EMCC Research Review

Issue 11: Mentoring in entrepreneurship

Introduction

Dear Reader,

In this issue, we turn our attention to the specific case of mentoring in entrepreneurship, as this has become quite predominant in start-up ecosystems across the globe. And it makes sense. Mentoring potentially offers a means for founders to get help, sparring, a reflective space and to generally increase the social capital of the firm. However, do we have any evidence that this is actually the case?

The first study in the review, conducted by Paige Clayton, examines exactly this, using a very large data set that allows for a comparison of both financial and survival outcomes between mentored and non-mentored founders.

Seeing that mentoring does have some positive effects in entrepreneurship, it is interesting to unpack the mechanisms through which these effects come about. The second study, authored by Etienne St. Jean, hypothesised that learning would one such mechanism, and explores which facets of mentoring drive founder learning. Using a large Canadian data set, the study explores the "how" of mentoring effects.

The final study introduces a term which might rustle some feathers. Using a triangulated qualitative-quantitative approach, this 2-study paper the lead author Laura D'Oria and her colleagues both conceptualise and unpack the impact of "para-social mentoring". The concept describes the process through which founders experience entrepreneur social media influencers as mentors. While the concept itself is somewhat controversial, the study makes an important contribution in terms of understanding the impact of social media and the role of influencers.

I hope you enjoy reading this 11th issue of EMCC Research Review.

Sincerely

Content writer

Leo Smith, EMCC Denmark

To be or not be mentored – does it make a difference?

Study: Mentored without incubation: Start-up survival, funding, and the role of entrepreneurial support organization services

By: Paige Clayton

Published in: Research Policy, 2024, issue 53 1-17

Introduction

In most entrepreneurship ecosystems, you will find a range of entrepreneurial support organisations such as incubators, accelerators and, quite importantly, mentoring services. And while mentoring surely should work in theory, there is surprisingly little empirical evidence to support the efficacy of mentorships compared to other entrepreneurship support services. Moreover, another question remains, which is whether mentoring is more effective in terms of financial and survival outcomes than incubators.

This study sets out to fill in the empirical gap.

What did the researcher do?

The author used a dataset which is both impressively large and very interesting from a methodological (and practical) point of view. The author gathered data from North Carolina's Research Triangle, an economic development organisation centred around three universities in central North Carolina comprising several entrepreneurship support services.

The mentor program in the study was offered by a non-profit organisation founded in the 1980's by a group local businesspeople, entrepreneurs and academics in order to support high-impact, high-growth companies in the region.

Most start-ups enrolled in the mentor programme were within the first 3 years of founding, and usually they had 2-4 mentors in an advisory team. Mentorships typically lasted 9 months, but could continue for longer, and the typical meeting frequency was once every 4-6 weeks. Mentors were local C-level executives and experienced entrepreneurs, who, quite importantly, were not allowed to offer goods or services to the companies. Should they choose to invest in the company, they could no longer serve as mentors.

The sample comprises 93 mentored start-ups, 210 non-mentored organisations, and 58 incubator organisations. All the included organisations were matched according to sector, establishment date, solo- or team founded, whether the founder(s) were serial entrepreneur(s), early patenting activity, early external financing, and founder age. The statistical models also controlled for social and human capital of founders. The matching procedure ensure that the analysis is as apples-to-apples as possible. The outcomes of interest were funding and survival. If the company was acquired it was considered a survivor.

Main Findings

- Mentored start-ups received significantly more funding than non-mentored start-ups
- Compared to incubation participating start-ups, mentoring was associated with significantly more funding
- The effects of mentoring versus incubation differed depending on funding source:
    - Venture Capital: Mentoring was associated with an increase of $13.7 million compared to incubated start-ups
    - Federal funding: Mentoring was associated with an increase of $2.5 million compared to incubated start-ups
    - Local entrepreneurial seed funding: No difference between incubator and mentored companies
- Mentoring had no differential effects on start-up survival

Why is this interesting?

The fact that mentoring had a positive impact on venture capital and federal funding is interesting. For cost intensive start-ups, for instance in med-tech or pharma, initial funding is a deal-breaker. The fact that mentoring outperformed incubators, suggests that there something specific about the more intense mentoring relationship compared to the broad service offering of incubators.

It is also interesting that neither mentoring nor incubation improve survival significantly. One explanation for this could be, that start-up survival depends on a wide array of variables such as, market fluctuations, competitors, luck, and more. In this context, mentoring, in its own right, can only make a minor difference.

How can you put this into practice?

The practical application of this study is pretty straightforward; start-up founders benefit from mentoring. The mentoring program in the study was formalised and professionally administrated by a start-up service provider. Also, quite some effort was put into the screening and matching of founders and mentors. Thus, mentor programmes require some level of administrative oversight.

If you run a start-up incubator, it would make sense to employ a mentoring programme, since this will help companies attract more funding compared to just running an incubator.

Drawbacks

While immensely well-conducted, the study has some limitations in terms of generalisability. The data is drawn from a specific region and a specific, albeit broad, group of start-ups, namely biotech companies.

Another point made by the authors is that we do not know the ambitions of the founders regarding fundraising and participation in the programmes. Therefore, there may be an unaccounted for variable at work in the dataset.

One could also argue that the screening to get in the mentoring program might increase the quality of the business cases in this group, meaning that the result was more an effect of screening than of mentoring.

And finally, the study does not include data on why companies failed if they did, which would have been valuable.

Maximising learning in entrepreneurial mentoring

Study: Mentoring as professional development for novice entrepreneurs: Maximising the learning

By: Etienne St-Jean

Published in: International Journal of Training and Development, issue 16 number 3, pp. 200-216

Introduction

For novice entrepreneurs in particular, the process of starting and running a business poses an enormous learning challenge. Seeing that mentoring can create an effective learning space, mentoring should function as an important support resource. However, learning does not happen automatically, and therefore the author behind the study sought to uncover which mechanisms effectively drive learning.

What did the researcher do?

The study was conducted in Quebec, Canada, and the data was gathered from a from a business mentoring network called Réseau M, created by the Foundation de l'entrepreneurship, which is an economic development organisation. The Foundation laid a specific model for the mentoring programme and offered training courses for mentors and mentees, while local "cells" handled the matching and closer supervision of the mentorships. Participation for mentees was either free of charge or offered at a low cost amounting to a few hundred Canadian dollars annually.

The majority of the 256 participating mentee founders had little to no experience in business and as entrepreneurs. The mentoring relationships lasted an average of 16 months with a meeting frequency of less than monthly and each meeting lasted on average 68 minutes.

The outcome under investigation was Founder Learning. The potential drivers hereof were:

- Mentor functions (Psychological, Career-related, and role-modelling)

- Trust in mentor

- Perceived similarity (values, interests, personality and point of view)

- Self-disclosure (How likely one is to share sensitive and personal information about oneself)

Main findings:

- Self-disclosure was positively related to Perceived Similarity
- Perceived Similarity was positively related to trust in mentor
- Trust was positively related to all three mentor functions, but mostly to Psychological and Career functions
- Perceived Similarity was positively related to all three mentor functions, but mostly Role-modelling
- All three functions were positively related to Founder Learning, with Role-modelling having the lowest corelation coefficient

Why is this interesting?

The study offers empirical support for the hypothesis that mentoring drives learning among novice founders. Moreover, it is interesting to see that all three mentor functions drive learning, although the mechanism through which they work is different.

Another interesting finding in the study is the importance of perceived similarity in terms of values, interests, personality and point of view. This suggests that matching on the basis of overlap will enhance learning. Other studies have also observed the positive effect of overlapping values, however it may surprise that overlap on all four aspects increases learning. At least, one could argue that differences in point of view should drive learning, rather than overlap. The paper, unfortunately, does not allow us to disentangle which overlaps drives learning the most and the least.

How can you put this into practice?

The first practical application of the study is that novice founders should find a mentor to increase learning. Ideally one they trust and with whom they are reasonably similar.

Another practical implication is that mentor training should take into account all three mentor functions, that is, Psychological, Career-related and Role-modelling.

A final point pertains to the content of formal entrepreneur-mentoring programme. Given that self-disclosure is associated with perceived trust which in turn is associated with learning, one could create a space for this in a facilitated mentor-mentee session. Alternatively, one could select mentees who are naturally more inclined to self-disclosure.

Drawbacks

The cross-sectional nature of the data-collection, unfortunately does not allow us to draw causal inferences about the effect.

Another drawback is that the outcome variable is "learning". From an entrepreneur and investor point of view, learning is certainly an interesting variable, but it is hardly the main concern. A longitudinal follow up study that also includes an association with hard outcomes such as survival or amount of funding raised would be ideal.

Finally, the study only focusses on the mentees perspective, meaning that everything related to the mentors' experience is left out.

Nevertheless, the study offers solid evidence of the efficacy of mentoring in entrepreneurship settings.

Entrepreneurship influencers as "mentors"?

Study: Para-social mentoring: the effects of entrepreneurship influencers on entrepreneurs

By: Laura D'Oria, David J. Scheaf, Timothy L. Michaelis, and Michael P. Lerman

Published in: Journal of Business Venturing, 2025, issue 40

Introduction

This brand new study offers a highly thought-provoking take on what mentoring can look like in the current age of social media. The authors introduce the term para-social mentoring defined as: "*a one-to-many, often unreciprocated mentor-protégé relationship in which media user envision themselves as proteges and perceive media figures as providing individualised career and psychosocial support despite knowing that the media figures do not know intimate details about them*". Let that sink in. Mentoring without any substantial interaction?

Let us see how the researchers empirically validated the concept.

What did the researcher do?

The paper comprises to studies. The first study is qualitative and consisted of a sample of 22 interviews with American entrepreneurs who consume influencer content. The entrepreneurs followed a total of 21 unique influencers, and each interview lasted approximately 45 minutes. The entrepreneurs were between 20 to 59 years old, and their business ranged from early start-up to maturity. The interviews were then coded and analysed to arrive at an empirically grounded conceptualisation of para-social mentoring. In doing so, they used the most commonly cited mentoring functions as a basis for categorising the interviewees' statements. Finally, the authors proposed a model that would predict how para-social mentoring impacts entrepreneurs.

In the second study, the researchers tested the hypothesised model derived from study 1. They went to great lengths to ensure high quality, valid data, the details of which, I will not go through here. Suffice to say, they ended up with a sample 613 entrepreneurs who consumed influencer content. To account for "para-social mentoring" the authors used a

well-known mentoring survey and replaced "mentor" with the entrepreneurial influencer chosen by the respondent. A sample item could be "[Name of influencer] helps me attain desirable outcomes". Para-social mentoring included 6 sub-functions: Sponsor, coach, challenge, friend, role model, and counselling. All sub-functions were reliable, although "friend" was somewhat to the low side.

In terms of outcomes, the researchers included:

- Entrepreneurial self-efficacy
- Venture optimism
- Anticipated venture persistence
- Being future-oriented
- Sense of belonging
- Feelings of inadequacy

Main findings:

The first, qualitative study offers a host of intriguing insights, that are quite valuable in terms of understanding the notion of para-social mentoring

- The interviewees were remarkably consistent in using mentoring terms (and the actual term mentor) when talking about the influencers they followed
- Interviewees described how they felt that influencers coached them by offering advice on how to run their business and overcome difficulties
- Another commonly identified mentoring function fulfilled by influencers was role modelling, in the form of showcasing behaviours to emulate
- The interviewees were quite aware of the fact that influencers work one-to-many, and many commented on the advice given being generic
- Nevertheless, the interviewees reported on the influencers being authentic and real
- Also, despite being aware of the largely one-way communication, interviewees reported that they sometimes felt engaged in real conversation

The findings from the qualitative study were then investigated through the lens of general para-social relationships, to arrive at the concept para-social mentoring. The key here is

the notion "para-social" indicating a relationship which feels social, even if it is not, and both parties know it. Testing the concept at a larger scale, the researchers' second study found that:

- Para-social mentoring positively relates to entrepreneurial self-efficacy
- Para-social mentoring positively relates to venture optimism
- Para-social mentoring positively relates to anticipated venture persistence
- Para-social mentoring positively relates to sense of belonging
- Para-social mentoring positively relates to feelings of inadequacy
- Higher engagement with influencers' content moderated the effects so that higher engagement increased the effects of para-social mentoring on all variable except sense of belonging

Why is this interesting?

In a world where social media in general and influencers in particular have an increasing impact, this study shows how the concept of mentoring might be changing or rather expanding. Para-social mentoring is not mentoring, but it seems to overlap quite significantly in terms of perception.

Another interesting facet is that, although para-social mentoring was associated with a range of positive outcomes such as self-efficacy, it was also associated with increased scores on feeling inadequate. This makes entrepreneurs highly vulnerable to scammers trying to sell the latest short-cut to success.

At the grandest scale, the study is interesting because it shows that a new layer to social life, the para-social life promoted via social media, also impacts professional life. Along the same lines, one could also worry how the para-social life potentially impacts actual social life, including mentorships.

Finally, it is important to remember that new entrepreneurs would not use influencers as para-mentors if they did not find it valuable and meaningful. So even if you dislike the notion of para-social mentoring, it must create some value for the people engaging in it.

How can you put this into practice?

The first practical implication of the study is to recognise that para-social mentoring is a thing. Inexperienced as well as seasoned entrepreneurs perceive influencers as near-mentors and it has an effect on them both positive and negative.

This leads us to another practical implication, namely that, if you are an entrepreneur influencer, you have an ethical commitment to behave properly. Bragging about 100-hour work weeks and portraying success (and failure) as a one-to-one result of the founders' efforts might seem like an inspiring you-can-do-it call, but it is also not true. I realise that it is fairly unlikely that hot-shot entrepreneurship influencers would read EMCC Research Review.

Finally, if you mentor founders yourself, be aware that your mentee might para-mentored by some prominent influencer. Addressing this might hold some potential for mentee development, and could be brought to the fore simply by asking which entrepreneurship influencers, they follow and why.

Drawbacks

The study is very well-conducted, especially the triangulated approach using both qualitative and quantitative data is remarkable. However, the study is limited by conducted in the US only, meaning that culture-specific understandings might hinder the generalisability of the findings. This is evident in the rather "American" understanding of the concept mentoring employed in the paper.

Another weakness pointed out by the researchers is that we cannot infer any causal relationships from the study. It could be that people scoring high on self-efficacy, optimism and so on are more inclined to followed entrepreneurship influencers, rather than the other way around.

Despite these limitations, the study paves the way for an expanded understanding of mentoring as social media and influencers become a mainstay of our lives.

Conclusion

Based on the studies reviewed above, it seems reasonable to conclude that founder mentoring has positive effects, especially when it comes to securing funds, a critical stage for many growth-oriented start-ups. Given the strong community feeling in most start-up ecosystems, it not entirely unlikely either that successful founders are willing to engage in mentoring with new founders on a voluntary or very low cost.

The mechanism through which the positive effects are brought about is likely founder learning. As one essential aspect of the learning relationship is trust, and therefor it could be beneficial to help mentors and mentees establish trust early on the process. It seems that all mentoring functions (psychosocial support, career related mentoring, and role modelling) offer benefits. Also, it would probably be a good idea to ensure proper training of mentors to ensure, they do the job well.

As a mentor for founders, it is also important to keep in mind the many founders see entrepreneur influencer gurus a mentors as well, despite the absence of two-way communication. As a founder mentor I would listen keenly and critically for when founders are simply parroting generic influencer discourse and try to disentangle that from the actual lived experience and perspective of the founder.