

## Stress and stress coping in early-stage entrepreneurship: The dual context of venture capital and business accelerators

– *A case study*

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### **Abstract**

Entrepreneurs are a central element of dynamic economies and a growing component of the global workforce. Research has shown that entrepreneurs face high levels of stress, which negatively impacts their health and causes substantial costs for healthcare systems. Also, entrepreneurs' ability to effectively cope with stress positively influences their ventures' performance. Therefore, it is in the interest of entrepreneurs, investors, and the general economy to improve entrepreneurs' stress coping ability, which means to first better understand entrepreneurial stressors and coping mechanisms. Given the scarcity of research on entrepreneurial stress in different contexts, several researchers have called for more studies in this field and the development of context-sensitive theories. This study follows this call by conducting a qualitative single case study, based on semi-structured interviews and observation, in the specific context of entrepreneurs of early-stage, venture capital-financed companies that take, or have taken, part in an accelerator program. We identify 11 specific stressors and 3 coping mechanisms that are relevant to this context, but that are not included in Grant and Ferris (2012) entrepreneurial stressor framework and Eager et al. (2019) entrepreneurial stress coping framework, respectively. Therefore, we propose updated versions of those frameworks. Furthermore, while taking part in an accelerator program seems to mostly mitigate entrepreneurs' stress, this influence depends on the specific characteristics of the accelerator program and entrepreneur. Also, we find that while VC financing has several stress inducing and stress mitigating components, the stress inducing components can be largely offset if the entrepreneur also takes part in an accelerator program.

**Keywords:** entrepreneurship, stressors, stress coping, venture capital, business accelerator

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## Glossary

<b>Early-stage entrepreneur</b>	The founder of a newly created venture (Uy et al., 2015).
<b>Early-stage venture</b>	A venture stage starting with “nascent entrepreneurship” (White & Gupta, 2020) and ending with a company raising Series A funding.
<b>Stressors</b>	Sources of stress that arise from issues a person sees as threatening, overwhelming, or challenging to address (Lazarus & Folkman, 1984).
<b>Entrepreneurial stressors</b>	Stressors that are uniquely experienced by entrepreneurs. As such, they differ from the stressors experienced by organizationally employed workers (Grant & Ferris, 2012; White & Gupta, 2020).
<b>Stress coping</b>	“The process of managing taxing circumstances, expending efforts to solve personal and interpersonal problems, seeking to master, minimize, reduce or tolerate stress induced by unpleasant and stressful situations.” (Drnovsek et al., 2010, p. 194; Wong et al., 2006).
<b>Entrepreneurial stress coping</b>	Stress coping strategies that entrepreneurs utilize to manage stress.
<b>Problem-focused coping strategy</b>	A response behavior where one seeks to ease the stressors by altering the person- environment relation that causes the distress by identifying the problem and probable solutions, weighing the pros and cons of each solution, and then acting on it (Drnovsek et al., 2010; Folkman et al., 1986).
<b>Emotion-focused coping strategy</b>	A coping strategy focused on regulating the stressful emotion with a response aimed at regulating one’s reaction to the stressor at hand by minimizing and distancing oneself from it (Drnovsek et al., 2010).
<b>Venture capital (VC)</b>	Exchanging equity for financing; <i>a form of private equity financing</i> for small startup companies that have exponential, long-term growth potential (Hayes, 2021). This thesis specifically focuses on early-stage pre-A series investments.

**VC context**

Fast-paced, demanding and competitive environment in which entrepreneurs work together with the investors as part of the new venture creation process (White & Gupta, 2020; Örtqvist et al., 2007).

**(Business) Accelerator**

*Business accelerators are **programs*** designed to support early-stage entrepreneurs' ventures via offering tools, networks, and resources, such as office spaces, shared services, and business development assistance to help the early stages of the venture creation process and aid the venture success after the program has ended (Allen & McCluskey, 1991; BDC, 2021; Hathaway, 2016). In general, these programs last anything between a few months to a few years.

**Accelerator context**

Supportive environments facilitating knowledge, infrastructure, technology, market, and culture resources (Lange & Johnston, 2020), as well as providing social support and sense of security in the form of in-group membership (e.g., Cooper et al., 2012).

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# 1. Introduction

Entrepreneurs are a central element of dynamic economies. They create jobs, growth, and generate innovation by constantly challenging the status quo, which is crucial for solving many of the challenges our society faces (Audretsch, 2012; Acs & Mueller, 2008). “Over the last 50 years, entrepreneurship as a scientific field has grown significantly – from a small emerging venture in the 1970s to a global industry today with thousands of people around the world who consider themselves entrepreneurship scholars” (Landström, 2020, p. 1). Findings include that the work of entrepreneurs is substantially different from a traditional employee setting; it is more extreme in terms of higher levels of responsibility, uncertainty, time pressures, workload, and complexity, overall resulting in higher levels of stress (Stephan, 2018).

These highly stressful conditions are shown to have a negative impact on entrepreneurs’ mental health (e.g., bipolar disorder, substance abuse, depression, or anxiety) and physical well-being (e.g. insomnia, depression, heart disease, and stroke) (Eager et al., 2019; Freeman et al., 2015; Palamarchuk & Vaillancourt, 2021; Stephan 2018; Örtqvist et al., 2007). In addition to the negative implications for individual’s health, work-related stress poses a significant cost on society, which is estimated to EUR 20 billion annually (Eager et al., 2019, Hassard et al., 2014). Furthermore, research has been conducted at the intersection of entrepreneurial stress and venture success, and has confirmed what seems intuitive: stress and the ability to effectively cope with it influences not only well-being but also venture longevity and venture performance (Drnovsek et al., 2010). “‘Happy’ entrepreneurs are more likely to persist and perform better” (Stephan, 2018, p. 291).

While the impact of entrepreneurial stress and effective stress coping on venture performance and well-being is studied, the specific stressors experienced and coping strategies used in different entrepreneurial contexts are hardly understood. Research on occupational stress and coping to date is dominated by a focus on organizational employees, who face significantly different work characteristics. Hence, findings are not directly transferable to entrepreneurial contexts (Grant & Ferris, 2012; Stephan 2018). Even within the realm of entrepreneurship, which “is a very heterogeneous field, with large differences in the type and scale of activities that entrepreneurs perform” (van Burg et al., 2020, p. 4) and the “institutional, economic, and cultural environments” (van Burg et al., 2020, p. 4) they operate in, transferability of findings between the different entrepreneurial contexts is not given (Davidsson, 2016; Stephan 2018; Welter et al., 2017). Hence, to be able to reduce the negative impact of entrepreneurial stress on well-being and venture performance and “ultimately help [to] sustain the economic and societal benefits” (Stephan, 2018, p. 291) of entrepreneurship, several researchers point out that a better understanding of entrepreneurial stress and coping is required in the form of context-sensitive theories (e.g., Drnovsek et al., 2010; Stephan, 2018; Welter, 2011; Zahra & Wright, 2011).

## 1.1. Purpose and research questions

This study contributes to the understanding of entrepreneurial stress and stress coping by focusing on the specific niche of entrepreneurs of early-stage, venture capital-financed companies that take, or have taken, part in a business accelerator program. While we have previously outlined the importance of furthering the understanding of entrepreneurial stress and coping, in the following we argue for why we chose this specific niche.

Due to the dynamic nature of business venturing, entrepreneurs experience different stressors at different venture stages from creation to exit (White & Gupta, 2020), which inhibits generalizability of findings across the venture stages. Therefore, we focus specifically on early-stage ventures, which are recognized as crucial economical innovation-drivers (Kontolaimou et al., 2016). As 90 % of startups fail within the first year, contributing to the understanding of this phase can be highly beneficial (e.g., Patel, 2015).

We define “*early stage*” as starting with “nascent entrepreneurship” (White & Gupta, 2020) and ending with a company raising Series A funding. Nascent entrepreneurship describes the phase in which “formal organizations emerge as individuals make steps toward incorporating their venture” (p. 68). This includes the period directly before the formal incorporation, where for example the formation of the co-founder team and the initial ideation process takes place. When a company raises Series A funding, it is typically an indicator that it has finished the initial product development-stage and transitions into the rapid-growth stage, where then a different set of stressors applies (White & Gupta, 2020).

Within the early stage, the dual context of venture capital (VC) financing and business accelerator programs is a frequently occurring contextual situation. Within the early stage, the dual context of venture capital (VC) financing and business accelerator programs is a frequently occurring contextual situation. Venture capital (VC), exchanging equity for financing, is a typical form of financing for early-stage companies, as these firms often lack the sufficient collateral to acquire debt financing (Berger & Udell, 1998; Engel & Keilbach, 2006). VC firms, due to the VC business model, typically only invest in “high-growth” companies, which is reflective of the companies in this study (Metrick & Yasuda, 2021). Business accelerator programs are a wide-spread component of early-stage entrepreneurship support ecosystems (Colombo & Delmastro, 2002; Lange & Johnston, 2020). Furthermore, Colombo and Delmastro (2002) find that “*on-incubator firms show higher growth rates than their off-incubator counterparts*” (p. 1103), making them especially attractive to VCs which further increases the frequency and relevancy of the dual context of business accelerators and VC financing. This specific context poses a unique environment for the entrepreneurs that is very distinct from starting a company with other financing models, like bootstrapping, or outside of business accelerator programs (Colombo & Delmastro, 2002; Lange & Johnston, 2020). As the entrepreneurial stress experience is highly contextual, we chose to focus on stress and stress coping in the specific VC-accelerator context (Stephan, 2018). For this, we conduct a case study on the case of HeadStart, an accelerator program that works with entrepreneurs from the earliest venture



stages and only admits entrepreneurs with the ambition to build VC-financed companies. Hence, HeadStart is a great representation of this study's chosen niche of early-stage companies in the context of venture capital and business accelerators.

Given the importance of furthering the understanding of entrepreneurial stressors and stress coping (as outlined in chapter 1.) and the relevance of the early-stage phase within the field of entrepreneurship (as outlined in chapter 1.1.), this thesis sets out to understand the specific stressors early-stage entrepreneurs experience in the VC-accelerator context (RQ1), the coping strategies they use (RQ2), and the contextual influence that VC-financing and an accelerator program have on the entrepreneurs' stress experience and coping behavior. We do this by conducting a qualitative single case study on a Scandinavian accelerator program called HeadStart, that exclusively contains early-stage VC-financed entrepreneurs.

**RQ1. What stressors do early-stage entrepreneurs experience in the context of venture capital and business accelerators?**

**RQ2. What stress coping strategies do early-stage entrepreneurs use in the context of venture capital and business accelerators?**

**RQ3. How does *the dual context* of venture capital and business accelerators influence early-stage entrepreneurs' stressors and stress coping strategies?**

## 1.2. Expected Contribution

By answering these research questions, this thesis aims to make several contributions to the field of entrepreneurship and occupational stress. Firstly, the vast majority of current literature on occupational stress is focused on employees (Grant & Ferris, 2012; Stephan, 2018). As entrepreneurs make up an important economic component and growing part of the global workforce, more needs to be understood about their specific stress experience and coping behavior (Altun, 2021; Drnovsek et al., 2010). We add to this by focusing specifically on the niche of early-stage entrepreneurship within an accelerator and VC financing context. We expect additions to be relevant from an academic as well as a practitioner perspective, as outlined in the following.

From an academic perspective, we expect this study to contribute to the fields of occupational stress, entrepreneurship, and business management by complementing the literature on entrepreneurial stress and coping with a qualitative study that focuses on the specific accelerator and VC niche. We thus expect to, on the one hand, lay a foundation for more research and deeper understanding within this specific niche, and, on the other hand, allow researchers to compare our findings with other entrepreneurial contexts. We hope this will eventually lead to a holistic understanding of entrepreneurial stress that can be translated into recommendations for entrepreneurs, accelerators and VCs on how to mitigate stress, and

hence, increase venture performance (Stephan, 2018, Eager et al., 2019, Drnovsek et al., 2010).

Furthermore, we expect the insights to be relevant for different practitioners. First, they can help entrepreneurs in similar contexts to better understand and categorize their stress experience and give them tools to handle stress, thus potentially reducing the risk of negative health impacts and increasing the likelihood of venture success (Drnovsek et al., 2010). Second, the insights help venture capitalists and accelerator programs understand and potentially optimize the influence they have on entrepreneurs' stress level, and hence on the likelihood of venture success, in which they have a vested interest. Eventually, given the importance of early-stage companies from an innovation perspective, increased venture success rates as well as reduced mental health risks are desirable from both a local and global economic standpoint.

## 2. Literature Review & Theoretical Framework

This chapter reviews the existing literature and presents the theoretical foundations and frameworks applied in this study. Section (2.1.) defines stress and stressors in entrepreneurship, whereas section (2.2.) focuses on stress coping strategies. The third section (2.3.) delves further into the role of the underlying VC and accelerator contexts. This chapter ends with describing the research gap of this thesis (2.4.).

### 2.1. Stress and stressors in entrepreneurship

#### 2.1.1. Literature review on stress in entrepreneurship

Stress and its impacts on humans have been widely studied not only in psychology but also in management literature (e.g., Schweizer & Hankin, 2020; Stephan, 2018; White & Gupta, 2020). The research has identified various minor and major adverse effects caused by extreme or prolonged stress in humans (Eager et al., 2019; Palamarchuk & Vaillancourt, 2021; Örtqvist et al., 2007), as also discussed in the introduction. In general, stress is defined as a *contextual* “situation in which internal demands, external demands, or both, are appraised as taxing or exceeding the adaptive or coping resources of an individual or group” (Lazarus & Folkman, 1987, p. 19). In occupational settings, this difficulty to perform one’s normal tasks due to stress may lead to suboptimal job performance (Eager et al., 2015; Labrague et al., 2017).

Various theories have been developed and tested in an effort to identify what causes stress in various population groups, such as role theory and the theory of work demands-resources (White & Gupta, 2020). One of the most prominent theories on stress and well-being is Lazarus and Folkman’s (1984) *transactional model of stress*. In addition to laying out the foundational framework for stress coping, the transactional model of stress identifies various characteristics as stressors when one experiences them as threatening, overwhelming, or challenging, and when one cannot adequately address these underlying sources of stress. Although Lazarus and Folkman focus on general stress management, their model has later been applied to entrepreneurial contexts in many variations (e.g., Drnovsek et al., 2010; Eager et al., 2015).

The majority of studies on work-related stress focus on employees as occupational groups (e.g., Grant & Ferris, 2012; Labrague et al., 2017). Despite the nascent state of the entrepreneurial stress literature, studies on entrepreneurs have steadily increased over the past years (Drnovsek et al., 2010). Within these, several authors argue that entrepreneurs experience higher levels of stress than organizational employees (e.g., Oren, 2012; White & Gupta, 2020). Some, such as Baron et al. (2016), however argue that due to greater job satisfaction, entrepreneurs actually experience lower levels of stress. It thus seems that to date, “there is no shared base of knowledge and only piecemeal theorizing” (Stephan, 2018, p. 291) when it comes to studying entrepreneurs’ mental health and well-being, including stress.

As also captured by the definition of stress by Lazarus and Folkman (1987), the contextuality of entrepreneurs' stress – including both the subjectivity of the perception of stress in individuals and the cultural differences that may affect one's perception of stress – is vital, yet complicates the generalizability of research findings on stress (e.g., Pathak & Goltz, 2021; White & Gupta, 2020). Moreover, not only are entrepreneurs considered a special subject group, they are also seen as an extremely heterogeneous group of individuals (e.g., Colombo & Delmastro, 2002; Grant & Ferris, 2012). However, the literature has identified commonalities within entrepreneurs' stress, leading to “entrepreneurial stressors” (e.g., Eager et al., 2015; Grant & Ferris, 2012).

### 2.2.2. Literature review on entrepreneurial stressors

**Stressors** are the *sources of stress* that one experiences (e.g., Grant & Ferris, 2012). **Entrepreneurial stressors**, thus, can be defined as *sources of stress that are distinct from the stressors experienced by employees in organizational settings* (Grant & Ferris, 2012; Pathak & Goltz, 2021; White & Gupta, 2020). Stephan (2018) argues that “entrepreneurs face working conditions that are more extreme than those of salaried employees, including higher levels of uncertainty, responsibility, and complexity; more intense time pressures; and longer working hours” (p. 292). Several other authors further reflect this by classifying the stressors that entrepreneurs experience as “unique” (e.g., Eager et al., 2015). In addition to the stressors identified in salaried organizational settings, entrepreneurs *also* face unique stressors that are specific to their entrepreneurial status, such as uncertainty of income, venture success, firm reputation, creditors and customers (Eager et al., 2015; Schonfeld & Mazzola, 2015).

As it comes to **early-stage entrepreneurs** in particular – *founders of a newly created venture* (Uy et al., 2015) – White and Gupta (2020) note that these individuals “may experience new stressors, or higher levels of existing stressors, as they transition their ideas toward formal organizations” (p. 86). In general, White and Gupta (2020) identify several entrepreneurial transitions from creation to exit, and how each of these stages has their specific stressors. More specifically, White and Gupta (2020) identify and discuss dynamic “entrepreneurial process” and its impact on both entrepreneurs' stress experience and venture outcomes. The relevant transitions from one stage to another, such as when an early-stage entrepreneur transitions their business idea into a formal organization, are found to bring along new stressors. For example, in the stage of setting up the formal venture, White and Gupta identify new stressors, such as hiring and retaining quality employees. As a critical review, White and Gupta's paper also identifies various future research areas and, in general, calls for further studies on the specific stages and their respective stressors, which is what this study aims to do by focusing on the early stage of this process.

Grant and Ferris (2012) further point out how stressors are an overlooked research area within entrepreneurship, despite the salience of the topic. The authors also note how the traditionally measured stressors in an employee context, such as supervision, role ambiguity and non-participation, are less applicable to the entrepreneurial context; yet the unique

characteristics of entrepreneurship, such as responsibility for venture success, lack of structure, and having multiple roles, are understudied. Thus, to address this gap, Grant and Ferris (2012) identify nine stressor categories applicable to entrepreneurship, based on an extensive literature review: *financial, interpersonal, internal, workload, uncontrollable factors, responsibility, public image, establishing/maintaining business, and administration issues*. Each of the categories include various sub-stressors, such as generating cash flows and managing customer relations.

All in all, stress about uncertainty and risk are considered central sources of stress for entrepreneurs, and entrepreneurs in the early-stage of their venture are particularly susceptible to experiencing these (e.g., Pathak & Goltz, 2021; Stewart & Roth, 2001). This resonates with the extent to which entrepreneurs feel that they cannot control the stressor and/or know what the future holds (Drnovsek et al., 2010; Labrague et al., 2017).

### 2.2.3. Theoretical framework for early-stage entrepreneurs' stressors

In order to effectively study the stressors experienced by early-stage entrepreneurs, we apply Grant and Ferris' (2012) conceptual framework on stressors to our analysis, in total including 200 stressors. A comprehensive table of these stressors can be found in Appendix 3. Table 1 below provides a snapshot of the 9 main categories and 31 sub-categories, as well as their relation to other authors' findings in the literature.

Table 1. Entrepreneurial stressors by Grant and Ferris (2012). \*Third column added for comparison with other authors.

<b>Stressor category</b>	<b>Stressor</b>	<b>Examples from other authors*</b>
<i>Administration issues</i>	Administrative tasks Physical work location Resources	
<i>Establishing / maintaining business</i>	Competition/demand Innovating Reputation	"Narrow window of opportunity" (Pathak & Goltz, 2021)**
<i>Financial</i>	Cash flow Financing Growth Sales turnover or profit	
<i>Interpersonal</i>	Business partners/co-owners	

	Cultural issues Customers/clients Isolation Staff issues Stakeholders	Loneliness (Pathak & Goltz, 2021)
<i>Public image / selling yourself</i>	Marketing a product, service or yourself Communicating your vision or ideas	
<i>Responsibility</i>	Responsibility Personal risk	Responsibility for various domains (Stephan, 2018; White & Gupta, 2020)
<i>Internal / self-induced</i>	Fear of delegating/losing control and problems letting go Fear of failure Lack of knowledge or expertise Restlessness Self-induced pressure to perform	(Pathak & Goltz, 2021)
<i>Uncontrollable factors</i>	Unpredictable events Ambiguity/uncertainty	Uncertainty (Pathak & Goltz, 2021)
<i>Workload</i>	Amount of work Time management Juggling multiple roles or tasks Work-life balance	Longer work hours (Stephan, 2018) Time pressure (Stephan, 2018) “Wearing many hats” (White & Gupta, 2020)**

\*This column has been added by us and thus is **not** part of the framework by Grant & Ferris (2012).

\*\*“Wearing multiple hats” refers to boundary-spanning positions where entrepreneurs act in multiple roles with competing demands (White & Gupta, 2020), and “narrow window of opportunity” refers to stress from pressure related to the criticality of timing to exploit opportunities; namely, how early-stage entrepreneurs feel pressure from developing/launching their venture at the ‘right’ time (Pathak & Goltz, 2021).

## 2.2. Stress coping strategies

### 2.2.1. Literature review on stress coping

After reviewing the literature on stressors and outlining the framework used in this case study, our focus turns to the second main component of this study; namely, stress coping. The relationship between stress and coping has attracted a great amount of scholarly attention, (Oren, 2012). The majority of studies on **stress coping** – *“the process of managing taxing circumstances, expending efforts to solve personal and interpersonal problems, seeking to master, minimize, reduce or tolerate stress induced by unpleasant and stressful situations”* (Drnovsek et al., 2010, p. 194; Wong et al., 2006) – however fall outside the entrepreneurship literature, with an emphasis on psychology and management literature (Drnovsek et al., 2010; Örtqvist et al., 2007). Furthermore, although the self-employed and organizationally employed workers’ stressors are compared in the literature, there are few existing studies comparing the stress coping strategies of entrepreneurs and workers, thus highlighting the need for further research on the ‘uniquely distinct’ entrepreneurs (e.g., Oren, 2012).

Despite the relative nascency of the *entrepreneurial* stress coping research field, theories have been developed. These theories often reflect a prominent theory in the general stress coping literature originating from Lazarus and Folkman’s (1984) transactional model of stress; namely, a stress coping framework that posits two major types of coping strategies: emotion- and problem-focused coping strategies (e.g., Drnovsek et al., 2010; Eager et al., 2015; Pathak & Goltz, 2021; Örtqvist et al., 2007). In general, this theory argues that a person uses either **problem-focused coping strategy** – i.e. *a response behavior where one seeks to ease the stressors by altering the person-environment relation that causes the distress by identifying the problem and probable solutions, weighing the pros and cons of each solution, and then acting on it* – or **emotion-focused coping strategy** – i.e. *regulating stressful emotion with a response focused on regulating one’s reaction to the stressor at hand by minimizing and distancing oneself from it* – to manage the stressors one experiences in the everyday work (Drnovsek et al., 2010; Folkman et al., 1984). These two definitions are also used in this thesis.

Entrepreneurship-oriented variations of this problem-emotion-focused coping theory exist in the literature, including proactive-preventative approach (e.g., Eager et al., 2015), active-passive approach (e.g. Drnovsek et al., 2010), future-present oriented approach, and emotional intelligence focused approach-avoidance (Pathak & Goltz, 2021). Mixed and sequenced strategies are also considered. For example, if an entrepreneur uses a sequenced combination of emotion- and problem-focused coping strategies, it is found to be more likely and effective to first utilize emotion-, and then problem-focused coping strategy (e.g., Pathak & Goltz, 2021).

Within the problem- and emotion-focused strategies, the literature has identified a range of *effective stress coping sub-strategies*, also known as stress coping **mechanisms**. For emotion-focused coping, these mechanisms include using *humor* (e.g., Lin et al., 2018); *effective communication, disregarding, divert-thinking (i.e. veer focus/thinking on the stressor by*

*doing something fun*), and *networking* (Ahmad & Xavier, 2010). Exemplary mechanisms for problem-focused coping include *instrumental support*, *planning*, and *active coping* (Eager et al., 2019). All in all, it has been found that actively addressing stressor(s) is better than avoiding them (e.g., Pathak & Goltz, 2021; White & Gupta, 2020). Though *avoidance* may be used in the short term, the literature shows how this is not an effective coping mechanism on its own in the long run (Uy et al., 2013; White & Gupta, 2020).

In addition to describing effective coping mechanisms, the literature also notes how different strategies may be applied to different types of stressors depending on whether one deems a stressor controllable or not (Carver & Connor-Smith, 2010). Emotion-focused coping has commonly been related to stressors that one perceives as being “beyond their control”, thus responding by seeking to reframe, minimize or distance themselves from the issue (Drnovsek et al., 2010). For example, by reframing the stressor, entrepreneurs have found to seek to change the negative emotions toward the stressor, thus reducing the stress level (Mattlin et al., 1990). Emotion-focused coping has therefore been identified as the most beneficial coping strategy when it comes to uncontrollable stressors (Carver & Connor-Smith, 2010). Problem-focused coping, on the other hand, is found to work better for stressors that are perceived controllable (Carver & Connor-Smith, 2010), such as situations where one perceives a stressor as something they can actively resolve via executing actionable plans, thus proactively tackling the stressor (Drnovsek et al., 2010; Pathak & Goltz, 2021).

Furthermore, it is found that “entrepreneurs may engage in different coping strategies at different times depending on the nature of the task at hand” (White & Gupta, 2020, p. 83), which effectively refers to the notion of adaptability within stress coping. Indeed, adaptability – i.e. one’s ability and willingness to adapt to the situation at hand by adjusting stress coping strategies dynamically – is considered vital in relation to stress coping. As Eager et al. (2019) put it, “identification of adaptive coping strategies has implications for enterprises: the role of the entrepreneur is central to venture performance” (p. 498; Shepherd & Cardon, 2009). Several authors also discuss the role of *optimism* in the success of the utilized coping strategy; namely, how optimism may lead to an enhanced ability to manage, reduce, and eliminate stress (e.g., Pathak & Goltz, 2021).

Lastly, successful stress coping and thus effective stress mitigation is linked to enhanced longevity and performance of business ventures (Drnovsek et al., 2010). In particular, problem-focused coping strategies have been associated with a higher likelihood of enhanced venture performance and entrepreneurs’ personal well-being (e.g., Drnovsek et al., 2010; Lazarus & Folkman, 1985; Pathak & Goltz, 2021), although utilizing emotion-focused coping is found to be better than having no strategy at all (e.g., Drnovsek et al., 2010). Whilst the support for emotion-focused coping and well-being remains inconclusive, the effect of using both problem- and emotion-focused coping in sequence (emotion-focused coping first) has also been associated with improved levels of personal well-being (Pathak & Goltz, 2021).

Although the few studies within entrepreneurial stress coping research are rather comprehensive in terms of scope, what has attracted less scholarly attention is how the



influence of the underlying context may influence *early-stage* entrepreneurs' choice of stress coping strategies. Hence, this thesis wants to further elaborate how this contextual influence may translate into the stress experience.

### 2.2.2. Early-stage entrepreneurs' problem- and emotion-focused coping

Building on the problem- and emotion-focused coping strategy classification as first outlined by Lazarus and Folkman (1984), and further developed by various other authors (e.g., Drnovsek et al., 2010; Eager et al., 2015; 2019; Pathak & Goltz, 2021), we also adopt a framework separating stress coping into *problem- and emotion-focused coping strategies*.

The two general coping strategies will be assessed through specific coping mechanisms that build on Eager et al.'s (2019) study on "classifying coping among entrepreneurs". Thus, the coping strategies that the early-stage entrepreneurs utilize in our case context will be analyzed through these lenses with a further categorization of dividing the specific *stress coping mechanisms* into the categories of *actively approaching* and *passively avoiding* the stressor(s).

Whilst we adopt the framework and conceptualization by Eager et al. (2019), it is important to note that we do not include their further categorization of direction (including "change", "adapt" and "disengage") and form ("behavioral", "affective" or "cognitive") into our analysis since the analytical focus of this thesis is *on the broader case unit level*. Table 2 summarizes the conceptual framework used in this thesis.

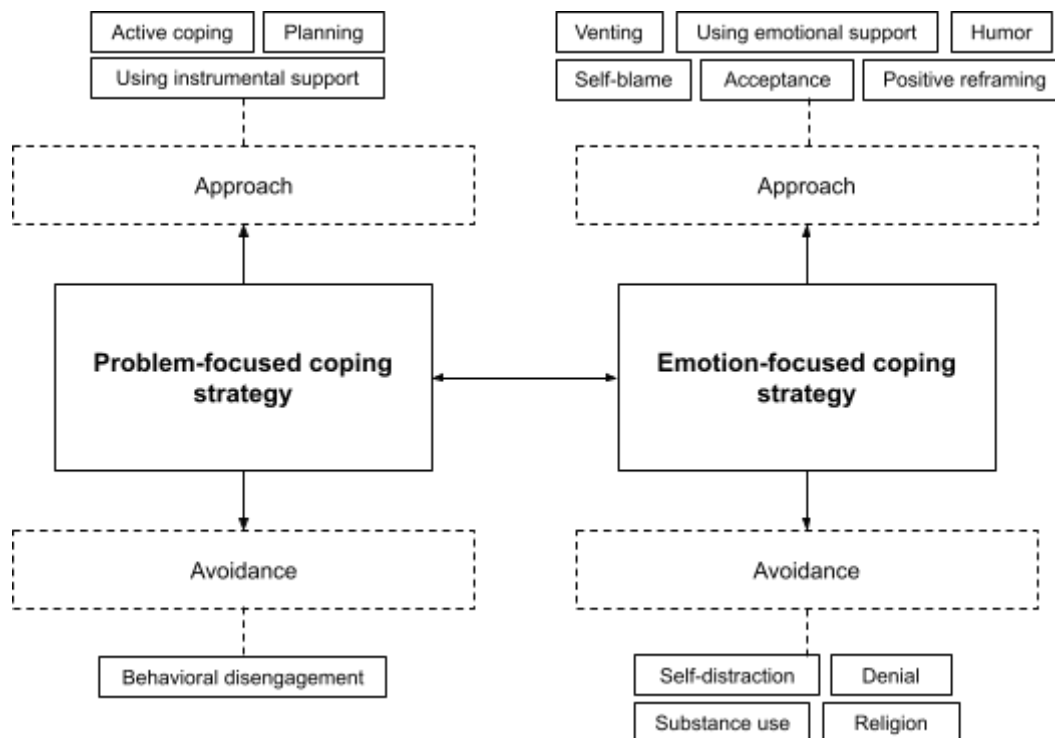
Table 2. Applied framework for coping by Eager et al. (2019) (originally adopted from Begley, 1998).

Strategy	Category	Mechanism	Definition
<b>Problem-focused coping</b>	<b><i>Approach</i></b>	<i>Active coping</i>	Actively seeking to remove the stressor / its effects
	<b><i>Approach</i></b>	<i>Planning</i>	Preemptively preparing for coping/breaking stressors to more manageable segments
	<b><i>Approach</i></b>	<i>Using instrumental support</i>	Utilizing one's support networks
	<b><i>Avoidance</i></b>	<i>Behavioral disengagement</i>	Seeking to evade the stressor and the associated negative effect
<b>Emotion-focused coping</b>	<b><i>Approach</i></b>	<i>Venting</i>	'Ventilate' feelings related to/emerging from stressors
	<b><i>Approach</i></b>	<i>Positive reframing</i>	Reframe the stressor as something positive

<b>Approach</b>	<i>Humor</i>	Using humor to brighten up the stress feeling
<b>Approach</b>	<i>Self-blame</i>	Blaming oneself for the stress they experience
<b>Approach</b>	<i>Using emotional support</i>	Relying on family, friends, colleagues and other entrepreneurs for support
<b>Approach</b>	<i>Acceptance</i>	<i>Accept the source of stress and move on</i>
<i>Avoidance</i>	<i>Religion</i>	Turning to religion when feeling stressed
<i>Avoidance</i>	<i>Substance use</i>	The use of alcohol or drugs to cope
<i>Avoidance</i>	<i>Denial</i>	Denying the existence of the stressor(s)
<i>Avoidance</i>	<i>Self-distraction</i>	Doing things that take one's mind off the stressor

Figure 1 provides an overview of the stress coping framework employed by this thesis, including (1) the separation of *coping strategies* into problem- and emotion-focused coping; (2) the differentiation between approach and avoidance coping *mechanisms*; and (3) the bidirectional arrow between the strategies emphasizing the possibility of mixed and/or sequenced methods.

Figure 1. An overview of the coping strategies in early-stage entrepreneurship.



## 2.3. Stress in venture capital and business accelerator contexts

### 2.3.1. Literature review

The existing research has identified both entrepreneurs' self-expectations about the success of their venture and external expectations from investors and family as sources of increased stress (e.g., White & Gupta, 2020). The literature has also studied the relationship between venture performance and entrepreneurs' stress and well-being (e.g., Drnovsek et al., 2010; Eager, et al., 2019), concluding that entrepreneurs who experience less stress or manage it better, tend to have and create longer-lasting business ventures. Moreover, Drnovsek et al. (2010) have found a positive relationship between entrepreneurs' problem-focused stress coping and personal well-being and venture performance. As it comes to stress in **venture capital (VC)** – *a form of private equity financing for small startup companies that have exponential, long-term growth potential* (Hayes, 2021) – entrepreneurs are seen to experience high levels of stress that are related to both the internal and external performance expectations (e.g., Stephan, 2018).

**VC context** can be described as a *fast-paced, demanding and competitive environment in which entrepreneurs work together with the investors as part of the new venture creation process*. Given the high pace, entrepreneurs' stress in such environments can be considered unique (White & Gupta, 2020; Örtqvist et al., 2007). As it comes to stressors and how the VC context influences these, prior studies have found that access to sufficient funding is a vital entrepreneurial stressor that can be influenced by the VC context (Omrane et al., 2018). Furthermore, VC has been theorized to potentially increase the (external) stress levels experienced by early-stage entrepreneurs via investor influence in the form of added pressure (increased "investor demands") (e.g., Stewart & Roth, 2001; Zacharakis et al., 2010). On the other hand, as finding new capital is also a stressor for early-stage entrepreneurs, a VC firm's involvement and secured capital can also have a mitigating stress impact (e.g., Gomez-Mejia et al., 1990). With these opposing dynamics in play, further research is needed on the VC context's influence on both stressors and stress coping, especially in the relation to early-stage entrepreneurs.

**(Business) accelerators** are *programs designed to support early-stage entrepreneurs' ventures via offering tools, networks, and resources (including office spaces, shared services, and business development assistance), and to aid both the early stages of the venture creation process and venture success after the program has ended* (Allen & McCluskey, 1991; BDC, 2021; Hathaway, 2016). In general, the literature differentiates business accelerators from business incubators by referring to stricter cohort selection and structure, longer prior business experience, more formal education resources and mentorship connections, specific program duration, and the availability of seed capital funding (e.g., Lange & Johnston, 2020). However, as the conceptual definitions between the two vary in the literature, and are sometimes used to refer to similar contexts (e.g., Lange & Johnston, 2020, on business accelerators vs. Colombo & Delmastro, 2002, on business incubators), this thesis adopts and focuses on the more general conceptualization of the **accelerator context**: *supportive environments facilitating knowledge,*

*infrastructure, technology, market, and culture resources (Lange & Johnston, 2020), as well as providing social support and sense of security in the form of in-group membership (e.g., Cooper et al., 2012).*

As part of the efficacy debate of accelerators – i.e. how the knowledge, funding, infrastructure, technology, market, and culture affect how beneficial accelerator programs are perceived by the participating early-stage entrepreneurs – these programs can be considered vital support pillars in the process of venture creation and innovation process (Gerlach & Brem, 2015). In general, accelerators are probed to have a positive influence on early-stage entrepreneurs' stress levels in the venture creation process when a sufficient level of support is perceived (e.g., Gomez-Mejia et al., 1990; Zacharakis et al., 2010). Network and knowledge resources are found to be the most important aspects of value in these support systems (e.g., Colombo & Delmastro, 2002; Pettersen et al., 2016), and Lange and Johnston (2020) relate the improved efficiency particularly to accelerators (vis-à-vis incubators). Moreover, Monsson and Jørgensen (2016) find that entrepreneurs' personal characteristics affect the perceived value of business incubators, while program manager's role can be seen as both network and knowledge provider.

### 2.3.2. The influence of VC and accelerator contexts

The underlying context is seen as an important factor in how early-stage entrepreneurs perceive stress in high-growth-high-risk settings (e.g., Stewart & Roth, 2001). Thus, in order to better understand what stressors and stress coping strategies early-stage entrepreneurs experience and utilize, it is vital to also study the context in which these entrepreneurs operate and how it may influence their stress experience. Thus, this thesis looks further into the contextual interplay of two central contexts in early-stage entrepreneurship: VC and accelerators.

Drawing from the prior literature, we further assess the idea that accelerators provide vital resources – such as knowledge, networks, culture, and mentorship (Lange & Johnston, 2020) – to support early-stage entrepreneurs' stress management, whereas VC financing brings in both financial demands and increased market opportunities. We thus analyze how the VC context and theories on investor influence interact with the accelerator context's probed support system, and how this interplay influences the early-stage entrepreneurs' stress experience.

## 2.4. Research gap

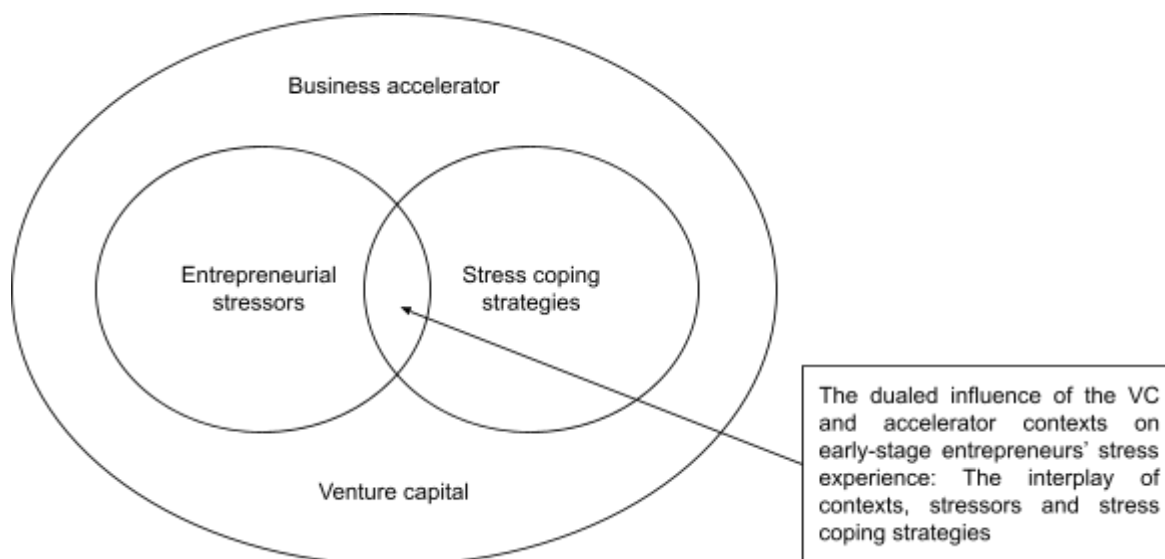
Although occupational stress and its effects on various professional groups have been widely studied in the literature, stressors experienced by early-stage entrepreneurs require further research attention (e.g., Pathak & Goltz, 2021; White & Gupta, 2020). As entrepreneurs experience a unique set of stressors that differ from other occupational groups (e.g., Eager et

al., 2015; Grant & Ferris, 2012; Oren, 2012), explicit studies on entrepreneurial stressors and stress coping strategies are needed (e.g., Drnovsek et al., 2010; Grant & Ferris, 2012).

As identified in the literature, the entrepreneurial venture process is a dynamic and non-static process including different stages that each have their specific stressors (White & Gupta, 2020). Though more research is needed for each of these stages, by focusing on the *early stage*, we seek to contribute to the literature by filling the gap on stressors and stress coping in this particular stage of the process. More specifically, we seek to further explain the stressors that entrepreneurs experience and the coping strategies they utilize in the contexts of VC and accelerators, thus also reflecting the contextual factors influencing entrepreneurs' stress experience in the early stage of the venture process.

This case study thereby addresses the gap in the literature on early-stage entrepreneurial stressors and the respective stress coping strategies within a VC-accelerator context by exploring the stressors entrepreneurs experience and the coping strategies they utilize. In this research, we analyze our findings using Grant and Ferris' (2012) entrepreneurial stressor framework and Eager et al.'s (2019) entrepreneurial stress coping framework, respectively. Furthermore, we *analyze the specific influence of venture capital financing and taking part in an accelerator program on early-stage entrepreneurs' stress experience, including both stressors and stress coping*. As such, this thesis contributes to the literature on stress, entrepreneurship, and business management. Figure 2 shows an illustration of the research gap.

Figure 2. Visualization of the research gap: Early-stage entrepreneurs' stress experience in the context of VC and BA.



### 3. Methodology

The following chapter describes the research methodology by first presenting the choices regarding the methodology and philosophical stance and how these fit with this thesis' research purpose and questions (3.1.). Then the abductive research approach, pursued through a single case study design, is outlined (3.2.), followed by the theoretical, practical, and ethical considerations that were taken during the data collection process (3.3.). Lastly, the data analysis process is presented (3.4.) and the study's methodological quality critically assessed (3.4.).

#### 3.1. Methodological Fit and Approach

Methodological choices need to be based on the study's research purpose. To answer the research questions at hand, we chose a qualitative single case study approach. As studies on occupational stress largely focus on employees and hence data on entrepreneurial settings is scarce, a case study is a suitable approach to explore the research questions (Eisenhardt 1989, Yin, 2014).

This study follows a purely qualitative approach, as it is an effective strategy to research fields with limited existing knowledge. Further, this approach allows to zoom in on the individual entrepreneurs' experiences and to generate an "in-depth understanding of crucial differences in activities and conditions, illuminating ways in which entrepreneurs can best deal with the circumstances presented" (Van Burg et al., 2020, p. 4f.; Davidsson, 2016).

We adopt a constructivist ontological and interpretivist epistemological perspective, which is typical for qualitative case studies (Yin, 2014). This allows us to take the full context into consideration when interpreting and making sense of the individual stress-experiences rather than having to rely on objective truth of the collected data (Baxter & Jack, 2008; Crabtree, 1999; Lather, 1992; Robottom & Hart, 1993).

#### 3.2. Research Design

The research design encompasses the framework that is chosen for collecting and analyzing the data. This study follows a single case study design (Yin, 2014). "The distinctive need for case studies arises out of the desire to understand complex social phenomena" (Yin, 2014, p. 4), such as stress and coping, and when contextual conditions are highly relevant for understanding the phenomenon under study, which is particularly the case in the highly heterogeneous field of entrepreneurship (Baxter & Jack, 2008, Stephan, 2018; van Burg et al., 2020). Generally, case studies can be used in an inductive, deductive, or abductive manner (Yin, 2014). In this study we utilize an abductive approach. This is done by first analyzing the

data without directly referring to the existing literature (inductive) deriving the initial framework from pre-existing literature and test Grant and Ferris' (2012) and Eager et al.'s (2019) concepts in the chosen niche (deductive) and then integrate the emerging findings to update those frameworks to make them applicable for the specific context (inductive).

### 3.3. Data Collection

This section describes how empirical data was collected in order to answer the research questions. We first present our rationale for the selection of the specific case (3.3.1) and then outline the multiple methods with which the qualitative case data was collected (3.3.2), followed by discussing relevant ethical considerations (3.3.3).

#### 3.3.1. Selection of the case

HeadStart's accelerator program including its currently partaking and alumni entrepreneurs was chosen as the unit of analysis for this study due to two major reasons. First, HeadStart only accepts entrepreneurs with the ambition to build VC-financed, hence high growth, companies to the program and works with entrepreneurs from the earliest stage on. Therefore, it is a perfect representation of the niche we have chosen for this study and a suitable environment to illuminate the research questions stated. Second, sufficient access to case data is a critical precondition for conducting a meaningful case study (Yin, 2014). While this kind of access can often be challenging for researchers, the great benefit in this study is that one of the researchers was an employee at HeadStart, which facilitated access to data sources (Bryman & Bell, 2015). Furthermore, initial conversations with HeadStart employees and entrepreneurs indicated a high willingness to talk about the potentially sensitive topic of stress, which further indicated that collection of interview data would not be problematic.

#### 3.3.2. Research Methods

Utilizing one of the strengths of case study research, we collected data from multiple sources, namely semi-structured interviews and direct observations (Baxter & Jack, 2008). This allows us to view the findings from different perspectives, enables better understanding of the stressors, coping strategies, and contextual influence, and increases credibility of the findings (Baxter & Jack, 2008; Yin, 2014). The following describes our approach for each method.

### 3.2.2.1. Semi-structured interviews

The majority of the data was collected through semi-structured interviews. Interviews were chosen as the primary data collection tool as they allow the researcher to capture not only the “what” but also the “why” of interviewee’s experiences and opinions, which lies at the heart of psychological topics like stress and stress coping (Lazarus & Folkman, 1987; Moser & Korstjens, 2017). Semi-structured interviews in particular offer an attractive mix of structure and flexibility. While the interview-guide ensured that critical topics were being addressed and interviews were comparable, the freedom to partly deviate from it allowed us to follow the direction in which the interviewee wanted to take the conversation. This led to the discovery of concepts that we were initially not aware of and allowed the interviewees to choose topics that they felt comfortable talking about, which is crucial for such a personal and potentially sensitive topic as stress (Bryman & Bell, 2015).

Based on the research questions and theoretical framework, an interview guide was created that included questions on the personal and professional background and context of the interviewee, his/her entrepreneurial journey, sources for stress and excitement, reaction to stress, experience of the accelerator program, and influence of venture capital financing. The interview guide was continuously refined throughout the data collection process to make sure emerging insights were incorporated and compared. The interview guide can be found in Appendix 2.

In case studies the sample is chosen for theoretical reasons, hence based on relevance for the research question, rather than for statistical reasons (Eisenhardt, 1989; Yin, 2014). Therefore, this study relied on purposive sampling, following Moser and Korstjens’ (2017) recommendation that “the best strategy to apply is to recruit participants who can provide the richest information. Such participants have to be knowledgeable on the phenomenon and can articulate and reflect, and are motivated to communicate at length and in depth with you.” (p. 10). Therefore, those that were expected to have a high degree of informativity and willingness to share, based on initial observations and informal conversations, were approached first. After we had received confirmations for 7 interviews of this group, we reached out to entrepreneurs that we did not consider to be part of this group to prevent self-selection bias (i.e. that those most willing to share about stress are also the ones that experience least/most amount of stress). As expected, the confirmation rate was lower but eventually 4 more entrepreneurs agreed to an interview. This second outreach also targeted mostly female entrepreneurs, as there was only one female participant among the 7 initial confirmations. Even though our total reach-out was split into 1/3 females and 2/3 males, reflecting the constellation in the accelerator program, eventually only 2 females accepted the interview invitation.

In sum, 11 interviews with entrepreneurs were conducted, 5 of which were at that time taking part in the accelerator program, and 6 had finished the program between 6 and 32 months ago. One interview was conducted with a HeadStart employee, who works closely with the entrepreneurs in the program. The interviews lasted between 28 and 53 minutes, accumulating to 527 minutes of interview (details in Appendix 1). The interviews were mostly conducted via



online video calls, with the exception of one interview taking place in person. Online interviews allowed the founders to better fit them into their tight schedules and also increased the pool of possible interviewees, as some of them were located in other cities or even countries.

Downsides of online interviews, compared to in person conversations, are that it is more difficult to read body language and establish rapport (Bryman & Bell, 2015). However, as cameras were always turned on, we didn't experience this as a major issue. Slight connectivity issues occurred in one interview, making parts of it not understandable. Some interviewees were situated in public spaces, which could have influenced the interviewees' openness to talk about sensitive topics as other people might listen (Bryman & Bell, 2015). Overall, the benefits of having a larger interviewee pool and being flexible in regards to time and location more than offset the challenges that arose through conducting the majority of interviews online. Compared to strictly text-based communication like emails, which would have allowed the highest flexibility, the face-to-face interviews allowed for greater intimacy, which is crucial for a deeper understanding and more truthful interpretation of what is said, as it allows observation of behavioral cues and follow-on questions and probing (Curasi, 2001).

All interviews were conducted in English and, with informed consent from each individual, recorded and transcribed. In all interviews besides one, both of us were present. The researcher that worked at HeadStart and thus had already established a trust relationship to the interviewees led the interviews, while the other one focused on observations, note taking, and entered the conversation with specific follow-up questions. Having both researchers participate had several benefits. First, having three persons partake in the conversation led to an informal atmosphere and very open discussion. However, Bryman and Bell (2015) point out that interviewees might feel intimidated by two interviewers. Second, by asking follow-up questions, the second researcher ensured all relevant topics were covered, as in the conversational flow it was sometimes difficult to keep the bigger picture in mind (Bechhofer et al., 1984). Third, it allowed for complementary insights and observations during the interviews, which increased richness of data and confidence in the interpretations and findings (Eisenhardt, 1989).

### 3.2.2.2. Observations

Observation as a data collection method is commonly applied within social research to complement additional data collection methods (Bryman & Bell, 2015). During this study, one of the researchers worked at HeadStart and was fully immersed in the social, physical, and organizational environment. This enabled the researcher to take on a "participant-as-observer" role, which "implies intense researcher involvement in the day-to-day running of an organization" (Bryman & Bell, 2015, p. 444) and is recognized as a particularly high quality source of observative information (Gold, 1985). Immersion was a key factor for collection of observational data, as it offered the opportunity to interact with the entrepreneurs in their daily work and enabled good understanding of the social setting, the context, and the cultural aspects of the environment, which would have been difficult to achieve from an outsider perspective (Bryman & Bell, 2015). However, prolonged immersion "carries the risk of over-identification and

hence ‘going native’” (Bryman & Bell, 2015, p. 458). Measures to prevent biased findings because of loss of objectivity as a result of ‘going native’ are described in section 3.5.1.

The specific observation settings were chosen based on the research questions and on the factors *accessibility*, *unobtrusiveness*, *opportunity for personal participation*, and *broad range of settings* (Spradley, 1980). Hence, 4 types of settings were selected: First, the **office space** in which HeadStart’s employees and many of the entrepreneurs are physically present daily. Second, **educational lectures** on either business-related or mental health-related topics, which took place either as online webinars (high unobtrusiveness, little opportunity for interaction) or in person (low unobtrusiveness, high opportunity for interaction). Third, **pitch events**, which allowed observations of entrepreneurs in high pressure situations. Fourth, **networking events**, which facilitated very open conversations due to the loose atmosphere.

The various research settings allowed us to collect two types of observational data. On the one hand, we sought information in regards to specific stressors the entrepreneurs experienced in the program and the stress coping mechanisms they utilized, which directly contributed to answering the research questions. This information was gathered either through informal conversations about those topics or by directly observing stress inducing situations, like pitches, and the entrepreneurs’ coping reactions. On the other hand, we also looked for information regarding characteristics of the program (e.g. culture/atmosphere) and the entrepreneurs (e.g. introversion/extroversion or mindset), which did not directly contribute to answering the research questions but provided valuable context that facilitated a more truthful interpretation of stressor and coping related statements from observations and interviews.

One of the strengths of observational data collection is that, opposed to collecting data in controlled settings like interviews, participants’ behavior is more natural and not constrained by the researchers’ input (e.g. questions in the case of an interview) or biased by the artificial setting (Yin, 2014). But this is under the condition that the participants are not aware that they are being observed. Hence, field notes were always written down out of sight of participants (Lofland & Lofland, 1995). However, fully covert observation brings up ethical questions, as the participants are initially not being asked for their informed consent to take part in the study. Therefore, before analyzing the field notes, we informed the relevant individuals and asked for their consent to use the observational notes.

### 3.3.3. Ethical considerations and implications

The following ethical measures were taken throughout the data collection and analysis process to prevent any harm to HeadStart as well as individual study participants and to increase the dependability and authenticity of the study (Bryman & Bell, 2015). The HeadStart management was informed about the research goal and asked for consent to conduct the case study. It was agreed on the specific concrete data collection procedure to ensure that no confidential information is shared. Furthermore, informed consent was obtained from each study participant in regards to interviews, recording of interviews, and observations. Participation was fully

voluntary and not connected to any kind of pressure or coercion. Participants always had the right to withdraw from the study. For transcription of the interview recordings, the voice-to-text application Otter.ai was used, which not only saved time but also reduced influence of biases held by the researchers and thus increased trustworthiness of the study findings (Bryman & Bell, 2015). Full anonymity of the case company, the startups, and the study participants as well as full confidentiality of the provided information was made highest priority, to eliminate any potential for harm to individuals or companies and to increase the truthfulness of the study, as the study participants were expected to then share their thoughts on this potentially sensitive topic more openly (Bryman & Bell, 2015). Therefore, pseudonyms are used for the case company as well as for each interviewee, and context is only provided to an extent that does not allow identification of any involved company or individual (Bryman & Bell, 2015).

### 3.4. Data Analysis

As our research area falls into the intersection between psychology and business, our data analysis process follows a thematic analysis approach, aiming at identifying and analyzing patterns in qualitative data, inspired by Braun and Clarke's (2006) *Using thematic analysis in psychology* and Bryman and Bell's (2015) *Business Research Methods*.

The initial phase of the data analysis was focused on getting familiar with the data, which we approached by exchanging initial thoughts and observations directly after interviews and by thoroughly reviewing the interview transcripts and observational field notes and highlighting potentially interesting passages. This step was conducted partly in parallel to the data collection which allowed us to adjust the focus of the theoretical framework and the interview guide based on emerging insights (Eisenhardt, 1989). In order to answer our research questions we focused on identifying stressors the entrepreneurs experienced, coping strategies they utilized, how they perceived being part of the accelerator, and how they perceived being VC-financed. Additionally, context that could potentially be relevant for interpreting the data was considered important, such as attributes of the individual or characteristics of HeadStart and the general environment.

After the data collection process was finished, we started the coding process and grouped highlighted parts with similar meanings into first order categories. This was first done individually by each researcher to reduce impact from individual biases and increase the study's credibility (Bryman & Bell, 2015). We then aligned our findings and clustered the initial categories into *stressors*, *stress coping*, *VC-context*, *accelerator-context*, and *individual context*. Afterwards, we translated the first order categories into second order constructs and eventually abstract themes.

Following an abductive approach, the coding was done without directly referring to findings from previous research to not bias the interpretation of our findings and allow us to identify unexplored aspects (Dubois & Gadde, 2002). Eventually, we compared our findings to existing theoretical frameworks, most specifically Grant and Ferris' (2012) framework on entrepreneurial

stressors and Eager et al.'s (2019) framework on entrepreneurial coping strategies. We present the specific codes and themes and the comparison to previous literature in section 5., and discuss the findings in relation to our research question in section 6.

### 3.5. Discussion on Research Quality

Different opinions regarding assessing qualitative research quality exist within the research community. Some researchers, such as Mason (1996), argue that the concepts of reliability and validity, which are used to assess the quality of quantitative studies, can be assimilated into qualitative research. Others, such as Lincoln and Guba (1985), on the contrary argue that a different set of quality criteria should be used for qualitative research because of the different ontological views that qualitative and quantitative studies are often based on. Reliability and validity as quality criteria presuppose the feasibility of a single absolute account of social reality, whereas many qualitative studies, including ours, take on a constructivist view. For such cases the primary quality criterion should be trustworthiness, which can be broken down into four specific criteria: *credibility*, *dependability*, *confirmability*, *transferability* (Bryman & Bell, 2015; Lincoln & Guba, 1985). These are the criteria we apply for the quality assessment of this study.

#### 3.5.1. Credibility

Credibility reflects the truth-value of a qualitative study and is based on the assessment if the data was interpreted in a plausible way (Lincoln & Guba, 1985; Mosera & Kortjens, 2018). One of the researchers was employed in the study setting and worked with the study participants for several months even before the start of the study. The resulting familiarity with the setting, context, and the participants enabled a more truthful interpretation of the gathered data (Lincoln & Guba, 1985). While this prolonged immersion was a key ingredient for this case study, it “carries the risk of over-identification and hence ‘going native’” (Bryman & Bell, 2015, p. 458), which would inhibit the ability of objective data collection and analysis, reducing credibility as well as confirmability of the study. To reduce the risk of biased data collection and analysis and increase credibility, several triangulation methods were applied (Lincoln & Guba, 1985). First, both researchers continuously critically evaluated the perspective of the other and thereby increased objectivity throughout the data collection and analysis (*investigator triangulation*). Second, to get different angles on the research topic, data was collected not only from entrepreneurs but also from HeadStart staff (*data triangulation*). Third, multiple data collection methods, namely interviews and observations were being combined (method triangulation). The opportunity to use several sources of evidence is a major strength of case studies and doing so leads to more convincing and accurate findings and higher overall research quality (COSMOS Corporation, 1983; Yin, 2014).

### 3.5.2. Dependability

Dependability refers to consistency and stability of findings over time, so that a later researcher, following the same research procedures, would arrive at the same findings of the case study (Lincoln & Guba, 1985; Mosera & Kortjens, 2018; Yin, 2014). To ensure dependability, precise documentation of the study procedures is provided in this methodology section (3.), the data analysis section (5.) and by attaching the interview guide in Appendix 2. Further, the interpretations of the gathered observational data as well as the overall conclusions and recommendations of the study were reviewed with several study participants, further increasing the dependability of the findings (Mosera & Kortjens, 2018; Lincoln and Guba, 1985).

### 3.5.3. Confirmability

Confirmability is concerned with the aspect of neutrality and reflects the “degree to which the findings of the research study could be confirmed by other researchers” (Mosera & Kortjens, 2018, p. 121). To ensure a transparent chain of evidence to the reader, for each specific finding we provide direct quotes from the interview transcripts or observational field notes (Yin, 2014). In the best case, the complete set of collected data is shared with the reader as evidence. As anonymity and confidentiality are the highest priority in this study, this is unfortunately not possible as this would drastically increase the risk of identification of individuals and publication of confidential company data. Instead, the data was shared with the supervisor and the thesis course management team, which therefore take on the function of an external auditor to ensure confirmability of the findings, while ensuring anonymity and confidentiality (Lincoln & Guba, 1985).

To minimize the influence of any held biases by the researchers on the data collection and analysis process, the interview guides included no leading questions that might have influenced the interviewees’ replies and large parts of the data analysis were first conducted by each researcher individually before aligning the findings, as described in 3.4. (Bryman & Bell, 2015). However, it is important to point out that interpretive qualitative research can never be fully objective, as interpretation of the data is still somewhat subjective and hence depends on the individual researchers (Bryman & Bell, 2015).

### 3.5.4. Transferability

Transferability refers to “the degree to which the results of qualitative research can be transferred to other contexts or settings” (Mosera & Kortjens, 2018, p. 121). The selection and specification of the case determines the domain to which the findings may be transferable (Eisenhardt, 1989). The applicability of this study’s findings is limited to the specific niche of entrepreneurs of early-stage, VC-financed companies in an accelerator context. The

accelerator-related findings especially depend on the specific program design. Also, the specific Scandinavian location and culture might be relevant. To enable the readers to assess the degree of transferability to their specific setting, thick descriptions of the case environment (4.) and the contexts of specific findings (6.) are provided (Bryman & Bell, 2015; Guba & Lincoln, 1985).

## 4. Case description

HeadStart is a Scandinavian startup accelerator that brings together skilled individuals from different backgrounds in 3 month-long cohorts, where they form co-founder teams and start VC-financed, high growth companies. To become part of a cohort, entrepreneurs have to go through a competitive application process with which HeadStart's staff wants to ensure that admitted individuals have strong professional backgrounds and the cohorts are professionally, culturally, and gender diverse. Accepted entrepreneurs then join the program typically as individuals, i.e. without a team and without an existing company, though often with an idea.

The individual entrepreneurs then find complementary co-founders within the cohort. This process is referred to as “tracking-out”. Hence, a group of entrepreneurs (typically 2-3) is “tracked out” when it has formed a fixed co-founder team and has decided to work together on starting the actual company. Providing a pool of talented entrepreneurs from different backgrounds in its cohorts is a central value proposition of HeadStart.

The tracked out teams then, with support of the program, find and validate business ideas, developing a business model around them, eventually translating them into a formal company. All companies developed in the program use a VC-financing approach. The entrepreneurs receive support in the program specifically in form of frequent coaching sessions with experienced HeadStart staff and external experts, educational lectures (focused mainly on business-related topics such as business model creation, MVPs/idea validation, hiring or entrepreneurial finance (e.g. fundraising), but also occasionally mental health, stress, work-life-balance), and be receiving access to HeadStart's extensive networks of entrepreneurs, advisors, and investors. After the end of the 3-month program, the entrepreneurs stay part of the wider HeadStart network and typically keep frequent contact with other entrepreneurs, especially the ones from their cohort, to support each other on an ongoing basis.

Lastly, it is relevant to point out that the program is perceived by the entrepreneurs as “high paced”, “more competitive”, and “elite”, which is mainly due to the high ambition of the individuals being admitted to the program and the deadlines HeadStart sets (e.g. for tracking out, being ready to pitch for investors). Two entrepreneurs that have also taken part in other accelerator programs describe HeadStart as a “high-pressure” program.

The HeadStart accelerator program is a suitable case for this study as it represents the chosen niche of early-stage entrepreneurship in an accelerator and VC context. HeadStart's program starts in the very beginning of the entrepreneurial journey, hence allowing us to analyze the entrepreneurs even before the formal creation of the company, in the team-formation and ideation phase, which White and Gupta (2020) describe as “nascent entrepreneurship”. Furthermore, all companies that emerge out of the program utilize a VC-financing approach and can thus be considered “high-growth” firms. Finally, as one of the researchers was employed at HeadStart during the course of the study, access to a wide array of interview and observational data was ensured, which is a precondition for high-quality case studies (Yin, 2014).

## 5. Data Analysis

This chapter will present the process and outcomes of the thematic analysis of all interview transcripts and observational field notes, conducted as outlined in 3.4.. Following our research questions, the coding focused on five clusters: *stressors* (5.1), *stress coping* (5.2), *VC-context*, and *accelerator-context* (5.3). In the following, we will outline the analysis process for each of those clusters and thereby set the stage for presenting our empirical findings and corresponding discussion in chapter 6. While we provide an overview of our coding process in this chapter, an overview of the related quotes can be found in Appendix 5.

### 5.1. Stressors

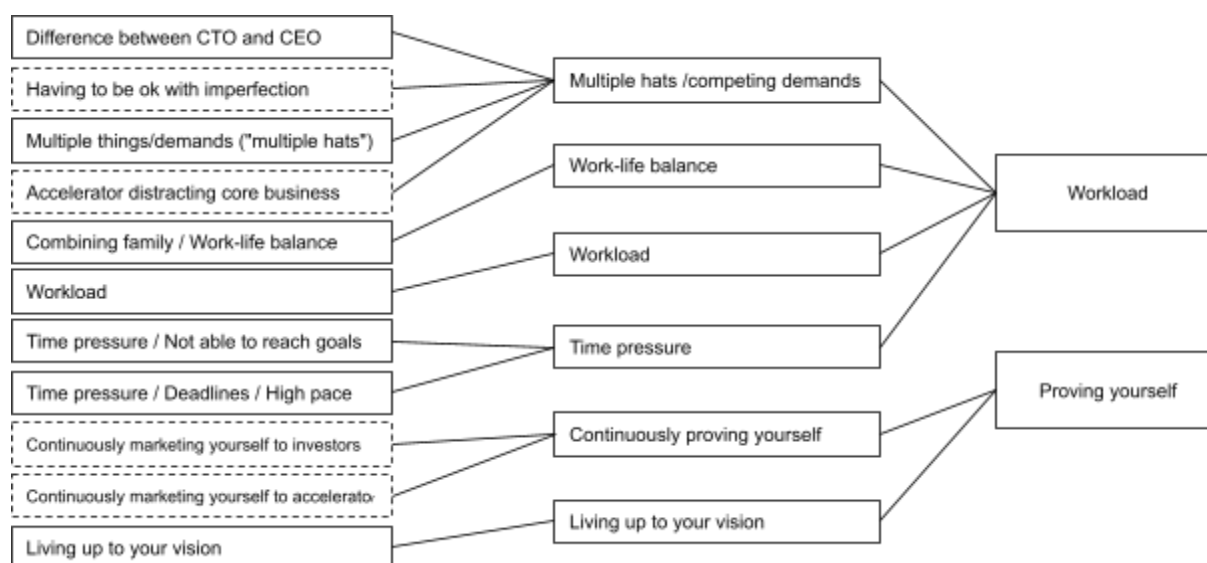
As a result of the coding process we identified 42 individual stressors that the entrepreneurs in this study experience. These were merged into 19 sub-categories and 8 main-categories, grouping similar stressors and translating them into abstract themes respectively. We then merged our findings with the previously identified entrepreneurial stressors by Grant and Ferris (2012). Thereby we created an updated version of Grant and Ferris' (2012) framework that is applicable to the specific niche of early-stage entrepreneurship in a VC and accelerator context.

We did this by first comparing our identified stressor main-categories with Grant and Ferris' (2012) stressor categories and found that all our main-categories are included in their framework, even though named differently sometimes. Subsequently we compared our individual sub-categories and then the specific stressors with their framework and found that out of the 19 sub-categories we identified, 6 contained single or multiple stressors that are not covered by Grant and Ferris (2012). In sum, we find that out of our 42 specific stressors, 11 can not be accurately captured and understood with Grant and Ferris' (2012) framework. Figure 3 below illustrates the stressor sub-categories and main-categories we identified in this study, and depicts the comparison with Grant & Ferris' (2012) framework. We will discuss these findings and resulting proposed additions to the framework in section 6.



Figure 3. Stressor data coding tree (continues on the next page). Dashed lines signal that the stressor was not included in Grant and Ferris' (2012) framework.



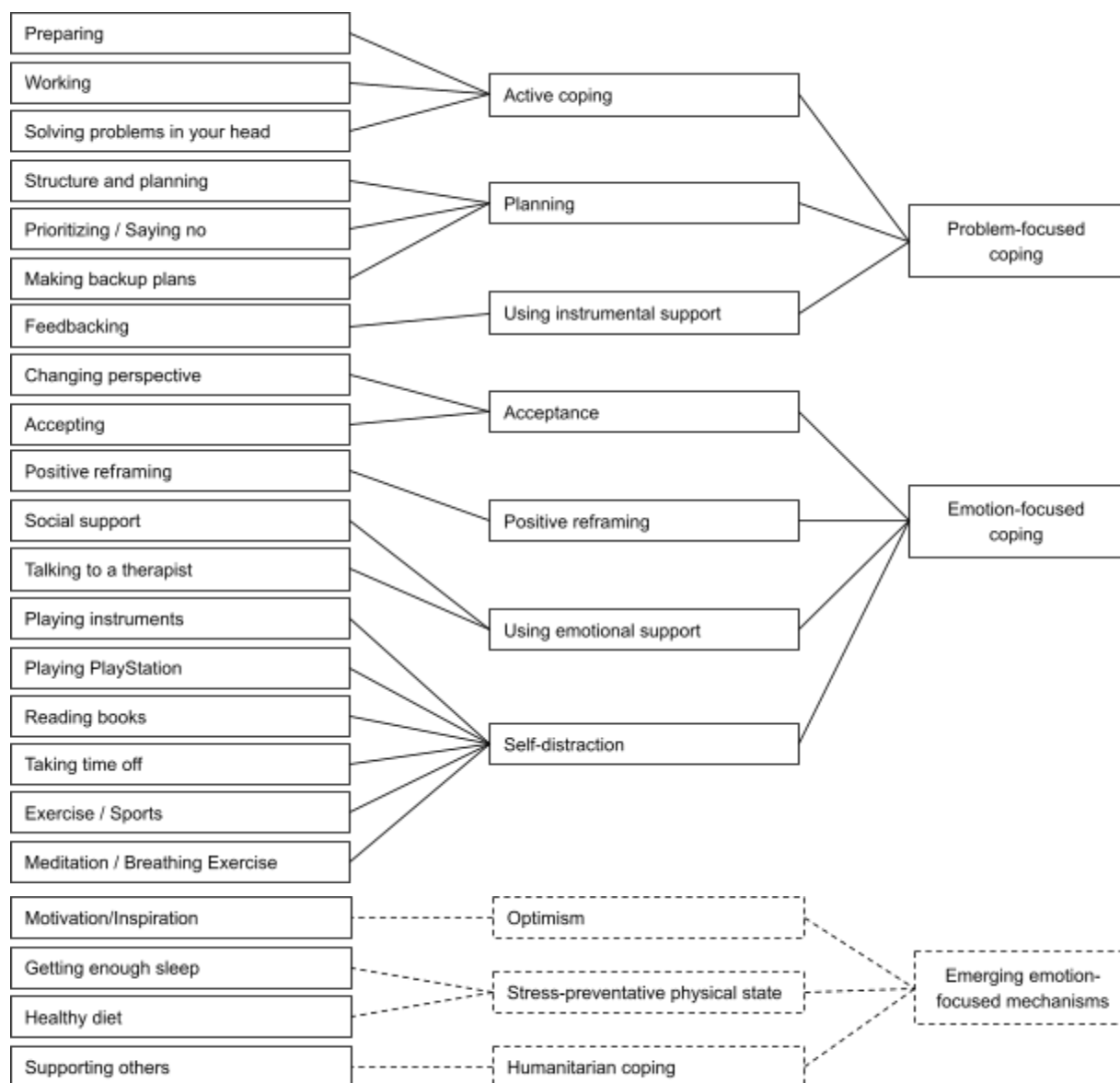


## 5.2. Stress coping

As a result of the coding process, we identified 22 specific coping mechanisms that are utilized by entrepreneurs in this case study. Similar coping mechanisms were then merged into 10 sub-categories and eventually translated into 3 abstract main-categories. Based on the definitions of previous research, these were split into problem- and emotion-focused coping strategies. As one of the study's targets was to generate an entrepreneurial stress coping framework that is applicable in the specific niche of early-stage entrepreneurship in a VC and accelerator context, we merged those findings with Eager et al.'s (2019) entrepreneurial stress coping framework.

Through comparison of the coping categories identified by us with the coping categories listed by Eager et al. (2019), we found that 3 coping mechanisms identified in this study are not included in the framework. Figure 4 below illustrates our identified coping sub-categories and main-categories and illustrates the comparison to Eager et al.'s (2019) framework. A more detailed presentation and discussion of the identified coping strategies and mechanisms will be provided in section 6.

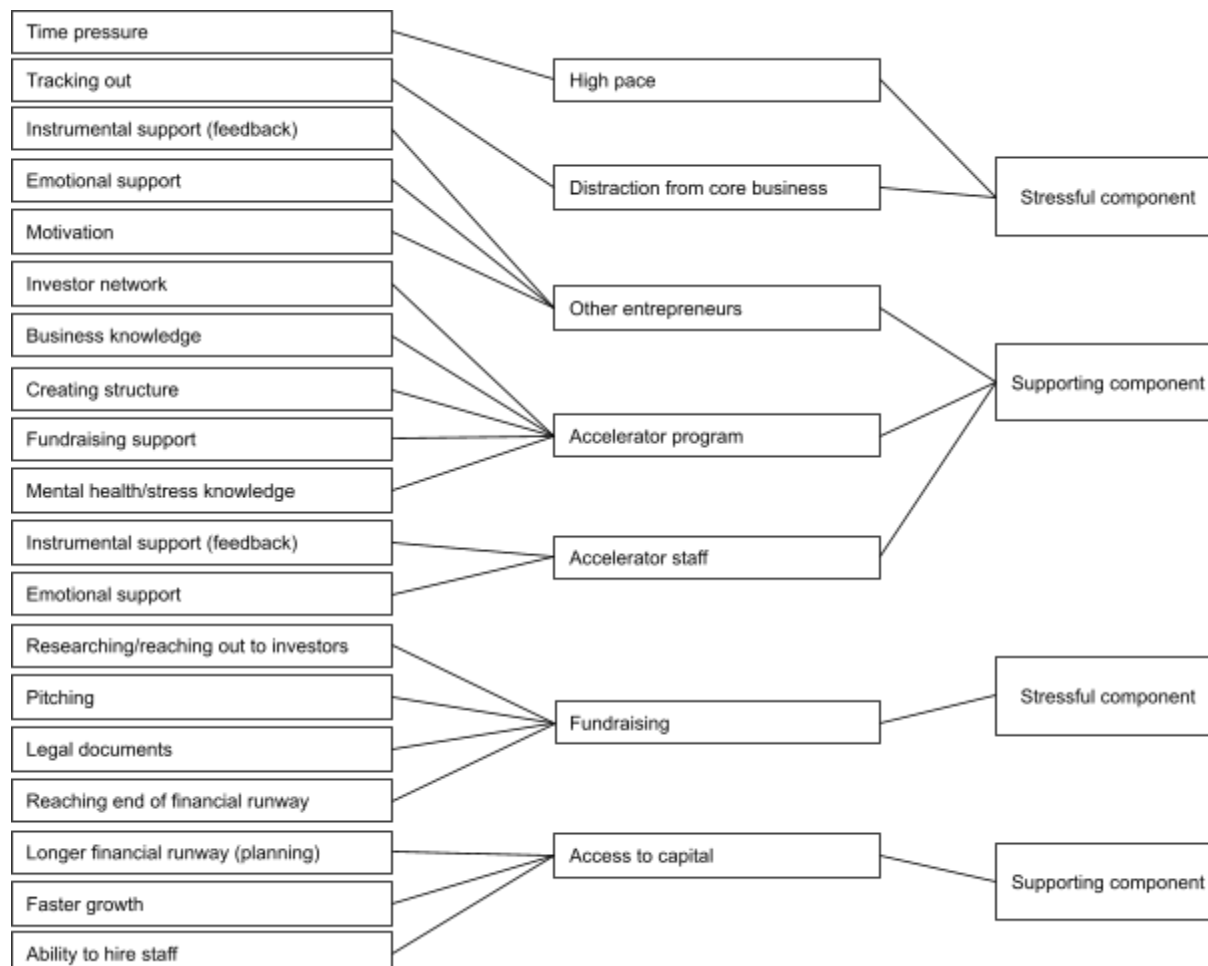
Figure 4. Stress coping data coding tree. Dashed lines signal that the stress coping strategy was not included in Eager et al.'s (2019) framework.



### 5.3. Contextual influence

To understand the contextual influence on stress and stress coping, we coded relevant information in relation to the specific accelerator context and the specific VC context. Within both of these, we searched specifically for stress inducing components of the context as well as supporting, hence stress relieving, components. Figure 5 illustrates our codes in regard to the VC and accelerator context.

Figure 5. VC-accelerator influence data coding tree



## 6. Empirical Findings & Discussion

This chapter outlines and discusses the empirical findings in relation to our research questions. As we grouped our findings in a way that each of the following sections is directly connected to one of the 3 research questions, we merge the presentation and discussion of the findings in the respective sections.

Section 6.1. presents and discusses our findings in regard to entrepreneurial stressors identified in this study (RQ1). As the goal is to test and update Grant and Ferris' (2012) entrepreneurial stressor framework to ensure its applicability in this study's specific niche, *chapter 6.1. focuses on the stressor categories and individual stressors that we find not to be captured by Grant and Ferris (2012)*. These are additions to the theory and therefore most relevant. In parallel thereof, section 6.2. outlines our findings in relation to stress coping strategies utilized by the entrepreneurs in this study (RQ2). Again, the goal is to test and update Eager et al.'s (2019) framework on entrepreneurial stress coping, which is why the focus will be on our suggested additions to the framework. In 6.3, we provide and discuss this study's findings relating to the influence of the specific VC-accelerator context on entrepreneurial stress and coping (RQ3).

### 6.1. Stressors

As outlined in 5.2.1, we identified 42 individual entrepreneurial stressors, divided into 19 sub-categories and 8 main-categories. We find that Grant and Ferris' (2012) framework was able to capture the majority of the identified stressors *but failed to recognize 11 specific stressors, spread across the following 5 main-categories: **Financial, Interpersonal, Self-induced, Proving yourself, and Workload***. While a complete overview of all identified stressors is provided in Figure 3, in the following we present and discuss our findings regarding those stressor sub-categories (6.1.1-6.1.5) that Grant and Ferris (2012) do not to fully capture, as this is our proposed addition to theory. The stressor categories that we will not provide an extensive explanation for, as we consider them repetitive of previous findings, are: *Operative stressors, Uncertainty, and Responsibility*.

#### 6.1.1. Financial

Access to funding is a critical precondition for the emergence of companies and a recognized source of stress (Engel & Keilbach, 2007; Omrane et al., 2018). In the specific context of VC-financed companies, we find that one key stressor is the uncertainty about receiving funding, which is highly stressful in itself as it determines the continuation or the end of a company.

*"Like, if we do a serious fundraising round, and we don't get money, that would be a huge blow. So definitely a bit of a stress." (Michael)*

*"I felt quite intense pressure. I mean, [...] especially leading up to our pitch, you know, because I truly [...] had no idea what our chances of success was" (Noah)*

While this is no new finding, our data suggests that also the actual process of VC fundraising is highly stressful in several dimensions. First, fundraising adds additional tasks to the already overwhelming to-do lists of entrepreneurs, and is considered by some as *"distracting from the core business"* (Anna) as it keeps the entrepreneur from focusing on operative tasks.

*"You have to do too many of these things at the same time. And at the same time, you have to raise money." (Ryan)*

Second, to receive funding from VC firms, one step of the process is typically that the founders need to pitch; present the company and themselves to potential investors, hoping to convince them to invest (Metrick & Yasuda, 2021). We find this act of pitching to be highly stressful for a few entrepreneurs. While we did not conduct personality tests, those struggling seemed to be rather introverted on a superficial level, which previous research indicates to impact stress during public speaking (Beatty & Behnke, 1991).

*"He was really, like, shaking and it was like really tough to see and I kind of wanted to [...] just do some breathing exercises because he was doing pretty bad. [...] You know, they're gonna pitch so many times for other investors. So it's something that everyone needs to be able to cope with." (Grant, referring to a pitching founder)*

Moreover, our data suggests that the entrepreneurs also experience stress from uncertainty about whether they can pay employees' salaries. This becomes relevant in the last months of a company's financial runway, hence exactly at the same time when the entrepreneurs are experiencing high stress from fundraising. Therefore, many different stressors peak at the same time, suggesting that *these periods are extremely stressful for entrepreneurs*.

*"Some periods are quite stressful [...]. We actually just went through a period where we had, you know, three weeks' runway left. Maybe not be able to pay salary in a month. And had to close investors. So yeah, it's been basically 24/7 the past two weeks." (Andrew)*

Grant and Ferris' (2012) framework contains the specific stressor "securing funds from financiers or creditors to finance your business". However, we argue that in the VC context, rather than an individual stressor this is its own category with multiple sources of stress (*uncertainty about receiving funding, distracting from core business, pitching*). To ensure comprehensive understanding of specific stressors that entrepreneurs experience, we suggest

*that fundraising needs to be added to the framework as a separate sub-category, which includes the specific stressors mentioned above.*

### 6.1.2. Interpersonal

The first step in HeadStart's accelerator program is to "track out", as explained in section 4. As the program has a fixed duration, the entrepreneurs have to track out within a given deadline to ensure that enough time is left to actually work on the company. Tracking out is described by several entrepreneurs as *the most stressful phase* of the program because it determines if the founder can stay in the program or not. The initial founding team is crucial for a company's success (Colombo & Grilli, 2010). In the program, tracking out was sometimes jokingly compared to marriage, with the difference of most likely spending even more time together. Hence, it is understandable that making such an impactful choice under time pressure can be highly stressful.

*"I think the most stressful [part] was when we're getting close to the trackout deadline." (Michael)*

We realize that stress related to tracking out within a fixed deadline is directly connected to HeadStart's specific accelerator program design. However, even outside such programs, one of the first steps in a company's journey is often to find suitable co-founders. Many of the entrepreneurs joined the program for the sake of finding a complementary co-founder, showing that this is a potential challenge and source of stress also outside of the program. This is mostly because the people in their network often come from a similar professional background and are not complementary from a skill-related perspective.

*"The people you know often do the same stuff as you, right?" (observational quote, entrepreneur in the program referring to why it was difficult for him to find a complementary co-founder in his personal network)*

Grant and Ferris' (2012) framework includes "conflict with business partners" as a stressor, *but not interpersonal stressors related to the initial "nascent entrepreneurship" pre-incorporation phase, such as finding complementary co-founders in the first place*. As this is a central challenge for entrepreneurs in this early phase of the company, this stressor should be added to the framework.

### 6.1.3. Self-induced

A self-induced stressor sub-category that we find to be highly relevant in our case is what we call "overcoming mental challenges". This is the stressor that in this case study was pointed out *most frequently as the biggest challenge* the entrepreneurs face. The entrepreneurs described it

as constantly going through an “*emotional roller coaster*” that is highly stressful and difficult to cope with. The relevance of this emotional roller coaster in this case study is underpinned by the quotes below and the following statistics: The word “roller coaster” (which was never used in another context than the emotional) was mentioned 16 times by entrepreneurs in the interviews. 6 out of 11 entrepreneurs used the word in their interview.

*"I'm really up and down all the time, that's my biggest challenge I think." (Andrew)*

*"It's an emotional roller coaster, to say the least. There are days when you feel great. There are days when you feel like shit." (Anton)*

*"I think entrepreneurship is about having a passion and having a drive that is strong enough to overcome challenges. And I think those challenges, in contrast to what I thought before [...] [which is] being clever about marketing and strategy and business [...], now I think it is much more about having the drive to overcome mental challenges. Like it's tough to start a business, not necessarily because you have all of these very difficult things to figure out about business and marketing and everything else. But it's more about figuring out how to push through anxiety and you know, fear of the unknown." (Noah)*

The fact that several entrepreneurs describe mental challenges as the most difficult part in entrepreneurship, and not the business-related challenges as one might assume, is a highly interesting insight and substantiates the need for this study and more research in the area of entrepreneurial mental health and well-being, which includes stress and stress coping. Classic business education and also the support that entrepreneurs receive, for example in accelerator programs, focuses largely on business challenges (Lange & Johnston, 2020). This may mean that the education that entrepreneurs receive does not even target their biggest challenge.

Looking at the origins of these mental challenges, our data suggests that these arise from a combination of 3 specific stressors that are especially prevalent in the field of early-stage, VC-financed entrepreneurship: *high expectations*, *low odds of success*, and *a lot to lose*. High expectations are omnipresent in the studied case. As most VC investments fail, VCs typically only invest in companies that have the ambition and potential to generate outstanding returns and are thereby able to offset the losses of the majority of the VC's portfolio (Metrick & Yasuda, 2021). Therefore, high expectations themselves and their company are to some degree a precondition for the entrepreneurs to be eligible for VC-financing. At the same time, VC-financed entrepreneurship is a “*high risk, high reward*” (Thomas) approach with low odds of actually achieving those ambitious goals. Our data suggests that this combination can become highly stressful for the entrepreneurs.

*"You create this visualization of a goal in your head, and then you get very stressed when you don't reach these goals" (James)*



*"It's not sure that we're going to survive, because most startups fail. So, I mean, that's that stress." (Michael)*

Adding to this is that, as an entrepreneur, if the likely event of failing occurs, you have a lot to lose as you put in *"your life, blood, sweat, tears, idea, vision, emotions and financial stability"* (James) and *"the more time you put in the more you have to lose in the end"* (Andrew). *"And if you don't succeed, it's kind of all for nothing, right?"* (Noah).

While Grant and Ferris' (2012) stressor framework contains the subcategories "fear of failure" and "self-induced pressure to perform", reflecting high expectations, and thus covers parts of this stressor mix, we find that *it misses stressors regarding "low odds of success" and "a lot to lose"*. But above that, we argue that *it does not reflect the stress from having to constantly overcome the mental challenges*, the emotional roller coaster, as a result of those sub-stressors, which our data suggests is a central source of stress in this field.

#### 6.1.4. Proving yourself

In this study, we find what we call "proving yourself" to be an entrepreneurial stressor. In our case, stress related to "proving yourself" results from one of two specific sources: from (1) VC financing (and specifically fundraising) and (2) the accelerator program. As an entrepreneur who seeks to be VC-financed, *"you continuously have to fundraise"* (Ryan). Several fundraising-related stressors were already outlined in section 6.1.1., but on top of these, fundraising leads to having to frequently prove yourself to different investors throughout the company's (pre-exit) life, which we find to be stressful for some (Metrick & Yasuda, 2021).

*"What differentiates being VC backed is the aspect of needing to continuously convince others of your capabilities, vision, product, potential, and so forth. [...] every day is a sale"* (Anna)

Furthermore, our data suggests that also HeadStart's accelerator program increases this need to prove yourself. Throughout the program, entrepreneurs mostly work in the same office space as the HeadStart staff. While this overall seems to be appreciated as it creates opportunities for frequent feedback, collaboration and networking, we also find indicators that this kind of exposure can result in the feeling of constantly having to prove oneself, hence creating stress. It is important to point out that both of the below statements were said with a humorous tone. Nevertheless, we believe there is some truth to it.

*"Are you coming over to observe us today?" (observational quote, statement of a founder when a HeadStart employee was sitting close to her in the office space)*

*"It [is] a little bit like if you combine startup plus Big Brother plus Y Combinator."* (Patrick, describing how taking part in the program feels)

Grant and Ferris' (2012) cover these stressors rather superficially as generally "marketing yourself". We find that in this study's niche, "marketing yourself"-related stress originates from two specific sources, namely from *"marketing yourself towards investors"* and *"marketing yourself towards accelerator staff"*. This might be different in other contexts. To really understand the specific origins of this kind of stress, we argue that *the framework needs to become more granular and include those two specific stress sources*.

### 6.1.5. Workload

Extensive amount of previous studies have found that one of the challenges that impact entrepreneurs' stress levels is the pure amount of work they face, the resulting time pressures, and the fact that they have to split their focus and time across different roles and tasks with competing demands (Grant & Ferris, 2012; Stephan, 2018; White & Gupta, 2020). We find extensive confirmation for this in our study.

*"Like I'm very hyper stressed now. Because I'm obscenely stressed about all these other things that I have to do."* (James)

*"Now that I'm talking about [it], thinking about the website, the database, the fundraising, there's, like so many things, so many things."* (Michael)

*"It's a job of at least six months in three weeks. So it's super stressful."* (Anna)

While this confirms previous findings, we identify two specific dimensions that are not included in Grant and Ferris (2012) framework. First, while feeling like *"constantly running behind"* (Patrick) creates stress on its own, we find that this can result in tasks having to be done fast at the expense of high quality. Our data suggests that this stressor may be especially relevant for entrepreneurs coming from a "specialist" background (e.g. corporate, academic), whilst entrepreneurship may demand a more generalist approach that prioritizes quantity over quality of fulfilled tasks (Lazear, 2004).

*"I don't think the website is great. I don't think the advertising is great. But I just have to down prioritize a lot of things the whole time, and I have to live with the fact that it's not perfect. [...] So that's a little bit stressful."* (Michael)

Noticeably, in the context of workload and competing demands, we find that some entrepreneurs perceive specific additional tasks originating from the accelerator program as *"distracting from the core business"* (Ellie), as also discovered by Lange & Johnston (2020) in their study on incubators and accelerators.

*"So this is a lot of stress, because instead of like focusing on actually build[ing] it, you're trying to, you know, reiterate and find the way how to enter [the market], start getting customers, or get money. So this is quite stressful." (Anna)*

*"We can't be super uninvolved, [...] that makes a super weird impression [...] So then I started stressing out about that a little bit and I tried to be part of it a bit more. Even though at the same time, I could be doing other things that might be a little bit more relevant for [Company Name]." (Ellie)*

Monsson and Jørgensen (2016) find that "there are significant differences in the perceived benefit of various business incubator elements for incubatees, depending on their entrepreneurial characteristics" (p. 224), which we think might contribute to the different stress impacts. For example, Anna had a highly technical background, and thus may not have seen the value of the more commercially oriented tasks which she referred to as "distracting from core business". Ellie's company had progressed further than the rest of the cohort, which is why the specific accelerator-tasks were not her highest priority at the time.

Grant and Ferris' (2012) framework *does not capture stress related to 'feeling distracted from the core business by the accelerator'*. While this falls into the greater category of "juggling multiple tasks", it is important to identify that it originates from a different source than for example 'juggling multiple tasks within the business'. Therefore, when researching the stress experience of entrepreneurs within an accelerator program, it is important to treat this as a distinct stressor. Moreover, *the framework does not capture stress resulting from "having to be ok with imperfection of tasks"*. Our data suggest that this stressor is distinct from simple time pressure or high workload, even though these may occur in the same situations. Hence, it should be added to the framework.

## 6.2. Stress coping

The Eager et al. (2019) framework that we use to analyze the coping strategies that early-stage entrepreneurs use in the VC-accelerator context is divided into problem- and emotion-focused coping strategies with their respective mechanisms, categorized according to the approach-avoidance dimensions. To discuss our findings with focus on aspects that our study contributes to the theory, we both describe the coping strategies we identified in this case and elaborate how, and if, these fit into Eager et al.'s (2019) framework.

While we find all entrepreneurs using at least one of the problem-focused approach mechanisms – **active coping, planning, and instrumental support** – we do not find adequate support for the following emotion-focused approach mechanisms: venting, self-blame, and humor. Furthermore, the avoidance mechanisms of behavioral disengagement, religion, substance use, and denial are not sufficiently identified within our data, and thus not further discussed in this section. This finding is supported by the findings of Eager et al. (2019); namely,

how entrepreneurs use, for example, religion and substance abuse less often than other mechanisms. Hence, we focus on three approach mechanisms – **acceptance, positive reframing, and emotional support** – and **self-distraction**, as we identified these the most important emotion-focused mechanisms within our data. The complete data set is illustrated in Figure 4.

Lastly, we discuss **three emerging mechanisms** that were evident in our data but not covered in the Eager et al. framework. All these fall within emotion-focused coping. We thus further our theoretical contribution by introducing new mechanisms into the coping strategy framework.

## 6.2.1. Problem-focused coping

### **Approach 1: Active coping**

As referring to actively seeking to remove the stressor and/or its effects, active coping focuses on effectively solving the problem. It is also *the most frequently identified coping mechanism in our study*. The entrepreneurs are very conscious about the fact that they can, with their actions, influence their feeling of stress and thus mitigate it by trying to solve the underlying stressor.

*“I think the only way to handle it, is to continuously move forward until you tackle it [the stressor] by immersing yourself in the tasks that you do.” (Noah)*

We also find that this solution-oriented behavior reflects previous literature’s findings on the influence of *perceived controllability* of the underlying stressor (see section 2.3.1. in relation to discussion on Carver & Connor-Smith, 2010). This means that the early-stage entrepreneurs often seem to assess the extent to which they can “solve” the underlying stressor, by simply asking themselves: “... *can I control it?*” (Anton). Though Eager et al.’s (2019) framework mentions “uncontrollability” in relation to another coping strategy (acceptance), it does not directly incorporate this into the framework with the intention of seeking to understand why an entrepreneur engages in a strategy that they do. Hence, we find that including controllability as a precondition into the framework is vital for better understanding the underlying reasons for adopting, for example, the active coping mechanism.

### **Approach 2: Planning**

Planning refers to preemptively preparing for stress and/or breaking down stressors to more manageable sub-segments, thus effectively including planning, keeping/forming structure, and prioritizing. In our study, we also find keeping an overview and control of the situation central to planning as a coping mechanism.

*“I always like to have a couple of plans; I always have [plan] A, B and C [...] if this potential will not happen, what is the second best? So to know that there are also*

*other options, so that again, desperation might not kick in that strongly. So for example, if let's say [HeadStart] says no, you will not, you know, have nervous breakdown. You will say that, okay, I already have contact with another person or another place. [...] Of course, it's still stressful, I think, because I'm a planning freak." (Anna)*

*"If everything is stressful, if we plan things and structure things accordingly, then there should be no room for stress, because you have thought of the pros and cons of that situation." (James)*

However, when it comes to coping with uncontrollable stressors, such as uncertainty, we find that planning is not the first mechanism employed by the entrepreneurs who otherwise would use planning as their 'go-to' mechanism. Hence, the individuals often first assess one's ability to control the stressor, as discussed above, and then potentially opt for alternative coping mechanisms, such as acceptance, if the stressor is deemed uncontrollable. We therefore also find that *adaptability* – the ability to dynamically alter your preferred coping strategy when it does not suit the stressor at hand (White & Gupta, 2020) – is a *key skill for early-stage entrepreneurs*. Hence, we suggest that in addition to asking about controllability, future research could incorporate the notion of adaptability as a precondition to assessing the utilized strategy.

### **Approach 3: Using instrumental support**

Instrumental support is used by many of the studied entrepreneurs. We find that the main source of instrumental support, support focused on problem-solving, is advice on various problems (whether VC or accelerator related) and 'feedbacking' with one's instrumental network.

*"I keep talking to people about it. Conversations help. I basically, like, I kind of ping my ideas with others; I clear them up for myself. And then, typically, like a couple of days later, this feeling just comes up like, I think this is the right thing to do. And then the stress goes away." (Joshua)*

The accelerator program seems to make a substantial contribution to the sources of instrumental support, which is also described by various entrepreneurs as one of the greatest sources of support that the program delivers. We link this support to two core elements of the program. First, the network of entrepreneurs that make up HeadStart's accelerator cohort is seen as peer support that helps solve the problems at hand.

*"Basically whatever situations you're going through, there is a person that will probably have experienced this, regardless of industry." (James)*

Second, the entrepreneurs get concrete feedback from HeadStart's experts that can help them overcome and resolve stressors. The accelerator program can thus be considered aiding the feedback potential via the program expertise.

*"The people working at HeadStart provide good support throughout the journey, [thus] also reducing stress." (Patrick)*

However, although in general we find the feedback function very valuable within the study niche, the usefulness of the feedback seems to depend on how well the offered expertise fits into a specific entrepreneur's business venture and industry. When early-stage entrepreneurs perceive the feedback and advice offered by the accelerator less relevant to their specific business case, the perceived effectiveness of this coping strategy also decreases vis-à-vis entrepreneurs that find the advice highly applicable. Hence, we find that *the perceived value of the instrumental support source influences the applicability of the coping mechanism*, and therefore propose expanding the conceptualization of the framework in this regard. This is also in-line with prior literature's findings on how stress coping is linked to how valuable an entrepreneur experiences the accelerator (depending on personal characteristics; Monsson & Jørgensen, 2016).

## 6.2.2. Emotion-focused coping

### **Approach 1: Acceptance**

Acceptance, i.e. accepting the source of stress and moving on, is an often-mentioned coping mechanism by the entrepreneurs in our study; the entrepreneurs seem to acknowledge the importance of one's mindset for accepting a stressor.

*"Build that crocodile skin, so you don't get so discouraged so easily [...] fail fast, but don't take [it] too personal." (Patrick)*

Acceptance is also brought up as a way to reduce the emotional impact of a failure before utilizing a problem-focused coping strategy and acting upon the stressor. This finding is however not discussed in the original framework, which we deem important to add for future studies.

*"Don't waste time being sad or angry about it. Just, it is what it is, that happened, and then you move on and try to fix it." (Ellie)"*

We also find acceptance to be linked to the idea of controllability. In order to "accept and move on", the entrepreneurs often first assessed the controllability of the stressor, and if they deemed it uncontrollable, they seemed fine accepting it, rather than seeking to engage in active coping.

*"I'm like, why am I feeling uneasy about myself? And I realized that yeah, it's because of this, but then I'm like, can I control it? No. Did I do something to instigate this? No. Can I make sure that I don't come into this in the future? No. Because it's situational. I'm like, yeah, if none of these things are in my control, I don't need to feel bad. And usually that helps me calm myself down." (Anton).*

### **Approach 2: Positive reframing**

Reframing has been studied as a powerful emotion-focused coping strategy in the literature (e.g., Mattlin et al., 1990). Characteristic of reframing is how an individual under distress seeks to turn the stressor into something more positive, “which can solve the problem by changing the stress itself” (Lin et al., 2018, p. 1). We also find this to be a popular coping mechanism utilized in the study niche. More specifically, we find that several entrepreneurs adopt this change-oriented attitude into their general perspective on stress; by changing the perspective on the source of stress – i.e. by positively reframing the stressor – the entrepreneurs eased their stress burden.

*“Stress and pressure, it's more mental state, depending on how you frame it. [...] when your mind can frame it differently, that can just turn it into something positive.” (Andrew)*

Furthermore, positive reframing was often used in combination with acceptance; it was used as a way to facilitate acceptance. In such scenarios, we find that the early-stage entrepreneurs first rephrased stressors, such as those arising from the emotional roller coaster with its low odds of success and not receiving any income, more towards ‘growth’ and ‘learning’ than ‘struggles’, which then helped accepting the presence of the stressor.

*“... I think, especially as an entrepreneur, without any kind of safety net [...] you have to remember that it's also about the journey.” (Noah)*

In relation to positive reframing and whether engaging in acceptance after it or not, we find that also here, the entrepreneurs first evaluated whether they can control the stressor or not. If yes, they engaged in active coping, and if not, they either (positively) reframed the stressor and/or accepted it. This thus also touches upon the idea of adaptability, and how the entrepreneurs had rarely, *ex ante*, made up their mind about which coping strategy to use.

### **Approach 3: Using emotional support**

The availability of emotional support from supervisors and colleagues is a vital source for personal well-being; however, entrepreneurs often lack the support from direct supervisors as they are the ‘bosses’ themselves (Stephan, 2018). In the case of HeadStart, we find that support from program managers/personnel partly substitutes for this: HeadStart's employees are seen to provide valuable support in terms of listening and being there when needed.

Several entrepreneurs also mentioned that, in order for someone to understand the spectrum of emotional challenges they are going through and provide adequate emotional support, the source of support should have gone through an entrepreneurial journey themselves. Despite the multiplicity of backgrounds and experiences, we find that the VC-accelerator context offers more relevant support sources than what the study participants had experienced previously outside

such a context, whether referring to private sources or those related to prior ventures.

*"When you talk to someone who's in a normal job, it is hard to talk about that [emotional stress in entrepreneurship]. It's hard to explain to someone. It's mostly about the feelings. [...] There is a big difference if you haven't emotionally been through it yourself." (Andrew)*

### **Avoidance 1: Self-distraction**

As an avoidance mechanism, self-distraction was brought up in some form or another by almost every interviewee, with the meaning of seeking to get their minds off the work-related stressor by doing something else/unrelated. As it comes to the mode of self-distraction itself, the most frequent form we find is a physical form, mostly exercising and spending time outdoors. Other forms include various hobbies, such as playing an instrument and reading books.

*I just like completely just walk away from the situation for like a day or something and take a break." (Thomas),*

Eager et al. (2019) state that self-distraction is often followed by "subsequent problem-focused coping aimed at changing a stressor" (p. 494), which is also what we witnessed. After having 'reset' one's mind by disengaging activities, the entrepreneurs did often seek to tackle the underlying stressor by active coping, assuming they had first assessed the *controllability* of the stressor (thus also related to planning, reframing and acceptance).

*"Solve the issue and feel better. But like I said, I've recognized that not all issues can be solved in a day. [...] My brain needs some time to give me the answer. And before that happens, that can feel a bit sort of stressful." (Joshua)*

## **6.2.3. Emerging mechanisms**

In addition to the coping strategies included in Eager et al.'s (2019) framework, we identify three coping mechanisms that the framework fails to capture. These are *optimism*, *stress-tolerant state*, and *humanitarian coping*. As these mechanisms are also confirmed by other scholars (e.g., Pathak & Goltz, 2021; Schonfeld & Mazolla, 2015), we argue that they should be added to the framework to ensure it is able to precisely capture stress coping behavior in future research.

### **Optimism**

We witnessed optimism as a coping mechanism on several occasions, both as part of the interviews and our observations. Being optimistic about pursuing the business opportunity in terms of staying motivated, inspired, and passionate, despite ongoing challenges and high levels of stress, seems to be vital for early-stage entrepreneurs' stress coping.



*"Whenever feeling stressed, [I'm] trying to remind myself why I became an entrepreneur in the first place to stay motivated" (Anton)*

We find that especially the accelerator program made valuable contributions on optimism as a coping mechanism. First, as the program cohort is made up of like-minded entrepreneurs who are all motivated to build something, the nature of the program itself seems to ensure that motivation and inspiration remain high. Second, through the accelerator, the entrepreneurs can get in contact with successful entrepreneurs and inspiring speakers, which seems to increase their inspiration and optimism.

*"I felt inspired. Like, I really did. I mean, not only was it a nice environment because I felt like the cohort was great. [...] But I mean, more than anything, it was about the speakers coming in and telling us about their businesses, and it was all incredibly successful entrepreneurs." (Noah)*

Although optimism has been discussed in the literature with the findings that optimism may lead to an enhanced ability to manage, reduce, and eliminate stress (e.g. Pathak & Goltz, 2021), *it was not initially included in the Eager et al. framework as a coping strategy, but rather emerged from our data.* We thus propose that optimism should be included as a coping mechanism within emotion-focused strategies, and it would be most suitable as an approach category, following the classification scheme of Eager et al. (2019).

### **Stress-tolerant state**

By stress-tolerant state, we essentially refer to the idea of preemptively mitigating the future stress effects by taking good care of your personal health, whether by eating healthy, meditating, or sleeping enough. We also suggest adding this mechanism as an emotion-focused coping strategy to the Eager et al. (2019) framework as we find that having enough sleep, maintaining a healthy diet, and mentally preparing for stressful periods by taking actions that prepare yourself for it were brought up several times in the interviews.

*"I really take my time to consciously prepare to not be stressed, like whether if it's meditation, [or] eating healthy." (Patrick)*

Though conceptually related to the problem-focused "planning" mechanism – i.e. the idea that one prepares for stress *ex ante* by engaging in a certain behavior – the difference between these two mechanisms is in the way of executing it. Indeed, whereas we see planning as a mental state of preemptive actions in the form of thinking, creating plans and strategizing, the stress-tolerant state is more about the bodily form of preparedness. We see this as an approach mechanism, since in order to get into this 'state', concrete and conscious actions must be taken by the individual.

### **Humanitarian coping**

The final emerging coping mechanism that we suggest to add to the framework to expand its scope is humanitarian coping. This mechanism refers to Schonfeld and Mazolla's (2015) conceptualization of "coping with work-related stressors by doing good" (p. 510). The authors point out that this may be an overlooked coping mechanism, which we further witness in this study. We discover one occasion in the interviews, and several through observations, where this coping mechanism is used by the entrepreneurs in the VC-accelerator context. For example, Thomas mentioned that he gets a lot of energy for coping from helping other startups as a mentor/advisor: *"Another thing that actually inspires me quite a bit [...] is like helping somebody on their project. [...] So I'm like an advisor and mentor to a bunch of different startups"*. Thus, we recommend adding this as an emotional-coping strategy to the framework.

## **6.3. VC-accelerator contextual interplay**

What overall emerges from our findings is how both the stressors and stress coping strategies of the early-stage entrepreneurs are influenced by the dualized VC-accelerator context in which they operate. Thus, in this section, we discuss these findings as well as their relation to the Grant and Ferris (2012) and Eager et al. (2019) frameworks.

First, the accelerator program as **creating structure** seems to mitigate the stress around uncertainty, though it can also "distract from the core business" (Ellie). However, we also see the accelerator structure's stress mitigating impact being linked to the entrepreneurs' professional *experience* prior to partaking in HeadStart's accelerator program. As essentially helping stress arising from uncertainty by offering structure and guidance in the early stages of venture creation, we find that founders with less professional and/or entrepreneurial experience prior to the program consider the increased structure more value-adding for their stress experience than those with extensive experience.

*"I think maybe, maybe I'm also like, more prepared for stress. I mean, I've worked for a long time. I mean, some people were much younger, you know, some people were in their 20s. And maybe they needed this more. You know, when you've worked in a company, you've felt a lot of stress before and so I didn't feel that I needed more help in coping with stress."* (Michael)

Second, as "**access to capital** is critical" (Joshua), entrepreneurs' access to VC financing reduces many of the operative stressors that they generally experience in the early-stage of venture creation (Jayasekara et al., 2020). For several of the entrepreneurs in this study, we find that this access to outside capital is *enabling* rather than taxing, which stands in contrast to prior findings on investor influence and how the presence of these external parties may add stressors due to additional demands involved (Stewart & Roth, 2001; Zacharakis et al., 2010). Our findings indicate that this enabling nature of VC arises from an enhanced ability to plan further

ahead in the future, instead of continuous bootstrapping. We thus also see a connection between VC financing, uncertainty, and the planning coping mechanism – VC enables early-stage entrepreneurs' ability to tackle (financial) uncertainty by offering a runway for developing the business, thus contributing to the ability to plan for the future via sufficient financial means.

*"But then, you know, once you raise your seed financing [...] then you're like, hey, I have a two-year plan. And you can literally utilize your strategic vision and your strategic abilities. Like I've never had that kind of money at my disposal to be like, 'where I want this company to go in three years'. Well, how do I know? Like, I don't know. I don't [didn't] have that luxury of planning. Two years in advance. So I think I'm really excited about this actually." (Joshua)*

On the other side of the coin, we find the external capital and VC involvement also bringing in the need for fundraising and pitching, which are both seen as central stressors by the early-stage entrepreneurs. Furthermore, we find that factors such as having to fundraise in high frequency and personal characteristics (e.g., introvert vs. extrovert) in pitching matter for the extent to which VC financing influences the stress experience. *However, our findings also show that the accelerator program can offset many of the stressors related to fundraising*, mostly due to its support resources that are discussed next.

Third, although the *high pace of the accelerator program* indicates intense *time pressures* from staying up to speed during the active accelerator phase, our findings show that this pressure is mitigated by the extensive **network opportunities and support** provided by the accelerator context. Indeed, we see the accelerator offering a spectrum of high quality support sources, thus greatly increasing the availability of both emotional and instrumental support. While the former can be attributed to the sympathetic support of peers, program personnel, and friends and family, the latter arises mainly from program personnel and (functional) feedback for the business. We however also find that the effectiveness of instrumental support as a coping strategy varies on how good the fit between the advisors and one's business field is. Indeed, though it is a common coping mechanism in our study niche, we find it as a suboptimal mechanism for those who believe the accelerator does not have the technical expertise needed for functional feedback, such as when the program was seen as "too generic".

HeadStart's knowledge and support network is thus *simultaneously a source for emotional and instrumental support* (i.e. emotion- and problem-focused coping at the same time), which is why we overall consider the dualized VC-accelerator context indicating *high support value for stress management*. This finding also supports the notion that the supportiveness of the early-stage venture context is a key factor for personal well-being and venture performance (e.g., Colombo & Delmastro, 2002; Pettersen et al., 2016).

Fourth, and lastly, we find the early-stage entrepreneurs' **motivation and positive attitude**, as well as their passion for what they are doing, central in this contextual interplay and how both of the contexts seem to have a role in how motivation influences the entrepreneurs' stress

experience. As Anton said, "*whenever I get too stressed, [I] always go back to something I had written down when I was starting; why am I doing it? [...] to learn about business [...] everything else is cherry on top of the tree.*" Though motivations are also discussed in the literature as helping stress management (Cooper & Connaughton, 2012), our interpretation from our data is that *a personal tendency to stay passionate and motivated about what one is doing may be driving the stress coping efforts*. In other words, when staying driven about one's journey and purpose as an entrepreneur, one is more resilient to various stressors. We also find that the importance of motivation for entrepreneurial success is reflected in the VC process. Based on our observations in the VC context, both the current and long-term motivations of the team are often viewed as crucial to one's ability to push through challenges.

Related to this, we find that through several components – from people to knowledge and networks – *accelerator programs may not only raise the early-stage entrepreneurs' motivation but also help keep it up for an extended period of time*. Optimism plays a key role here, which we see within the accelerator program's cohort and personnel. However, the high (time) pressures associated with accelerators, including the feeling of not being able to keep up, may reduce motivation. Thus, if the pressure persists, we notice that the program may also turn this optimistic motivation into stress. When this is the case, it seems to be related to *personal characteristics*, as also discussed by Monsson & Jørgensen (2016), and in the context of how the value of the accelerator program is seen in relation to workload stressors and the instrumental support coping mechanism.

All in all, we relate these four central findings into one key insight: ***the mental challenges of entrepreneurs may be altered by being part of an accelerator and/or being VC-financed***. The interplay of high expectations, low odds of success, and a lot to lose enter the stage as an entrepreneur seeks to, simultaneously, keep up their motivation (despite the low odds of success and high demands) and meet the financial pressures that are stacked up by VC financing. Moreover, we find that entrepreneurs' stress experience may be significantly altered by the presence of the dual VC-accelerator context itself, thus essentially indicating how the interplay of the contexts may create a special environment for stress that does not emerge in the absence of either of the two contexts. The current focus in the VC-accelerator context is, however, often on business challenges instead of mental ones.

## 7. Conclusion

In this section we first present the answers to our research questions (7.1.) and outline the theoretical contributions (7.2.) and practical implications (7.3.). Finally, we discuss this study's limitations (7.3.) and propose directions for future research (7.4.).

### 7.1. Answering the research questions

***RQ1. What stressors do early-stage entrepreneurs experience in the context of venture capital and business accelerators?***

By asking this research question, our aim was to provide an extensive framework of stressors that entrepreneurs experience within the niche of early-stage entrepreneurship within a VC and accelerator context. For this, we researched the specific stressors that the entrepreneurs in this case study experience. As case studies focus on deeper understanding and inclusion of the context instead of generalizability, we recognize that the stressors we identified in this case study cannot be considered to holistically cover all stressors that may be relevant for this niche. Therefore, we merged our findings with previously identified entrepreneurial stressors, specifically Grant and Ferris' (2012) entrepreneurial stressor framework. We find that while Grant and Ferris (2012) cover the majority of the stressors we identified, the following 11 stressors need to be added: *Finding complementary co-founders, overcoming mental challenges/emotional rollercoaster, low odds of success, a lot to lose, having to be ok with imperfection, feeling distracted from the core business by the accelerator, Marketing yourself to investors, Marketing yourself to accelerator, uncertainty about receiving funding, fundraising as distracting from core business, pitching*. This eventually results in an updated and more accurate entrepreneurial stressor framework, which can be found in Appendix 3.

***RQ2. What stress coping strategies do early-stage entrepreneurs use in the context of venture capital and business accelerators?***

Guided by the framework by Eager et al. (2019) and various other studies, we find that problem-focused coping is the most commonly utilized coping strategy among early-stage entrepreneurs in our case context, though emotion-focused coping is also widely used. Of these strategies, we find most support for problem-focused active coping, planning and instrumental support, as well as emotion-focused acceptance, positive reframing, emotional support, and self-distraction mechanisms. Additionally, we identify three emerging mechanisms that were not covered by the framework – optimism, stress-tolerant state, and humanitarian coping – which we propose to add to an updated framework as emotion-focused mechanisms. In parallel to RQ1, we merge these additions with the Eager et al.'s (2019) framework to enhance its applicability to the early-stage VC-accelerator context. The updated framework can be found in Appendix 4.

In-line with prior findings in the literature, we also find that entrepreneurs often adapt their coping strategy based on the perceived *controllability of the stressor at hand*; not only does the choice of an utilized coping strategy depend on whether the underlying stressor is perceived as controllable or not, but the early-stage entrepreneurs also seem to adapt their coping strategy (between problem- and emotion-focused strategies) according to this perception.

***RQ3. How does the dual context of venture capital and business accelerators influence early-stage entrepreneurs' stressors and stress coping strategies?***

We identify four findings in how the dual context of VC and accelerators influences both the stressors and coping strategies of early-stage entrepreneurs. First, we find that the accelerator mitigates the stress around uncertainty by creating structure. The perceived added value of this structure however seems to vary along the entrepreneurs' prior experience; the less pre-accelerator experience one has, the more they seem to benefit from the added structure.

Second, we find that entrepreneurs view the access to VC financing as enabling and therefore mitigating the operative stressors that are generally experienced in the early-stage of venture creation. We find that this impact arises from the following dynamics: VC-financing enhances early-stage entrepreneurs' ability to tackle (financial) uncertainty and provide a longer financial runway for developing the business, which enhances their ability to plan for the future via sufficient financial means. Though the involvement of VC may also add stressors related to fundraising, we find that taking part in an accelerator program can partly offset these, for example through support in regards to investor connections and fundraising guidance.

Third, the accelerator context greatly increases the availability of both emotional and instrumental support by providing a support network of accelerator staff and other entrepreneurs. However, for the instrumental support mechanism provided by the accelerator staff, we find that the industry fit between the advisors and entrepreneurs matters for whether this coping mechanism's utility is positively influenced by the context.

Fourth, we find that the accelerator program may raise the entrepreneurs' motivation for an extended period of time. This increases the utilization of optimism and positive reframing as coping mechanisms; and the accelerator environment seems to increase the entrepreneurs' tendency to see challenges as 'growth opportunities' rather than 'struggles'.

## 7.2. Theoretical contribution

Entrepreneurship is shown to be a highly stressful occupation and the substantial impact of that on individual health and venture performance but also on the wider healthcare system and economy are well documented (e.g. Freeman et al., 2015, Örtqvist et al., 2007, Hassard et al., 2014). As studies on occupational stress and stress coping in the past decades focused largely on employees and the many different entrepreneurial settings are very heterogeneous, several

specific entrepreneurial settings have hardly been researched in relation to stress, such as the niche of early-stage VC-accelerator context (van Burg et al., 2020; Stephan, 2018). This study contributes to the research field of entrepreneurial stress by testing and updating two previous theoretical frameworks, Grant and Ferris' (2012) entrepreneurial stressors framework and Eager et al (2019) entrepreneurial coping framework, to increase their applicability in this specific niche. We identified 10 stressors that Grant and Ferris (2012) did not cover, and 3 coping mechanisms that Eager et al. (2019) were missing. Thus, we propose specific updated versions of both frameworks (see Appendices 5 & 6). This will enable researchers in this field to better understand the stressor and coping related factors at play in the future.

Entrepreneurship in general, and also stress in specific, is highly contextual (Stephan, 2018; Lazarus & Folkman, 1987). Therefore, in addition to presenting the specific stressors and stress coping mechanisms that we identified in this niche, we outline how this study's specific context characteristics influenced those. This will enable researchers, who conduct mental health or stress related studies in the same niche but slightly different context (e.g. different accelerator design), to explain similarities and/or differences to our findings, and eventually provide an extensive overview of how different accelerator or VC designs influence entrepreneurial stress and hence mental health, well-being, and venture performance.

### 7.3. Practical implications

Our findings present several implications for VC firms, accelerators, and entrepreneurs themselves. First, through this study, VCs and accelerators can better understand the stress experience of entrepreneurs in their portfolio companies or programs and the impact they have on this. Of course, the major target of accelerator programs and VC firms is not to reduce stress among entrepreneurs but to increase their companies' venture performance. However, stress is one of several influencing factors on venture performance. This study's insights allow these firms to rethink and potentially redesign certain components of their program or VC-entrepreneur relationship to reduce entrepreneurs' stress and eventually increase venture performance (Drnovsek et al., 2010).

For example, our findings show that, if accelerators provide fundraising support, accelerators can enable their entrepreneurs to utilize the venture performance improving components of VC-financing without having to bear the full stress-inducing, and hence potentially performance decreasing, effects of VC fundraising. Given this insight, VC firms can support their entrepreneurs to get accepted and take part in such programs to reduce the stress inducing impact the VCs have on them. Another example would be the finding that for some entrepreneurs, mental hurdles may be more challenging than the business-related challenges. As providing mainly business-related support, accelerators might thus miss tackling one of the biggest challenges entrepreneurs face. Hence, adding guidance on how to handle such mental situations to their value proposition could have a substantial positive impact on their entrepreneurs' venture success.

Lastly, our findings are also relevant for individual entrepreneurs. While inspiring stories of entrepreneurial successes are frequently shared, often *“that’s not how the story actually went”* (Andrew), mental challenges are often not part of such stories. This can leave entrepreneurs thinking that they are alone with their challenging situations. Providing insights into entrepreneurs’ actual stress experience can help entrepreneurs relate their own experiences to those of other entrepreneurs. While this in itself might be relieving, this study also extends the framework of available coping strategies than can be utilized to manage those stressors. Furthermore, in parallel to the explanation above, our findings suggest that if a VC-financed entrepreneur takes part in an accelerator program, it could enable her to reap the benefits of VC-financing while limiting its stress-inducing downsides.

## 7.4. Future research

In general, we agree with what many other scholars have already pointed out: much more research is needed in the field of entrepreneurial stress to understand the different contexts and eventually provide guidance on how to best mitigate stress and thereby reduce negative health-impacts and increase venture performance (e.g., Drnovsek et al., 2010; Stephan, 2018; White & Gupta, 2020). This need is also strongly supported by our finding, that for several entrepreneurs the mental challenges, the “emotional rollercoaster”, are the most difficult part in their entrepreneurial journey. Specifically, we propose further studies on the following aspects.

We propose further studies testing the updated frameworks of Grant and Ferris (2012) and Eager et al. (2019) in different entrepreneurial contexts to increase their overall applicability. Furthermore, these frameworks can be utilized as a base for measuring the impact of specific stressors on entrepreneurs’ stress levels through quantitative studies. Longitudinal research would help to study the effectiveness of different stress coping strategies in the VC-accelerator context and other settings.

Moreover, further studies are needed to study stress in relation to the time-dimension and how early-stage entrepreneurs’ present- and future-oriented perspectives may influence both their stressors and stress coping strategies. Though the time-dimension is discussed in the literature by for example Eager et al. (2015), specific further studies on early-stage entrepreneurs in VC-accelerator context are needed due to the fast pace of the early entrepreneurial process and high growth expectations in this context. Hence, we propose further expanding existing frameworks in the field by adding time-dimension and further assessing its impacts on early-stage entrepreneurs’ stress experience.



## 7.5. Limitations

First of all, it has to be pointed out that given the *interpretivist ontology* we adopted, the findings are to some degree dependent on our own subjective thinking and judgement (Bryman & Bell, 2015). Furthermore, as a qualitative study, we could not determine any causality between the various study components, nor measure the strength of the influence of the context on stress or coping or the effectiveness of stress coping in regards to stress mitigation. Due to the nature of case study design, this study's findings are only relevant to the specific context (Yin, 2014). If similar findings apply for entrepreneurs of later-stage companies, remains unexplored. Another factor limiting transferability is the specific design of the accelerator program. The fact that entrepreneurs join HeadStart individually and form their team within the program, which was perceived as highly stressful, strongly influenced the experience. Entrepreneurs might join other programs already as teams. Also, the fact that HeadStart preferably selects people who display solution-oriented thinking might have influenced the amount of problem-focused coping in the study. Furthermore, the Scandinavian cultural environment has a strong emphasis on work-life balance. At locations that tend to have longer average working hours (e.g., The US, UK), the results may be different (Kallash & Kruse, 2012).

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## 9. Appendices

Appendix 1. Table of interviews (\*with pseudonyms)

<b>Interviewee name*</b>	<b>Role</b>	<b>Gender</b>	<b>Solo-/team-founder (S/T)</b>	<b>In-/Post-Accelerator (age of company in months)</b>	<b>Date of interview</b>	<b>Length of interview</b>
Patrick	Entrepreneur	M	T	In program	Oct 25, 2021	48 min
Anton	Entrepreneur	M	T	In program	Oct 26, 2021	42 min
Anna	Entrepreneur	F	T	In program	Oct 26, 2021	53 min
Thomas	Entrepreneur	M	S	Post-program (16)	Oct 28, 2021	45 min
Ryan	Entrepreneur	M	T	Post-program (12)	Oct 28, 2021	43 min
Joshua	Entrepreneur	M	T	In program	Oct 29, 2021	44 min
James	Entrepreneur	M	S	Post-program (32)	Oct 29, 2021	46 min
Michael	Entrepreneur	M	T	Post-program (4)	Nov 2, 2021	50 min
Andrew	Entrepreneur	M	T	Post-program (24)	Nov 2, 2021	28 min
Noah	Entrepreneur	M	T	Post-program (4)	Nov 2, 2021	40 min
Ellie	Entrepreneur	F	T	In program	Nov 4, 2021	47 min
Grant	HeadStart Employee	M	n/a	n/a	Nov 11, 2021	41 min

## Appendix 2. Interview guide

### Context

- Can you introduce yourself?
  - Please describe the general life situation that you are in right now and how you spend your time?
- How would you define stress?
  - How do you feel when you feel stressed?

### Company

- When and why did you decide to become an entrepreneur?
- Why did you decide to build specifically a venture capital backed company?
- How does it feel to build your company?
- Have you started a company before?
  - Are the emotions and feelings any different now compared to then?
  - Does it feel safer now?
- How would you describe your roles in your current company?
  - What are your specific strengths and value adds?
- What is it that makes you most excited about your work?
- What makes you most stressed about your work?
  - What is so stressful about this for you?
  - How do you not go crazy?

### HeadStart

- Do you think being part of HeadStart and part of this cohort has any influence on this?
- How do you feel about being part of HeadStart in general?
- Are there any specific components of HeadStart that you find (especially) supportive, or not supportive at all?
- Is there anything that you personally miss in the HeadStart environment?
- What parts of this whole HeadStart situation cause the most stress for you?
- What parts of this whole HeadStart situation help you to decrease your level of stress?
- What is the biggest value HeadStart adds for you?

### Stress/Coping

- What is the biggest value HeadStart adds for you?
- Are there any particular situations or milestones coming up that make you feel especially stressed?
  - What do you typically do in such stressful phases?
  - Is that how you are handling it right now as well?
- [Explain emotion-focused and problem-focused coping] When you look at yourself, what is your mix between the two?

- Based on your experience and opinion: What is the advice regarding stress that you would give other entrepreneurs?

**End**

- Is there anything that you think we should have talked to you about that I haven't? Or any thought or opinion that you find interesting to bring up?
- Do you have any questions?

Appendix 3. Grant and Ferris' (2012) framework for entrepreneurial stressors. *Updates and additions made by this thesis marked in red.*

<b>Administration issues</b>		
<i>1. Administrative tasks</i>	<i>2. Physical work location</i>	<i>3. Resources</i>
Book/record keeping E-mail Invoicing and other paperwork Legal issues Storage Taxation issues	Noisy work space Not having a permanent work space Operating from a home office Operating from a remote work space	Finding the resources you need to run the business Managing costs that need to be outlaid on resources required to do business Managing your resources Resourcing multiple businesses at once Suppliers failing to deliver on time Suppliers failing to deliver what they're supposed to

<b>Establishing/maintaining the business</b>		
<i>4. Competition/demand</i>	<i>5. Innovating</i>	<i>6. Reputation</i>
Competing with others for business Impact of the economic or industry environment on your business Keeping up with competitors' ideas and strategies Keeping up with new trends or technology relevant to your business Establishing a client/customer base Maintaining a client/customer base Not enough demand for your business	Bad or redundant ideas Being creative Finding a niche market Getting a new business off the ground Innovating Keeping the business moving Recognising and exploiting opportunities	Being exploited because you're a small or young business Building a brand or reputation Protecting the intellectual property of the business Protecting the reputation of the business Protecting your reputation as a business person Threat of brand damage or loss of reputation

<b>Financial</b>			
<i>7. Cash flow</i>	<i>8. Financing</i>	<i>9. Growth</i>	<i>10. Sales turnover or profit</i>
Deciding who to pay first  Having enough money to meet all of your expenses  Having enough money to pay financiers/creditors  Having enough money to pay the bills  Having enough money to pay your staff  Having enough money to pay yourself  Living beyond your means to support the business  Uncertain cash flow  Uneven cash flow	Balancing your finances across multiple businesses  Bootstrapping your business, i.e., using personal finances  Securing funds from financiers or creditors to finance your business  <i>Uncertainty about receiving funding</i>  <i>VC fundraising as distraction from core business</i>  <i>Pitching</i>	Achieving your desired level of business growth  Feeling trapped by the business (exceeding your desired level of growth)  Fluctuation in growth  Growing too quickly  Growing too slowly  Maintaining your desired level of business growth	Making enough business profit  Making enough personal profit  Meeting sales targets or other performance goals relevant to your business

<b>Interpersonal</b>		
<i>11. Business partners/co-owners</i>	<i>12. Cultural issues</i>	<i>13. Customers/clients</i>
Business partners not pulling their weight  Conflict with business partners  Working with a business partner who is also your life partner  Working with business partners who have different expectations, ideas, goals, values, or visions  <i>Finding complementary co-founders</i>	Communicating with people from different cultural backgrounds to do business within your country of operation  Operating globally  Operating internationally	Conflict with customers  Customer complaints  Meeting customer expectations
<i>14. Isolation</i>	<i>15. Staff issues</i>	<i>16. Stakeholders</i>

<p>Feeling isolated</p> <p>Lack of support networks</p> <p>Loneliness</p> <p>No one to bounce ideas off or consult with</p>	<p>Communicating with staff</p> <p>Conflict with staff</p> <p>Covering work that should be delegated to others</p> <p>Disciplining staff</p> <p>Firing staff</p> <p>Hiring the right staff</p> <p>Incompetent or unproductive staff</p> <p>Interpersonal problems between men and women involved in the business</p> <p>Leading staff</p> <p>Office politics</p> <p>Recruiting staff</p> <p>Retaining staff</p> <p>Solving problems others at work bring to you</p> <p>Supervising/managing staff</p> <p>Training and developing staff</p> <p>Trusting staff, e.g., loyalty and intellectual property issues</p> <p>Unreliable staff</p>	<p>Accountability to board members and shareholders or other stakeholders</p> <p>Balancing the needs of financiers and other stakeholders you're making money for and customers/clients you're selling to</p> <p>Meeting stakeholders' expectations</p>
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<b><i>Public image/selling yourself</i></b>	
<b><i>17. Marketing a product, service or yourself</i></b>	<b><i>18. Communicating your vision or ideas</i></b>
<p>Attending public events to promote the business</p> <p>Being treated differently because you're a female entrepreneur</p> <p>Developing marketing strategies</p> <p>Developing professional networks</p> <p>Maintaining professional networks</p>	<p>Communicating your vision to others</p> <p>Getting employees to buy into your vision and make it happen</p> <p>Working with others who do not share your drive or work ethic</p> <p>Working with others who do not share your passion</p>

Marketing your business Marketing your products or services Marketing yourself Projecting a strong self-image Public speaking associated with the business Constantly having to market yourself to investors Constantly having to market yourself to the accelerator	Working with others who do not understand your vision
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<b>Responsibility</b>	
<b>19. Responsibility</b>	<b>20. Personal risk</b>
Accountability for decision making and mistakes Being responsible for the company Being responsible for the livelihood of others, e.g., staff Dealing with crises Feeling guilty or selfish about pursuing your own goals at the expense of significant others, e.g., family Feeling indispensable (not being able to 'not be there') On-the-spot or critical decision making	Risk the business poses to your career Risk the business poses to your family's finances Risk the business poses to your personal finances Risk the business poses to your professional reputation

<b>Internal/self-induced</b>		
<b>21. Fear of delegating/losing control and problems letting go</b>	<b>22. Fear of failure</b>	<b>23. Lack of knowledge or expertise</b>
Feeling that you're losing control of the business Having to delegate tasks but not wanting to Letting go of having full control of the business Relinquishing control over aspects of the business	Dealing with current setbacks/failure in the business Dealing with past business failure(s) Fear that individual ideas will not be successful Fear that the business itself will not be successful	Having to learning quickly Learning new things that are outside your comfort zone or area of expertise Not having the knowledge or experience/training you need

<p>Sharing knowledge about the business with others which had previously been in your own head</p> <p>Shifting from doing everything yourself to letting others handle tasks and/or problems</p> <p>Trusting employees with delegated tasks</p> <p>Walking away from the business, e.g., selling and moving on</p> <p>Working out how to delegate</p> <p>Working out what to delegate</p>	<p>Guilt over the impact of business failure/loss on others such as employees or family</p> <p>Grief over business loss/failure</p> <p>Low odds of success</p> <p>A lot to lose</p>	
	<i>24. Restlessness</i>	<i>25. Self-induced pressure to perform</i>
	<p>Feeling bored or restless with the business</p> <p>Not feeling challenged by your work</p> <p>Wanting to move on to something new</p> <p>Wanting to retire/not work anymore</p> <p>Overcoming constant mental challenges/ experiencing an "emotional rollercoaster"</p>	<p>Meeting your own performance expectations or goals</p> <p>Overcommitting yourself – trying to accomplish too much</p> <p>Striving for perfection in the products and/or services you deliver</p> <p>Achieving what you set out to achieve</p> <p>Being obsessed with what you're doing</p> <p>Being recognised by others for your achievements</p> <p>Being successful</p>

<b>Uncontrollable factors</b>	
<i>26. Unpredictable events</i>	<i>27. Ambiguity/uncertainty</i>
<p>Dealing with unforeseeable problems</p> <p>Equipment or technology breaking down</p> <p>Unpredictable economic events that impact on the business</p> <p>Unpredictable environmental events that impact on the business</p> <p>Unpredictable personal life events that impact on the business</p> <p>Unpredictable political events that impact on the business, e.g., legislative or policy change</p>	<p>Being unclear about what you need to do</p> <p>Job insecurity</p> <p>Not knowing what to do next</p> <p>Not knowing where you're heading with the business</p> <p>Uncertainty about the future of the business</p>



<b>Workload</b>			
<i>28. Amount of work</i>	<i>29. Time management</i>	<i>30. Juggling multiple roles or tasks</i>	<i>31. Work-life balance</i>
<p>Boundary spanning</p> <p>Having to do everything yourself</p> <p>Having too much work to do</p> <p>Never getting to the end of the list or to the bottom of the pile</p> <p>Not having enough time in your day to do everything you want to do</p> <p>Not having enough work to do</p> <p>Periods of inactivity</p> <p>Variability in workload (from too light to too demanding)</p>	<p>Dividing your time across multiple businesses</p> <p>Dividing your time across multiple tasks within the business</p> <p>Dividing your time between your work and family/personal life</p> <p>Finding time to work on the business not in it</p> <p>Meeting deadlines imposed by clients/customers</p> <p>Not having a 'typical work day'/regular routine to settle into</p>	<p>Dealing with changing tasks</p> <p>Frequent interruptions including the inability to refocus</p> <p>Managing multiple businesses at once</p> <p>Managing multiple roles/tasks within the business</p> <p>Managing the business with your family/personal life</p> <p>Having to be ok with imperfection of work due to multiple roles</p> <p>Feeling distracted from core business by taking part in an accelerator program</p>	<p>Difficulty relaxing when not at work Effect of the business on your family</p> <p>Effect of the business on your relationship with your children</p> <p>Effect of the business on your relationship with your romantic partner/spouse</p> <p>Feeling that you do not have a family life due to work</p> <p>Feeling that you do not have a social life due to work</p> <p>Immersing yourself in the business at the expense of other things if your life</p> <p>No 'real' time off</p> <p>Not being able to enjoy the fruits of your labour</p> <p>Putting your personal life on hold for the business</p> <p>Taking work home</p> <p>Working long hours</p> <p>Working too many hours</p> <p>Working weekends</p> <p>Your personal life interfering with or distracting you from your business</p>

Appendix 4. Eager et al. (2019) framework for stress coping. *Updates and additions made by this thesis marked in red.*

Strategy	Category	Mechanism	Definition
<b>Problem-focused coping</b>	<b>Approach</b>	<i>Active coping</i>	Actively seeking to remove the stressor / its effects
	<b>Approach</b>	<i>Planning</i>	Preemptively preparing for coping/breaking stressors to more manageable segments
	<b>Approach</b>	<i>Using instrumental support</i>	Utilizing one's support networks
	<i>Avoidance</i>	<i>Behavioral disengagement</i>	Seeking to evade the stressor and the associated negative effect
<b>Emotion-focused coping</b>	<b>Approach</b>	<i>Venting</i>	'Ventilate' feelings related to/emerging from stressors
	<b>Approach</b>	<i>Positive reframing</i>	Reframe the stressor as something positive
	<b>Approach</b>	<i>Humor</i>	Using humor to brighten up the stress feeling
	<b>Approach</b>	<i>Self-blame</i>	Blaming oneself for the stress they experience
	<b>Approach</b>	<i>Using emotional support</i>	Relying on family, friends, colleagues and other entrepreneurs for support
	<b>Approach</b>	<i>Acceptance</i>	<i>Accept the source of stress and move on</i>
	<b>Approach</b>	<i>Optimism</i>	Staying motivated and inspired about the business opportunity despite ongoing challenges / stress
	<b>Approach</b>	<i>Stress-tolerant state</i>	Preemptively preparing for future stress by taking care of your personal health
	<b>Approach</b>	<i>Humanitarian coping</i>	"Coping with work-related stressors by doing good" (Schonfeld & Mazolla, 2015, p. 510)
	<i>Avoidance</i>	<i>Religion</i>	Turning to religion when feeling stressed
	<i>Avoidance</i>	<i>Substance use</i>	The use of alcohol or drugs to cope
	<i>Avoidance</i>	<i>Denial</i>	Denying the existence of the stressor(s)
	<i>Avoidance</i>	<i>Self-distraction</i>	Doing things that take one's mind off the stressor

## Appendix 5. Selected interview quotes categorized

### **Stressors**

#### **1. Establishing / Maintaining the business**

##### ***Entrepreneurs that finished the program***

*"Finding people to use the product and getting more customers and stress associated with running a company. And that stress of course, could sometimes be a little bit too much." (Ryan)*

*"Getting a sales deal through, getting a pilot deal, getting a customer pay for the product, and getting them stay." (Ryan)*

##### ***Entrepreneurs in the program***

*"There are times when I'm stressed about the business model." (Anton)*

*"The thing is, we don't even know if anyone wants this, right?" (Observation)*

##### ***Accelerator support***

*"And then as we move on, it's more concerns about their business model." (Grant, being asked in which areas the founders seek active support in)*

*"The feedback is something that they're craving for." (Grant)*

#### **2. Financial**

##### ***Fundraising***

*"You have to do too many of these things at the same time. And at the same time, you have to raise money." (Ryan)*

*"It feels a little bit distracting from like what our core business is." (Anna)*

*"Continuously having to fundraise." (Ryan)*

*"My most recent example when it comes to stress is investment is [...] doing those pitches." (Ellie)*

*"He was really, like, shaking and it was like really tough to see and I kind of wanted to [...] just do some breathing exercises because he was doing pretty bad. [...] You know, they're gonna pitch so many times for other investors. So it's something that everyone needs to be able to cope with." (Grant, referring to a pitching founder)*

*"It's just because an investment is on the line. That's stressful." (Ellie)*

*"I felt quite intense pressure. I mean, [...] especially leading up to our pitch, you know, because I truly [...] had no idea what our chances of success was." (Noah)*

*"Like, if we do a serious fundraising round, and we don't get money, that would be a huge blow. So definitely a bit of a stress." (Michael)*

*"We have a runway of a few months. And if you don't get the money, that's the end of it, I guess."* (Michael)

*"The whole investment phase, like all the legal stuff, [...] we need to solve huge contracts. [...] all of that has actually been quite stressful"* (Ellie)

*"I don't think it creates any additional stress. I would rather say that it's a bit of a more beneficial than the bootstrapped way."* (Joshua)

*"In terms of the funding, bootstrapping means you're always caught in this like vicious cycle. Like it's basically a catch 22 Right. To get more revenue. You need more people. But to hire more people, you need more revenue, right? So you're always kind of like churning and churning and churning that little like, the wheel, and it just spits a little bit more money. Every time. Like if you're doing it well.[...] Your brain is literally used for doing all the work yourself at first. And it's it takes a long time to be able to create a machine that has so much money in it that you can say like alright, I'm going to look at this thing from a strategy point."* (Joshua)

*"Now the good thing about VC model is [...] once you raise your seed financing, right, and you have a two year plan. And you can literally utilize your strategic vision and your strategic abilities. [...] So I think I'm really excited about this actually."* (Joshua)

### **Financial responsibility for employees**

*"The biggest source of stress I guess is, you have a team and you don't know if you can pay salary, you know."* (Andrew)

*"Some periods are quite stressful [...]. We actually just went through a period where we had, you know, three weeks' runway left. Maybe not be able to pay salary in a month. And had to close investors. So yeah, it's been basically, I don't know 24/7 the past two weeks."* (Andrew)

### **Founder income**

*"I mean, an obvious one [source of stress] is the fact that you're not going to get paid, right?"* (Noah)

*"Both Magnus and I have a little bit of money saved, so we're not like completely stressed out about it. Like now at the moment, I'm thinking about stopping my salary"* (Michael)

*"If they don't have any money before coming into HeadStart, it will be pretty hard to like they will need to raise around pretty quickly after the investment"* (Grant)

*"Some founders they come in, and they're quite well off. Having this, like, high end position at Spotify for 10 years. They kind of have enough cash in the bank to go for three years without any salary. Whereas you would have this like newly graduates that comes in has no money has a lot of debt. And then, you know, doesn't really have the opportunity to just spend, you know, six months or a year to develop something without a salary."* (Grant)

*"You can see the difference between the founders, which ones are more comfortable with having that ambiguity of, you know, I don't know when I'm going to raise my next round it might be eight months from now might be a year. Other ones will be like okay, well, I'm not going to be set by the*

*time I receive the investments. That's when hard time starts. I need to create this product and raise another round in parallel." (Grant)*

### **3. Interpersonal**

#### ***Business partners / co-owners***

*"The learning curve of working styles, it's always difficult, especially that HeadStart is trying so much to be diverse and inclusive, and then you have different personalities, different ways of working, different backgrounds" (Patrick)*

*"The most stressful situation I can think of is a real spat with my co founder about the future of the company" (Joshua)*

*"So around week seven, you know, it's getting really stressful for them if they haven't yet [become a] founder or co-founder." (Grant)*

*"I think the most stressful [part] was when we're getting close to the trackout deadline." (Michael)*

*... more quotes*

*Quote on founders that joined as team*

*"The people you know often like the same stuff as you, right?" (observational quote, entrepreneur in the program referring to why it was difficult for him to find a complementary co-founder in his personal network)*

### **4. Public Image / Selling yourself**

#### ***Marketing a service, product, or yourself***

*"What differentiates being VC backed is the aspect of needing to continuously convince others of your capabilities, vision, product, potential, and so forth. [...] every day is a sale" (Anna)*

*Observational note: HeadStart employees and entrepreneurs typically spread to different areas of the office. When I was one day sitting closer to the entrepreneurs, one of the founders pointed out that they sometimes feel a bit observed when someone from HeadStart sits close to them*

*"The reason why we wanted to do HeadStart was primarily for the network and the knowledge." (Ellie)*

#### ***Communicating your visions or ideas***

*"You have a lot of obligations to the people who work with you. You know, you've sold them a vision and a dream and obviously you have to make that come to reality. So yeah, very stressful in terms of delivering what you have pitched is one." (James)*

### **5. Internal / Self-induced**

*"You create this visualization of a goal in your head, and then you get very stressed when you don't reach these goals." (James)*

*"The odds are against you. [...] You can think of 99 reasons why you don't succeed." (Noah)*

*"It's not sure that we're going to survive, because most startups fail. So, I mean, that's that stress." (Michael)*

*"It's an emotional roller coaster, to say the least. There are days when you feel great. There are days when you feel like shit." (Anton)*

*"It's mostly about the feelings, I think that's the biggest challenge actually." (Andrew)*

*"I'm really up and down all the time, that's my biggest challenge I think." (Andrew)*

*"I think entrepreneurship is about having a passion and having a drive that is strong enough to overcome challenges. And I think those challenges, in contrast to what I thought before [...] [which is] being clever about marketing and strategy and business [...], now I think it is much more about having the drive to overcome mental challenges. Like it's tough to start a business, not necessarily because you have all of these very difficult things to figure out about business and marketing and everything else. But it's more about figuring out how to push through anxiety and you know, fear of the unknown." (Noah)*

*"It is like a roller coaster of emotions, definitely. And in HeadStart specifically, which has been the last two months, it has been crazy the roller coaster here. Before the last months was like the kids' roller coaster. Here it's like literally, I don't know, the Batman or the Superman Roller Coaster." (Patrick)*

*"I don't think they put a lot of attention to stress, but maybe it's the workshop that I missed." (Ellie)*

*"I'm used to like controlling everything. It's really hard to let it go." (Anna)*

*"There's so much learning and it's so exciting, but it can sometimes also be very overwhelming" (Ellie)*

*"Your life, blood, sweat, tears, idea, vision, emotions and financial stability" (James)*

*"The more time you put in the more you have to lose in the end" (Andrew).*

*"And if you don't succeed, it's kind of all for nothing, right?" (Noah).*

*"high risk, high reward" (Thomas)*

## **6. Uncontrollable Factors**

*"On the business side, it's more unknown, right? One day you feel like, ok this is going to change the world, and the next day it feels like it's going down." (Andrew)*

*"But because of the uncertainty, you just don't know. So that's I think that's the main reason or like the key reason why I felt stress." (Ellie)*

*"I guess very, like uncertain." (Ellie, when asked how she feels when stressed)*

*"My brain needs some time to give me the answer. And before that happens, that can feel a bit sort of stressful. It's because I don't know what to do yet." (Joshua)*

*"Having a plan, reducing the uncertainty, the uncertainty, it's really good, because you know where you need to get and what you need to do kind of to cover." (Patrick; answering what components in the program are helpful)*

*"I think it decreases stress. Because you're, you know, some way that you're not completely off. You know, I think if we were doing it completely on our own, you wouldn't know at all where you are. I can look at all our other companies in the cohort and get the sense if we are doing the right thing." (Michael)*

## 7. Proving yourself

*"you continuously have to fundraise" (Ryan)*

*"What differentiates being VC backed is the aspect of needing to continuously convince others of your capabilities, vision, product, potential, and so forth. [...] every day is a sale" (Anna)*

*"Are you coming over to observe us today?" (observational quote, statement of a founder when a HeadStart employee was sitting close to her in the office space)*

*"It [is] a little bit like if you combine startup plus Big Brother plus Y Combinator." (Patrick, describing how taking part in the program feels)*

## 8. Workload

### **Multiple hats/competing demands**

*"It is really broad what I am supposed to do, because I'm supposed to do the rest. So it's a little, I guess that's a little bit of a stress, like the prioritization. Between like marketing and hiring and say, especially in sales, and now fundraising, because I have to juggle." (Michael)*

*"There's, like so many things, so many things, you know, I don't know how it is if you're more founders, but I can kind of fantasize about this, like, if you were three or four founders, imagine how you no one can do marketing individually? Well." (Michael)*

*"I would say everything." (James, answering what his role is in the company; he is a solo-founder)*

*"I'm very hyper stressed now. Because I'm obscenely stressed about all these other things that I have to do." (James)*

*"Now that I'm talking about [it], thinking about the website, the database, the fundraising, there's, like so many things, so many things." (Michael)*

*Stressed by additional tasks:*

*"So this is a lot of stress, because instead of like focusing on actually build[ing] it, you're trying to, you know, reiterate and find the way how to enter [the market], start getting customers, or get money. So this is quite stressful." (Anna)*

*"We can't be super uninvolved, [...] that makes a super weird impression [...] So then I started stressing out about that a little bit and I tried to be part of it a bit more. Even though at the same time, I could be doing other things that might be a little bit more relevant for [Company Name]."*  
(Ellie)

*"You have to do too many of these things at the same time. And at the same time, say you have to raise money." (Ryan)*

### **Time pressure**

*"It's a job of at least six months in three weeks. So it's super stressful." (Anna)*

*"So that clock is running constantly in our head and pushes us to go really fast." (Anton)*

*"Within a short span of time you have to accomplish certain goals, certain things you want to do and when that doesn't happen, of course, you're stressed" (Ryan)*

*"They are getting you to build a team and at the same time build the idea, and at the same time you have to finish everything in 10 weeks." (Patrick)*

*"I'm like, I'm used to if I'm responsible for marketing, I'm used to doing it well and like being proud of what I do. But now as a startup CEO, I have to I'm not proud of the marketing I'm not proud of."*  
(Michael)

*"I don't think the website is great. I don't think the advertising is great. But I just have to down prioritise a lot of things the whole time, and I have to live with the fact that it's not perfect. [...]"*  
So that's a little bit stressful" (Michael)

*"In this like Bootstrap model, your runway is constantly one or two months ahead." (Joshua)*

*"Now the good thing about VC model is [...] once you raise your seed financing, right, and you have a two year plan."*

*"I don't think it creates any additional stress. I would rather say that it's a bit of a more beneficial than the bootstrapped way." (Joshua)*

### **Work-life balance**

*"I have a son [...] I always do a lot with him, like we play games or whatever. So, but it can be extra stressful those weeks, because it means that I have to go a little bit earlier from the office"*  
(Michael)



## **Stress coping**

### **1. Problem-focused coping**

#### **Approach 1: Active coping**

*"I'm very solutions oriented. [...] if you have a problem, you should come to me with five solutions. Basically, how we're going to overcome that... because in the next two years, there will be way worse problems and what you're dealing with now." (James)*

*"The majority of problems which arise are extremely urgent, so I just have to solve them." (Anna)*

*"... How this problem can be solved by other and how it can be beneficial to other people" (Ryan)*

*"I think the only way to handle it, is to continuously move forward until you tackle it [the stressor] by immersing yourself in the tasks that you do." (Noah)*

*"Why am I feeling uneasy about myself? And I realized that yeah, it's because of this, but then I'm like, can I control it?" (Anton)*

#### **Approach 2: Planning**

*"I always like to have a couple of plans; I always have [plan] A, B and C [...] if this potential will not happen, what is the second best? So to know that there are also other options, so that again, desperation might not kick in that strongly. So for example, if let's say [HeadStart] says no, you will not, you know, have nervous breakdown. You will say that, okay, I already have contact with another person or another place. [...] Of course, it's still stressful, I think, because I'm a planning freak." (Anna)*

*"If everything is stressful, if we plan things and structure things accordingly, then there should be no room for stress, because you have thought of the pros and cons of that situation." (James)*

*"But there are also external factors and sometimes there are just factors. You don't even know what happened or you don't have control over it. So it's always the best approach to do your best." (Anna)*

#### **Approach 3: Using instrumental support**

*"I keep talking to people about it. Conversations help. I basically, like, I kind of ping my ideas with others; I clear them up for myself. And then, typically, like a couple of days later, this feeling just comes up like, I think this is the right thing to do. And then the stress goes away." (Joshua)*

*"Basically whatever situations you're going through, there is a person that will probably have experienced this, regardless of industry." (James)*

*"That's helpful [at HeadStart], when you can actually have a conversation with other founders and ask: actually, how the fuck did you do that, or can you help me with this?" (Andrew)*

*"The people working at [HeadStart] provide good support throughout the journey, [thus] also reducing stress." (Patrick)*

*"The office hours have been extremely, extremely helpful, because I literally get to ask whatever."* (Anton)

*"The kind of business leaders and proven entrepreneurs that could provide us with guidance to help us through all of those pivots and, you know, initial business directions and, you know, trial and errors, mistakes, learnings along the way."* (Noah)

*"There is not a strong network around health industry"* (Anton)

*"This puts extra stress because there are no strong technical advisors"* (Anna)

*"... a more tailored approach would be helpful. Rather than having a generic approach, [having the program] based on what market you're targeting, [...] what customers you're reaching, [...] your product, [...] should have been helpful, which we didn't have"* (Ryan)

## **2. Emotion-focused coping**

### **Approach 1: Acceptance**

*"Build that crocodile skin, so you don't get so discouraged so easily [...] fail fast, but don't take [it] too personal"* (Patrick)

*"A general mindset of don't take things too seriously, right? "* (Andrew)

*"Don't waste time being sad or angry about it. Just, it is what it is, that happened, and then you move on and try to fix it."* (Ellie)

*"If my venture fails, it's not the end of the world; like other people in the world have to deal with much worse things, life or death, or extreme poverty, so this is really 'first world problem' [...] 'reset your perspective on it"* (Thomas)

*"I'm like, why am I feeling uneasy about myself? And I realized that yeah, it's because of this, but then I'm like, can I control it? No. Did I do something to instigate this? No. Can I make sure that I don't come into this in the future? No. Because it's situational. I'm like, yeah, if none of these things are in my control, I don't need to feel bad. And usually that helps me calm myself down."* (Anton).

### **Approach 2: Positive reframing**

*"It helps to get a different opinion or thought and, and relaxes you a little bit because it's you feel like it's not, that's not the end of the world, right?"* (Ryan)

*"I can't control the other person. So I can only control my response."* (Joshua)

*"If I overthink, it becomes stress, of course, that 99% of the problems are the ones that I'm creating for myself. [...] So it completely depends on how you handle it."* (Anton)

*"Stress and pressure, it's more mental state, depending on how you frame it. [...] when your mind can frame it differently, that can just turn it into something positive"* (Andrew)

*"And I think keeping that in mind is super important. Because I think, especially as an entrepreneur, without any kind of safety net, you know, to not just succeed but to enjoy the journey along the way. You have to remember that it's also about the journey" (Noah)*

*"We also just tried to think [that] if they don't want us, they don't want us, and then probably we don't want them. [...] So we try not to put too much pressure on ourselves when it comes to this and investments." (Ellie).*

*"... it might be anxiety at the beginning, but once you realize that, yeah, this can be solved, and it becomes excitement." (Anton)*

*"So I was having one a bit while back and I actually sat down; I went to one of the booths [...] And I sat down for like five minutes. I'm like, why am I feeling uneasy about myself? And I realised that yeah, it's because of this, but then I'm like, can I control it? No. Did I do something to instigate this? No. Can I make sure that I don't come into this in the future? No. Because it's situational. I'm like, yeah, if none of these things are in my control, I don't need to feel bad. And usually that helps me calm myself down." (Anton).*

### **Approach 3: Using emotional support**

*"The main thing is the people. Some people you connect with and can share a lot of things with, and those are really helpful [referring to the program but also outside]. I think that's the biggest [most valuable] source. You spend a lot of time together, in a stressful period, and then you bond. You get friends who have similar experiences." (Andrew)*

*"We are there as some sort of therapist, being there for people as a comfortable shoulder if they want to speak to someone because they're experiencing a tough time." (Grant).*

*"Talking to your existing investors can also help, but there you can't say anything of course, you think about it an extra time, right?" (Andrew).*

*"I go talk to my girlfriend and tell all my problems and she listens to it. And then I speak to friends and family" (James)*

*"A lot of founders are parents, so you know, spending time with their family. Going for a weekend trip or something. That's something that we see also costs a lot of photos afterwards." (Grant).*

*"So I've been working with a therapist slash business coach for the last one year." (Anton)*

*"I mean, it was a lot of nice people and interesting people in the cohort. And I think kind of leaning on that and just hanging out with others in the same situation made it easier." (Michael)*

*"You just feel like, you know, you're the only one who has to do this monthly report to and you're the only one who has to do these things [when you are around other entrepreneurs] then you realise like everybody hates doing it and I don't know, like, kind of gives you like a bit of a boost in some of their work. [...] And it's not just about the bad stuff. I think it's also like, tearing other people pitch or hearing other people excited about their ideas and whatever. For me that, like, resets my energy a bit and reminds me that I love the journey." (Thomas)*

*"... But if you're only looking for the investment, most likely you're not gonna get it. So you need to enjoy it [the small bits of being an early-stage entrepreneur]." (Patrick)*

*"When you talk to someone who's in a normal job, it is hard to talk about that [emotional stress in entrepreneurship]. It's hard to explain to someone. It's mostly about the feelings. [...] There is a big difference if you haven't emotionally been through it yourself." (Andrew)*

### **Avoidance 1: Self-distraction**

*"I just stop doing things for a certain amount of time when I think it's not going anywhere. It's better off. Take, say, the evening or the next day and off a little bit." (Ryan)*

*"I just like completely just walk away from the situation for like a day or something and take a break." (Thomas)*

*"There's one rule [that] like is pretty much like a 95% time rule. I don't like opening my laptop at home, and I typically don't do it." (Joshua)*

*"Solve the issue and feel better. But like I said, I think I've recognised that not all issues can be solved in a day. [...] I need some time to digest. My brain needs some time to give me the answer. And before that happens, that can feel a bit sort of stressful." (Joshua)*

*"I just stop doing things for a certain amount of time when I think it's not going anywhere. It's better off. Take, say, the evening or the next day and off a little bit. Take some time off to think through properly, right. Ponder over things." (Ryan)*

*"First calm down and focus on the problem, try to solve it. Eventually, you will get distressed again, and you start over, right, but I know that I cannot sustain such a stress level for so many days or hours, so I try to also do a little productivity tools like most important decisions, do them in the early morning." (Patrick)*

*"When I get super stressed, I just swim a lot. Because it's like a really boring mundane task that you can contemplate with. [...] [and] I should work out more, that does reduce stress." (James)*

*"Going out for sports or going somehow like getting some fresh air." (Anton)*

*"I need to be active [...] spend time outdoors." (Joshua)*

*"And the large losses, just run and take them out by sweating or, or just do exercise" (Patrick).*

*"I don't go to the gym now. I haven't worked out for like a year, but it's a method I have used in the past. And I should use it now too." (Michael).*

*"I've started playing the drums recently, I play the guitar. So music is my hobby. [...] sometimes just sitting on the couch and playing like PlayStation." (Joshua)*

*"Most often, at least when I have the time, I used to read a lot of books." (Ryan)*

### 3. Emerging mechanisms

#### Optimism

*"Startups live and die on motivation. [...] it's important to keep your motivations in check."* (Thomas)

*"I really feel like it's the best advice I can give. It is to find your passion. Like [it] is no different than any other career. It is no different than advice going into employment. But I think to find your passion is key because you know you are going to face these challenges, you are going to face some level of anxiety because of the difficulties. It is going to be an emotional roller coaster. And it will be upon you and no one else to fix it. You know, like, there is no safety net. You're it. And so, I think it is impossible to proceed, let alone succeed, without doing something that you feel is worth going through this for, you know, when you inevitably encounter these things, you will ask yourself, why the hell you do what you do? And if the answer is well, actually, like, this is amazing. You know, I'm really passionate about this. Then that will be the thing that more than anything else, the thing that makes you continue putting one one foot in front of the other. And so I think, like it's such a cliché response, but I think it is my best advice."* (Noah)

*"Whenever feeling stressed, [I'm] trying to remind myself why I became an entrepreneur in the first place to stay motivated"* (Anton)

*"In the first few weeks, it's this crazy buzz in the air, everyone is just so much energy in the room. Everyone wants to change the world when they're new ideas. And just me, you know, the perfect co-founder to work with."* (Grant)

*"[HeadStart is] very good in a way that I could meet a set of people who were as motivated as you."* (Ryan)

*"I felt inspired. Like, I really did. I mean, not only was it a nice environment because I felt like the cohort was great. [...] But I mean, more than anything, it was about the speakers coming in and telling us about their businesses, and it was all incredibly successful entrepreneurs."* (Noah)

*"I think bringing boundaries into the mix creates even more distress [...] So, there are people in the cohort that already left. They kind of said goodbye, and that happens a lot because the pressure will just beat them up. And so there are always two [negative] ways to react to pressure, right. One of them is you say, avoid it, so you quit and go. And the other one can always be more like [...] trying to tackle it, right."* (Patrick)

*"Stress is good in a high performing team, stress is bad in the B team [...] basically, you want to get people who [...] will rise to the challenge"* (James)

*"Competitiveness makes everyone you know get better, because that's a very McKinsey and rocket internet way of thinking. You know, and that works for most people who are working [in] high performing teams, and not for the other 90% of entrepreneurs."* (Observations)

#### Stress-tolerant state

*"I will make sure no matter what, I'm getting enough sleep"* (Anton)

*"I really take my time to consciously prepare to not be stressed, like whether if it's meditation, [or] eating healthy." (Patrick)*

### **Humanitarian coping**

*"Another thing that actually inspires me quite a bit [...] is like helping somebody on their project. [...] So I'm like an advisor and mentor to a bunch of different startups" (Thomas)*

### **Contextual interplay**

*"I think maybe, maybe I'm also like, more prepared for stress. I mean, I've worked for a long time. I mean, some people were much younger, you know, some people were in their 20s. And maybe they needed this more. You know, when you've worked in a company, you've felt a lot of stress before and so I didn't feel that I needed more help in coping with stress." (Michael)*

*"access to capital is critical" (Joshua)*

*"But then, you know, once you raise your seed financing [...] then you're like, hey, I have a two-year plan. And you can literally utilize your strategic vision and your strategic abilities. Like I've never had that kind of money at my disposal to be like, 'where I want this company to go in three years'. Well, how do I know? Like, I don't know. I don't [didn't] have that luxury of planning. Two years in advance. So I think I'm really excited about this actually." (Joshua)*

*"whenever I get too stressed, [I] always go back to something I had written down when I was starting; why am I doing it? [...] to learn about business [...] everything else is cherry on top of the tree." (Anton)*