

Analysing the feasibility of financial rewards for mentors engaged in entrepreneurial mentoring

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Abstract

In the domain of entrepreneurship, mentors are considered as volunteers and philanthropists yet their value is undermined, the purpose of this paper is to explore the feasibility of financial rewards for mentors, which could help in understanding the perspective of mentors towards the opportunity cost associated with mentoring. This study uses a survey to explore the viability of different types of financial reward models based on the responses of mentors engaged in the mentoring of entrepreneurs. The results are analysed using multivariate techniques, followed by post hoc analysis; a combination of both approaches helps to increase the validity of findings in an exploratory study. The findings of this study show that there is a need to restructure the mentoring system in the entrepreneurship domain, wherein the findings reveal that mentors are more professional in today's competitive business environment, with intentions to receive financial rewards for the long term showing a possible link between mentor growth and the growth of mentees. The pattern found in this study describes a new approach for mentoring in entrepreneurship and for this reason more research is needed to confirm the emerging pattern underlined in this research. This study is first of its kind that reviews the financial opportunities for mentors, especially in context of India, and develops groundwork for future empirical research in this area.

Key Words: mentors, financial rewards, entrepreneurial mentoring

Introduction

Rewards have remained a subject of criticism in mentoring (Moberg and Velasquez, 2004); particularly financial rewards. A literature review by Hansford et al. (2002) has revealed a mixed response on the importance of rewards; some researchers found rewards motivating for mentoring while some found them insignificant. A study by Simon (1990) showed that self-motivated mentors do not seek rewards out of mentoring but some prefer (mentors as investors) rewards as the source of financial benefits (Cholakova and Clarysse, 2015). Prior investigations have also argued that mentoring is a philanthropic activity that requires a passion to mentor a less experienced individual (Lester et al., 2008; Kram, 1985; Sullivan, 2000) whereas financial rewards are the by-products of consultancy services (Moberg and Velasquez, 2004). Thus, the preference for financial rewards has largely been suppressed and, remained unexplored and undervalued in the literature.

However, unlike other domains such as teaching and sports, entrepreneurship involves a risk of failure as it is a capital intensive sector. Sometimes, the capital is involved from both sides, mentee as well as mentor. The complex economic environment may bring challenges to enterprise at any point for which mentors need to be prepared, otherwise each stakeholder will have to face serious consequences. Therefore, over the years, the bar of accountability has gone up for mentors. Additionally, a competitive business environment and the governments' complex business policies demand accountability in terms of mentor time, space and investment. Due to this reason, the need for mentoring in entrepreneurship has been changed which consequently changed the reward system too (Deaking et al., 1997; Allen et al., 2000; Gimeno et al., 1997).

Earlier, the rewards of mentoring used to be a special dinner by the mentee, thanks, respect, or an increment in salary, and sometimes mentors were given opportunity to be the advisors to mentee's firm (Chun et al., 2012; Ragins and Scandura, 1999; Deakins et al., 1997). To this end, mentors have started prioritizing mentoring more than before as it could bring them economic opportunities, which may include financial benefits such as one-time payment, incentives, discounted stocks, royalty and other monetary rewards.

Consequently, despite criticisms relating to financial rewards, they have become popular among industries and start-ups for many reasons. First, mentor interest in mentoring has been positively affected. Second, mentors believe that they have created competition for self, and that such belief can be reasonably compensated. Third, start-ups acquire mentors with accountability. Fourth, the growth of mentors is ensured. Fifth, mentors' time, experience and expertise have been compensated. Sixth, potential talented mentors are encouraged owing to the financial benefits.

However, due to many pre-assumptions about the financial rewards, the topic remains under-researched theoretically and empirically. In addition, prior investigations have largely emphasised the career development of mentees (Chrisman and McMullan, 2000) and the options for the development of mentors have not been realised. By addressing these gaps, this paper examines the three types of financial rewards models, preferred by the mentors for their development and growth. The framework of this paper may be useful in designing mentor-mentee relationships in the entrepreneurship domain and linking the mentor's growth with the growth of the mentee. The findings of this paper help to inform the recruitment, selection, training and retention of talented mentors organisations.

In the early part of this paper the available literature is reviewed, presenting the types of rewards extended to mentors by their mentees, including both financial and non-financial rewards. The research findings indicate the rewards preferred by mentors, followed by the duration and the percentage share of rewards. Lastly, the key learning from the results are concluded and discussed.

Literature Review

Viability of Rewards for Mentors

Mentoring typically requires a time commitment of two to three years for the survival of start-ups (Awasthi, 2011) and is mostly undertaken by those who thoroughly explore beforehand what the training and subsequent career will be like in the process of developing entrepreneurs. Despite the criticism of financial rewards, mentors are interested in such rewards for two reasons: first, financial rewards help in developing the interest of mentors in mentoring. Second, the experience, expertise and time are compensated and thus they do not mind mentoring entrepreneurs from the same industry. This provides an edge to mentors to decide why and whom they want to mentor. This divides mentors into two categories: those who mentor for philanthropic reasons (e.g. they perceive that entrepreneurs need help); and others who mentor with the perception that entrepreneurs will bring opportunities and greater rewards (Allen et al., 2000). Simon (1990) explained above arguments and distinct behaviour of mentors depending upon their personality. Simon added that there are two types of individuals: first, altruistic individuals who are less disposed to assess personal costs and benefits, and hence most likely do not expect financial or any other rewards from the mentees; these are more likely to help their mentees without the anticipation of receiving benefits in return (Lester et al., 2008; Romer et al., 1986). On the contrary, low altruistic mentors tend to be short of the inner drive to help mentees and are likely to be more sensitive to an external environment that promotes or inhibits mentoring. Consequently, they perceive mentoring as a source of opportunities and rewards. Thus, individuals may report both positive and negative experiences in the same relationship (Duck, 1994). For example, some mentors find a mentoring relationship generally rewarding (benefits), while some find difficulty in relating it interpersonally with the mentees (cost or entry barrier). Therefore, mentoring the mentees who need help, may also bring rewards to the mentors but different than those brought from mentees who have strong ability or potential. For instance, a reward can be intrinsic satisfaction for altruistic mentors (Allen et al., 2000). Entry barriers on the other hand, such as risk of failure of the mentees may bring negative rewards to the mentors; for example, mentors may suffer embarrassment if mentees fail (Halatin and Knotts, 1982; Ragins and Scandura, 1994). Following this argument, Olian et al. (1993) found that mentors anticipate greater rewards and are more willing to mentor higher performing mentees than lower performing so that they may avoid negative aspects of mentoring. Social exchange theory elucidates these arguments more elaborately; it explains that negative experiences are distinct aspects of a relationship rather than simply lack of benefits (Sprecher, 1992; Thibaut and Kelley, 1959). For instance, previous studies found that mentors felt pressurised by the mentoring process (Scandura and Williams, 2002), and they believe that their participation will hinder other responsibilities, causing a decline in output and performance-based activities (Allen and Eby, 2003). By and large, entrepreneurship mentoring has always been associated with non-financial/financial rewards and it is hard to isolate a capital and risk-intensive sector from financial rewards. In recent years, industry and start-ups have started compensating their mentors by sharing stocks and board members' designations and snubbed any possibility of completely free mentoring. Allen et al. (2000) found that commitment in terms of time invested in mentoring provokes mentor's interest in mentoring and can depend upon the rewards mentors receives (Scandura, 1992; Eby and McManus, 2004).

Rewards in University-Led Mentoring Programmes

About 1400 years ago, Chanakya (350–275 BC) mentored Chandragupta. Chanakya was the eminent faculty of Taxila University, India. He helped Chandragupta to become the emperor of India. Chanakya was compensated by receiving the designation of the Prime Minister (Mabbett, 1964).

Similarly, in today's business environment, successful entrepreneurs like Sanjeev Bikhchandani of Naukri.com, is known for sharing monetary rewards with his mentors. Outside the premises of university, financial rewards are available in the form of prize money, consulting fees and honorarium for speaking.

Universities collaborate with industries for Research and Development and help in commercializing the patents. In return, they receive stocks or royalty depending on the products (Stephan and Levin, 1996). Similarly, within Incubation Centres, professors as mentors help start-ups in research, commercialization, selling/marketing, human resource and the areas in which mentees need expertise. Incubation Centres receive shareholding as financial rewards and sometimes mentors become director and advisors of their mentee's enterprise. For example, the Incubation Centre at the Indian Institute of Technology Delhi, India, follows the same model. Within India, academic mentors (mostly professors) typically support their mentoring programmes, or entrepreneurship development programmes, through government grants. In recent years, however, obtaining funding has become substantially easier with the 'Made in India' concept, while the number of applicants and cost of programme has increased dramatically, and the procedure to support entrepreneurs through banks and funding agencies has become sound as compared to that of post-independence era. As the competition for grants has increased, Indian mentors have become increasingly entrepreneurial and competitive. They are required to hone up their skill to carry out business proposals. They have become accustomed to seeking or renewing funding. Additionally, they have had to seek alternative sources to develop entrepreneurs. It is therefore not surprising that today's mentors are more receptive to the idea of financial rewards than mentors of an earlier era. The increased accountability out of competition has led them to think for their own interests too. Consequently, faculty as mentor receives rewards in terms of monthly remuneration, directorship position, board membership, and a stake in the company, among other things. Such practices have been transferred by Western to Eastern countries. Institutional mentorship models such as 'Massachusetts Institute of Technology Venture Mentoring Service' (MIT VMS) and 'Oxford Business Mentoring' claim that they do not expect anything from the mentee and their programmes run through sponsorship of partner companies or by donations. During the fiscal year 2013 (July 1, 2012 to June 30, 2013), MIT VMS received financial support in the form of donation from 98 entrepreneurs. Similarly, Oxford Business Mentoring states: *"The core administration is funded generously by Jennings, and mentors do their own follow-up paperwork. For marketing, publicity and any other advice, we pull in favours from our business and mentoring network. For example, the logo was designed by one of our mentors, and the website created by one of our clients. We sometimes are given funding and welcome it."*

Babson College describe their experience as follows: *"Babson is sustained and strengthened each year by the financial contributions of thousands of alumni, students, families, faculty, staff, friends, corporations, and organizations. Donor support provides for financial aid, exceptional faculty, trademark academic centres, cutting-edge research initiatives, and an innovative, hands-on entrepreneurship curriculum"*. Though the possibility of financial rewards to mentors is unclear and ambiguous, it is imperative to understand that financial support is required for the survival of mentoring programmes.

Reward Models in Formal Mentoring Programmes

Entrepreneurs have benefited from mentoring support; they have made profits and created wealth for their generations. They have not only managed to survive, but also succeeded in creating multiple

ventures. On the contrary, the primary rewards to mentors were appreciations, reorganisation, special dinners, salary, and fixed fee. Mentors began to realise that they could capture more tangible rewards by engaging themselves in mentees' firms and consequently, they started gaining positions like directorship or advisorship in their mentees' firms. They would no longer have to wait for the rewards offered by mentees; they could negotiate beforehand. Various ways have evolved for mentors to capture monetary rewards. In many instances, mentors share the percentage of royalties, stock options, discounted stocks, and percentage share in turnover or profit. Such financial reward models are prevalent between scientists and universities when they collaborate for commercializing the research (Stephen and Levin, 1996); however, it is a simple case of knowledge transfer, and mentoring is limited to conducting research and guidance only. In other instances, the financial rewards are popular between investors, venture capitalist, franchising, and start-ups. In crowd-funding, for example, investors share financial rewards in terms of equity and revenue with entrepreneurs (Cholakova and Clarysse, 2015). In India, investors also mentor the start-ups they invest in. Sharad Sharma, former CEO of Yahoo! India, invested in more than 10 start-ups and is actively involved in their mentoring. A case could be made that financial rewards are necessary in order to attract talented persons into mentoring.

Financial Rewards Harm the Spirit of Mentoring?

Expectation of reward has been the subject of debatem in the mentoring literature. Researchers have argued that mentoring has to be voluntary (Moberg and Velasquez, 2004). Previous studies have shown a mixed response on the same subject; some have demonstrated the importance of rewards, specifically financial rewards such as fees, incentives, and increased salaries that are mostly associated with mentoring other than entrepreneurial activities, whereas profit, equity and inclusion of a mentor on the board (directorship, advisory) are prominent in entrepreneurial mentoring. In support of financial rewards to mentors, the study argues that entrepreneurship is a risk- and capital-intensive sector; it raises the accountability of mentors, which requires commitment and motivation to handle the potential entrepreneurs. Therefore, rewards are essential for mentors to compensate their time, experience and expertise as well as to shape their future. Researchers found that financial rewards in terms of increased salary, bonus, a percentage of royalties / turnover / profit, stock options, discounted stocks, and incentives can be sources of motivation to mentor (Gibb, 1999; Stephen and Levin, 1996; Cholakova and Clarysse, 2015). Therefore, theoretically within entrepreneurial mentoring, financial rewards are viable and do not harm the passion of mentoring entrepreneurs; they only motivate mentors to undertake mentorship with increased accountability.

Research Methodology

From the above background, it has been substantiated that theoretically financial rewards are viable in entrepreneurial mentoring. However, empirically the same needs to be tested. This study aims at exploring the financial rewards models for mentors and investigates their feasibility based on the background of mentors. The rationale behind conducting this research is to develop a basic understanding towards the extension of financial rewards to mentors, which is lacking in the literature. An exploratory

design was chosen to investigate the relationship among variables and in continuation to it, profile variables (e.g. age) have been examined with the financial reward models, so that groundwork may be developed. The models were developed through in-depth interviews with mentors. A questionnaire was developed informed by the interviews and administered for the survey.

Sample

The mentors are registered with government and academic organisations. All the organizations are nationally recognized for providing entrepreneurial mentoring support to SMEs, potential entrepreneurs and start-ups. Other than these organizations, data was collected from professors/experts/mentors/trainers/entrepreneurs from various academic institutions and government agencies involved in providing mentoring and supported by Department of Science and Technology (DST), Government of India. In order to explore the financial models, in-depth interviews were conducted. Based on the suggestions received, a questionnaire was administered for survey. The mentors were contacted by an electronic mail. A request for an interview and survey was made to them, either over the telephone or face-to-face. They were requested to participate only if they had mentored entrepreneurs. Most mentors provided their mobile number through an email. A total number of 10 male mentors were interviewed for minimum 20 minutes and maximum 60 minutes. Their brief profile is given in Table 1. For survey, after confirmation through an email, the invitation to participate in survey was sent out to mentors via Google form, which solicited their participation directly. The survey reached 400 mentors, of which 104 returned a completed survey, thereby resulting in a 26% response rate. The mean age of the mentors was 45.73 and all were male.

Measures: Financial Reward Models

Due to limited research and lack of conceptual framework of the construct, the three types of models viz. Profit, Turnover and Royalty Share were conceptualized and operationalized using 5-point Likert-Type Scale. The questions related to each reward had a single item, with five options (Krueger et al., 2000; Peterman and Kennedy, 2003; Veciana et al. 2005; Kolvereid and Isaksen, 2006). The options were coded from 1 to 5, each with option corresponding to a range of percentage. In order to conduct further analysis, the mean of the range was calculated and the range was transformed into a metric scale. Additionally, yes/no questions were also included to form categorical variables. Respondents were asked about the feasibility of all the three financial reward variables, the percentage of reward share and the time duration for which the reward is to be shared.

Occupation	Frequency
Entrepreneur	3
Professor	2
Consultant	2
Head of Entrepreneurship Center/ Department	3
Professional Experience	Frequency

Less than 10 years	2
11-20 years	4
Over 20 years	4
Mentored	Frequency
Yes	10
Rewards	
Other	0
High respect	3
Special dinner	1
Advisor/ Directorship in mentee's firm	3
Fees	1
Stocks	2
Total	10
Financial Rewards Worthwhile	
No	2
Yes	8

Table 1: Profile of Mentors for Interview

Results

The survey data were collected over a period of four weeks. In order to analyse the data, descriptive statistics and one-way multivariate analysis of variance (MANOVA) has been used in SPSS version 20. The three reward variables relating to financial reward models were combined in MANOVA as dependent variables. All the three variables were analysed in conjunction with the parameters (category-independent variables) and classified for mentors i.e. age, professional experience, and occupation. As the present research is exploratory in nature, we explored all the possible outcomes, and hence, through MANOVA, all the three reward variables were investigated with each of the independent variables. Table 2 shows the descriptive statistics for the reward models in terms of frequency and percentage. The time duration for which mentors intend to receive rewards, is also calculated using mean and standard deviation.

Code	Percentage Share	Profit		Turnover		Royalty	
		Frequenc y	Percentag e	Frequenc y	Percentag e	Frequenc y	Percentag e
1	.1% to .5 %	5	4.8	14	13.5	8	7.7
2	.5% to 1 %	8	7.7	15	14.4	12	11.5
3	1% to 2.5 %	33	31.7	33	31.7	24	23.1
4	2.5% to 5 %	38	36.5	23	22.1	44	42.3
5	More than 5%	20	19.2	19	18.3	16	15.4
Total		104	100	104	100	104	100

Mode	4	3	4
Mean	3.58 (SD=1.040)	3.17 (SD=1.273)	3.46 (SD=1.123)
Rewards Share (Years) Mean	4.58 (SD=1.978)	4.08 (SD=1.974)	4.47 (SD=1.942)

Table 2: Descriptive Statistics for Reward Models

The three types of rewards were categorized into a range of percentage share. For example, whether mentors think that 2.5% to 5% of the total profit is reasonable to be extended to mentor or 1% to 2.5 % of the total turnover is reasonable to be extended to mentors. Moreover, the percentage of share may be extended for nearly four years. In Table 2, the increasing order of range does not imply that 2.5% is greater than 0.5%; however, the respondents were asked to choose the reasonable and appropriate option according to their estimation, which may be based upon their experience of mentoring relations, current competition and future prospects. Therefore, the respondents anticipating the nature and complexity of the relationship chose the most feasible range. The value of mode for profit share and royalty share was 4, which means that mentors prefer to share 2.5% to 5 % of the profit and royalty, whereas the mode for turnover share is 3, which indicates that they prefer to share anything ranged between 1% to 2.5 % of the turnover.

Reward Models

All the three reward variables were analysed with the profile of mentors. For this purpose, the mean of range 0.1% to 0.5 %, 0.5% to 1 %, 1% to 2.5 %, 2.5% to 5 % was calculated as 0.3, 0.75, 1.75, 3.75, and 7.5, respectively. MANOVA for the three parameters for mentors' profile, i.e. age, professional experience and occupation, was calculated (Table 3); Pillai's Trace test statistic was used to calculate the significance value, as this method is robust when cell sizes are unequal. The F-values for the following relationships are insignificant: (1) professional experience and reward variables and, (2) occupation and reward variables. However, F-value is significant for (1) age level and reward variables; Pillai's Trace = 0.149, $F(6, 200) = 2.690$, $p = 0.016$, $\eta^2 = 0.075$. The partial eta squared (η^2) of region is 7.5%. In order to examine the further differences in categories a Post Hoc test was conducted as shown in Tables 4 and 5.

Descriptive Statistics					Multivariate Tests (MANOVA) Pillai's Trace		
Age level		Mean	Std. Deviation	N	F	Hypothesis df	Sig
Profit Share	Less than 40 years	3.1154	1.76243	26	2.690	6.000	.016
	40-60 years	3.8385	2.39320	65			
	Above 60 years	3.4231	1.54578	13			
	Total	3.6058	2.16568	104			
Turnover Share	Less than 40 years	1.9038	.88056	26			
	40-60 years	3.4308	2.47271	65			
	Above 60 years	3.8269	2.64848	13			
	Total	3.0986	2.30249	104			
Royalty Share	Less than 40 years	3.7885	1.83534	26			
	40-60 years	4.0731	1.81127	65			

	Above 60 years	2.9808	1.01274	13			
	Total	3.8654	1.76155	104			
Professional Experience							
Profit Share	Less than 10	3.1818	1.79873	33	1.962	6.000	.073
	Less than 20	3.7340	2.33441	47			
	More than 20	3.9375	2.27970	24			
	Total	3.6058	2.16568	104			
Turnover Share	Less than 10	2.2879	1.36376	33	1.962	6.000	.073
	Less than 20	3.4096	2.60561	47			
	More than 20	3.6042	2.48355	24			
	Total	3.0986	2.30249	104			
Royalty Share	Less than 10	3.8939	1.74668	33	1.962	6.000	.073
	Less than 20	4.1649	1.91410	47			
	More than 20	3.2396	1.31562	24			

	Total	3.8654	1.76155	104			
Occupation							
Profit Share	Entrepreneur	3.5738	2.14007	61	1.368	9.000	.202
	Professor	2.9559	1.97491	17			
	Consultant	4.5962	2.13975	13			
	Govt. Trainer	3.6154	2.43160	13			
	Total	3.6058	2.16568	104			
Turnover Share	Entrepreneur	2.7172	2.08340	61	1.368	9.000	.202
	Professor	3.1912	2.02818	17			
	Consultant	3.5385	2.40842	13			
	Govt. Trainer	4.3269	3.14971	13			
	Total	3.0986	2.30249	104			
Royalty Share	Entrepreneur	3.7459	1.80075	61	1.368	9.000	.202
	Professor	4.2941	1.60379	17			
	Consultant	3.5769	1.46268	13			

	Govt. Trainer	4.1538	2.08301	13			
	Total	3.8654	1.76155	104			

Table 3: Distribution of Reward Variables

Post Hoc Test for Age Level and Reward Models

In Table 3, a significant difference was observed from MANOVA. The value of Pillai's Trace is 0.149, $p=0.033$; it implies that there exists at least one significant difference between the mean scores of the categories of independent variable for the dependent variables. In order to see which category of independent variable has significant difference, the Welch test was performed for each variable (Table 4). Furthermore, Post Hoc analysis was conducted using the Games-Howell method; this test is robust enough to provide reliable results when equal variances are not assumed.

Dependent Variable	Statistics	df1	df2	Sig.
Profit share	1.261	2	36.178	.295
Turnover share	11.310	2	29.983	.000
Royalty share	4.594	2	38.530	.016

Table 4: Welch Tests Age Level & Reward Variables

From the above Welch Table 4, it can be inferred that the values of the turnover share and royalty share are significant at $p = 0.000$ and $p = 0.016$, respectively. It implies that the age of mentors is a significant predictor of the types of rewards that can be shared with mentors, and consequently, in terms of age, they prefer to share a percentage part in turnover and royalty. Furthermore, micro analysis of the turnover share reveals that the younger mentors (below 40 years of age) and middle-aged mentors of (between 40–60 years of age) have significant difference in the respective mean scores (refer Table 3). It implies that mentors aged 40–60 years (mean = 3.4) are more inclined for the turnover share than mentors below 40 years of age (Mean = 1.9). In addition, mentors aged 40-60 years and above 60 years have significant difference in royalty share category (mean difference = 0.35968), refer Table 5. Overall, it implies that mentors aged 40–60 years are more inclined to financial rewards, whether it is turnover or royalty share.

Dependent variable	(i) Age level	(j) Age level	Mean difference (i-j)	Std. Error	Sig.	95% confidence interval	
						Lower bound	Upper bound
Profit Share	Less than 40 years	40-60 years	-.7231	.45561	.259	-1.8170	.3709
		Above 60 years	-.3077	.55070	.843	-1.6726	1.0573
	40-60 years	Less than 40 years	.7231	.45561	.259	-.3709	1.8170
		Above 60 years	.4154	.52146	.709	-.8829	1.7137
	Above 60 years	Less than 40 years	.3077	.55070	.843	-1.0573	1.6726
		40-60 years	-.4154	.52146	.709	-1.7137	.8829
Turnover Share	Less than 40 years	40-60 years	-1.5269*	.35198	.000	-2.3660	-.6879
		Above 60 years	-1.9231	.75458	.058	-3.9092	.0630
	40-60 years	Less than 40 years	1.5269*	.35198	.000	.6879	2.3660

		Above 60 years	-.3962	.79601	.873	-2.4445	1.6522
	Above 60 years	Less than 40 years	1.9231	.75458	.058	-.0630	3.9092
		40-60 years	.3962	.79601	.873	-1.6522	2.4445
Royalty Share	Less than 40 years	40-60 years	-.2846	.42430	.782	-1.3125	.7433
		Above 60 years	.8077	.45657	.194	-.3076	1.9230
	40-60 years	Less than 40 years	.2846	.42430	.782	-.7433	1.3125
		Above 60 years	1.0923*	.35968	.013	.2056	1.9791
	Above 60 years	Less than 40 years	-.8077	.45657	.194	-1.9230	.3076
		40-60 years	-1.0923*	.35968	.013	-1.9791	-.2056

Table 5: Table Games-Howell Multiple Comparisons for Age Level and Reward Models

*. The mean difference is significant at the .05 level

Discussion

In this paper, a multivariate technique was used to arrive at the results. There are six important findings of this exploratory research. First, descriptive statistics suggested that mentors prefer turnover

share and royalty share. Second, the intended time duration for sharing the reward for the mentors is approximately four years. Third, mentors are likely to prefer a percentage of reward in range of 2.5% and 5% for both types of rewards. Fourth, the age level of mentors has significant impact on turnover and royalty reward share. Fifth, experience and occupation are insignificant in predicting the viability of rewards; this finding is not in-line with previous findings where experience is correlated with the cost and the benefits of being a mentor (Ragins and Scandura, 1999). Sixth, the age-level of mentors plays a significant role in understanding the reward system for existing mentors. The mentors in the age group of 40–60 years are likely to be more inclined to prefer these models. Therefore, based on above results, the present research proposes a financial reward model for mentors, Figure 1.

	Age level	Reward Model	Percentage Share	Time duration
Mentor	Above 60 years vs. 40-60 years	Royalty Share	2.5 % to 5 %	Approx. 4 years
	Less than 40 years vs. 40-60 years	Turnover Share	1 % to 2.5 %	

Figure 1: Reward Model for Mentors

Conclusion

In this paper, the financial rewards for mentors in the entrepreneurship domain have been examined to provide a basic understanding for extending the financial rewards to mentors by mentees. It has been found that mentors in entrepreneurship are willing to receive financial rewards, unlike traditional mentors who considered mentoring to be only a philanthropic activity (Moberg and Velasquez, 2004). Results show that experience and occupation are insignificant in predicting the rewards for mentors, whereas age level is a significant predictor of rewards. It has been investigated that mentors falling into the age group of 40–60 years are more eager to share a percentage of turnover and royalty as reward. As mentors seem to be profoundly motivated by the idea of financial rewards, extending the same to mentors can be an effective new strategy for engaging talented and accountable mentors in the mentorship of entrepreneurs. As pointed out by Sullivan (2000), mentors provide life-long benefits to entrepreneurs and provide mentoring at any given point of need, therefore they must be rewarded from a policy perspective.

The present research also suggests that the reward-system for mentors is experiencing a transition from intangible rewards (Halatin and Knotts, 1982) to tangible rewards (Gibb, 1999; Stephan and Levin, 1996) and researchers have found that psychological rewards are not sufficient to motivate individuals to pursue their job (Stephan and Levin, 1996). Hence, without ignoring the importance of intangible motives like passion for mentoring and helping others, this research suggests that future rewards could include a package of financial as well as non-financial rewards for successful mentoring. Such packages may positively affect the motivation level of mentors for mentoring (Gimeno et al., 1997). The importance of

financial rewards along with non-financial rewards has also been acknowledged in other areas of entrepreneurship (Cholakova and Clarysse, 2015).

It has also been noted that the available literature does touch upon intangible rewards, but not on financial rewards. The probable reasons include: i) most of the mentoring studies are conducted from the perspective of the mentees (Hansford et al., 2002); ii) mentors are considered as volunteers and not professionals (Moberg and Velasquez, 2004); iii) mentoring for entrepreneurs is mostly undertaken by government agencies (either free of cost or limited fee paid to mentor); iv) the lack of supportive culture to paid mentoring; v) most of the mentoring studies are conducted in the US, the UK, Canada, and Australia (Hansford et al., 2002). Therefore, little is known about the situation in developing countries like India. The present study helps in exploring and understanding the importance of financial rewards from the perspective of mentors.

To the best of our knowledge, this study is the first of its kind in this area. The perspectives of mentors from industry, academia, and government-supported agencies have been investigated and this could further be narrowed down to any specific sector providing scope for future research. Though the findings of the present study are novel and contribute to the literature on mentorship and entrepreneurship, very little evidence from the extant literature was available to support the findings of the study. Whilst this study suggests exploring the viability of financial rewards in the mentoring of entrepreneurship, there are opportunities to explore the other sectors as well. As this was a study with all-male participants, there are also opportunities to explore these questions using an alternative gender balance.

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