turnover, absenteeism and job dissatisfaction.	Koberg, Boss Chappell, and Ringer 1993 Scandura 1990
Program design	The focus of this research is perceived input into the mentoring process and an assessment of the quality of the mentoring training. The higher perceived levels of these two components the greater the reported benefits.	Allen, Eby, and Lentz 2006
Non traditional Mentoring Models	This research expands the view of mentorship from the traditional relationship of an elder to a younger individual within an organization to include peer mentorship, entrepreneurial mentorship, and political mentorship. Political mentorship is a form of mentorship in which the individuals do not personally know each other.	Kram and Isabella 1985 Kram and Higgins 2001

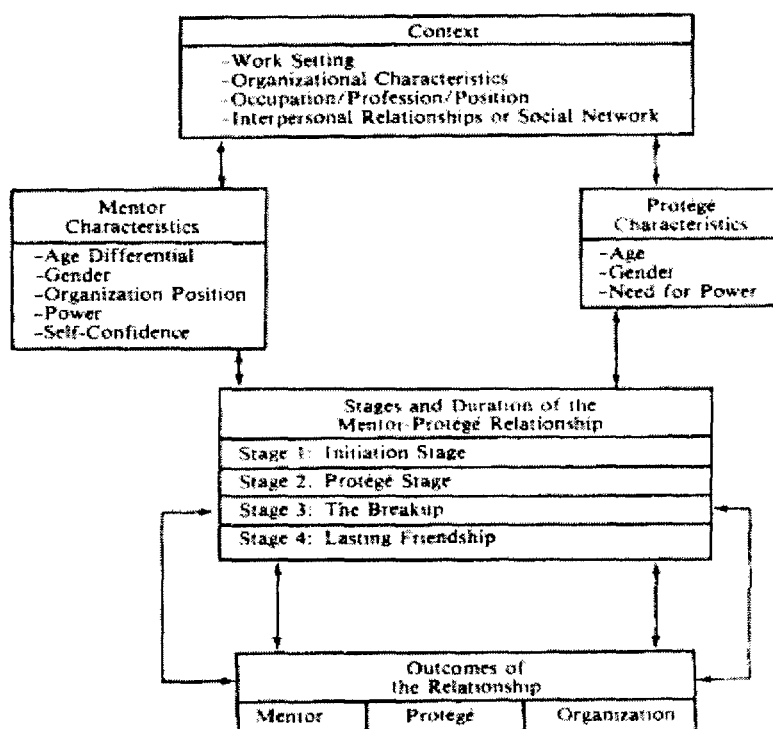
Mentorship Characteristics and Demographics

The study of the characteristics and demographics of mentorship relationships provides a launching point to begin the dissection of the current foundation of research.

Mentor protégé characteristics and demographics such as age, gender, organizational

positions of participants, and the stage of the relationship are all points of interest that have been studied in an effort to better explain what the variables and major components are of mentorship relationships. Figure 2.1 depicts a mentoring framework that displays demographics characteristics as well as the stages of development of a mentor relationship.

A Suggested Frame Work For Studying Mentorship



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Figure 2.1

The gender compositions of mentorship relationships have been a popular topic of inquiry by mentorship researchers. Levinson wrote a prominent early work on this determinant in 1978, which set the guideline that homogenous gender composition was the only viable option for mentorship relationships. This was based on traditional beliefs that sexism, office gossip, and sexuality would inhibit the effectiveness of a mentorship

¹⁶ David Marshall Hunt and Carol Michael, "Mentorship. A Career Training and Development Tool" *The Academy of Management Review* Vol. 8 No. 3. <http://www.jstore.org/stable/257836> 1983

relationship. Continued research in this area by Noe (1988) and Murphy (1988) has exposed some more multifaceted conclusions. Noe found directly contradictory results “Surprisingly, mentors matched with protégés of the opposite gender reported that these protégés utilized the relationship more effectively than did protégés as the same gender as the mentor”¹⁷.

The study of gender composition in mentorship relationships is further explained by the work of Bova (1981) expanded the research and explored the stages of mentorship relationships as well as the frequent differentiation of career progression along gender lines. Bova identifies that many women have a later career progression due to family dynamics, childbirth, and child rearing. She also identifies due to the traditional gender composition of business organizations with a majority of male workers that it is more likely for a man to become involved in a mentorship relationship¹⁸.

Through the exploration of the stages of mentorship relationships, Bova exposes the complications that can result in mentor relationships. Reflecting some of the ideas of Levinson, Bova states “like all love relationships, the course of a mentor relationship is rarely smooth and its ending is often painful. Such relationships have favorable developmental functions, but they have negative aspects as well”¹⁹. Interestingly individuals without mentoring experience expect much higher costs and maladies while expecting a lower level of benefits. Conversely people with mentoring experience report

¹⁷ Raymond A. Noe, “An Investigation of the Determinants of Successful Assigned Mentoring Relationships” *Personnel Psychology*. 1988. 41

¹⁸ Breda Murphy Bova and Rebecca R. Phillips, “The Mentor Relationship. A Study of Mentors and Protoges in Business and Academia”. 1981

¹⁹ Breda Murphy Bova and Rebecca R. Phillips, “The Mentor Relationship. A Study of Mentors and Protoges in Business and Academia”. 1981

lower costs and much higher benefits²⁰. This shines a light on a dimension of mentorship that is does not receive a great deal of attention revealing mentor relationships in a more complete form.

Mentorship Program Design

A natural extension of mentor relationships explores the design of mentorship programs. This is an application of what has been learned about determinants of successful mentorship. Using the knowledge of determinants, formal mentorship programs have been created by a wide range of organizations. Subsequently studies have investigated the effectiveness of these programs and identify the benefits and areas for improvement. Using the two primary categories of protégé benefits, psychosocial and instrumental support, programs are evaluated on their performance²¹.

The focus of such research is the perceived input into the mentoring process and an assessment of the quality of the mentoring training. This is constructed out of four components: “allowing individuals to feel as if they have input into the matching process, creating a sense that program participation is voluntary, taking steps increase the opportunity for frequent interaction between mentor and protégé, and a careful consideration of departmental differences when making matches so as to increase the potential for learning, sponsorship, and the development of strong emotional ties”²².

²⁰ Belle Rose Ragins and Terri A. Scandura, “Burden or Blessing? Expected Costs and Benefits of Being a Mentor”. *Journal of Organizational Behavior*.

²¹ Paula j. Caproni, “Management Skills For Everyday Life” *The Practical Coach*. Second edition. Pearson Prentice Hall.

²² Tammy D. Allen, Elizabeth Lentz and Lillian T. Eby, “Mentorship Behaviors and Mentorship Quality Associated With Formal Mentoring Programs: Closing the Gap Between Research and Practice”. *Journal of Applied Pshychology* 2006

Studies suggest the design of mentor programs within organizations must be carefully done in order to maximize benefits resulting from mentor relationships and to minimize the maladies that can result. The factors that appeared as being the most influential on the success of the programs are “protégé input into the match, mentor input into the match, and protégé report of training quality”²³. This reflects the ideas behind role model theories, which place a high value on the presence of commonalities between the participating individuals²⁴. It is logical that the perceived involvement and influence of the matching process would be of high value.

Effects of Mentorship on Organizations

Mentorship is not a practice that is exclusively beneficial to the individuals involved. These relationships can be highly beneficial to the organizations in which they occur. This is reflected by the increased popularity of formal programs in organizations as well as the attention paid to program design and benefits of organizations that result from mentorship in academic literature.

Organizational commitment and reduction in turnover are the primary benefits that have been shown to result from mentorship in research studies²⁵. Additional benefits include increased ability to convey company culture, spot talent, and groom human

²³ Tammy D. Allen, Elizabeth Lentz and Lillian T. Eby, “Mentorship Behaviors and Mentorship Quality Associated With Formal Mentoring Programs: Closing the Gap Between Research and Practice”. *Journal of Applied Psychology* 2006

²⁴ Tammy D. Allen, Elizabeth Lentz and Lillian T. Eby, “Mentorship Behaviors and Mentorship Quality Associated With Formal Mentoring Programs: Closing the Gap Between Research and Practice”. *Journal of Applied Psychology* 2006

²⁵ Stephanie C. Payne and Ann H. Huffman, “A Longitudinal Examination of the Influence of Mentoring on Organizational Commitment and Turnover”. *Academy of Management Journal*. 2005

capital²⁶. “Mentoring is a way of to speed the development of talent. It is also a way to spot talent” and “ further, it is simply the best method of passing along the norms, values, assumptions, and myths that are central to an organization’s successful survival”²⁷.

As mentioned earlier there has been a significant trend towards increased movement between organizations which increases turnover and can drive up costs and inefficiencies for companies. Mentoring can serve as a tool to decrease turnover “protégés had higher levels of both affective commitment and continuance commitment than non mentored employees”²⁸. These findings reveal mentorship as being beneficial to mentees and the organizations that foster mentorship formally and informally.

Benefits of Mentorship for Protégés

The effects of mentoring relationships on protégés have largely been identified as an increased instrumental skill set, and increased psychosocial competence. Additional benefits of include: increased rates of promotions, increased salaries, a reduction in burnout, and an increase in experiences of accomplishment²⁹. “Vocational and psychosocial mentoring were related to aspects of protégés career success, as measured

²⁶ James A. Wilson and Nancy S. Elman, “Organizational Benefits of Mentoring”. *Academy of Management*. 1990

²⁷ James A. Wilson and Nancy S. Elman, “Organizational Benefits of Mentoring”. *Academy of Management*. 1990

²⁸ Stephanie C. Payne and Ann H. Huffman, “A Longitudinal Examination of the Influence of Mentoring on Organizational Commitment and Turnover”. *Academy of Management Journal*.

²⁹ Christine S. Koberg, Wayne Boss, David Chappell, and Richard C. Ringer, “The Relationship of Mentoring and Work Environment to Burnout Among Health Care Professionals”. *The Journal of Occupational Psychology*. 1993
Terri A Scandura, “Mentorship and Career Mobility: An Empirical Investigation”. *Journal of Organization Behavior*, Vol. 13, No. 2. 1990

by promotions and salary”, research studies provide empirical data that expose these benefits³⁰.

The decrease in burnout translates to the reduction of underperformance, turnover, absenteeism, and job dissatisfaction³¹. Social learning is said to play a major role in the reduction of burnout and subsequent effects. “According to this theory, learning is an information processing activity in which “information about the structure of behavior and about environmental events is transformed into symbolic representations that serve as guides for behavior”³². Protégés thus learn behavioral skills and norms for stress reduction and healthy work behavior from their more experienced mentors. The exposure of benefits for mentees then improves the appeal of mentorship.

Non-Traditional Mentoring Models

The expansion of the definition of what constitutes a mentorship relationship has yielded insightful ideas that help to redefine the field of mentorship itself. The traditional view of a mentorship is a relationship in which an older more experienced individual provides guidance and support in the development of a younger less experienced adult. This support and development falls into the categories of psychosocial and

³⁰ Terri A Scandura, “Mentorship and Career Mobility: An Empirical Investigation”. *Journal of Organization Behavior*, Vol. 13, No. 2. 1900

³¹ Christine S. Koberg, Wayne Boss, David Chappell, and Richard C. Ringer, “The Relationship of Mentoring and Work Environment to Burnout Among Health Care Professionals”. *The Journal of Occupational Psychology*. 1993

³² Christine S. Koberg, Wayne Boss, David Chappell, and Richard C. Ringer, “The Relationship of Mentoring and Work Environment to Burnout Among Health Care Professionals”. *The Journal of Occupational Psychology* 1993

instrumental³³. The term mentor is actually derived from an individual by the name of Mentor appearing in Homer's *Odyssey*³⁴. This original relationship model has been expanded to include peer mentorship, entrepreneurial mentorship, and political mentorship³⁵.

The concept of peer mentorship extends the developmental and support aspects of traditional mentors relationships without the age and experience differences that are included in the traditional form³⁶. Though many of the same benefits are realized through these two different forms of mentor relationships some key differences exist.

Figure 2.2 below created by Kram and Isabella provides a breakdown of the functions within the traditional mentor relationship as well as those of peer relationships.

³³ Kathy E. Kram and Lynn A. Isabella, "Mentoring Alternatives: The Role of Peer Relationships in Career Development". *Academy of Management Journal* 1985.

³⁴ *Merriam-Webster Dictionary*. <http://www.merriam-webster.com/dictionary/mentor>

³⁵ Kathy E. Kram and Lynn A. Isabella, "Mentoring Alternatives: The Role of Peer Relationships in Career Development". *Academy of Management Journal* 1985, "Leadership as Mentorship: The Example of Wayne Morse". *Political Psychology Vol. 7 No. 1*, Monica C. Higgins and Kathy E. Kram, "Reconceptualizing Mentoring at Work: Developmental Network Perspective". *The Academy of Management Review Vol. 26, No. 2*. 2001

³⁶ Kathy E. Kram and Lynn A. Isabella, "Mentoring Alternatives: The Role of Peer Relationships in Career Development". *Academy of Management Journal* 1985.

Developmental Functions—Comparison of Mentoring and Peer Relationships

<u>Mentoring Relationships</u>	<u>Peer Relationships</u>
<p>Career-enhancing functions</p> <ul style="list-style-type: none"> • sponsorship • coaching • exposure and visibility • protection • challenging work assignments 	<p>Career-enhancing functions</p> <ul style="list-style-type: none"> • information sharing • career strategizing • job-related feedback
<p>Psychosocial functions</p> <ul style="list-style-type: none"> • acceptance and confirmation • counseling • role modeling • friendship 	<p>Psychosocial functions</p> <ul style="list-style-type: none"> • confirmation • emotional support <ul style="list-style-type: none"> • personal feedback • friendship
<p>Special attribute</p> <ul style="list-style-type: none"> • <u>complementarity</u> 	<p>Special attribute</p> <ul style="list-style-type: none"> • <u>mutuality</u>

Figure 2.2

Some of the same benefits that are derived from mentor relationships can be achieved through peer relationships. It is important to note that the classification of such relationships is not always cut and dry. The classification of relationships often better conforms to a continuum than absolute bins. Further the categorization of relationships can be highly subjective varying between individuals. It is common for two individuals that have a relationship with each other to categorize the same relationship differently.

Political Mentorship

³⁷ Kathy E. Kram and Lynn A. Isabella, "Mentoring Alternatives: The Role of Peer Relationships in Career Development". *Academy of Management Journal* 1985.

“Political mentorship differs from traditional mentorship in that it is accomplished without the close personal contact that accompanies more traditional mentorship. However, political mentorship accomplishes the same goal: it allows the follower to move from political adolescence to political adulthood”³⁸. People can be heavily influenced by individuals who they do not have personal relationships with. There are significant differences between traditional mentorship and political mentorship. Political mentorship emphasizes the benefits of personal development through heightened “emotional and intellectual maturity”³⁹. This is a portion of the psychosocial development that occurs with face-to-face mentorship. With the difference in the nature of these two forms of mentorship varying benefits emerge. Political mentorship does not achieve instrumental or technical support, as there is not an interaction that actively transfers specific skills.

Developmental Networks

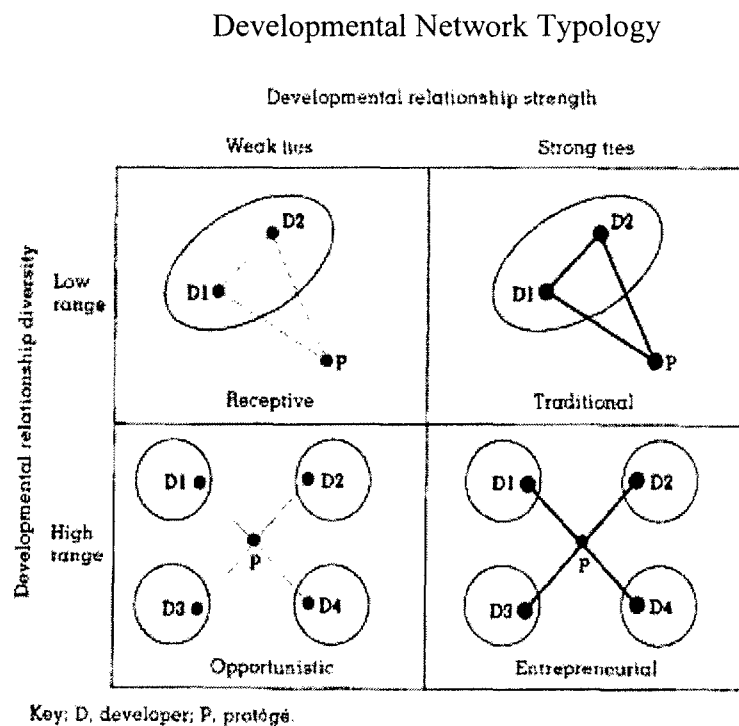
Mentoring frequently exists in the form of multiple relationships. It is a very limited view to exclusively focus on one relationship. “Individuals receive mentoring assistance from many people at any point in time, including senior colleagues, peers, family, and community members”⁴⁰. This draws from social network theory, which recognizes the significance of relationships outside of business organizations. This is particularly applicable as the loyalty and practice of spending a lifetime at one

³⁸ Lee Witkins. “Leadership as Political Mentorship: The Example of Wayne Morse”. *Political Psychology Vol. 7, No. 1.*

³⁹ Lee Witkins. “Leadership as Political Mentorship: The Example of Wayne Morse”. *Political Psychology Vol. 7, No. 1.*

⁴⁰ Monica C. Higgins and Kathy E. Kram, “Mentoring at Work: A Developmental Network Perspective”. *The Academy of Management Review, Vol. 26, No 2. 2001*

organization is declining. Working with a concept of relationship continuums Higgins (2001) provides a diagram that separates separate mentorship networks based on diversity and strength of relationships.



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Figure 2.3

These divisions of social mentor networks provide an insightful model for the roles and shapes mentorship can take within and outside of organizations. It is interesting to note the entrepreneurial developmental network model is not referring to mentorship involving entrepreneurs but rather a network characteristic of an entrepreneurial style involving a highly diversified network of strong relationships across a variety of social circles and organizations.

⁴¹ Monica C. Higgins and Kathy E. Kram, "Mentoring at Work: A Developmental Network Perspective". *The Academy of Management Review*, Vol. 26, No 2.

Non-traditional mentorship models are an important part of mentorship literature because they expand the consideration of what mentorship is. Many people may have been influenced a great deal by political mentorship and would not identify as having been influenced by a mentor because of the exclusive knowledge of the traditional form. Peer relationships and political mentorship encompass virtues and parts of mentorship that are of great significance and must be considered under the umbrella of mentorship in order to achieve a broader understanding of the role and effects of mentorship. Further Social network mentor models expand the concept of mentorship by addressing multiple relationships across a variety of networks opposed to one relationship within a single organization.

Further Expansion

Using both the traditional and non-traditional mentorship models in conjunction with the findings of mentorship benefits that result from the development of individual human capital, further research can be performed to better explain the development of entrepreneurial human capital. Further exploring the key determinant of human capital by delving into the frontier of extra-organizational mentorship, this study strives to gain increased understanding of the role of mentorship in entrepreneurial ventures.

CHAPTER III

METHODS

Purpose

This thesis strives to identify the role of mentorship in entrepreneurial ventures. Human capital exists as one of the most prominent determinants of success and failure in small businesses. Human capital is developed through the sum of experiences of an individual over the course of their life. However, there are relationships and experiences that may stand out serving as highly influential points of contribution to human capital.

Mentorship has risen to the focus of the business world as a valuable tool for increasing human capital within the work force. Despite the plethora of research surrounding the use of mentorship as a grooming tool for increasing human capital within organizations, mentorship literature is unmentioned in studies on entrepreneurship. Through the research and analysis of this thesis, the role of mentorship in entrepreneurial ventures will be examined for the first time.

Research Design

Because this has not been previously investigated, this study utilizes qualitative research methods to gather in depth data. Interviews provide rich and detailed personal experiences that reveal the role mentorship has played in the lives of individuals. Surveys are another form of qualitative data collection, however they do not provide the same kind of rich data supported by detailed personal accounts, thus in depth interviews were selected as the method of choice.

The information gathered is intended to highlight the prevalence and significance of mentoring among entrepreneurs as well as identify the outcomes reported from the involvement in mentor relationships. The interview questions are divided into three sections; background and demographic questions, instrumental support, and psychosocial support. These questions were designed to gather information regarding where participants receive their support and what they value the most. The questions go beyond pure identification of relationships and results; they delve into the intricacies of the relationship and entrepreneurial development as a whole. The ability to call on stories and examples during the interview process allows for a more thorough and informative data collection. Below table 3.1 provides the interview questions used for this study.

Table 3.1 Interview Questions

Question Category	Questions
Background Questions	<ul style="list-style-type: none"> ▪ Could you describe your company and what its mission is? ▪ When was your firm founded? ▪ What was the driving motivation behind the establishment of your company? ▪ Are either of your parents self-employed, or have they ever been? <ul style="list-style-type: none"> ○ If so is it in a related field to your current work? ▪ Three of the most prominent mentorship models are traditional, political, and peer mentorship. Traditional is a formal mentor relationship between an older more experienced individual and a younger less experienced individual, typically within the same organization. Political mentorship is the utilization of a public or historical figure as a model for ones behavior. This can be embodied through the use of books biographies and documentaries. Peer mentorship is the practice of a two way exchange of mentorship support and influence between two individuals. Using these models of mentorship or any of your

	<p>own definitions is there an individual or individuals you would describe as filling the role of a mentor to you?</p> <ul style="list-style-type: none"> ▪ How did you meet? ▪ Can you describe a story that best exemplifies the influence of your mentor? ▪ How often do you interact with this person? (in person, via email, on the phone) ▪ What percent of your success do you attribute to this relationship? ▪ What has been the primary benefit you have received from this relationship? ▪ How has it contributed to your success?
<p>Instrumental Support</p>	<ul style="list-style-type: none"> ▪ What specific skills or knowledge have you gained through your relationship with your mentor? (Describe a time when you have put those skills to use?) ▪ If you had to apply monetary value to the benefits resulting from your involvement in a mentor relationship what would it be? (A price you would value this relationship at if it were a purchased service?) ▪ What has your greatest failure been in the operation of your company? <ul style="list-style-type: none"> ○ How did your mentor help you or provide useful advice in this situation? ▪ What has been your greatest success in the operation of your company? <ul style="list-style-type: none"> ○ What role did your mentor play in this achievement?
<p>Psychosocial Support</p>	<ul style="list-style-type: none"> ▪ Has your mentor provided you with any forms of support that are more universal than industry specific or technical advice? ▪ With whom do you share your work troubles and worries? ▪ Could you describe this interaction and any results that occur

	<p>from this practice?</p> <ul style="list-style-type: none"> ▪ Do you informally or formally meet with other entrepreneurs to discuss your business and provide each other with advice? ▪ Have you ever served as a mentor to someone else? ▪ Could you describe this relationship including any benefits or negatives that may have resulted? ▪ If you have not served as a mentor do you see yourself doing so in the future? ▪ Can you describe how your mentor relationship has affected your career development?
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Population

This study is based on the information collected from seventeen interviews conducted with a group of entrepreneurs that own businesses in a variety of industries and geographic regions. The interviews were conducted both in person and over the phone as determined by the location of the participants. Each interview lasted approximately forty-five minutes. To ensure accurate and complete retention of the information the interviews were recorded with a digital audio recording device and later transcribed. The participants were identified through a convenience sample. The companies range from less than one year old to three generations old. Table 3.2 provides a participant profile of the entrepreneurs interviewed.

Table 3.2 Participant Demographics

Participant	Industry	Gender
1	Document Imaging	Male
2	Roofing	Male
3	E-Commerce	Male
4	Real Estate	Male
5	Financial Services	Female
6	Financial Services	Male
7	Retail	Male
8	Real Estate	Male
9	Food Industry	Male
10	Lighting, E-Commerce, Equipment Rental	Male
11	Records Management	Male
12	Home Building	Male
13	Engineering Consulting	Male
14	Executive Search	Female
15	Business Technologies Consulting	Male
16	Bio-fuels and Lubricants	Male
17	Financing and Leasing	Male

Expected Outcome

The sum of the literature on mentorship suggests that mentorship can be extremely beneficial. The popularity of mentorship programs within organizations has been on the rise as studies have shown the benefits that have been realized as a result of successful programs. The benefits extend both to the organization and the participants. Organizations have shown that mentorship programs are effective tools for conveying

company culture, spotting talent, and developing human capital¹. More importantly for this study, mentorship has also been shown to have considerable benefits for protégés. The benefits identified for mentees include increased instrumental skills and improved psychosocial competence, which contributes to more promotions, higher salaries, a decrease in burnout and an increase in experiences of accomplishment². As mentioned previously, there is no literature available which studies the role of mentorship among entrepreneurs despite the emphasis put on human capital as a strong determinant of success and failure of entrepreneurial firms. Thus this study strives to address the gap by using mentorship models and theory in a study of entrepreneurs.

Given the successes of mentorship it is expected that this study will uncover significant support structures with high value to the entrepreneurs. It is likely that mentorship relationships among entrepreneurs provide a great deal of both instrumental and psychosocial support.

¹ Stephanie C. Payne and Ann H. Huffman, "A Longitudinal Examination of the Influence of Mentoring on Organizational Commitment and Turnover". *Academy of Management Journal*.

¹ James A. Wilson and Nancy S. Elman, "Organizational Benefits of Mentoring". *Academy of Management*.

² Christine S. Koberg, Wayne Boss, David Chappell, and Richard C. Ringer, "The Relationship of Mentoring and Work Environment to Burnout Among Health Care Professionals". *The Journal of Occupational Psychology*.

Terri A Scandura, "Mentorship and Career Mobility: An Empirical Investigation". *Journal of Organization Behavior*, Vol. 13, No. 2.

CHAPTER IV

RESULTS

Mentorship takes many forms and fills a variety of roles. The current literature provides an extensive description and analysis of the traditional role of mentorship in formal corporate relationships. Mentorship among entrepreneurs has been a much more allusive topic. Little has been identified with regard to the pervasiveness of entrepreneurial mentorship or about the specific roles and forms it takes on. The research conducted for this study reveals a high level of significance for mentorship and presents three models of entrepreneurial mentorship.

This chapter begins by constructing the general image of mentorship for the participants. It presents the significance of mentorship and displays the primary benefits identified by the entrepreneurs interviewed. The three models of mentorship, peer, parental and political, are presented and analyzed. The general categories of instrumental and psychosocial support are then addressed.

Out of the seventeen entrepreneurs interviewed only one person expressed that they had never received mentoring pertinent to their entrepreneurial activities. This individual has served as a mentor to others but had never had a mentor herself. The other sixteen participants were asked two different questions to quantify the significance that mentorship has played in their entrepreneurial ventures.

Significance

The first question asked was, “How much of your success do you attribute to this relationship?” Twelve of the participants provided a clear percentage of their total success that they attributed to their mentor relationships. The percentages ranged in value from 20% to 85% with an average of 39%. Those who did not provide a numerical percentage in their answer, varied in their responses. Two individuals articulated that they would contribute “a small percentage” of their success to mentor relationships. Another person said mentor relationships were “key” to his success.

One response that was particularly interesting provided three different percentages according to the stage of development of his company.

“My success has been primarily from the fact that I am an extremely hard worker and I have a reasonably good personality. Not like a politician, but people tend to get along pretty well with me and I can deal with people when markets are difficult. And then from a business prospective, I’ve hired people like me so our business personality is consistent throughout our client base. At the beginning I would say 60% of what happened in the first 3 or 4 years was the result of people mentoring me. I was willing to work very hard, but I needed help. Then for the next 5 or 6 years, I would say 30%, and that was with the first study group where you would come away and really be convinced that somebody else had a better idea. Now I would say 20%. We go to meetings, we have our conference calls and occasionally you hear a good idea.”

This introduces an interesting idea about how mentorship can aid certain entrepreneurs at varying degrees throughout the life of their businesses. Suggesting that mentorship is more useful at different times as determined by the specific needs of an entrepreneur in coherent with the specific stage of their business. It is probable that different entrepreneurs benefit more from mentorship at different stages of their businesses lives. Some may value mentorship advice more in the founding period

whereas others may find more benefit at other times of their career operation of their company.

The second question to quantify the significance or mentorship asked, “If you had to apply monetary value to the benefits resulting from your involvement in a mentor relationship what would it be? Another way of explaining the purpose of this question is to ask what price would you value this relationship at if it were a purchased service?” Of the individuals who provided a definite monetary value, the responses ranged from \$50,000 on the low end with the highest value being between \$50,000,000 and \$100,000,000. In the analysis of this question it is important to consider the extreme variation in the size and age of the businesses owned by the entrepreneurs interviewed. The companies owned by the participants range from less than one year old to the oldest which was established fifty-one years ago. Furthermore the revenues, assets, and profits also have an enormous range. The companies range in assets from in the low thousands to over \$900,000,000. With this in mind the variation in monetary valuation is better understood. The individuals who did not provide a monetary value responded in several different fashions. Two of the participants answered the question by providing a percentage of revenue, without stating what their businesses have as average revenues. One participant identified the value as “priceless” with the following.

“I think to me the obvious answer is priceless and not just for me but if I’m the CEO of a company I’m representing all the stakeholders and indeed the investors and shareholders so if the value of that mentorship is turned in a positive way to help the business make better decisions and to grow, then everybody benefits. And I don’t know how you put a price on it. I would think about it in that context and I think it’s highly valuable.”

Frequency of Interaction

Knowing the frequency of communication between Mentees and Protégés in a mentor relationship contributes to the general understanding of these relationships. The participants of this study were asked how often they meet with or speak to their mentors. The frequency at which the participants speak with their mentors ranged from “everyday” to “a couple times a year”. The average frequency of communication between the participants and their mentors was 2.3 times per week. In coherence with one of the entrepreneur’s explanation of mentorship having a varying value over the course of his business, several individuals expressed that the frequency at which they speak with their mentors has fluctuated over the years depending on what they are experiencing in their business at the time.

One notable trend that appeared in the results is that most of the people that interact with their mentors most frequently cited their fathers as being their most prominent mentor. It is logical that mentor relationships with family members would result in a higher frequency of communication. It is important to keep in mind that the high frequency of communication is not due to conversations not pertaining to business or mentor advice. The question called for communication to be in direct regard to mentorship activities though it is intuitive that an individual may be more likely to speak more frequently with a family member nonetheless. One of the respondents said, “When you start a business it’s a family affair”. He identified his father as one of his most prominent mentors and this quote displays the joint role of family and mentorship that can exist.

Primary Benefits and Examples of Mentor Influence

Before examining the models of mentorship it is beneficial to see the firsthand accounts of what mentorship is in practice to the participants. Table 4.1 contains quotations that provide stories about specific incidents when a mentor influenced the interviewee.

Table 4.1 Mentorship Examples

Participant	Interview Excerpts
Participant 1	<i>“We have lunch once a week just to get together, usually commiserate, especially with the economic turmoil in the world, change of administration, all crazy stuff that’s going on and how much more interesting that is when you own a small business and to say wow they are really trying to stimulate the economy, well my bank won’t give me a line of credit and that’s very dangerous. How can we make that happen, sooner. But he has been having trouble with a partner. Technically when I started the company I did have a business partner. It was someone that I had met through a buddy through grad school and that lasted 6, maybe 8 months, but then we had to part ways.”</i>
Participant 5	<i>“So Larry is a tough guy and is known for it. I’ve known him to always be fair and decent and honest but not always pleasant. And some of that has influenced me in understanding that my job as CEO of a company is not really to make people happy. It is to provide an opportunity for them to excel, and our culture is based on that and we have a great time and it is fun and people love each other, and it is a very kind organization, but Larry taught me to draw the line and I do draw the line and I think that is very critical to success with the company.”</i>
Participant 8	<i>“When I was going broke in the early 90’s, I had a friend and partner named John Hansen who was about 16 or 17 years older than me. He had gone through a similar set of events and I at the time was in my late 30’s and was effectively bankrupt. He offered me the roadmap out of insolvency back into solvency and essentially taught me that there is more than 1 way to make money in the real estate business. And what he taught me was how to turn the negative reality of insolvency into a positive reality of a fee earning business.”</i>
Participant 9	<i>“He really instilled a work ethic in me. I was able to see what it took to run a business. 1972, the summer after my senior year of high school, he had a fire at the bakery. He made the supplies for all thirty stores, and the bakery totally burned down to the ground and he had to</i>

	<i>provide goods to them within two days. I spent the whole summer doing nothing but working, but I saw the pressure he was under and the incredible drive he had. He rented 4 bakeries in Cincinnati. He went around and rented bakeries that were closed, he would go in and work them at night. And that lasted about 2 months, and before he opened another place that replaced the one that had burned down. Just seeing what he had to go through to keep the business going. Because basically he felt like he had 35 families, stores that he was providing for. It made me see how when you own your own business its strictly you.”</i>
Participant 11	<i>“Here’s an example. I’m also the board of PRISM, and when we have these board meetings, we have dinners and networking time, in talking back and forth one of the other board members told me how he formats his invoice and prints out the finance charges so that it says if paid by such and such a date, \$10, if not paid by such and such a date, \$11. We always had terms of 1.5% per month finance charge, but we never enforced it. But on his recommendation I formatted my invoice like that and all the sudden people started paying the higher amount, I make \$25,000 a year off that. We spend a little time diddling around with our invoice printing and we made that much money.”</i>

These provide an important context for some of the functions that mentorship serves for the entrepreneurs interviewed in this study. The examples provided by the participants vary from examples of increasing profitability, as participants eleven and eight stated, to the implementation and acquisition of business philosophies and personal characteristics as described by participants five and nine.

Identifying what the participants view as the primary benefit of mentorship also aids in laying the foundation for the analysis of the research data collected in this study. Table 4.2 provides some of the responses to the question, “What has been the primary benefit you have received from this relationship?”

Table 4.2 Primary Benefits of Mentoring Relationships of Entrepreneurs

Participant	Primary Benefits
Participant 1	<i>"I would say probably support one and the second would be, I just went through that experience let me tell you what I did."</i>
Participant 2	<i>"To me reassurance is important because I've never had anybody tell me what's a smart idea and what is a bad idea, everything, a lot of moves have just kind of happened and they're either really good ones or really bad ones. Having the reassurance to say this is kind of what I'm doing. He's tells me what to do I'm not necessarily going to listen to him, obviously I'm dealing with my own set of circumstance, sometimes I think I have a really good idea and he can't see it, I'm going to pursue it regardless of what he says. But the reassurance really does provide and help me proceed in my endeavors with a lot of confidence. With that confidence I do a lot better than I would if I was hesitant and the contract sounds fishy, he says it sounds fishy, I'm less likely to pursue things as hard or at least I may be more hesitant in general to pursue something aggressively if I've got a bad feeling about it because its been told to me that its maybe a bad idea. That's not necessarily a bad thing if he tells me to be careful about something, being careful about something isn't bad, but if he tells me go go go and I'm feeling the same way about it, I'm obviously going to make the best of that situation comparatively."</i>
Participant 3	<i>"Its holistic, it has a variety. These folks who were mentors were friends or they became my friends, and I value those friendships tremendously. There is a peace there you just can't put a price on. Folks you can talk to in that way. So yeah I think it just, the friendship thing becomes important and I turn to people who have different perspectives and skills than I do, and the value here too is we all have a blind spot or two, things that are there that we just don't see. Good mentors who care about the people they're working with, point those out in a constructive way, and that's really important."</i>
Participant 4	<i>"I think understanding how to look at deals, understanding how to evaluate risk, how to do business in terms of the importance of your reputation, I think has been a very good foundation based on what my father and grandfather have built. That certainly kept me a step ahead of the game when I started. Our company was very well recognized in the real estate market so I think that was a real advantage. The legal background certainly provided a lot of the fundamentals that I needed to look at documents and understand what I'm getting into and being able to put deals together and figure out how to structure them. And so there were people in the legal field that I was able to go back to and ask questions about"</i>

	<i>how to look into the things. I practiced real estate and corporate law, and some land use stuff."</i>
Participant 5	<i>"I think we could call it managerial and decision-making style. I think also Larry was a nothing to riches story. He was going to DU to get a law degree and to make money on the side he took a job repossessing cars and he learned about credit that way and he went in with some friends and bought an old apartment building and learned about real estate. Then he went on to be one of the wealthiest men in America and a very powerful leader in the community. And so I think he gave me a lot of managerial lessons and no-tolerance for mistakes. Don't even come in here if you don't know what you are talking about."</i>
Participant 6	<i>"My brother who is a bit of an entrepreneur, he is an attorney in a medium sized law firm, but he is a partner in charge of the firm. So he's a level by himself. He has a network of friends. When you are an entrepreneur at a small company, you are it. You're all by yourself even with super qualified employees. You are still responsible for the bottom line. You pay employees regardless of the market. You are all alone up top. The biggest benefit for me would be this partner type mentoring, the sideways type stuff. There are other people fighting the exact same fight. You tend to think that you are in the boat alone, but you are not."</i>
Participant 7	<i>"I've made more money. Had I tried to do everything myself, and that's how I started out, I started out without any partners, I think that they've been an invaluable source of advice and capital and they've taken me a lot farther than I could have gotten myself. I always tell my kids, that you don't learn anything from stupid people or poor people and you certainly don't learn anything from stupid poor people."</i>
Participant 10	<i>"That I can pick up the phone and call and tell him what I am going through, just ask him what I can do. If I'm at a lost for what to do, he'll help me. He had 100 employees at one point, so he's had almost everything happen to him. He can advise as to what to do, or what can happen, don't get screwed by this, tell him you need this, he just has a lot of pointers."</i>
Participant 11	<i>"There's no sense reinventing the wheel. The first benefit is to put to use stuff that has been invented elsewhere and put that stuff to use for the benefit of my business. The second thing is the advice piece, When something comes along and I just don't know how to approach it, I will call one of my buddies and say you know I'm stuck, how do you think I should approach it. A third benefit is venting. Once in a while something comes along and you just want to tell someone about it. The last one is relationships, someone to network with. Sometimes I need to reach somebody in the business community and I don't know that person, so I call someone who can network me to that person."</i>

Participant 16	<p><i>“In the trenches knowledge. One of the problems we’ve seen over the years is that we get a lot of advice from academics, particularly in the agriculture field that think they know business and a lot of them are in such a sheltered world that they really don’t understand that there is a lot of theory out there but there is more than that of day to day grind nose that needs to be done in a company. I look at him as a wealth of knowledge. Right now, he lived through a recession, and in the Midwest we lived through a depression in the mid 80’s. We had to live through that. I really rely on him when it comes to our ability to look at cropping forecasts, monetary values between Canada and the united states based what he sees now and what he thinks will happen. The most I’ve learned from him is the stuff you don’t learn in a book.”</i></p>
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As the above table displays there is variation in what the participants identified as being the primary benefits of their mentor relationships. Several the respondents identified components of psychosocial support as being the primary benefit of mentorship. The responses of participants one, two, and six all drew on psychosocial support. Others identified benefits that are specific to themselves. These included making more money, “managerial style” and access to advice from people with greater levels of experience.

Forms of Mentorship

Mentorship relationships can take several forms. The traditional mentorship relationship that most of the research focuses on is the official mentor relationships that typically occur between an older more experienced person with a younger less experienced individual within the same organization. A couple of the entrepreneurs interviewed stated that before founding their own companies they had worked in organizations where they had been involved in such mentor relationships.

However, due to the nature of entrepreneurship inter organizational mentorship is not the most common practice. Entrepreneurs own their own organizations; their networks are not inter-organizational. Subsequently alternative mentorship models emerge as the norm. The interviews for this study revealed three primary models of mentorship. The model most resembling the traditional form of mentorship is that between fathers and sons. Alternatively peer mentorship emerged as the most common form of mentorship among the entrepreneurs with political mentorship also arising as a prominent presence.

Fathers as Mentors

Eight of the seventeen entrepreneurs interviewed cited their fathers as serving as mentors in their entrepreneurial activities. The demographics of entrepreneurial lineage was prominent among the sample of participants, thirteen of the seventeen participants had at least one parent who was self employed. Furthermore several of the entrepreneurs interviewed have a multigenerational tradition of entrepreneurship within their family with grandparents and great grandparents having been self-employed. Three of the participants who have come from families with multiple continuous generations of entrepreneurs expressed that entrepreneurship is in their blood. Two individuals who cited their father as being among their primary mentors expressed this tradition explicitly below.

“I have always believed that, I’ve come to believe that entrepreneurship is in your blood. Both of my grandfathers were entrepreneurs. My great-grandfather came over from Italy and started companies.”

“I think being an entrepreneur is in the blood. It is not something you learn, and it is not only in the blood, but if you are raised by an entrepreneur, you want to

be one. I always wanted to own my own business. My main motivation was to own my own business. All my friends were making money in their jobs and I quit and spent every last dollar on my business. So you have to have strong motivation to do it because a lot of people who think they want to own their own business never do because they are scared to take that first jump. I always knew that that was in my blood to get it, get started, and from there, I just went for it."

These quotations display the sense of lineage and self-identification some of the participants place on their achievements as entrepreneurs. The second quotation is interesting as it expands on the metaphor of entrepreneurship being in the blood. It goes beyond the attribution of entrepreneurial skills and motivation being an innate skill set one is born with. Through a brief explanation of the power of being raised by an entrepreneur it is easy to connect the significance that mentorship can play within entrepreneurship.

With the demographics and frames of these mentor relationships constructed, it is important to examine the specific benefits and functions these relationships serve for the mentees. Table 4.3 provides quotations that exemplify many of the identifications of fathers as mentors as well as some of support shown by the participants who have fathers as mentors.

Table 4.3 Parental Mentorship Examples

Participant	Interview Excerpts
Participant 2	<i>"I draw a lot of advice from my father, basic guidelines to go by, which are very useful. How do you deal with tough clients, big business decisions, receivables, and situations where someone owes you a large sum of money and you don't know how to get it. Big questions like that."</i>
Participant 6	<i>"So he's probably the key mentor of all that I've had. And that goes in a positive and a negative way. There are a number of things that I've learned not to do by watching things he did. And there are a number of things that I've learned to do by watching what he did. I got to see him start his own business all the way through me working for him."</i>

Participant 10	<i>“My biggest mentor is probably my dad, he’s the best mentor I’ve ever had. He’s been through everything I’ve been through. He has the same values as Sam Walton, low-risk, conservative, take little steps that will put you at the top instead of trying to hit a home run. He has been the one that has been the true mentor. He’s the first one I call on the best and worst days in the business.”</i>
Participant 16	<i>“My father. First and foremost. I grew up watching him create his companies.”</i>

The ability to speak to someone and get advice from a person that has more experience in many of the same things as you are going through is very valuable and can be hard to come by for entrepreneurs. These quotations show that having a mentor within the family who has a rich experiential background is of paramount value.

Peer Mentorship

The research identified that peer mentorship was a very common and highly valued model of mentorship. Nine of the seventeen entrepreneurs interviewed participate in peer mentoring. These relationships as exhibited in this study vary in the formality of the relationships. Some are the result of official membership within entrepreneurial networks, whereas others are informal friendships that have developed into peer mentor relationships. Several of the participants formed small formal peer mentorship groups as offshoots of larger networks they were previously involved in. This exemplifies the pervasiveness of the entrepreneurial spirit of many of the participants, as they innovate and establish new networks to create more effective and more efficient organizations for their needs. Table 4.4 contains a selection of quotations that provides examples of some of the types of peer mentorship previously mentioned.

Table 4.4 Examples of Peer Mentorship

Participant	Interview Excerpts
Participant 1	<p><i>“There’s so many things that happen that you’ll never learn in business school that its hard to deal with. The one thing you’ve touched on that’s probably the most important to me today is there are I would say 3-4 other guys I-know that started companies right when I started and two of them are still around and they are great people to talk to. Now, is it a mentorship, I don’t know. But they are people I can relate to. I can go in and I can tell them things and they understand.”, “It’s also something that I’ve found very useful for me, very necessary for me is having these people to talk to like a de facto board of directors”</i></p>
Participant 2	<p><i>“We recently joined an organization of contractors from around the country, about 200 contractors joined this group, and everybody shares their own experiences from around the industry and everybody implements the better ideas that they hear from the group. That’s an example of us proactively seeking help from other people. That’s called Certified Contractor Network.”</i></p>
Participant 6	<p><i>“I have always made it a point to, when I was starting my business; there was a group of 5 people that we called the “Brotherhood of Investment Guru’s”. 4 others including myself that were noncompetitive, one from MN, TX, MI, Alabama, we would meet quarterly, we were all about the same place professionally, starting a business, and managing it. We were all trying to do the same thing.”</i></p>
Participant 7	<p><i>“There were some people that guide me somewhere but mostly it was a group that I actually helped form and 2 other groups that I helped participate in that helped me the most. 3 were actually formal. 2 were computer related councils. There I was mentoring from my peers. The third group was a group that I helped form for presidents or owners of companies of different fields so that we could connect and act as a board of directors, though not formally as a board of directors, meet once a month and exchange views and review company performance and personal life.”</i></p>
Participant 13	<p><i>“I have is basically all peer. I really can’t say I have found anyone that is older and more experienced in what I am doing. I have 3 or 4 guys about my age that we have a mutual mentorship together. Just Friday I had a 3-4 hour lunch with one of these guys. We brainstorm together and talk about what the challenges I am having at the time and what he is dealing with and provide each other with different perspectives. In the beginning he was more of my mentor but the longer we had our relationship for the more I was able to be a mentor to him too. We meet one on one in person. The different individuals are very helpful in different ways.”</i></p>

Participant 11	<i>"I've been mentored in a number of ways. I have an outside board of advisors made up of four other business executives that I respect a great deal and we meet on a quarterly basis and go through a review of my business. I just joined something called PIG, profit improvement group, and it is a group of six guys like me all from different cities, and so we take turns flying around meeting at their business places and we basically go through their business top to bottom and try to give them advice, mentor them. Data management companies in different cities, the idea being that we are experts but since we don't compete we can share ideas."</i>
Participant 17	<i>"The way my mind works is many times I get an idea and it doesn't stick right away. Lets say confirmation of ideas and peer mentorship focuses you and confirms that you had the right idea. Calls to attention certain points that you need to think about or you need to work."</i>

Peer mentorship differs from the traditional form of mentorship as it is an exchange of support opposed to a one sided transfer of support. Not to say that there are not benefits for the mentors but that is not explicitly part of the design of mentor relationships. Furthermore it is interesting to see that in nearly every case of peer mentorship in this study the relationship has been with more than two individuals. This exposes the diversification of mentor resources displayed in this mentorship model. Opposed to traditional mentorship, which generally involves a single mentor per mentee at a given time peer mentorship includes multiple people drawing a larger variety of experiences and perspectives.

One participant expressed specifically how he gains specialized support from each of his peer mentors.

"He has already been through the success and failure of a business and another success so he has gone through that trough and valley and peak a couple times and has been married for twenty some years. So he was able to say how a spouse views things, you know she doesn't know the business, it's a different communication set you need to keep your spouse in the loop supporting you. There is another guy that I talk to about how to politic how to network how to think outside of the box."

As previously mentioned, the establishment of official peer mentorship groups provides an interesting angle on mentorship. Some of these groups created by the participants function as consulting groups or as boards of directors. One entrepreneur said, "It's also something that I've found very useful for me, very necessary for me is having these people to talk to like a de facto board of directors." In addition to an exchange of mentor support within one of the participants peer mentorship groups there are instances of direct evaluation of each other's businesses providing each other with advice. Below is an example of such a group that was created as a spin off of a large network.

"PIG (Profit Improvement Group) was a spin-off from our international trade association, I'm a member of PRISM, professional information service managers association international, anyway, Professional records and information services management, and one of our vendor members is a consultant and she does PIG's, and she organized a couple of them, and solicited me to sit in a couple of them and I got enough good feedback that I thought I'd give it a try."

For others peer mentorship support is much more informal. When asked about how he was influenced by his peer mentors he said "I will have an idea about what I want to do and I will bounce that off of three or four folks and in that process I will develop a plan that is more effective". This concept of brainstorming and seeking feedback on ideas with peer mentors was prominent among the entrepreneurs interviewed. One interviewee provided an interesting explanation of why peer mentorship is so valuable to him as a small business owner.

"I own the company, it's just me and when I make decisions it's hard to go to the worker bees. I don't want that to sound derogatory but I'm trying to delineate between mentorship slash management and everyone else. If I have some financial crises, funding is low, you can't get a line of credit, etc. etc. That might not be a message I want to take back to everyone. Oh by the way I have no idea how we're

going to make payroll in 3 days. Okay um I am a big believer in honesty, but I'm also a big believer in let's not unnecessarily panic people."

Peer mentorship appears to fill a much-needed position of support for many entrepreneurs who feel the pressures of isolation in decision-making and understand the value of team support.

Political Mentorship

Another model of mentorship that appeared in the research is political mentorship. Five of the seventeen participants cited that they utilize political mentorship. The primary types of political mentorship found in this study are the use of business books and entrepreneurial role models. Many of the participants were enthusiastic with regard to speaking about this more unusual form of mentorship. One entrepreneur stated, "What is interesting is that political mentorship. What it allows is that we have studied several other people and we are trying to adopt some of their behaviors that fit. So that's sort of a path of mentorship and that did help us a lot."

Table 4.5 is a selection of quotations that exhibit some of the ways that individuals participate in political mentorship.

Table 4.5 Examples of Political Mentorship

Participant	Interview Excerpts
Participant 1	<i>"I've always enjoyed good biographies and I've always enjoyed reading about some of the giants of industry and how they started from nothing and grew something big. I remember in high school reading Walt Disney's biography, and do I agree with every decision he ever made? No, but to really look at kind of what he went through, amazing. Or the invention of Hershey's or just name your favorite business person. And even name some of the ones that maybe are reviled a little bit today, to see what they are going through. Look at Bill Gates, he's an easy one to pick on I know he's a pretty big target, but I saw a biography on him the other day on the biography channel and its just very interesting, there's</i>

	<i>always something you can learn from that”</i>
Participant 7	<i>“Warren Buffet is the most significant individual because his attitude towards treatment of partners and people in business.”</i>
Participant 10	<i>“I read a lot of books about successful entrepreneurs and I try to do things that parallel the ideas and the attitudes that some of these entrepreneurs portrayed. One of these is Sam Walton. The belief that he had that, the fact that he drove the same ford pickup until the day he died, the fact that his company was headquartered in Arkansas, they’re not fancy companies, very prudent. Those kinds of people that have the same types of beliefs as Sam, almost tightwad, he would charge his employees 5 cents for coffee. If you make money, you don’t have to flaunt it with a new truck. I read lots of books about that and every one of them I try to pick up 1 or 2 things to work on or improve or emulate within the company.”</i>
Participant 17	<i>“What is interesting is that political mentorship. What it allows is that we have studied several other people and we are trying to adopt some of their behaviors that fit. So that’s sort of a path of mentorship and that did help us a lot.”</i>

Many types of support are derived from these activities. Inspiration and life philosophies are the two primary ideas that are embraced in these examples. The admiration held for some of the political figures, is extended into emulation. Integrating the practices of successful publicly recognized entrepreneurs is a valued practice of these participants.

A secondary part of political mentorship that was less stressed in the interviews was the use of popular business books. The emphasis was placed on biographies and case studies of famous entrepreneurs; however, there was some mention of the usefulness of some books on business. A participant shared the following.

“Not everyone takes the advice they are given. Very few actually implement the ideas, they sit in the audience and nod, read the books, and go to the seminars and say yep yep, and they don’t make the changes. That’s one of the things that really separates those ones who take the mentoring and execute the advice.”

This is interesting as it explains that both in personal mentorship and political mentorship there is more that goes into it than just hearing the advice. An individual must be able to carry out the advice they find to be valuable

Categories of Mentorship Support

The support provided by mentor relationships can be divided into two categories, instrumental and psychosocial support. Instrumental support is composed of the teaching of technical skills that contribute to the ability of a mentee to perform their career tasks. An example of this would be bookkeeping or lease negotiations. It is apparent that with the participants interviewed, instrumental support is not the most highly valued or most prominent form of support. The participants struggled to identify examples of instrumental support provided by their mentors. Psychosocial support, however, is seen as a much more valuable and prominent aspect of the mentor relationships explored in this study.

Instrumental Support

Instrumental support can be crucial in certain aspects of entrepreneurship. A mentor can provide support that can save an entrepreneur incredible amounts of money and trouble. Advice of specific implementations can be particularly useful in certain instances. Furthermore the transference of technical knowledge is critical to an individual's ability to perform in a given industry. Table 4.6 provides examples of instrumental support that interviewees provided.

Table 4.6 Examples of Instrumental Support

Participant	Interview Excerpts
Participant 2	<p><i>“Bookkeeping, we started the business, we had no way of keeping the books, he said you have to get on QuickBooks, you can’t run a business without QuickBooks. Needless to say QuickBooks is an integral part of our company now. It has been since the start for 3 years. Accounting you can’t run a legitimate business unless you do accounting. You have to have somebody watching the books. We have a full in-house accountant and outside accountant. There’s a ton of specific things like that where if I were to spend a day thinking about it I could probably come up with a list of like a dozen things that are integral parts of our business that I can directly attribute to things that came directly from talking with my father.”</i></p>
Participant 10	<p><i>“The first one that comes to mind is my dad taught me early on how to handle angry customers, and that is one of the hardest things to do as a small business owner because you always want to please everybody, and if you are passionate about your business it kills you if someone is unhappy, but you’re always going to make someone mad. He taught me how to handle those people. They’re going to call and rant and rave and tell you what an idiot you are, tell u your product sucks, your service sucks, and when they are all done you agree with them and say, look you are right, we are all wrong, we should have done this and that, and they expect you to fight/bicker with them. And you just let them blow and it just takes the wind right out of their sales. And then you say, what can we do to make it right with you. It may cost you hardly any money to get it right, and they’ll be so happy they’ll tell a ton of people and that will really help. It’s a fine line to walk though, its very important.”</i></p>
Participant 9	<p><i>“The specific things I’ve learned dealt with being a buyer for products. When I first worked with him it was strictly manual labor, working in a bakery, driving a truck and then as I was there longer he taught me about dealing with the salesman and buying product. It was a whole lot more than I ever had any idea as far as making sure you were getting a fair price, and how to get a fair price, whether you were buying a semi-load or you know there was just a whole lot more to it than I had any idea.”</i></p>

These three examples of instrumental support provided by fathers who are mentors display some of the instrumental support functions that were found among the participant pool.

Instrumental support can be acquired in many ways. Mentorship one example of how the skills and support can be acquired. Several of the participants said that they had attained their instrumental skill set from jobs held prior to the founding of their companies. One participant said the following.

“I did have another mentor who is actually my husband at this point and he was my boss for a number of years and taught be about mortgage backed securities and how to buy them and trade them. And he really gave me my securities skill set by letting me help him price these securities, buy them, close them, manage them. So Larry gave me managerial, but Harvey gave me the really technical part that you really can't get unless you are in that job. My MBA kind of set me up, but you have to work in a trading capacity to truly understand bonds.”

Another avenue of gathering instrumental support is through communication with employees and partnering businesses. A participant said the following.

“There is a little technical with some relationships. There is another group of people that imparted technical skills but they aren't really mentors they were subcontractors and employees. If you are going to run a business you have to have the technical skills and the business skills. The technical guys don't have the skill set to be in business where the peer mentors are guys that are doing what I am doing or what I want to be doing”.

This introduces an interesting viewpoint on the nature of instrumental support. This participant expressed that he did not see a lot of instrumental support as part of mentorship. To him psychosocial support was what he saw as being unique to mentorship. This was not an isolated viewpoint; general attitudes placed a higher value on psychosocial mentorship.

Psychosocial Support

Psychosocial support was cited as a primary benefit of mentorship. It can be identified within more than half of the participant's responses to the question of what the primary benefit of mentorship was for them. As previously mentioned this form of

support appears to be particularly valuable to entrepreneurs due to the degree of isolation in leadership that can be found among entrepreneurs. Tying into the some of the themes discussed under peer mentorship, the troubles entrepreneurs face can be very unique. Several of the participants expressed that not many people can relate to their worries and struggles, thus when it can be found, psychosocial support is emphasized by many as a form of support that is of the utmost importance. Below in table 4.7 there is a collection of quotations from the study citing aspects of psychosocial support that were seen as beneficial to the participants.

Table 4.7 Examples of Psychosocial Support

Participant	Interview Excerpts
Participant 1	<p><i>“Just to be able to commiserate, just to kind of be able to chew the fat with people that are in the exact same position, is hard to put a number or a percentage to. To say this means so much... When you start your own company you can’t leave work at work and that takes a mental toll on you regardless how tough you are and how much do you have your act together, its still going to wear you down, and significant others, even your best buddies, they don’t realize how tough it is. Or they realize but they can’t relate, you know they can give you advice but it doesn’t carry as much weight as the people in the mentors, they realize. That is a huge relief, even if you just go in and kind of decompressing with them and downloading before you get to ideas, that is just an immense benefit.”</i></p>
Participant 3	<p><i>“In the last 4 or 5 years I’ve been fortunate to meet some people who are kind of in the personal transformation business in a legitimate way and have really helped teams and high performing teams really look at themselves and figure out what are your signature strengths, what are you best at, what are you not best at. One life coach in particular that I worked with for about 1.5 years, he and some other folks that I worked with too, not just an individual, but these are folks that work for kind of a guild who all do similar work around personal coaching and guiding, that helped take ...I guess I’m kind of a devotee of personal development. You’ve got to constantly kind of look at yourself and say kind of where am I, am I on the right path, is this working for me, do I want to make a change, is this something I’d like to improve, and how can I better serve. I think for me, that’s where I am right now. It is all about, in a business environment, about service. How can I serve others, as a mentor, as a coach, whether or not I’m in a CEO role or not. The cornerstone of that</i></p>

	<i>was really worrying about purpose, why am I here. And one guy really helped me discover that and create an identity around that, and it was unbelievable powerful.”</i>
Participant 8	<i>“Yeah, there have been times when I’ve had partners who have been... my current partner and I went through financial trouble around the same time so we have been where we were help to each other socially and emotionally and psychologically.”</i>

The mitigation of stress and the ability to connect with other people that the participant can relate to is revealed as a major theme of psychosocial support.

Ultimately the data identifies that as a group the entrepreneurs interviewed place a significant value on mentorship whether it is peer mentorship, parental mentorship, or political mentorship. These relationships are viewed as a critical part of the entrepreneurs’ success, providing both instrumental and psychosocial support. The specific benefits cited vary between the participants, from tangible examples of correcting a problem to more pervasive themes of reassurance. It appears that mentorship among entrepreneurs is highly variable as there is no checklist or company issued mentorship rubric. Despite the variability there are most definitely common themes of mentorship within the participants interviewed.

CHAPTER V

CONCLUSION

This thesis explored the role that mentorship plays in entrepreneurial ventures. The conclusions come from the quantitative data collected from seventeen transcribed interviews with a variety of entrepreneurs. This study has taken a first look into mentorship among entrepreneurs. Though there is an abundant and rich mentorship literature base very little has been studied with regard to entrepreneurs.

A series of questions was asked to identify the scope and significance of mentorship among entrepreneurs. All but one of the seventeen entrepreneurs interviewed identified that they have had been mentored. This is not a common metric used in mentorship studies because they generally will look at participants in formal mentorship programs. Nonetheless this is an extremely high frequency of mentorship especially considering that the one individual who did not have a mentor has indeed served as a mentor to several other people.

In prior mentorship studies a variety of methods have been used to identify the effectiveness and value of mentorship for the mentees. Among the most prominent outcomes were rates of promotions, salary increases, reduced turnover, number of

absences and a reduction in employee burnout¹. For this study of entrepreneurs a different metric was needed to try to identify the significance and effectiveness of mentorship. Subsequently participants were asked to identify what percent of their success they would attribute to mentorship and what monetary value they would assess to the benefits resulting from their involvement in mentor relationships. The percent of the participants' success that was attributed to mentorship ranged between 20% and 85%. The monetary value of the benefits resulting from mentor relationships ranged from \$50,000 on the low end to between \$50,000,000 and \$100,000,000 on the high end. This provides an interesting metric to evaluate the effectiveness of mentorship. These are high percentages and monetary figures supporting the vast research supporting the positive influence of mentorship. These figures support the conclusion of mentorship resulting in tangible benefits, similar to the work of Koberg and Scandura².

The application of some of the themes and models used in the study of mentorship within organizations proved to provide an effective platform for exploring the role of mentorship among entrepreneurs. Three models of mentorship provided by prominent mentorship researchers, Kram, Lynn, and Higgins, provided a framework for the identification of what kinds of mentor relationships are found within the world of

¹ Christine S. Koberg, Wayne Boss, David Chappell, and Richard C. Ringer, "The Relationship of Mentoring and Work Environment to Burnout Among Health Care Professionals". *The Journal of Occupational Psychology*. 1993

Terri A Scandura, "Mentorship and Career Mobility: An Empirical Investigation". *Journal of Organization Behavior*, Vol. 13, No. 2. 1990

² Christine S. Koberg, Wayne Boss, David Chappell, and Richard C. Ringer, "The Relationship of Mentoring and Work Environment to Burnout Among Health Care Professionals". *The Journal of Occupational Psychology*. 1993

Terri A Scandura, "Mentorship and Career Mobility: An Empirical Investigation". *Journal of Organization Behavior*, Vol. 13, No. 2. 1990

entrepreneurship³. The participants were asked if they participated in or had ever participated in a traditional, peer or political mentor relationship. They were also asked to identify if they have participated in a mentor relationship of any other form.

With nine examples of peer mentorship it was the most common form of mentorship among the participants. This appears to be a logical occurrence given the absence of an organized hierarchical structure of older more experienced individuals available to serve as mentors as is common in the corporate world. Kram has conducted considerable research on the subject of peer mentorship within organizations. She identified this activity primarily as an alternative to traditional mentorship. This is logical within a corporate environment as there are specific functions of traditional mentorship that are not found in peer mentorship such as providing challenging work projects and increasing the visibility of the mentee for future promotion⁴. Furthermore the psychosocial components previously identified by Kram were reconfirmed among the entrepreneurs interviewed. These components include confirmation, emotional support, personal feedback, and friendship⁵. However in contrast to Kram's conclusions concerning peer mentorship within organizations the functions of peer mentorship between entrepreneurs appear to be more comprehensive. There are certain aspects of Kram's analysis that suggest the functions of the traditional mentorship model to be more comprehensive than peer mentorship. Two of the functions identified within traditional

³ Monica C. Higgs and Kathy E. Kram, "Mentoring at Work: A Developmental Network Perspective". *The Academy of Management Review*, Vol. 26, No 2. 2001
Kathy E. Kram and Lynn A. Isabella, "Mentoring Alternatives: The Role of Peer Relationships in Career Development". *Academy of Management Journal* 1985.

⁴ Kram, Kathy E. and Lynn A. Isabella, "Mentoring Alternatives: The Role of Peer Relationships in Career Development". *Academy of Management Journal* 1985.

⁵ Kram, Kathy E. and Lynn A. Isabella, "Mentoring Alternatives: The Role of Peer Relationships in Career Development". *Academy of Management Journal* 1985.

mentorship that was excluded from peer mentorship are role modeling and counseling⁶. These functions were exhibited by the participants of this study. With the variation of the fields of experience and expertise of the peer mentors it was apparent that different peer mentors served as role models and counselors in certain aspects of entrepreneurial activity. Many entrepreneurs identified that among their groups of peer mentors they went to different peers for specific support functions. Many of the entrepreneurs interviewed had very impressive networks of peer mentors that complimented the participants various needs for support. One participant who provided the following quotation presents a great example of this.

“One of the guys is very helpful in a marital stand point. He has already been through the success and failure of a business and another success so he has gone through that trough and valley and peak a couple times and has been married for twenty some years. So he was able to say how a spouse views things, you know she doesn't know the business, it's a different communication set you need to keep your spouse in the loop supporting you. There is another guy that I talk to about how to politic how to network how to think outside of the box.”

Very little formal traditional mentorship was identified. A couple of the interviewees had been part of formal mentorship programs prior to becoming entrepreneurs. This was a minor component to the overall body of mentorship found in this study. However, the second most common form of mentorship was between fathers and sons. Eight of the entrepreneurs interviewed revealed that their fathers had been the most influential mentors in their careers. This evidence supports the findings of Bruderl who has conducted extensive studies on the determinants of success and failure of entrepreneurial firms. Bruderl identified that an entrepreneur who has a self-employed

⁶ Kram, Kathy E. and Lynn A. Isabella, “Mentoring Alternatives: The Role of Peer Relationships in Career Development”. *Academy of Management Journal* 1985.

father is much more likely to succeed than those who do not⁷. The value placed on these paternal mentor relationships were very high with strong examples of their efficacy. Furthermore there were several examples of multigenerational entrepreneurial lineage in many of the participants' families. The father son mentor relationship is the model that most closely matches that of the traditional mentorship model due to the gap of age and experience between the mentor and mentee. This is a strong similarity however the relationship also has significant differences due to the familial ties.

The third form of mentorship identified was political mentorship. Five of the seventeen participants stated that they utilize political mentorship. This form of mentorship did not vary from the classic definition. The participants used successful famous entrepreneurs as political mentors adopting some of their philosophies. Other public figures were also cited as political mentors for exemplifying a variety of other positive attributes. These findings supported the identified functions and benefits of political mentorship provided by Witkins⁸.

Beyond the exploration of the models of mentorship the kinds of support provided by the mentor relationships were also explored using the previously identified categories of instrumental and psychosocial support⁹. In this thesis it became clear that there was a special value placed on psychosocial support by many of the entrepreneurs interviewed. Many interviewees displayed a great appreciation for having other entrepreneurs to talk

⁷ Josef Bruderl, Peter Preisdorfer, and Rolf Ziegler. "Survival Chances of Newly Founded Business Organizations." *American Sociological Review*, Vol 57 (April:227-242) 1992. <http://www.jstor.org/stable/2096207>.

⁸ Lee Witkins. "Leadership as Political Mentorship: The Example of Wayne Morse". *Political Psychology Vol. 7, No. 1*.

⁹ Belle Rose Ragins and Terri A. Scandura, "Burden or Blessing? Expected Costs and Benefits of Being a Mentor". *Journal of Organizational Behavior*.

to that could truly understand the challenges, troubles, and worries associated with owning your own business. With this, psychosocial support rose as the more significant of the two forms of support. An interesting observation regarding instrumental support is that many of the participants cited that they gained much of their instrumental skill set through work experience prior to becoming entrepreneurs. This is understandable, as many entrepreneurs will work within an industry before seeing an opportunity for entrepreneurial entry.

One difference that this points to is the primary difference of interest in career development, which is very much stressed under mentorship within organizations¹⁰. Entrepreneurs are already at the top of their organizations. The primary function of mentorship is not to better equip them for promotion. One purpose identified by several entrepreneurs was increased business performance and profitability. This is somewhat analogous however there is most definitely large enough differences to significantly alter mentorship. The other form of mentorship found in this study was the purpose of mentorship as a psychosocial support structure to mitigate the worries, troubles and challenges of entrepreneurship. This is a function that is intrinsically unique to entrepreneurs.

Given these findings there is definite room for further inquiry. This thesis utilized a relatively small participant pool of seventeen entrepreneurs gathered through a convenience sample. Increasing the sample size could provide a greater understanding of the prevalence of the mentorship models. A larger sample size could also provide data

¹⁰ Kram, Kathy E. and Lynn A. Isabella, "Mentoring Alternatives: The Role of Peer Relationships in Career Development". *Academy of Management Journal* 1985.

suitable for statistical analysis allowing for the general population of American entrepreneurs.

Another limitation of the study was the diversity of the participant pool. Though the diversity of region, industry, business size, and business age were relatively strong, the gender and racial diversity was very low. Among the seventeen participants there were only two females and only one minority entrepreneur. This could create bias in the results because this is not reflective of the actual distribution business ownership of women and minorities. Within the sample used for this study 94% of the entrepreneurs were white the actual figure is closer to 83%¹¹. Female business owners were also under represented in this study's participant group. Twelve percent of the participants in this study were women opposed to the 28% reported in 2002¹². Following the trends the actual current percent of businesses owned by women is probably much higher. Given these discrepancies in a further study it would be beneficial to create sample population that would consist of demographics that would be more true to the actual population of entrepreneurs.

Another interesting contribution to this study of mentorship within entrepreneurial ventures could be the administration and analysis of a survey. This could explore the themes identified by this study on a much larger scale. For example a survey could be developed that emphasizes more specifically peer mentorship and the types of psychosocial support prevalent in these relationships.

¹¹ Women in Business: A Demographic Review of Women's Business Ownership. Office of Advocacy U.S Small Business Administration. <http://www.sba.gov/advo/research/rs280tot.pdf>

¹² Women in Business: A Demographic Review of Women's Business Ownership. Office of Advocacy U.S Small Business Administration. <http://www.sba.gov/advo/research/rs280tot.pdf>

This study has made advances in identifying the role of mentorship among entrepreneurs. First, the significance and primary benefits according to the participants were highlighted. Second, three primary models of mentorship were identified; peer, parental and psychosocial. With many findings supporting prior research on mentoring, there are some significant differences between traditional mentorship within organizations and that found between entrepreneurs. With this foundation, further exploration of entrepreneurial mentorship will undoubtedly lead to many more valuable findings.

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