Shared Stressors and Stress Coping Strategies in Start-up Teams

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Abstract: Engaging in new entrepreneurial efforts sets many demands for individuals involved, and many of those demands impact the well-being of the people in a start-up company. One common issue linked to well-being is stress. Prior research has indicated that a majority of all entrepreneurs experience stress on a regular basis (e.g. Shepherd et al., 2010). Furthermore, a recent study by Wach et al. (2021) identified that entrepreneurial stress differs from the stress that salaried employees with no entrepreneurship responsibility face in their work. The “overall high and persistence level of stress” (Wach et al., 2021) calls for stress research focusing on entrepreneurial setup. Since entrepreneurship is a wide concept and entrepreneurs as a category includes a wide variety of entrepreneurial individuals and teams, an even tighter scoping of stress research is defendable. This study studied a sub-category of entrepreneurial organizations called early-stage start-ups. This cohort of companies faces lots of uncertainties concerning the market, technology, and competition. Thus, it can be logically argued that these companies have stressors that are typical to their stage of development as well as difficult to solve due to the scarce resources that a young start-up possesses. The research design adopted was based on treating entrepreneurial stress as a collective effort as well as putting emphasis on the dynamic and volatile nature of the presence of stress in daily start-up operations. The longitudinal approach (study period of 3 weeks) and team-based fresh (video) entries by the teams (4 start-up teams of 2 to 5 people each) were tackling some of the methodological challenges of prior research. Both the experienced stressors and the coping strategies used got recorded and subjected to thematic content analysis. The findings identified stress-related characteristics typical for team-based operating model and also communal coping strategies including those that are rarely reported in the studies of coping strategies on the individual level. The findings contribute academically to the theory-building on the well-being of entrepreneurs and on a pragmatic level for entrepreneurs acting in their typically stress-laden environment as well as for the support and educational organizations for entrepreneurship.

Keywords: entrepreneurial stress, shared stressors, communal stress coping, start-ups, teams, entrepreneurial well-being

1. Introduction

The presence of stress in entrepreneurial activity is widely accepted in the research community. An estimated 55-65% of entrepreneurs experience stress on a weekly basis (Shepherd et al, 2010). According to Salas, Driskell and Hughes (1996), “stress is a process whereby environmental demands evoke an appraisal process in which perceived demand exceeds resources, and that results in undesirable physiological, psychological, behavioural, or social outcomes”. In this study we follow the recent developments in stress studies where stress can be regarded as both positive or negative phenomenon (the challenge-hindrance stressor framework) (Lerman, Munyon and Williams, 2021).

Entrepreneurs facing stress is not a surprising finding, since entrepreneurship is characterized by uncertainty, considerable risks, increased personal responsibility for survival and success, the need to work harder and longer hours than salaried employees, and no clear division between professional and private life (Grant and Ferris, 2012). Negative stress may lead to serious health problems (Stephan and Roesler, 2010), impact venture success, growth and longevity (Lechat and Torrès, 2016). The existing literature on entrepreneurial stress has already identified some core sources and consequences of stress (e.g. Thompson, van Gelderen and Keppler, 2020). The research field is still developing and some current gaps in it are addressed in this paper.

First, the scope of studies typically concentrates mostly on individuals and use the method of one-to-one interviews. However, new ventures are rarely started by solo entrepreneurs (Jin et al, 2017). Moreover, stress is also a collective phenomenon (Akgün et al, 2007, p. 628) and logically, coping with stress should be seen as a team effort (Leprince, D’Arripe-Longueville and Doron, 2018). Therefore, this study addresses entrepreneurial stressors and stress coping strategies on a team level.
Importance of coping with stress is well proven in the literature. The non-survival of a new venture may relate to a lack of the stress coping entrepreneurial activity (Cardon and Patel, 2015). Entrepreneurs skilful in coping with stress run businesses with longer life spans and have a competitive advantage over others (e.g. Dijkhuizen et al, 2016). However, entrepreneurial stress coping literature is scarce, especially on a team-level. Moreover, qualitative research to uncover coping strategies has been rare (Eager, Grant and Maritz, 2018). Another problem is that function-oriented coping taxonomies, which dominate the research on coping among entrepreneurs, ignore temporal dynamics of entrepreneurship (Bird and West, 1997).

The third gap is that the research on entrepreneurial coping lacks methods that address the dynamic nature of entrepreneurial processes and help tackle the retrospective bias (Williamson, Gish and Stephan, 2021). That is why a longitudinal approach and the experience sampling method are chosen to raise the reliability of the findings and to address the fact that entrepreneurship and stress processes are difficult to be observed at only one time. Moreover, this study operationalizes the model by Eager, Grant and Maritz (2018) that considers both functional and temporal dimensions of coping.

Research questions (RQs) developed for this study are based on the observed gaps of knowledge on the issue area and the observed pragmatic needs within the start-up community:

RQ1: What are the shared stressors for start-up teams?
RQ2: What communal stress coping strategies do start-up teams use?

The answers to the RQs contribute to the accumulation of scholarly knowledge in the field of entrepreneurship (well-being) research. The findings and conclusions derived also give entrepreneurs, entrepreneurial teams and their support organizations pragmatic knowledge on how to understand entrepreneurial stress and act on it in productive ways.

2. Theoretical framework

2.1 Start-ups and start-up teams

Start-ups are a category of their own in entrepreneurship and they are not just small copies of big companies. The authors have synthesized existing definitions of start-ups as follows (e.g. Ries, 2011; Blank and Dorf, 2012):

> A temporary, rapidly changing organization that exists to develop an innovative product, find a repeatable, profitable and scalable business model in an environment of extreme uncertainty and limited resources.

There are a number of terms used in the literature to mean the teams that lead new ventures: founding teams, entrepreneurial teams, or start-up teams. To specify what a start-up team is this broad definition can be used: “... two or more individuals who commit to each other to create a new firm” (Brattström, 2019, p. 6). Here the notion of communal and interdependent process between individuals is inherent.

The overview of the team dynamics can be very well represented with the help of inputs-mediators-outcomes (IMO) framework by Klotz et al (2014) as displayed in Figure 1. Such mediator as collective (team) cognition is important for this study as it provides a theoretical background for shared stress coping strategies in start-up teams.

Team cognition refers to the knowledge architecture of the team. More specifically, “entrepreneurial team cognition is an emergent state that refers to the manner in which knowledge is mentally organized, represented and distributed within the team and allows entrepreneurial team members to approach problem-solving and make assessments, judgments or decisions...” (Mol, Khapova and Elfring, 2015, p. 243).
Entrepreneurial stressors and shared stressors in teams

Entrepreneurial stressors are “specific constraints that entrepreneurs typically and frequently encounter when leading their businesses and that prevent them from doing their jobs successfully and thus from accomplishing their valued goals” (Gilboa et al, 2008). This definition should be adjusted and widened by considering stress also positively. Therefore, it is suggested to distinguish between challenges and hindrances as stressors. Challenges promote positive outcomes, such as learning and achievement and facilitate better performance by motivating individuals to engage effectively with stress. Hindrance stressors threaten personal growth and goals, and thus negatively impact performance and well-being (Lerman, Munyon and Williams, 2021).

Prior research on entrepreneurial stressors is quite unstructured. For example, according to Perry, Penney and Witt (2008) the most important stressors are: inadequate financial resources, deficiencies in equipment/tools/supplies, job-related information, help from others, and lack of time. Akande (1994) listed the main stressors to be loneliness, time demands, conflicts with partners and employees, and the need to achieve. The studies were conducted on individual level, and data collection happened via cross-sectional/static methods like interviews. The existence of team cognition and team stress and their temporal dynamic nature were not addressed.

According to Dietz et al, (2017, p. 298), teamwork stressors are “stimuli, or conditions, that influence the team’s capability to interact interdependently or capacity to achieve their goals”. Research on team stressors is ampler in fields of psychology, health, and sports, but less developed in entrepreneurial setting. Therefore, using more dynamic methods and studying stressors and stress coping as a communal phenomenon in start-up teams has potential to add to the knowledge pool in the field of entrepreneurship science.

Stress coping and communal coping in teams

According to Lazarus and Folkman (1984, p. 141), coping is action where cognitive and behavioral efforts are performed to manage specific external and/or internal demands. Researchers have developed categorizations of methods to cope with stress. Function-oriented coping taxonomies are based on the form and direction of reactive, present-oriented coping (e.g. Lazarus and Folkman, 1984; Carver and Connor-Smith, 2010). An important point is that these taxonomies do not consider temporal dynamics of entrepreneurial activities (Bird and West, 1997).

Future-oriented coping taxonomies exist and they propagate for the idea of both preventative coping (Greenglass, 2002) and proactive coping (Schwarzer and Taubert, 2002) co-existing. Eager, Grant and Maritz (2018) state that a tandem of reactive and anticipatory coping is beneficial for entrepreneurship research, and
it can be achieved by function- and future-oriented strategies (Figure 2). Their conceptual model is based on cross-sectional qualitative research amongst 22 active entrepreneurs. Though the model still requires empirical validations in different context and timeframes, it is a relevant model of reference for this research on stress coping in teams.

**Figure 2: Conceptual model of coping strategies among individual entrepreneurs**

Stress coping also emerges as a combination of individual and group efforts (Tamminen and Gaudreau, 2014). Communal coping is defined as a process when stressors are appraised and acted upon in the context of close relationships, and describes the efforts of individuals in a group as they collectively cope with stressors (Lyons et al, 1998). The studies from health psychology, disaster psychology and family psychology focus on the circumstances when people need to manage with shared stressful events (e.g. Wlodarczyk et al, 2016). From those studies it can be derived that start-up teams provide an interesting setting to research communal coping further and gain an understanding of how coping takes place in different types of teams and in different contexts.

3. Method

It is an exploratory qualitative study. Qualitative methods are particularly promoted for exploratory studies as they provide depth and richness needed when studying any human condition or experience (Gartner and Birley, 2002). Moreover, longitudinal approach is implemented, as it demonstrated value in understanding dynamic processes in business (Giaever and Smollan, 2015). In data collection Experience Sampling Methodology (ESM) was applied which “requires participants to provide reports of their thoughts, feelings, and behaviors at multiple times across situations as they happen in the natural environment” (Uy, Foo and Aguinis, 2010). First reason is that retrospective reports of emotions, beliefs, and behavior in the past can be influenced by memory errors, availability, current affect and other aspects (Schwarz, Kahneman and Xu, 2009). Second, the research on entrepreneurial coping lacks methods that would address the dynamic nature of entrepreneurial processes (Terjesen, Hessels and Li, 2016).

In our study the sample consisted of 4 early-stage Finnish startups that 1) are established as companies, not anymore teams in the planning- or project-stage 2) have minimum one and maximum five years of longevity 3) have two to seven entrepreneurs/core team members (to ensure the existence of social fabric but in a limited scope). No limitations were set on the industry nor to team member demographics. Research language was English as it facilitated the unity of data and its analysis.

The answers were provided via a video-diary, that as a method can restrict the interaction between researcher and participant, and thus might decrease researcher-imposed bias (Owens et al, 2017). The method also allows longitudinal data collection as the need for the researcher to be present is limited. Additionally, it can be
preferred by respondents who have time constraints to engage in writing memos or filling surveys (e.g. start-ups).

A mix of deductive and inductive coding approach was used in data classification. The data were first coded inductively, and then narrowed further to sub-categories. The model by Eager, Grant and Maritz (2018) was used to see if some coping strategies from individual entrepreneurs are also found in team context. As for the findings on stressors, they were coded only inductively as the research on start-up team stressors does not offer a consistent model yet. Furthermore, researcher triangulation was applied; the three researchers derived their conclusions first independently and those conclusions were later merged into a joint view.

4. Findings and Discussion

Stressors

With regard to the first research question, the following model of start-up team stressors is proposed based on the findings. We distinguish between 4 work-related categories of stressors (own work of a team member, team-related stressors, stressors related to third parties like customers or suppliers and stressors that are connected to worries about future developments) and 2 non-work-related categories of stressors (own private life and other non-work-related stressors connected with friends or family).

![Conceptual model of start-up team stressors](image)

Figure 3: Conceptual model of start-up team stressors

It should be noted that extreme workload is the stressor that is observed almost daily in the video diaries of the teams, which goes in line with the general characteristics of entrepreneurial activity (Grant and Ferris, 2012). Among private life related stressors working from home with kids can be viewed as a new stressor due to pandemic. In general, issues in private life were reported quite rarely. Stressors related to physical state, such as hunger or lack of sleep, also were reported not often. This indicates the focus of team members on their tasks they need to complete to get the project going. An important finding is that start-up team members described most of the stressors as challenges and not as hindrances (Lerman, Munyon and Williams, 2021), meaning that they perceive stressful situations positively and tend to look at stress from a brighter side.

Coping strategies
As for the second research question, the following model of team coping strategies is suggested. It is based on the model by Eager, Grant and Maritz (2018), that has been developed from individual entrepreneurs’ interviews.

**Figure 4: Conceptual model of stress coping strategies for start-up teams**

With regard to behavioural coping, teams in this study mentioned different types of planning. Nevertheless, these solutions are quite limited. This brings about a recommendation for start-ups and for supporting organizations to introduce workshops on time and energy management techniques.

Also, active coping like preparing better for meetings, looking up information, making some video calls without camera on, replying emails with voice messages was reported in the study. The coping strategy that was found as characteristic for team context is having a discussion. This can be viewed as the coping strategy of using support (instrumental - seeking advice and assistance or emotional – getting sympathy and understanding). Participants acknowledged that more proper and timely discussion in a team could have helped to avoid problems and related stress. Also, introducing new things in a slower pace and “not pushing” helps deal better with team resistance and related stress. This strategy can also be used as a proactive coping strategy, meaning to get ready for future instances of stress or to avoid them (Schwarzer and Taubert, 2002). It demonstrates that the notion of time in entrepreneurship studies (Bird and West, 1997) should not be neglected and inclusion of time perspective needs to be implemented in entrepreneurship research.

With regard to the cognitive form of coping strategies, acceptance and positive reframing were mentioned in many cases. Similar to the finding of Eager, Grant and Maritz (2018), “participants used Positive Reframing in order to reappraise stress as a sign of their contribution to achieving a higher purpose.” Apart from that participants often talked about other extra future-oriented cognitive coping strategies (Figure 4).

Rest as a form of self-distraction strategy was also mentioned. Different intervals of resting were described: breaks within a day, a vacation week, short periods of rest such as walking, breathing in and out, even looking out into the window and getting distracted. Participants also talked about getting enough sleep and exercise, though just a couple of times. However, sleep is underlined as one of the important recovery approaches for entrepreneurs (Williamson, Gish and Stephan, 2021).

The only strategy mentioned regarding the affective form of coping strategies was getting emotional support through talking to team members and sharing. Therefore, it is recommended for start-up teams to arrange
regular meetings (similar as in this project) where they do not talk about daily tasks and routines but talk specifically about their stress and well-being issues and experiences.

Important is that venting or behavioural disengagement were not mentioned in this study of teams, therefore the respective parts of the model are crossed out.

A new finding that is inherent to the team context is that humor and laughter was mentioned five times in one team and observed in all the teams, while the study by Eager, Grant and Maritz (2018) found no reports of this coping strategy in individual entrepreneurs. Indeed, humor can be used as an internal way to improve group cohesiveness especially in times of stress and adversity (Gopalkrishnan, 2017). In this regard introducing regular laughter therapy or laughter yoga (within start-up team context) is one of the recommendations. “The positive psychological effect of laughter therapy includes mental alertness, increase in concentration, cooperation, creativity and self-confidence plus better ability to cope with stress” (Kaur and Walia, 2008, p. 35). The resent study by Ozturk and Tezel (2021) showed that laughter yoga reduces levels of anxiety, depression, negative self, and hostility.

*Meditation* is another coping strategy that was not mentioned at all neither in the study by Eager, Grant and Maritz (2018), nor in the current study on teams, although for example, Engel et al (2021) find positive relationship between meditation practices, increasing self-compassion and reducing stress in entrepreneurial context. They state that their findings can also be relevant to the studies about entrepreneurial team dynamics. In this regard we can talk about group meditation approach.

*Journaling* and *mindfulness training* can be also added to the recommendations (e.g. Shapiro et al, 2006; Dimitroff et al, 2017). These coping strategies were proved to help in dealing with stress but mostly in psychological and medical literature.

A final finding is an observed lack of stress awareness among the teams in the project. At the same time, the participating teams demonstrated improvement in their level of stress reflection on a weekly basis during the project participation. In this regard, spreading information among existing and potential entrepreneurs how stress might affect the outcomes of a venture is one of the approaches to recommend. Another recommendation deals with the studies of *reflective practice* among entrepreneurs (Tikkamäki, Heikkilä and Ainasoja, 2016). Reflection can be practiced not only on individual but also team level (Raelin, 2001).

5. Conclusion, further research and implications for practitioners

First, this study of shared stressors and communal stress coping in start-up teams draws attention to the concept of team. It is found and demonstrated how start-up teams have different dynamics with regard to experiencing and dealing with stress (e.g. Jin et al, 2017) as compared to solo entrepreneurs. Therefore, the models of entrepreneurial stressors and stress coping strategies (e.g. Eager, Grant and Maritz, 2018) based on studies of individual entrepreneurs have been updated with regard to the findings of this study.

Second, by using longitudinal approach, the authors managed to avoid retrospective bias, enhance general reliability of findings and consider the importance of time and process in entrepreneurial activity. Therefore, the authors support the call for using more of longitudinal research designs in the field of entrepreneurship (e.g. Giaever and Smollan, 2015; Williamson, Gish and Stephan, 2021).

It is suggested that previous findings about the effect of stress on entrepreneurial activities (e.g. Dijkhuizen et al, 2016) and the findings of this study should be considered to enhance the model of team dynamics (Klotz et al, 2014), where the team’s knowledge of stress coping strategies can be added as one of the central mediators.

It is advised that further research should focus more on exploring such stress coping strategies for entrepreneurial teams as humour, group mediation, collective reflective practice, journaling and group mindfulness training that were not mentioned or rarely mentioned by the participants in this study.

Finally, further development of research about positive and negative stress in entrepreneurs is also necessary (Tikkamäki, Heikkilä and Ainasoja, 2016; Lerman, Munyon and Williams, 2021).
Stress awareness and knowledge of stress coping strategies for entrepreneurial teams should be also emphasized more on practical level. It is advised to include these topics into various support programs for entrepreneurs as well as into the teaching materials at business schools. Incubators, that provide work space and mentoring for start-up teams could also offer practical implementation of such team coping strategies that were proven to be effective in dealing with stress, as laughter therapy, group mediation, collective reflection, group mindfulness training and journaling.

References


