

Entrepreneurial Mentoring: Informal Mentors and Mentoring Relationship with Entrepreneurs

TAKEUCHI, Airi *

INABA, Yushi **

I. Informal entrepreneurial mentoring

This study explores the benefits of informal mentoring for entrepreneurs and small business owners. Studies have shown the positive outcomes of ‘entrepreneurial mentoring’ (St-Jean & Audet, 2009), such as how mentorship has become a critical success factor (St-Jean & Audet, 2013) for entrepreneurs and small business owners. While several studies discuss ‘formal’ entrepreneurial mentoring, the concept of ‘informal’ mentorship remains unrecognized and rarely researched. Mentoring can be defined as ‘... a process for the informal transmission of knowledge, social capital, and the psychosocial support perceived by the recipient as relevant to work, career, or professional development.’ (Bozeman & Feeney, 2007).

This study clarifies the attributes and benefits of informal entrepreneurial mentoring by investigating its mentoring characteristics, outcomes, and its mentoring relationship with the entrepreneur (protégé). This poses two questions: What are the common features of entrepreneurs’ informal mentors? Which factors lead to a positive informal entrepreneurial mentoring relationship?

II. Literature review

1. Entrepreneurial mentorship

Mentorship is a proven key success factor for ventures and small companies at all entrepreneurial stages; thus, support for entrepreneurs is essential for

* Sony Interactive Entertainment. email: airi.takeuchi111@gmail.com

** International Christian University. email: inabay@icu.ac.jp

business continuity, according to St-Jean & Audet (2013). Additionally, entrepreneurs develop cognitive and affective learning through mentoring, ‘... including the ability to identify opportunities and develop a coherent vision’ for their business (St-Jean, 2012). Some studies have suggested the significance of mentorship in business management (Bisk, 2002; Cull, 2006; Kent, Dennis, & Tanton, 2003), improving entrepreneurs’ ability to manage, achieve goals, and learn, and increasing turnover, jobs, and profits (Deakins et al., 1998). Janasz & Peiperl (2015) show how protégés’ company performance improves with mentors’ support.

2. Categorization of mentoring relationship outcomes

Mentorship outcomes for entrepreneurs vary depending on their characteristics and stage. Bozeman & Feeney (2007) claim that mentoring theory remains underdeveloped despite numerous studies on the subject. There are a variety of widely supported mentoring relationship outcome categories for entrepreneurs, such as career support (Ragins, 1997; Ragins, Cotton, & Miller, 2000; Singh, Bains, & Vinnicombe, 2002), psychological support (Arthur & Kram, 1983; Noe, 1988; Scandura, 1992, 1997; Scandura & Viator, 1994; Zey, 1984) and role modeling (Bouquillon, Sosik, & Lee, 2005; Lockwood, Jordan, & Kunda, 2002; St-Jean, 2011; Waters et al., 2002). Existing research has shown that mentors help entrepreneurs in developing entrepreneurial self-efficacy (Arthur & Kram, 1985; Radu Lefevbre & Redien-Collot, 2013; St-Jean & Audet, 2013), discovering leader identity and career goals (Muir, 2014; Stanigar, 2016; St-Jean & Audet, 2009), and improving business performance (Sullivan, 2000). This finding suggests that mentoring is essential for entrepreneurs’ mental health when developing a successful business.

Kunaka & Moos (2019) identified four categories of mentoring outcomes: skill transfer outcomes, knowledge transfer outcomes, entrepreneurial resilience, and business outcomes (Table 2-1).

Table 2-1: Categories of Mentoring Outcomes

| Category of mentoring outcomes | Skill transfer outcomes | Knowledge transfer outcomes | Entrepreneur resilience outcomes | Business outcomes |
|--------------------------------|---|-----------------------------|---|--|
| Mentoring outcomes | Opportunity identification and evaluation | Understanding accounts | Validating entrepreneurial self-image | Increase in productivity levels |
| | Clearer business vision | Managing operations | Increasing self-efficacy and confidence | Improved after-sales follow-up |
| | Ability to manage a business | Human resource management | Fostering entrepreneurial culture | Increased product range |
| | Achievement of goals | | Encouraging personal development | Increased sales revenue |
| | Networking | | | Increased profitability Reduced costs Improved business survival |

Note. Adapted from “Evaluating mentoring outcomes from the perspective of entrepreneurs and small business owners,” by Kunaka, C. and Moos, M. N., 2019, *The Southern African Journal of Entrepreneurship and Small Business Management*, 11(1), 3. Copyright 2019 by Kunaka, C. and Moos, M. N”.

This study uses Kunaka & Moos’s (2019) categorization to investigate informal entrepreneurial mentoring cases’ outcomes from the protégés’ viewpoints.

3. Informal mentoring relationship

In informal mentorships, mentors and protégés pair up through their own will (Allen, Eby, & Lentz, 2006) and meet as often as needed or desired. In contrast, formal mentoring relationships are established and managed by a third party, based on an individual’s occupation, and not spontaneous (Chao, Walz, &

Gardner, 1992). The frequency and location of meetings may be specified in a contract (Ragins et al., 2000). Informal relationships contribute to a successful mentoring relationship, whose incentives are mutual liking, identification, and attraction (Kram, 1983; Ragins & Cotton, 1999).

Formal relationships usually last between six months to a year (Murray, 1991; Zey, 1985), and their goals are specified when the connections are formed. In contrast, informal relationships last between three and six years (Arthur & Kram 1985), while goals evolve and are adapted to protégés' personal needs. Proximity and interaction frequencies are moderately correlated, indicating that mentors and protégés, who are closer to each other, interact more frequently (Allen et al., 2006). Frequent interactions build trust that stimulates mentors' roles, such as psychological and career functions (St-Jean, 2012).

While existing research has revealed the keys to developing a positive mentoring relationship, it has mainly focused on *formal* mentoring relationships. This study introduces factors for successful mentoring relationships and references them to establish and categorize those necessary for developing successful *informal* mentoring relationships.

III. Methodology

Quantitative and qualitative methods were used to investigate, describe, and interpret informal entrepreneurial mentoring relationships. Numerical measurements and in-depth explorations (McCombes, 2019) were combined.

1. Research design

Questionnaire surveys and semi-structured interviews (Bhattacharjee, 2012; Sarantakos, 2013; Silverman, 2016) were utilized. Questionnaires were distributed to entrepreneurs in Tokyo, Japan. Online and face-to-face interviews were conducted with both mentors and protégés experienced in informal mentoring. Interviews included both formal and open-ended questions. Additionally, in-depth discussions were held.

The questionnaire targeted Japanese entrepreneurs, both those who had and

had not been mentored by an informal mentor(s). The questionnaire solicited attributes such as entrepreneurs' basic information and years since they started their companies and entrepreneurial stage (Petch, 2016). To collect factual data on informal mentors, we asked if anyone had supported them in achieving one of the informal mentoring outcomes (Burke & McKeen, 1997) instead of asking the respondents if they had had 'informal mentors'. Respondents' support from 'informal' mentors was determined based on Kunaka & Moos's (2019) framework and mentoring outcomes demonstrated.

Respondents who were supported by an individual (informal mentor) provided their basic information and how they were supported in both personal and business spheres. All respondents provided their views regarding informal mentoring (and provided with the definition (Bozeman & Feeney, 2007)) using a 6-point Likert-type scale (Umukoro & Okurame, 2018). The statements are as follows.

| | |
|----|---|
| Q1 | Receiving support and advice from people outside the organization to resolve company issues and determine future actions is important |
| Q2 | Informal entrepreneur mentoring is common in Japan |
| Q3 | Informal entrepreneur mentoring plays an important role in improving business success rates in Japan |

Respondents who had informal mentors were also asked about their views on what created a positive mentoring relationship using the same 6-point Likert-type scale:

| | |
|----|---|
| Q4 | The presence of informal mentors plays an important role in growing as a person and leader |
| Q5 | To build a good 'mentoring' relationship, it is important to have a personal or friendly relationship with the mentor |
| Q6 | To build a good 'mentoring' relationship, it is necessary to recognize each other as a mentor and protégé |
| Q7 | To build a good 'mentoring' relationship, it is important to build relationships that can support (mentor) each other |

Finally, the respondents answered an open-ended question asking them to list

their selection criteria for informal mentors (Q8) and their views on the kind of mentoring relationship that was required to maintain a positive and long-lasting connection (Q9).

2. Sampling method and data collection

Snowball sampling (Fricker, 2017) was used for the questionnaire survey. Purposive sampling (Patton, 2015; Ritchie, 2014) was used for the interviews, since the respondents had to meet the criterion of ‘having experience starting a business in Japan.’ Questionnaires and interviews were administered in Tokyo.

3. Samples

The total sample size is nineteen. Among them, three were interviewed for

Table 3-1: Respondents’ Demographics

| Variable | | Percent (%) | Frequency (N) |
|-----------------------|------------------------|-------------|---------------|
| Gender | Male | 78.9 | 15 |
| | Female | 21.1 | 4 |
| Nationality | Japanese | 89.5 | 17 |
| | American | 10.5 | 2 |
| Age | 21~30 | 26.3 | 5 |
| | 31~40 | 36.9 | 7 |
| | 41~50 | 10.5 | 2 |
| | 51~60 | 26.3 | 5 |
| Level of Education | high school | 21.1 | 4 |
| | vocational college | 5.3 | 1 |
| | university (bachelor) | 52.6 | 10 |
| | university (master's) | 10.5 | 2 |
| | university (doctorate) | 10.5 | 2 |
| Entrepreneurial Stage | Seed | 15.8 | 3 |
| | Start-up | 31.6 | 6 |
| | Growth | 31.6 | 6 |
| | Established | 15.8 | 3 |
| | Expansion | 5.2 | 1 |
| | Maturity | 0 | 0 |
| Size of Company | 1~5 | 52.6 | 10 |
| | 6~10 | 31.6 | 6 |
| | 11~20 | 10.5 | 2 |
| | 21~30 | 0 | 0 |
| | 31~40 | 5.3 | 1 |

further investigation (purposive sample). Table 3-1 highlights the entrepreneurs' demographic variables.

Background information on respondents' entrepreneurship, such as firm age and activity, was also collected. The firm's age range is 18.5 years, with an average of 5.29 years. Regarding firm activity, 50% is 'service,' while 21.4% involves 'advertising.' Of the respondents, 57.1% (8) had experience working for a company or freelancing before they started their own business, while 35.7% (5) started their first business while they were students. Only one respondent (7.1%) started their first business after graduation.

IV. Questionnaire and interview results

The results were collected and analyzed both quantitatively (descriptive and inferential analyses) and qualitatively (content and narrative analysis) (Bhatia, 2018). Table 4-1 presents the means, standard deviations, and correlations between respondent characteristics and responses to the questions on a Likert-type scale.

Table 4-1: Means, Standard Deviations, and Correlations Between Question Responses

| | Mean | SD | Age of respondent | Stage | Size | Education | Avg. number of mentor outcomes |
|----|-------|-------|-------------------|--------|--------|-----------|--------------------------------|
| Q1 | 4.105 | 1.761 | 0.095 | -0.096 | 0.287 | 0.086 | -0.037 |
| Q2 | 3.474 | 1.679 | -0.213 | -0.132 | 0.202 | 0.257 | 0.489 |
| Q3 | 4.263 | 1.593 | 0.433 | -0.296 | -0.490 | 0.339 | -0.205 |
| Q4 | 4.286 | 1.541 | -0.148 | 0.297 | -0.132 | 0.192 | 0.336 |
| Q5 | 4.357 | 1.393 | 0.115 | -0.011 | 0.515 | 0.340 | 0.374 |
| Q6 | 2.786 | 1.847 | 0.151 | -0.234 | -0.373 | 0.032 | 0.082 |
| Q7 | 4.214 | 1.424 | 0.388 | -0.096 | 0.211 | 0.125 | 0.188 |

Note. Questions used a 6-point Likert-type scale. Q1,2,3 sample size = 19, Q4,5,6,7 sample size = 14.
SD = standard deviation.

1. Analysis based on Likert-type scale inquiries

Of the 19 respondents, 14 (73.7%) were supported by an individual (informal mentor). The average number of informal mentors per respondent is 2.5. As Burke and McKeen's (1997) strategy, the results suggest a substantial presence of informal mentors. Table 4-1 shows that entrepreneurs believe in the importance of external support ($\bar{x}=4.105$), although informal entrepreneurial mentoring is relatively uncommon ($\bar{x}=3.474$). Thus, although most entrepreneurs have had substantial informal support and believe it is crucial, they are unfamiliar with the term 'informal mentoring'. Three respondents who selected 1 (strongly disagree) to 3 (slightly disagree) on Q2 were unfamiliar with the term, although all three had substantial informal mentoring. One of them added that because the significance of informal mentoring was yet to be demonstrated, the term remained uncommon, especially in Japan.

With a mean of 4.263, informal mentoring plays a certain role in entrepreneurship with the potential to be successful, whereas with a close mean of 4.286, informal mentoring effectively provides leadership skills to entrepreneurs. In positive mentoring relationships, being able to talk openly, having a friendly relationship ($\bar{x}=4.357$), and building a supportive relationship between mentors and entrepreneurs ($\bar{x}=4.214$) are essential. Meanwhile, recognition of 'mentor' and 'protégé' is considered relatively weakly ($\bar{x}=2.786$).

Most of the responses were spread out from the average, with Q6's standard deviation of 1.847 indicating the highest dispersion. Additionally, there were no strongly correlated variables, with the highest correlation coefficient of 0.515 between Q5 and firm size.

2. Informal entrepreneurial mentoring conditions and characteristics

All 14 respondents with informal mentors provided information on mentors who effectively supported them in achieving positive outcomes. This section identifies 25 informal entrepreneurial mentoring relationships and relates their characteristics to the respondents.

(1) Demographics of informal mentors

Table 4-2 shows informal entrepreneurial mentors' demographics, including gender, profession, age, relationship with the respondent (protégé), and how many years they have known each other.

Of the mentors, 92% were male, while 60.9% of them were CEOs/executives of a company. In a wider range, 78.3% of the male mentors were in management-level positions in a company, including entrepreneurs. Two female mentors were reported, both of whom were housewives and either the mother or wife of the respondent. Within the collected samples, all female mentors were housewives, while male mentors were mostly top-level company managers.

The coefficient of the correlation between a mentor's age and the number of

Table 4-2: Demographics of Informal Entrepreneurial Mentor

| Variable | | Percent (%) | Frequency (N) |
|-----------------------------|----------------------------------|-------------|---------------|
| Gender | Male | 92 | 23 |
| | Female | 8 | 2 |
| Profession | CEO/executive of firm | 56 | 14 |
| | entrepreneur | 8 | 2 |
| | company (branch) manager | 8 | 2 |
| | housewife | 8 | 2 |
| | others | 20 | 5 |
| Age | 20s | 4 | 1 |
| | 30s | 20 | 5 |
| | 40s | 16 | 4 |
| | 50s | 36 | 9 |
| | 60s | 24 | 6 |
| Relationship with protégé | family | 8 | 2 |
| | friend | 32 | 8 |
| | former colleague | 8 | 2 |
| | boss (outside protégé's company) | 8 | 2 |
| | former boss/supervisor | 8 | 2 |
| | acquaintance | 12 | 3 |
| | acquaintance (from community) | 12 | 3 |
| | Others | 12 | 3 |
| Years since meeting protégé | 0~5 years | 44 | 11 |
| | 6~10 years | 20 | 5 |
| | 11~15 years | 0 | 0 |
| | 16~20 years | 20 | 5 |
| | 21~25 years | 8 | 2 |
| | 26~30 years | 4 | 1 |
| | 31~35 years | 4 | 1 |

mentoring outcomes is -0.16, suggesting that a mentor's age is not associated with a higher number of mentoring outcomes. The ages (in years) of the most common informal mentors, male CEOs/executives, are dispersed, ranging from 20s to 60s.

(2) Relationship between informal mentor and protégé

The relationship between mentors and respondents is categorized in Table 4-2. Of the mentors, 48% are either the respondent's families (8%), friends (32%), or former colleagues (8%). Two female mentors are respondents' family members. The respondents' current/former advisors (supervisors) account for 16% of the relationships, acquaintances for 24%, and others for 12%. The respondents' relationships with male CEOs/executives are dispersed: 35.7% are friends, while another 35.7% were acquaintances. Of the informal mentors who are friends with the respondents, 87.5% (seven out of eight) are business managers, including CEOs/executives and entrepreneurs.

The 'years since meeting the protégé' are shown in Table 4-2. In 44% of the relationships, the couples have known each other for less than six years, while those that have known each other for 6–10 years and 16–20 years account for 20% each. The correlation coefficient between the number of mentoring outcomes and the number of years they have known each other is 0.3 which, although positive, is weak and insignificant. The latter variable seems to impact the former variable only slightly, whereas it has no negative impact on it. This is a novel finding in informal mentoring unobserved in previous studies.

These results address the first research question, related to the common characteristics of informal Japanese mentors. The most common characteristic is a male company business manager (including CEOs/executives and entrepreneurs), who is the entrepreneur's friend. Of these mentors, 42.9% mentored the entrepreneur during the start-up stage, while the average years they have known their protégés is 9.2 years.

3. Informal entrepreneurial mentoring outcomes

The informal mentoring outcome categories are analyzed in Table 4-3 and were originally adapted from Kunaka & Moos (2019) (Table 2-1). The table was modified to include newly discovered mentoring outcomes that reflected the respondents' answers. Additionally, some of the outcomes in the original framework were combined and renamed based on the results. The frequency and percentage of each reported outcome are tabulated.

Table 4-3: Summary of Mentoring Outcomes

| Skill transfer outcomes | | | |
|--|------------------|------------------|---------------|
| Content | Percentage A (%) | Percentage B (%) | Frequency (N) |
| Networking | 19.4 | 6.8 | 12 |
| Opportunity identification and evaluation | 17.7 | 6.3 | 11 |
| Clearer business vision (future actions) | 16.1 | 5.7 | 10 |
| Role modeling | 16.1 | 5.7 | 10 |
| Ability to manage a business | 12.9 | 4.6 | 8 |
| Clearer business plan and its product & service | 9.7 | 3.4 | 6 |
| Effective leadership | 6.5 | 2.3 | 4 |
| Achievement of goals | 1.6 | 0.6 | 1 |
| Total | 100 | 35.2 | 62 |
| Mean | 12.5 | 4.4 | 7.8 |
| Median | 14.5 | 5.1 | 9 |
| Knowledge transfer outcomes | | | |
| Content | Percentage A (%) | Percentage B (%) | Frequency (N) |
| Acquiring beneficial information on the industry | 22.2 | 5.7 | 10 |
| Guide to solve internal issues | 22.2 | 5.7 | 10 |
| Understanding accounts (finance skills) | 20 | 5.1 | 9 |
| Entrepreneurial learning | 17.8 | 4.6 | 8 |
| Human resource management | 15.6 | 4 | 7 |
| Managing operations | 2.2 | 0.6 | 1 |
| Total | 100 | 25.6 | 45 |
| Mean | 16.7 | 4.3 | 7.5 |
| Median | 18.9 | 4.8 | 8.5 |

| Entrepreneur resilience outcomes | | | |
|---|------------------|------------------|---------------|
| Content | Percentage A (%) | Percentage B (%) | Frequency (N) |
| Encouraging personal development | 28.6 | 4.6 | 8 |
| Increasing self-efficacy and confidence | 25 | 4 | 7 |
| Improved mental strength and motivation | 17.9 | 2.8 | 5 |
| Making a clearer career plan/goal | 10.7 | 1.7 | 3 |
| Reduced sense of isolation | 10.7 | 1.7 | 3 |
| Validating entrepreneurial self-image | 7.1 | 1.1 | 2 |
| Total | 100 | 15.9 | 28 |
| Mean | 16.7 | 2.7 | 4.7 |
| Median | 14.3 | 2.3 | 4 |
| Business outcomes | | | |
| Content | Percentage A (%) | Percentage B (%) | Frequency (N) |
| Improved business survival (strategy) | 24.4 | 5.7 | 10 |
| Increased profitability | 19.5 | 4.6 | 8 |
| Reduced costs | 19.5 | 4.6 | 8 |
| Increased sales revenue | 17 | 4 | 7 |
| Increase in productivity levels | 14.6 | 3.4 | 6 |
| Improved after-sales follow-up | 2.4 | 0.6 | 1 |
| Increased product range | 2.4 | 0.6 | 1 |
| Total | 100 | 23.3 | 41 |
| Mean | 14.3 | 3.3 | 5.9 |
| Median | 17.1 | 4 | 7 |

‘Percentage A’ shows the frequency within each outcome category: skill transfer (62), knowledge transfer (45), entrepreneur resilience (28), and business outcomes (41). ‘Percentage B’ shows the frequency in the total outcomes reported, which is 176. The average mentoring outcomes is 7.04 per mentor. Newly revealed informal mentoring outcomes have been added, such as acquiring beneficial information about the industry,’ entrepreneurial learning,’ and improved mental strength and motivation.

Among the mentoring outcomes without categories, networking’ is the most common and accounts for 6.8% of all the outcomes reported. This finding corroborates Schlosser’s (2012) study. The second most common outcome is opportunity identification and evaluation (6.3%), which is consistent with Schlosser’s (2012) and St-Jean and Audet’s (2009) study. The third most common

outcomes are ‘clearer business vision (future actions)’, role modeling’, acquiring beneficial information of the industry’, guide to solve internal issues’, and ‘improved business survival (strategy)’ (each accounting for 5.7%). These common mentoring outcomes led to the finding that informal mentors were relatively focused on providing indirect assistance.

4. Informal mentoring outcomes and relationship between mentor and protégé

The number of mentoring outcomes varies with the personal relationship between the mentor and the protégé. For informal mentors who are friends with the protégés, the average number of mentoring outcomes is 9.4 (the average number of mentoring outcomes per mentor is 7.04). The mentors who were acquainted with their protégés have an average number of mentoring outcomes of 7.0. For the former and current advisors of the protégés, including bosses and supervisors, the average number of mentoring outcomes is 5.8.

5. Significance of business managers as informal entrepreneurial mentors

Considering the differences between the mentors’ professions, the average number of outcomes per mentor is 7.9 for those who were CEOs/executives (the most number of informal mentors reported), 7.8 for those who were business managers (CEOs/executives and entrepreneurs), and 5.9 for the rest. Furthermore, the correlation between the number of mentoring outcomes (from business managers) and the years the mentors have known the protégés is 0.417, which is 0.117 points higher than the overall correlation (0.3). Therefore, it may be concluded that informal mentors who are business managers provide more support than other mentors, while their influence on entrepreneurs is higher when they are closer to them.

Based on an in-depth analysis of the details of mentoring outcomes for each case, 57% of the mentors who were CEOs/executives supported their protégés through networking’. Meanwhile, 67% of all mentors who supported networking

were CEOs/executives. This indicates that the majority were introduced to individuals who might positively affect protégés' companies and careers. Similarly, the results show that 50% of the mentors who were CEOs/executives supported their protégés through 'role modeling.' Meanwhile, 70% of all the mentors who provided support through 'role modeling' were CEOs/executives. Additionally, 60% of all the mentors who provided support to 'guide to solve internal issues', 75% of all the mentors who advised on 'understanding accounts (financing skills)', and 85.7% of all the mentors who advised on 'human resource management' were CEOs/executives.

6. Keys to building a positive mentoring relationship

An in-depth investigation into the behavior, activities, and specific relationships necessary for a positive and long-lasting mentoring relationship was undertaken (Q9). The respondents described how they maintained the mentoring relationship and how a positive relationship with their informal mentors could be built. Three in-depth interviews were conducted to gain a deeper understanding of the key factors in building a positive relationship. The interviewees all entrepreneurs who succeeded in establishing a business and who had been informally mentored and had informally mentored other entrepreneurs. Based on responses from interviews with Mr. Brown, Mr. Tanaka, and Mr. Suzuki (aliases), inferences were drawn, and reasoned interpretations were proposed, as presented below. Table 4-5 shows the results, categorized into respectful behavior, bonding activity, and mutually beneficial partnership based on the interview responses.

Table 4-5: Keys to Building a Positive Informal Mentoring Relationship for Entrepreneurs

| Category | Respectful Behavior | Bonding Activity | Mutually Beneficial Partnership |
|--------------------|---|--|---|
| Actions / elements | Respect and trust | Eating and drinking together | Mutual liking |
| | Not refusing opinions or believing every advice | Trace thinking patterns (of the mentor) | Being honest and frank |
| | Not expecting everything to be understood | Doing indoor/outdoor activities together | Having shared values |
| | Being a good listener | Creating a shared goal | Knowing each other well |
| | Clarify things to be mentored on | Regular contact | Give and take More than a friend, less than a close friend |

(1) Respectful behavior

In the behavior category, trusting’ the mentor has the highest frequency. This seems to accumulate other behaviors because ‘not expecting everything to be understood’, ‘being a good listener’, and ‘clarify things to be mentored on’ (before meeting) all relate to a protégé’s respect and trust building with the mentor. These results illustrate that respect for the mentor is important. However, keeping in mind that the mentor is not the owner or director of the protégé’s company is also critical for a positive mentoring relationship.

In the interview, Mr. Brown suggested that it was crucial for novice entrepreneurs to be selective in accepting informal mentors’ advice. He explained how some mentors attempted to impose their ideas on their protégés, as if they owned protégés’ companies. Since any advice was based on personal experience, mentors could misunderstand protégés’ (entrepreneurs) specific circumstances. Therefore, he suggested that protégés exercise discretion and not blindly follow their mentors. This behavior helps create a balanced relationship, wherein mentors and protégés understand their expected roles.

(2) Bonding activity

In the activity category, ‘eating and drinking together’ has the highest frequency. Casual meetings, such as lunch, seem to positively influence the connection between the mentor and the protégé. This also applies to ‘doing indoor/outdoor activities together’, as time together can create a bond. ‘Trace thinking patterns (of the mentor)’ refers to role modeling: directly learning from or reading about the mentors, for the protégés to emulate them and learn from their mistakes. ‘Creating a shared goal’ is essential in the first stage of mentoring relationships, as it helps confirm the direction of mentoring and clarify goals. Finally, in activities, regular contact shows motivation and appreciation, keeps the parties updated, and allows scheduling of further meetings.

In the interview, Mr. Suzuki explained that a meal with an informal mentor allows casual mentoring and was most efficient for both the informal mentor (especially if they are busy) and the protégé, as no time is wasted and the mentor’s burden is reduced. Such a relationship may be interpreted as healthy and likely to last long, creating a relaxed atmosphere for the conversation.

(3) Mutually beneficial partnership

In the partnership category, ‘having shared values’ and ‘more than a friend, less than a close friend’ indicate that positive informal mentoring relationships require a certain distance yet a commitment to the purpose of the relationship. ‘Give and take’ is essential, as the results in Table 4-1 show, for a mutually beneficial mentoring relationship. Finally, mutual liking’, being honest and frank’, and knowing each other well’ are perceived as necessary (based on Table 4-1). Liking the informal mentor and honesty relate to respectful behavior, since the protégé’s attitude is affected, as are the accuracy and effectiveness of the advice, which would otherwise be negatively influenced.

Mr. Brown and Mr. Suzuki both stated that knowing each other’s strengths and weaknesses is essential for creating not only a long-lasting relationship but also a mutually beneficial one. They indicated that when an individual understands what they could offer their partner and vice versa, they could establish a mutual

mentoring relationship. The implication is that understanding each other's proficiencies and the areas requiring advice helps create a balanced mentor-protégé relationship.

Three key issues emerge from a positive mentoring relationship after becoming informal mentoring partners: respect in the relationship wherein the entrepreneur critically evaluates the mentor's advice and does not blindly follow it, an honest/frank relationship and time for bonding, and a committed relationship wherein both parties are independent while enjoying mutual benefits (give and take). These interpersonal relationships are essential for positive partnerships.

Existing studies of (informal and formal) mentoring relationships have not specifically considered how to build such a positive relationship. In contrast, specific methods for developing an effective mentoring relationship are discussed in this section, with evidence of some of the actions and elements in Table 4-5.

V. Discussion

This chapter discusses a new framework for mentoring outcomes, the significance of personal relationships between mentors and protégés, and a method for building a positive mentoring relationship.

1. Mentoring outcomes per entrepreneurial stage

A table of informal entrepreneurial mentoring was created based on the entrepreneurial stage of the process (Table 5-1) to demonstrate one of the new factors revealed in this study. The mentoring outcomes in Table 4-3 are organized based on protégés' entrepreneurial stages when mentoring occurred. Table 5-1 displays the mentoring outcomes for each entrepreneurial stage, with more than six mentors reported (before seed, seed, and start-up).

The outcomes in each category are ordered by frequency (number of responses). The most common outcome at the 'before-seed' stage is 'opportunity identification and evaluation'; at the 'seed' stage, it is 'networking', while at the

Table 5-1: Mentoring Outcomes per Entrepreneurial Stage

| Entrepreneurial Stage when Mentored | Mentoring outcomes | Frequency |
|--|--|------------------|
| Before seed (Sample = 9) | Opportunity identification and evaluation | 5 |
| | Understanding accounts (finance skills) | 4 |
| | Role modeling | 4 |
| | Clearer business plan and its product & service | 3 |
| | Networking | 3 |
| | Clearer business vision (future actions) | 3 |
| | Improved business survival (strategy) | 3 |
| | Encouraging personal development | 3 |
| | Increase in productivity levels | 3 |
| | Increasing self-efficacy and confidence | 3 |
| | Acquiring beneficial information of the industry | 3 |
| | Human resource management | 2 |
| | Improved mental strength and motivation | 2 |
| | Entrepreneurial learning | 2 |
| | Ability to manage a business | 1 |
| Seed (Sample = 8) | Networking | 8 |
| | Guide to solve internal issues | 5 |
| | Encouraging personal development | 5 |
| | Clearer business vision (future actions) | 4 |
| | Entrepreneurial learning | 4 |
| | Acquiring beneficial information of the industry | 4 |
| | Understanding accounts (finance skills) | 3 |
| | Human resource management | 3 |
| | Improved business survival (strategy) | 3 |
| | Increasing self-efficacy and confidence | 3 |
| | Opportunity identification and evaluation | 3 |
| | Ability to manage a business | 2 |
| | Clearer business plan and its product & service | 2 |
| | Increased profitability | 2 |
| | Improved mental strength and motivation | 2 |
| | Reduced costs | 2 |
| | Role modeling | 2 |
| | Increased sales revenue | 1 |
| Increase in productivity levels | 1 | |

| | | |
|---|--|---|
| Start-up (Sample = 7) | Increased profitability | 6 |
| | Increased sales revenue | 6 |
| | Reduced costs | 6 |
| | Guide to solve internal issues | 5 |
| | Ability to manage a business | 4 |
| | Role modeling | 4 |
| | Improved business survival (strategy) | 4 |
| | Clearer business vision (future actions) | 3 |
| | Entrepreneurial learning | 3 |
| | Acquiring beneficial information of the industry | 3 |
| | Understanding accounts (finance skills) | 2 |
| | Human resource management | 2 |
| | Increase in productivity levels | 2 |
| | Opportunity identification and evaluation | 2 |
| | Increasing self-efficacy and confidence | 1 |
| | Networking | 1 |
| Improved mental strength and motivation | 1 | |

‘start-up’ stage, ‘increased profitability’, ‘increased sales revenue’, and ‘reduced costs’ are the most common. These outcomes are significantly different because the top three outcomes per entrepreneurial stage are not shared. Existing studies show that the overall mentoring outcome improves business performance (Sullivan, 2000), while informal mentoring is found to be relatively successful due to mutual liking relationships (Kram, 1983; Ragins & Cotton, 1999). However, this finding further demonstrates the traits of informal mentoring outcomes per entrepreneurial stage. It also implies that informal mentors can provide the necessary mentoring based on the protégés’ entrepreneurial stage. This framework can be utilized for further research targeting entrepreneurs in different regions and environments, and will contribute to a deeper understanding of entrepreneurs’ informal mentoring outcomes.

2. Effectiveness of personally and professionally close mentors

The results reveal that a personal relationship with the mentor before the partnership is a new crucial factor/criterion in selecting informal mentors for entrepreneurs. The results indicate that most informal mentors are entrepreneurs’

friends, with 9.2 years as the average number of years they have known each other. Another finding is that the average number of mentoring outcomes for informal mentors who are friends is higher than that for other relationship types. This suggests that selecting a friend as an informal mentor positively influences the number of mentoring outcomes. Notably, informal mentors who are personally close to the protégés are more likely to provide more support due to their relationship.

Moreover, of the informal mentors who are friends with the respondents, 87.5% are business managers, including CEOs/executives and entrepreneurs. This suggests that entrepreneurs' (protégés') friends are crucial as informal mentors, especially when they are in companies' management-level positions. While formal mentoring emphasizes the mentor's skills, effective informal mentoring is possible when the mentor's occupation is similar, or when the mentor has had a similar experience to that of the protégé. This may also apply to informal non-entrepreneurial mentorships.

VI. Conclusion

This study investigates informal entrepreneurial mentoring and demonstrates how to build positive mentoring relationships and the effectiveness of personally and professionally close mentors. Through the common features of informal mentors, mentoring outcomes, and mentoring relationships, informal entrepreneurial mentoring can be defined as a form of support relationship between an entrepreneur (protégé) and a personally close entrepreneur or business manager.

1. Theoretical implications

Studies have examined entrepreneurial mentoring in various countries, including Canada, (St-Jean & Audet, 2009; Schlosser, 2012), Ireland (Bisk, 2002), South Africa (Kunaka & Moos, 2019), the UK (Cull, 2006), and the US (Kent, Dennis, & Tanton, 2003; Noe, 1988; Scandura, 1992). Nevertheless, studies that deeply investigate 'informal' entrepreneurial mentoring are rare.

Moreover, existing studies do not show how personal relationships (before mentoring) affect the effectiveness of a mentoring relationship or that they lead to more mentoring outcomes.

This study contributes theoretically by conceptualizing and categorizing the key factors in building positive informal mentoring relationships in the context of entrepreneurial mentoring: respectful behavior, bonding activity, and mutually beneficial partnerships (Table 4-5). This framework contributes to the existing topic of factors in successful mentoring relationships.

Additionally, the findings draw attention to the topic of common informal mentoring outcomes per protégé's entrepreneurial stage (Table 5-1). Further research may explore these outcomes from the protégés' perspective.

2. Practical implications

These findings have practical implications for entrepreneurs, small business owners, and informal mentors (or individuals inclined to be mentors). The discovery that emotionally close people, such as friends, may be effective informal mentors, even if they are not professionally trained may change mentors' image and promote the significance of informal mentors. Additionally, the results may support entrepreneurs' selection of suitable informal mentors. They suggest that a friendly relationship is essential for a positive, long-lasting mentoring relationship. From this analysis, entrepreneurs may appreciate that casual activities with informal mentors enhance the effectiveness of informal mentoring.

3. Limitations

There is limited generalizability of the results due to the small sample size. This is influenced by the snowball and purposive sampling methods. Additionally, the long questionnaire was time-consuming for respondents. Since the questionnaire and interviews were administered in Tokyo, a geographical bias may have arisen.

Another limitation is the lack of information on informal female mentors, as only two questionnaire respondents provided information on them. Although

there were informal mentors who were housewives, further investigation is required for credibility.

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Entrepreneurial Mentoring: Informal Mentors and Mentoring Relationship with Entrepreneurs

<Abstract>

TAKEUCHI, Airi
INABA, Yushi

Mentoring plays a crucial role in entrepreneurial business development. Studies have shown that mentors support entrepreneurs in identifying goals and achieving objectives. This study clarifies the attributes of ‘informal’ mentoring, wherein the entrepreneur (protégé) and the mentor become partners without a contract. Through an analysis based on a detailed questionnaire survey and in-depth semi-structured interviews targeting entrepreneurs, the attributes of informal mentors, frequent mentoring activities, and mentoring outcomes at each entrepreneurial stage are discussed. The results reveal the most common feature of informal mentors who support entrepreneurs and small business managers: male business managers (CEOs/executives and entrepreneurs) who are friends with entrepreneurs and demonstrate the effectiveness of friends as informal mentors, which positively influences various mentoring outcomes. Additionally, the mentoring effects perceived by protégés are distinct in each entrepreneurial stage, and informal mentors are capable of supporting their protégés’ individual stages. This study contributes to identifying and categorizing methods for developing positive mentoring relationships: respectful behavior, bonding activity, and mutually beneficial partnerships.

Keywords: entrepreneur, protégé, mentor, informal mentoring, mentoring outcomes, mentoring relationship