



## State of the Art Report – Entre-MWB Project

**Title: The Current Status of  
Entrepreneurship and Mental Well Being –  
a report compiled by the Entre-MWB  
Partnership**

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## 1. Introduction - What is in the SOTA report?

The project partnership is a collaboration of enterprises and HEIs that provide business education, support for new start-ups and spin-off companies, and deliver programmes on Health & Social Care, Psychology and related courses. They will be joined by SMEs and social enterprises that have had practical experience of the topic that is the focus of this project. The project targets entrepreneurs and particularly young start-ups across the EU/EEA and the project has as its unique focus, the qualitative experience rather than the quantitative financial and practical aspects of new start enterprises. By working in partnership with the network, Businet, the opportunities for dissemination and exploitation are considerable within a network of 100+ universities and a growing number of associate members from other sectors. The partners are also participants in the Entrepreneurship and Health & Social Matters pan-European working groups that have been set up within Businet. The European commission via the Erasmus+ funding programme has funded the project.

The project has undertaken research of its own, an online survey received over 300 respondents from the European enterprise and online focus groups were held that included 30 participants from different forms of enterprise. Results confirm the need for supportive and informal professional networks, training and awareness raising materials that deal with time management, financial management, detecting mental health issues and diagnostics. Any deliverables produced by the project team should consider the value of mentorship, use of case studies, self-assessment, and reflection. Our challenge as a project team is to truly understand the challenges of entrepreneurs and the drives and values of entrepreneurs that differentiate them from other members of the workforce. The following statements by the social entrepreneurs, Dan Gregory and Felicia Hatcher summarise this perfectly:

*'People put so much time in and are so passionate about what they do that they just do not stop.'*

Dan Gregory, Director of Social enterprise UK at the Social Enterprise World Forum (SEWF) in Addis Ababa

*'We can fail to communicate what we're feeling and how tired we are, and how hopeless it feels sometimes to be following your dream, without any kind of instruction book.'*

Felicia Hatcher, Founder of Code Fever at the SOCAP (Social Capital Markets) conference in San Francisco

Different partners have contributed to the State of The Art (SOTA) report in different and distinctive ways. The co-ordinator, Projects Beyond Borders Ltd (PBB), an SME based in the North of England will consider the support and information currently available for SMEs and social enterprises. The university partners have focused on the academic research relevant to the topic of entrepreneurship and mental well-being and in some cases, have projects at their universities on this specific topic, which will be introduced within the

report. The Portuguese partner, Instituto de Empreenddorismo Social (IES), Lisbon/ IES is a school for social business and can contribute from a social enterprise perspective. Likewise, the Nord Ed Tech Forum will bring to the report relevant case studies and discussions directly from their network of entrepreneurs based within Northern Europe, the Baltics and Scandinavia. The Lithuanian partner, Association Minties Bites, Siauliai / LT are a social business delivering psychosocial support services and will contribute a distinctive and unique perspective. The State-of-the-Art report will hopefully provide a 'snapshot' of the current situation regarding entrepreneurs and mental well-being, that snapshot is presented from a range of different national, regional and institutional perspectives.

### **Scope.**

Recent research and publications have publicised the relationship between entrepreneurship and mental illness in a range of forms (Binde & Coad, 2016, Petrescu, 2016, cited by Stephan, 2018). This was brought to wider international attention by a range of presentations to the World Economic Forum (WEF) in Davos in 2019. Entrepreneurs provide economic benefit to any society in which they operate yet little consideration has been given to their mental well-being in an increasingly challenging business environment. Those who gathered in Davos have recognised the extraordinary value that entrepreneurs add to job creation, economic growth and the commercialisation of innovation. According to Dell (2019), there are 582 million people, almost 8% of the global population, who have devoted their lives to entrepreneurship, and it is therefore surprising that so little consideration has been given to their qualitative experience.

These are real concerns as the nature of employment across Europe and globally is changing towards an emphasis on microbusinesses and enterprise, relying on more and more young people setting up start-up companies. According to a study presented at Davos 2019, approximately one half (49%) of entrepreneurs suffer from at least one form of mental health condition during their lifetimes. These include ADHD, bipolar disorder, and a host of addictive disorder. The research of Freeman as presented by Muenster & Hokemeyer (2019) has shown that start-up founders are particularly vulnerable to mental health disorders. For example, Freeman states that:

*'Entrepreneurs are twice as likely to suffer from depression; six times more likely to suffer from ADHD; three times more likely to suffer from substance abuse; ten times more likely to suffer from bipolar disorder and twice as likely to have a psychiatric hospitalisation and to have suicidal thoughts.'*

Hokemeyer considers that the percentages are more likely to be in the range of 80% of entrepreneurs who struggle with a host of personality disorders. Entrepreneurs are subject to stresses and challenges from a wide range of sources (Stephan, 2018) and new start-ups are particularly susceptible to stress-related mental health issues (Carden & Patel, 2015).

Start-up companies, face many challenges to survive. In the first year, 20-30% fail rising to 50% in 5 years and 66% in 10 years (Eurostat 2018). Some reports put the failure rate in some sectors as high as 90% (Arnaud, 2018; Krommenhoek, 2018, cited by Stephan) although this varies from sector to sector (Fallory, 2019, cited by Lee Yohn). Survival rates vary across Europe with Sweden and Belgium having the best survival rates and Lithuania and Portugal having the lowest. (Eurostat 2018). The success rates of microbusinesses and new start-ups vary from sector to sector and the Creative (De Maeyer, Parent & Bonne, 2015) and Social Enterprise (Shearman & Goldsmith, 2019) sectors seem to be particularly challenging. Within the Creative industry, 80% of those employed are in microbusinesses and the failure rate is particularly high (DeMaeyer, Parent & Bonne, 2015). Gabriella Cacciotti, assistant professor in entrepreneurship at the University of Warwick states that,

*‘Creating a business that does good while simultaneously ensuring that the business itself is sustainable is not an easy task.’*

As previously described, entrepreneurship is not a blanket term that includes all individuals engaged in enterprise and microbusinesses. Similarly, mental well-being (MWB) is varied and can be categorised as either Hedonistic or Eudemonic (Stephan, 2018). Hedonistic well-being can be described simplistically in terms of avoiding pain and attaining pleasure, whereas Eudaimonic well-being is about meaning and self-realisation and is in the scope of this project. It is about resilience, adaptability, and self-determination (Ryff, 2017, cited by Stephan). It should also be acknowledged that there are different types of entrepreneurs, classified as ‘opportunity’ or ‘necessity’ entrepreneurs, and it is the latter group that are more susceptible to mental health issues (Naudé, Amarós & Christi, 2014).

The purpose of this project is to address the concerning effect that entrepreneurship has on the mental health of entrepreneurs across Europe. The 3 Ps of Entrepreneurship of Purpose; a (social) Problem to solve and Passion are the motivators for entrepreneurship, but contained within them are a range of tensions, challenges, and stresses. The range of issues confronting entrepreneurs includes (1) the elements of the working environment; (2) personal/ individual resources, vulnerabilities, and motivations; (3) finance and physical resources and (4) social resources such as family and peers in terms of both support and demands. Any training materials that are to be developed would need to consider (1) the range of entrepreneurs; (2) the range of sectors; (3) the range of supportive and stressor factors and (4) the nature of the mental well-being that is to be the focus of the supportive materials. As Hokemeyer states,

*‘...given the extraordinary impact entrepreneurs have on our world economy, it is critically important (that) they operate in a state of optimum emotional and relational health. Unfortunately, in our current zeitgeist of founder burnout as a benchmark of entrepreneurial excellence, such has not been the case.’*

It is clear that MWB of entrepreneurs has not been given sufficient consideration until now.

This project will make an innovative contribution to the MWB of entrepreneurs. It is a 'first' for an Erasmus project, as there is no indication in the compendium of Erasmus projects 2018 and 2019 that the topic has been covered by other projects. Indeed, as described earlier, this is a very new and relevant area of concern that is the focus of this project and its partnership.

The issue of entrepreneurial stress has also been brought into sharp focus by the spread of Covid-19 and how this has affected entrepreneurs and start-up companies. All of the partner countries have experienced 'lockdown' and many small businesses have not recovered. Considering the support available to entrepreneurs and SMEs in the UK, the focus has been economic and sustainable recovery from the Covid-19 pandemic, with some consideration of the impact that the pandemic has had on MWB of business owners.

The focus of the innovation of this Erasmus project is to provide unique self-help and self-supportive training materials that will (1) support young entrepreneurs in understanding the qualitative dimension of entrepreneurship; (2) prepare young (and not so young) people for the challenges and demands of entrepreneurship in advance and (3) provide a resource that can add value to existing vocational programmes of business and/ or enterprise studies and (4) add value to the business start-up support that is currently provided.

Entrepreneurs themselves will determine the exact nature of the final product in terms of the training materials that are relevant to the needs of entrepreneurs and the directors of new start enterprises. Focus groups and on-line surveys that include entrepreneurs have taken place that confirms the nature of the learning and training materials. This, in turn will inform the 'curriculum model'. An anticipated training programme, based on the analysis by Ute Stephan of Aston University in 2017, will possibly include the following elements: (1) Business Health Check; (2) a review of Support Systems and Coping mechanisms; (3) Access to Social Resources and dealing with Stressors; (4) Ergonomics and Managing the Environment; (5) Ensuring Eudaimonic MWB and (6) recognising Psychological Distress and Personal Skills and Resilience. The analysis of the results from the on-line survey and focus groups has confirmed the value of some, but not all, of these proposed components.

### **Is COVID a mental health tipping point?**

For some it is... it has also been an entrepreneurial opportunity! As the Covid-19 pandemic continues to spread around the world, Cullen et al (2020), Pfefferbaum et al (2020) hypothesize several psychological impacts that merit consideration now rather than later. It should be recognized that, even in the normal course of events, people with established mental illness have a lower life expectancy and poorer physical health outcomes than the general population. As a result, people with pre-existing mental health and substance

use disorders will be at increased risk of infection with Covid-19, increased risk of having problems accessing testing and treatment and increased risk of negative physical and psychological effects stemming from the pandemic.

Secondly, it is anticipated that there will be a considerable increase in anxiety and depressive symptoms among people who do not have pre-existing mental health conditions, with some experiencing post-traumatic stress disorder in due course. There is already evidence that this possibility has been under-recognized in China during the current pandemic.

Beyond stresses inherent in the illness itself, mass home-confinement directives (including stay-at-home orders, quarantine, and isolation) raise concern about how people will react individually and collectively. A recent review of psychological effects in samples of quarantined people and of health care providers in the USA may be instructive; it revealed numerous emotional outcomes, including stress, depression, irritability, insomnia, fear, confusion, anger, frustration, boredom, and stigma associated with quarantine, some of which persisted after the quarantine was lifted. Specific stressors included greater duration of confinement, difficulty securing medical care and medications, and resulting financial losses. In the current pandemic, the home confinement of large swathes of the population for indefinite periods, differences among the stay-at-home orders issued by various jurisdictions, and conflicting messages from government and public health authorities will most likely intensify emotional and mental distress (Pfefferbaum, 2020).

With so many people so deeply affected, supporting employee mental health is now a business imperative. The Internet and social media are increasingly littered with articles on how companies and managers are addressing their employees' mental health needs. From video wellbeing check-ins to one-on-one counselling to meditation apps, companies have begun to quickly implement initiatives. As people remain at home in fear of Covid-19, and remain fearful of large public gatherings, it is clear that the future of care is becoming increasingly remote, digital and driven by AI. Even private insurers are stepping up, with most expanding their 'tele-health' coverage. This has been a windfall for digital behavioural health start-ups. Venture funding for this technology has reached unprecedented levels, with a record \$588M raised during the first half of 2020 spurred by the pandemic (*futurefounders.com*). The pandemic has for some been a destructive time in their lives, for their family and for their business, for others it has become a business opportunity.

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## Start of The Art – the UK Partnership perspective

### Introduction

As stated in the introduction to this SOTA report, there has been little support for entrepreneurs and business start-ups regarding support for mental well-being and combatting the psychological challenges that are always likely when running your own business. Having said that, on-line research has identified several potential sources of support that have become available as this issue has been publicised in recent times, predominantly since 2019. The site, *weforum.org* provides an insight into the range of workshops and articles devoted to this subject that were generated within the World Economic Forum (WEF) at Davos in 2019.

One source of valuable supportive information can be found on the site, *futurefounders.com*. The site investigates the current situation as highlighted at WEF 2019 and seeks to identify sources of psychological pressure, outward symptoms of stress and anxiety and most important, possible solutions. The *futurefounders* platform also has some useful video clips of presentations and case studies.

<https://www.youtube.com/watch?v=f7eRsaV-tzk>

<https://www.youtube.com/watch?v=f6nxcfbDfZo>

### Background

As Michael Freeman has stated, mental health is as essential for knowledge work in the 21st century as physical health was for physical labour in the past. Creativity, ingenuity, insight, brilliance, planning, analysis, and other executive functions are often the cognitive cornerstones of breakthrough value creation by entrepreneurs.

Depression, anxiety, and mood disorders all actively work to undermine founder performance. They often contribute to burnout, co-founder conflict, toxic company culture, increased employee turnover, an inability to hire top talent, an inability to “show up” for important meetings and pitches and poor decision making in general. According to Noam Wasserman at HBS, 65% of start-ups fail for reasons like co-founder conflict. These experiences are exacerbated when founders are in a time of high mental and emotional strain.

### Case Studies

*Futurefounders.com* is based in USA and supported financially by the Motorola Corporation and by two Chicago-based non-profit foundations, Keywell and Coleman. They also provide a lot of information about causes and mitigation of entrepreneur stress and signpost to relevant USA-based support groups and agencies.

*thisiscalmer.com* is a UK-based blog supported by the British Business Bank, Startups magazine, Psychoreg and BKM (Be Kinder Movement). It provides

practical advice on managing mental health and provides clinical support via the Thrive programme. They also signpost to a range of UK-based support agencies

*Startupgrind.com* is a global community for entrepreneurs based in London and Edinburgh, first established in Hong Kong in 2014, with a range of high-profile partners including Google for start-ups, Mailchimp, Zendesk, Toptal, Index Ventures to name just a few. It has published several interesting articles and provided data on-line on the topic of entrepreneurs and mental health.

*mentalhealth.com* is a free online 'encyclopaedia' of mental health information set up in Vancouver by psychiatrist, Dr Phillip Day.

*Mentalhealth.gov* is a USA-based online dialogue and discussion group on mental health run by the US government Department of Health & Human Services (HHS).

*Mentalhealth.org.uk* is a registered charity based in London, Glasgow and Cardiff that deals with a wide variety of mental health topics and provides on-line information and advice.

*mind.org.uk* is a registered charity based in London and Cardiff which runs campaigns and provides information and support on a wide range of mental health issues.

*starthub.london.edu* is a blog set up by the London Business School and the Institute of Entrepreneurship & Private Capital (IEPC). The blog provides a wide range of case studies, as well as publishing research and public information on-line. It also has a particular focus on the issues faced by female entrepreneurs.

NCVO is an umbrella organisation for the voluntary sector and has been providing support and know-how for social enterprises via their monthly Respond-Recover-Reset reports. They work closely with Sheffield Hallam University, Nottingham Trent University, and the Economics Observatory as research partners. They have provided advice and support to encourage resilience within the Third Sector, via research that is part-funded via the ESRC.

There are several networks and support organisations providing support for social enterprises and entrepreneurs as they move into the post-Covid world. The *International Social Enterprise Observatory* based in Scotland has published a range of international case studies, as has the Social Enterprise Network, *SENScot* and *Social Enterprise UK (SEUK)* who have just published a report 'No Going Back – State of Social Enterprise Survey 2021.'

## **Key Issues**

What causes entrepreneurs and business founders to suffer these psychological disorders at substantially higher than average rates? It is 'believed' (futurefounders.com) that there are several explanations that may

contribute. The following is a summary of the key factors that they have identified:

Self-selection as most founders are smart, driven and skilled people but they still choose the gruelling route of setting up an SME. Founders are almost certainly pre-disposed toward certain conditions (like ADHD) for example.

Start-ups are difficult as new founders are often required to do things outside their skill set and will spend less time with family, friends, and other informal support networks. Often the 'founder', the entrepreneur, is the company and will feel the pressures, the financial struggles, and the failures personally. There is also a lot of pressure put on founders to stay steady in times of company turmoil. As a result, they are often alone when they need others the most and lack the coping mechanisms and the need for self-care.

Founders of SMEs will often suffer from the sense that they do not really belong where they are and that eventually they will be exposed as frauds. This is known as 'imposter syndrome'. Add to that the risk that 'pivoting' to deal with new situations can lead to the Dunning-Kruger Syndrome when a new situation results in a 'drop' in understanding leading to a decline in confidence!

Finally, substance abuse due to social networking or self-medication is often a well-used coping mechanism and there is a relatively new phenomenon, dopamine addiction due to excessive reliance on mobile phones and social media (Haynes, 2018).

The way to combat this vulnerability to mental illness is through some simple steps: These include de-stigmatising mental illness and taking issues of stress and anxiety seriously and responding to them honestly, e.g. *the Investors Pledge* (Erin Frey & Ti Zhao at Kip). It is also important to provide resources for investing in mental well-being and personal development.

#### **The Investor Pledge for Mental Health**

*As investors, we encourage founders to build a workplace culture that promotes mental health.*

*Mental health is crucial to team performance—it affects decision-making, productivity, and leadership. Therapy and coaching are powerful tools to build grit, mental resilience, and avoid burnout.*

*When founders invest in their mental health, along with the mental health of their teams, they have our full support.*

It is also important to recognise the link between mental, emotional, and physical well-being. Just as mental health issues often lead to substance abuse, a lack of physical exercise or nutrition can also lead to depressive mood states and a lack of focus. Different solutions suit different people, but this may include activities such as yoga, meditation and intentional breathing that research (Scott Gerber, CEO Young Entrepreneurs Council) shows to help boost mood, sharpen focus and enhance emotional resilience.

(<https://www.forbes.com/sites/theyec/2021/08/12/10-ways-to-live-a-healthier-lifestyle-as-an-entrepreneur/> )

Founders need to identify a support network. This may well include not losing sight of the importance of family, friends, and time away from the business, for example. Finally, setting priorities rather than task lists and learning the warning signs of depression and burnout are essential for self-preservation. Warning signs include persistent feelings of pessimism, sad, anxious, or empty moods, changes in behaviour and loss of interest in previously enjoyed activities, change in diet or eating or sleep schedule, irritability and inability to make decisions or concentrate.

*'In short, I had the longest two months of my life, sleeping just over two hours per night and using the hours 'saved' from sleep to over-exercise, walking at night, trying to escape the weight on my shoulders, the wounded pride, and the black hole of uncertainty. Even smiling felt almost hypocritical'.*

Corrado Accardi, entrepreneur

The *Futurefounders* platform provides fifteen tips to help the practice of mindfulness and these can be found at <https://thriveglobal.com/stories/15-tips-for-entrepreneurs-new-to-practicing-mindfulness-%EF%BB%BF/>

There is a lot more information available on this site, which is based in the USA. There are other sources of information on this topic such as *thisiscalmer.com* with twelve suggested ways to manage mental health, *startups.co.uk* which highlights some concerning mental health statistics but also provides a synopsis of common causes (the same common causes as previously described), as well as strategies and solutions. *Startupgrind.com* reviews the 'dark side of creativity' and *entrepreneur.com* looks specifically at the link between Covid-19 and entrepreneurial mental health. The site, *toolkit.techstops.com* provides detailed symptoms of burn-out, depression, anxiety and obsessive compulsive disorder (OCD). Further support for mental health conditions and how to recognise them can be found at *mentalhealth.com* and *mind.org.uk*.

There are also sites that look at the mental health of specific groups of entrepreneurs, e.g., *starthub.london.edu/* considers the issues pertinent to female entrepreneurs and *goodfinance.org.uk* looks at the relationship between social entrepreneurs and mental health and wellbeing. The social enterprise support organisations have led the way in terms of providing practical support regarding awareness and mentorship with respect to MWB.

*"Every day presents different challenges as an entrepreneur ... the entrepreneur lifestyle demands that you to take calculated risks, try new things, find solutions and make bold moves ... this can feel highly overwhelming and have a profound impact on a person's mental health and wellbeing."*

Tania Diggory, Founder of Calmer

Solutions seem easy, at least on paper! Here are some of the suggestions on how entrepreneurs should start to support their own mental health. First of all, it is recommended to take the Hillston Test (Stuart, cited by Negrutski, 2021), which requires answers to the following questions to evaluate whether it is time to make changes or seek support, taking care not to avoid or deny the accurate answers. Why not try it now .....

### **The Hillston Test**

Compared to three months ago do you:

1. Sleep better, worse, the same.
2. Sleep more, less, the same.
3. Socialise more, less, the same.
4. Work shorter hours, longer hours, the same.
5. Exercise more, less, the same
6. Eat healthier, less healthy, the same.
7. Take time out without a plan more, less, the same.
8. Think about work issues less, more, the same.
9. Feel stressed less often, more often, the same.
10. Drink alcohol less, more, the same.

Score 1 for every first answer, -1 for every second answer and 0 for every third answer. If your score is below zero, you should ask yourself: Am I heading for burnout? If your score is below -5, you should really think about seeking support from those around you or seek professional help to change your habits.

Entrepreneurs and founders should take note of any negative feelings - Entrepreneurs are particularly likely to experience stress compared to the working population. **Entrepreneurial stress** is commonly caused by uncertainty, loneliness, and financial concerns, and it can escalate without the right support.

It is necessary to identify what is contributing to stress and disconnect business value from self-worth, and work from leisure time. New founders are advised to define their expertise and for those roles and tasks that do not fit with them, delegate, sub-contract, or hire!!

As well as work-life balance, it is necessary to realise the importance of a support network. Alongside a team to support with business tasks, a support network of stakeholders who care on both a personal and business level is equally important. Finally, it is essential to Improve mental resilience as a good business leader is one that can stay positive in the face of adversity, thinking clearly despite negative situations that may be out of control. As stated in the LBS Hub report,

*'We all have capacity to become this person, it just takes practice to get there'.*

To summarise, creating a supportive culture, providing a range of low- and no-cost mental health and related services and emphasis on communication are all essential elements of an improved approach to entrepreneurial mental well-being. Practical suggestions for ensuring work-life balance and maintaining mental wellbeing vary considerably. A range of suggestions exist in the literature and on many websites and these vary from forest bathing, yoga, meditation, exercise, and many other activities. There are many suggestions, such as these by Scott Gerber writing for the Thrive Global to be found at:

<https://thriveglobal.com/stories/10-ways-to-practice-mindfulness-during-work/>

*'The pandemic has had a disproportionate economic impact on women, and I can see that coming through in my work, too. The demands on women from various angles are adding to the pressure, and it's not surprising that is being felt'*

Yolanda Saez Castello, entrepreneur

1 in 5 women reported having common mental health disorders in comparison to 1 in 8 men, and this does not include the impact from Covid-19 on them. Being a female entrepreneur certainly increases the likelihood to suffer from mental health issues as women are confronted with gender-based obstacles such as gender bias in the medical system, biological influences (e.g., menstrual cycle, postpartum (post-natal) depression, menopause), gender-based violence and challenging working conditions (e.g., gender pay gap, sexual harassment, longer working hours, aesthetic labour), as highlighted in The State of Female Entrepreneur Mental Health report by Stark & Makin in the *resurgo* report.

Covid-19 has highlighted the issue of MWB, not just amongst entrepreneurs, but within the wider population. In addition, the above statement by Yolanda Saez Castello, cited by Eva Negrutski, 2021, and the *resurgo* report (Stark et al. 2020) highlight that the issues surrounding MWB are determined by a range of variables such as age, gender, and geography. The loss of face-to-face communication, pandemic-related stresses including uncertainty, lockdowns, illness, and bereavement have all challenged MWB. It is no surprise that the focus of many social business support providers such as *NCVO*, *SENScot*, *Social Enterprise Network*, *Social Enterprise UK* have focused on post-pandemic resilience and recovery.

It is clear that ways of working and work-based communication will never be the same in a post Covid-19 world. This shift has forced many companies to have difficult discussions about staff mental health and wellbeing that had previously been avoided. This new openness is helping employees feel more comfortable in acknowledging how they're feeling – making it okay not to feel "okay."

## **Conclusion/ Summary**

In conclusion, it is apparent there is a growing amount of supportive information appearing on a range of internet-based platforms on the topic of entrepreneurship and mental well-being. Social Enterprise networks and associations have provided advice and support related to the new post-Covid environment. Clearly Covid-19 has given a sharp focus to the issue of MWB, but the World Economic Forum at Davos 2019 highlighted the problem prior to Covid-19 and the pandemic has made the conversation and the support more apposite. It is possible now to go on-line and discover the causes of entrepreneurial stress, the symptoms, and a wide range of proposed solutions. To ensure future resilience is to know and understand the issues and have the essential self-knowledge to make changes and adapt.



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## **State of the Art – the Lithuanian and mental health perspective**

### **Introduction**

Mental health includes our emotional, mental, and social well-being. It affects the way we think, feel and act when dealing with life. It also helps determine how we handle stress, relate with other people, and make decisions. Mental health is important at all stages of life, from childhood and adolescence to adulthood. Mental health involves finding a balance in all aspects of life: physical, mental, emotional, and spiritual. It is the ability to enjoy life and at the same time the daily challenges, whether decisions, coping and adapting to difficult situations, or talking about our needs and desires. As well as life and circumstances changing continuously, so also our character, thoughts and sense of well-being also changes.

Mental illnesses are serious conditions that can affect thinking, humour and behavior. There are many causes of mental illness - genes and family history can play a role, as well as their life experiences like stress or a history of abuse. Other causes may be biological. Mental disorders are common, but there are treatments available.

There has been a lot of discussion and controversy recently about the background of new research related to clinical psychology and mental health disorders (especially ADHD) and entrepreneurship. For nearly half a century, researchers have devoted considerable resources to understanding differences in health between entrepreneurs and employees and/or the general population. More recently, there has been growing interest in the role of health in the entrepreneurial process. When referring to health, we need to differentiate between mental health – ‘the state of the mind, including basic intellectual functions’ – and physical health – ‘the physiological and physical status of the body. According to research by Ute Stephan (2018), more than 70% of entrepreneurs suffer from poor mental health. It can be anything from stress to burnout to failure.

There are many opinions about the why people have mental health problems. Scientific studies suggest that many serious mental problems involve biochemical disturbances in the brain. Professionals in the industry add that our well-being is affected by psychological, social factors and the environment. As well as for the physical, mental, emotional, and spiritual conditions of our own lives, stress can affect the ability to meet any or all of these areas and can hinder the management of day-to-day activities. Entrepreneurs face stress extremely often, this is because they are constantly in a competitive, stressful environment.

### **Background**

There are many areas of stress, one of which is stress in business. Stress in business indicates a situation where work-related factors cause the entrepreneur to have a psychological and/or physiological condition that causes him to deviate from his activities. It is a psychological state where a

person is faced with demands, pressures, and opportunities with important but unclear goals. In general, the stress in business is an individual reaction that differs from general stress in that it is related to organization and work. Entrepreneurs often juggle many roles and face countless setbacks - lost customers, disputes with partners, increased competition, staffing problems - all while struggling to make payroll. There are traumatic events all the way along the timeline of a business.

On a personal level, the stress an entrepreneur experiences is related to elements of fear, anxiety, anger, resentment, irritability, grief, and depression. Psychologists and counselors are concerned about the stress that entrepreneurs experience when building or further developing their businesses. In recent decades, medical researchers and consultants have linked business stress to factors such as coronary heart disease, increased alcohol consumption, or even suicide. Thus, the analysis of this construct and the constructive reduction of its level is very important in today's society both from the individual, from the organizational and economic point of view.

The behavior of stress-surviving managers changes: they select only that information and see only what corresponds to their previous attitudes, passions. They do not tolerate uncertainty, and require accurate answers, overestimates the speed of ongoing processes (therefore hurries), and solves problems and challenges from a short-term perspective, or based decisions on a crisis mood and refuses to analyze long-term perspectives. The entrepreneur loses the ability to analyze the problem in-depth and therefore does not consider all its complexity and nuances, does not want to listen, or listen to others, or try to get out of the situation in the usual way, lose the ability to think creatively and find original solutions to problems. Thus, an entrepreneur who seeks to lead and perform their duties well has to consciously change or adjust their thinking, improve and develop personal and subject qualities in order to achieve well-being for their organization and the people who work in it.

### **Exemplars/case studies**

Stress, which has been studied since the 1930s, is now the object of research of foreign and Lithuanian scientists in various fields of science. Stress at work can be described as a condition of the body caused by the unexpected impact of adverse circumstances that disorganize work activities. Stress as a term includes 'eustress' (joy) and negative stress for analysis, the terms 'distress' (grief) and emotional 'burnout'.

Business is an essential element of a dynamic economy. Although the economic benefits of entrepreneurial activity are clear results for the individual that the business founder seems paradoxical. Being an entrepreneur is described as one of the most strenuous forms of work. Occupational health and psychological research draw attention to social stressors and resources are important working conditions that affect mental well-being. The most important source is the social support of managers and colleagues' welfare of workers, but they are rarely available to entrepreneurs without bosses and far

fewer colleagues (co-workers), if any. As a result, entrepreneurs' work can be quite 'lonely', lacking important sources of work-related social support, which can be detrimental to their MWB.

Psychiatrists, psychologists, and counselors can see what mental health problems that entrepreneurs face and what usually causes them. Stress, anxiety, panic attacks, disorders of the autonomic nervous system, insomnia, burnout, depression, various addictions are the reasons for applying for help. Anxiety is most often associated with thoughts about the future, stress with the present, and depression with the past. Like most people, the mental health problems of entrepreneurs are similar, but the causes are different. Factors that often cause ill-health are complicated relationships (both at work and at home), problems with business partners and / or investors.

Being an entrepreneur is not easy. Constant stress, encountering failures, lack of support affects self-confidence and can affect mental health. A study conducted in Lithuania in 2007-2011 revealed that the ability of managers to manage work-related stress is insufficient: the ability to remove stressors best developed among the stress management skills among the respondents, poorly developed resistance to stress, as well as the ability to apply temporary relaxation measures. According to the research of Prof. dr. V. Justickis' 2011 it was revealed that the need of a business to receive the help of a psychologist is universal. No aspect of the business has been identified that would lead business representatives to state that the help of a psychologist is not necessary. This makes it possible to assume the peculiarity of the structure of an important business needs to receive the help of a psychologist. This structure consists of two parts - general (the entrepreneur's belief that the help of a psychologist is needed in all cases, solving any issue) and specific (the need for a psychologist for a separate aspect of the business).

According to the British National Health Service (NHS), one in four adults has a mental illness. Being an entrepreneur further increases this risk. Research by US researcher Michael Freeman shows that certain character traits and the tension they experience make entrepreneurs more sensitive to mood swings, they are characterized by 50 percent. higher likelihood of mental health disorders compared to the general population. Nevertheless, entrepreneurs avoid talking about the psychological difficulties they face.

### **The tendency to perfectionism**

Often an entrepreneur strives for all the work to be done perfectly. By making it difficult to resolve both one's own and employees' mistakes, one is guided by the premise that only the entrepreneur or owner can do the task properly. Avoidance of delegation, fatigue due to constant abundance of work and lack of time, burden of responsibility lead to constant tension, fatigue, increased impulsivity, and often unexplained body symptoms (e.g., headache, gastrointestinal pain, etc.). Studies show that excessive perfectionism hinders success, can lead to depression, anxiety, and / or dependence on psychoactive substances. Sometimes the pursuit of perfection does not allow the work started to be completed.

## **Entrepreneurs: men and women**

Compared to men, women entrepreneurs are more likely to report having mental health problems. This is due to both biological (e.g., menstrual cycle, postpartum depression, menopause, etc.) and social (e.g., work-life balance (child) reconciliation, gender bias, sexual harassment and / or violence, etc.). However, compared to men, women are more likely to talk about their feelings, acknowledge their mental health problems, and take action to address them.

## **The Issues**

In particular, the measurement and conceptualization of entrepreneurial well-being as a distinctive experience of well-being has received little attention so far, despite decades of research on well-being in life and work. In fact, the psychology and organizational work-based literature considers context-specific measures of well-being in non-work settings as adequate and separate measures of well-being. Psychology focuses on the importance of the overall well-being of individuals in different contexts. Even though psychology has already informed entrepreneurship on a few relevant topics, not much is known yet about the well-being of entrepreneurs.

In addition, there is very little research on interventions that can resolve the link between mental health and the entrepreneur. Most interventions for entrepreneurs are limited to improving sales or profit at the enterprise level (which is important for growth and job creation) but do not appear to address more deeply the consequences for the quality of life of entrepreneurs, human capital, and related generations. Almost no empirical work exists in the domain of understanding what would enable a sense of greater well-being among entrepreneurs.

The attitude of business representatives towards the need for the services of psychologists is complex, a multi-factor phenomenon. As a result, only further broad, representative research carried out using perfect psychological methods will provide a comprehensive and unequivocal picture of this phenomenon. However, the research already performed allows for determination of the basic features of this phenomenon.

## **Conclusion/ Summary**

Mental health includes our emotional, mental, and social well-being. It affects the way we think, feel and act when dealing with life. It also helps determine how we handle stress, relate with other people, and make decisions. Mental health is important at all stages of life, from childhood and adolescence to adulthood.

It is important to find a balance in life, both over time and under different circumstances. Sometimes it is natural to feel unbalanced: sad, worried,

fearful, or suspicious, but these feelings become a problem when they begin to hamper everyday life for an extended period.

With reference to a successful entrepreneur, the popular image is a happy and confident person driving a luxury car, enjoying the attention, and drinking champagne. When starting an individual business, similar images are formed in the vision of the future. Unfortunately, very often reality is frustrating. To enjoy commercial success a lot of hard work is needed, that is, you need to create goals and pursue them purposefully, but constant efforts and the active struggle for status may lead to the opposite result - the young business founder is overworked and exhausted. Entrepreneurs who are unable to distribute work can suffer from a severe form of depression.

So, despite strong empirical evidence about the poor mental health status of entrepreneurs, most entrepreneurial interventions focus on 'activity-based interventions', i.e., interventions that help increase the direct operation of companies. While starting a business will always be a 'wild walk', full of ups and downs, there are actions entrepreneurs can do to protect their lives from spinning out of control. The most important thing is to spend time with loved ones. When it comes to fighting depression, relationships with friends and family can be a powerful weapon. It is important not to be afraid to ask for help if experiencing symptoms of severe anxiety, post-traumatic stress, it is important to consult a mental health professional in good time to deal with a disorder or depression.

The most important thing is that a person is not left alone when (s)he finds themselves in a difficult situation as it is then that loneliness is unbearable. If there are no one who can support him/ her, (s)he must seek help, it is then that the person is able to survive in a more effective manner. Therefore, one should not be afraid to seek help from specialists, and not see them as a potential threat. Stress is becoming a global problem and is relevant to both developed and developing countries, workers in all professions and categories, whether workers, administrators, or the business founders themselves. Therefore, stress and stress management tools are key instruments in research and organizational management practices. After analyzing the existing academic and professional sources, it can be concluded that today, too little attention is paid to research that would conceptually analyze the mental health of entrepreneurs. It is, therefore, crucial to carry out as much research as possible to specifically analyse the mental health of entrepreneurs and make appropriate recommendations.

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## **State of the Art – the Baltic, Nordic, and SME perspective**

### **Introduction**

Establishing a company and becoming an entrepreneur is not as difficult as it used to be. This is especially true in the Nordic and Baltic countries, where the number of start-ups and scale-ups is constantly growing (Oslo Business Region, 2021). However, one country amongst the Nordics and Baltics makes the process of starting a business almost effortless. Estonia is the first country in the world to establish the concept of e-Residency, and anyone, anywhere in the world can apply for it (E-Residency, Republic of Estonia, 2021). With e-Residency comes numerous digital nomad benefits such as accessing all necessary services online with easy and understandable processes regarding all areas of business. This concept has been promised to expand to more than 20 other countries worldwide (Schengen Visa Info, 2020).

While starting a business seems to be more accessible nowadays than ever before, are the 'would-be' entrepreneurs prepared for what is to come? Do they know how to prevent themselves from being susceptible to mental health issues? And what about already existing entrepreneurs?

### **Initiatives addressing the mental health of entrepreneurs in Estonia and the rest of the Baltic and Nordic countries**

There are an estimated 20,000 mental health apps available for download on personal smartphones and computers around the world (Kaiser Health News, 2021). And only approximately one in five of these apps is vetted by professionals (Kaiser Health News, 2021). This raises the question of, to what extent are existing resources sufficient and supportive enough for entrepreneurial communities around the world? Moreover, are there any resources focused directly on the mental health of entrepreneurs in the Baltic and Nordic countries? There is a variety of supportive actions towards the mental health wellbeing of entrepreneurs available in Estonia and the rest of the Baltic and Nordic countries. The examples of such actions are described in the following paragraphs.

#### ***Estonia***

According to Start-up Estonia, in 2021, there were 1144 start-ups in Estonia (Reinumägi, 2021). Estonia has been a critical player in developing new approaches towards mental health issues in their population. Estonian President Kersti Kaljulaid and the Estonian government created Estonia's national testbed program, Accelerate Estonia (Accelerate Estonia, 2021). The program combines the efforts of entrepreneurs and the public sector to find the most suitable solutions for the current societal needs, such as is the need for efficient support within mental health wellbeing (Accelerate Estonia, 2021).



In addition, to Accelerate Estonia, the Ministry of Social Affairs formed a mental health think tank. Märt Aro, the co-founder and board member of Nordic EdTech Forum, has been co-developing a document with the other experts from the mental health think tank as a basis for prototype creation. This online tool prototype is being built by VATEK (Estonian Mental Health and Welfare Coalition) and funded by the Ministry of Social Affairs. Together with the data collected for helping the whole population from childhood to adulthood, this document also covers means of support for entrepreneurs such as *Be Well in Business* (Be Well in Business, 2021), *Wellness Orbit* (Wellness Orbit, 2021), and *Peaasi* (Peaasi, 2021), as well as meditation or calming apps such as *Calm* and *Headspace*.

The main idea of the document is to provide guidance to navigate existing mental health and wellbeing resources. When building the prototype, the extensive number of mental health wellbeing solutions and resources has been taken into account. Hence, the experts for each category of the prototype document chose a sufficient number of existing solutions or resources. These solutions will be introduced based on the specific needs and issues of individuals assessed by a conversation with a chatbot available on the prototype's website. This prototype is currently being built for the Estonian 'roll out' and if successful, this solution will be developed for worldwide usage. Additionally, this document considers a framework developed in The Digital Mental Health Revolution report addressing the usage of mental health technologies in different states of mental health issues (Roland, Lawrence, Insel, & Christensen, 2020).

Together with the initiatives coming from the Estonian government targeting the overall Estonian population, Start-up Estonia has been raising awareness on the topic of mental health wellbeing of entrepreneurs and their teams via their podcast (Start-up Estonia, 2021). Additionally, Estonian entrepreneurs are also taking action to improve the productivity of the workforce via solutions such as *CoCoon*, which aims to improve founders' mental health by providing mentoring to founders and their teams (CoCoon, 2021). Finally, a great trend is on the rise in Estonia when more and more start-ups are covering costs of virtual visits to mental health experts and life coaches and/or psychologists, and some bigger start-ups are even including mental health experts as part of their teams.

## **Latvia**

In 2021 there were 400+ registered start-ups in Latvia (Investment and Development Agency of Latvia, 2021). In Latvia, services supporting entrepreneurs are aware of the high prevalence of mental health issues in entrepreneurs. However, they claim that the awareness of this topic is very low in the general public. That is why *Labs of Latvia* - Innovation and Technologies Latvia shared an article including practical steps and experiences of entrepreneurs in topics such as burnout and encouraging entrepreneurs to track their emotional state, sleep patterns and measure their energy levels (Gifford, 2021). Additionally, Labs of Latvia motivates

entrepreneurs to seek the support of a mentor or coach with whom they can speak on regular basis.

### ***Lithuania***

In 2020, there were 1021 start-ups in Lithuania (Dimoska, 2020). Act On Crisis (AOC), an app available to anyone in Lithuania, was developed to provide an emotional support tools package that includes breathing techniques, anonymous support communities and free therapy sessions with certified professionals (Vilnius, 2020). The *Act On Crisis* app was later on transformed into an app called *Mindletic*. *Mindletic* is a “mental gym” based solution that supports start-ups and corporate employees by monitoring their emotions to prevent burnout (Mindletic, 2021).

### ***Finland***

There are approximately 3410 start-ups in Finland. Finland is aware that most mental health services are time-consuming, expensive, and difficult to access, especially for entrepreneurs. Therefore Start-up Foundation hosted a panel to raise awareness about mental health in entrepreneurs. An article was written based on the panel discussion, and it includes a list of skills that help founders to mitigate, resolve and prevent many mental health issues such as anxiety, depression, and fatigue (Välimaa, 2021). Additionally, Sampo Accelerator runs mental health and wellbeing programmes for founders with hands-on workshops such as the one carried out by Dr Kadri Haljas from Estonian Triumph Health (Sampo Accelerator, 2021).

### ***Sweden***

With over 10,000 registered companies, Sweden has the highest number of start-ups. Swedish founders have been raising awareness about mental health issues by sharing their experiences with mental health struggles when running a start-up business (Start-up Stash, 2021). Such examples of founders are David Brudö (Remente) and Johan Bran (Kahoot) that have been open about their mental health wellbeing issues related to entrepreneurship (Collins, 2019; Persio, 2019).

### ***Norway***

There are approximately 2,200 start-ups in the Oslo region of Norway (Oslo Business Region, 2021). Norway is looking at entrepreneurial activities from a scientific point of view. Asbjorn Grimsmo of Work Research Institute in Norway shares his research findings related to working outside regular working hours. Overworking, according to Grimsmo, has an impact on many areas of health such as cardiovascular diseases, digestion issues, and mental health. Grimsmo states that an entrepreneur who is not aware of the

importance of physical and mental health wellbeing may not realise its consequences until years later when symptoms of insufficient self-care start exhibiting as physical illness (Savage, 2013).

### ***Denmark***

With 4,300+ start-ups, Denmark has been looking at the topic of mental health wellbeing from an investor perspective. According to PreSeed Ventures, the state of mental health, wellbeing and care of company founders is one of the aspects that determines the business's success. For this reason, they launched Founder Mental Health Circle, confidential peer-to-peer support and learning group allowing founders to share and support each other. PreSeed Ventures believe there is a need for more data about the state of start-up founders' mental health in Denmark and the Nordics (PreSeed Ventures, 2020).

### ***Iceland***

In 2021 there were 673 start-ups in Iceland. Start-up Iceland got inspired by Techstarts' documentary about entrepreneurship and mental health. This led Start-up Iceland to invite coaches such as Jerry Colonna to assist them with supporting Icelandic start-ups and to bring attention to struggles faced by founders of this community (BalalIceland, 2020; Techstars, 2020).

### **Case studies**

Five individual interviews were conducted for the purpose of this chapter with entrepreneurs from Estonia, Finland, and Lithuania. The entrepreneurs were business founders in education, clothing, and social areas. The years of actively participating in entrepreneurial activities of the interviewees varied from 1-12 years. These interviews were added to the data collected by Entre-MWB and inspected more in-depth the needs of individual entrepreneurs in the Nordic and Baltic countries. The data was collected according to the current GDPR conditions.

In correlation with the Entre-MWB data and other studies participants found various entrepreneurial activities difficult, underlining their differences in characters (Stephan, 2018). The hardest part of entrepreneurship mentioned by the participants was being afraid of failure, uncertainty, doing everything by themselves, raising money, and making others see and understand their vision. Two participants stated that they were worried about money most of all, which was also highlighted in the study conducted by the Entre-MWB project team. Additionally, two other participants found themselves most concerned about the growth of their companies, with one entrepreneur worrying about letting their employees down.

Most of the participating entrepreneurs agreed that they experienced stress daily, almost at all times, except for one entrepreneur who was stressed only a couple of days a week. Most of the interviewed founders had established

healthy coping mechanisms for dealing with their stress. These included spending time with family, taking care of animals, yoga, meditation, or sport. Only one of the entrepreneurs mentioned using alcohol in the past to cope with the stress. It is well-known that stress and a level of resilience towards stress strongly correlates with sleeping difficulties (Du, et al., 2020; Palagini et al., 2018). Three of the participants experienced sleeping difficulties at some point while running their business and one of them had used sleep medication to combat their challenges.

Two of the entrepreneurs were dealing with depression with one entrepreneur also experienced anxiety symptoms related to their business activities. The participant who experienced both depression and anxiety had also experienced being close to burnout. Additionally, one of the participants that did not state any issues with depression or anxiety had experienced burnout. The other entrepreneurs were not aware of having experienced burnout themselves and when asked about their ability to recognise the symptoms of burnout before it occurred, they stated they were not sure if they would be able to recognise them.

Regarding seeking help for their mental health through psychological services, only one of the interviewed entrepreneurs visited a psychologist to deal with their mental health issues. However, the remaining participants had a clear idea of when they would go and seek additional psychological support if needed.

In this case study, two of the five participants mentioned often discussing mental health with their fellow entrepreneurs. The remaining entrepreneurs only discussed the topic with other founders occasionally, and never directly. All the participants stated that they would like to see more support for entrepreneurs in mental health wellbeing, with three of them mentioning the need for more awareness about the possible issues as well as for prevention. Additionally, two of the entrepreneurs stated that there are no support services for entrepreneurs in their countries, and two claimed that they were not sure if such services were available.

Each of the participants suggested different ideas for possible support that should be provided to entrepreneurs around the world:

- Special psychological support packages for individuals or groups of entrepreneurs
- A service or a person providing support only to entrepreneurs - to have specific expertise
- Community support, mentorship, and prevention of loneliness in entrepreneurs
- More help from the government and venture capitals to provide supportive materials and raise awareness
- More practical support in entrepreneurship

Two of the entrepreneurs with the longest time spent in entrepreneurial activities (9 and 12 years) shared that they do not have enough time for their

family and friends or hobbies. Additionally, two other participants stated that while they have enough time for their families and friends, they do not have enough time for their hobbies. Only one entrepreneur felt they had enough time for families, friends, and hobbies. This correlated with the weekly working hours claimed by each of the participants. The first two entrepreneurs with the longest entrepreneurial experience stated that they worked twice as much or more than the traditional 38,5 - 40 hours per week. The other two entrepreneurs felt like they worked more than the conventional hours, however, they did not count the hours or focus on this aspect. The last entrepreneur stated that since they are only in the first year of starting their business, they feel like they are working all the time, however, still find time for their friends and family.

Finally, all the participants felt that their mental health wellbeing is connected to their entrepreneurial activities to a large extent. This statement is not only underlining the importance of awareness about mental health wellbeing but also shows how important it is to provide awareness and support to the often lonely entrepreneurs.

## **Summary**

Many inspirational activities focused on supporting the mental health wellbeing of entrepreneurs are being carried out in the Baltic and Nordic countries. The various areas of entrepreneurial support range from government-supported activities in Estonia and Latvia, awareness-raising activities in all the Baltic and Nordic countries and scientific results sharing in Norway, to the importance of venture capitals in the mental health support of entrepreneurs.

Despite the existence of initiatives supporting the mental health wellbeing of entrepreneurs in the Baltics and Nordics, the interviewed founders were not aware of any of these activities and felt like there is a need for raising more awareness about the topic of mental health wellbeing amongst the founders. It is visible that all the mentioned activities are heading in the same direction, but it is important to mention that collaboration between the countries or even on an international level is necessary. This could help with tackling the extensive number of solutions and provide easy access to specific solutions based on the needs of each individual entrepreneur.

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*STATE OF THE ART REPORT*  
**BELGIUM & the NETHERLANDS**

## **1. Entrepreneurial well-being: Literature overview**

### **Introduction**

At a certain point in their professional life, numerous people around the world opt to pursue an entrepreneurial career or to become self-employed. However, the rapidly changing economic environment has made it quite apparent that entrepreneurs face major challenges. To manage their business, they need to be resilient and able to adapt to the ever-changing surroundings. Although all entrepreneurs are different, they do have certain overlapping characteristics. Most of them find it hard to balance work and leisure and are often that focused on the business at hand that they ignore stress indicators. As their focus is on running a business, asking for outside help does not come easy.

One of the major shifts in focus for entrepreneurs nowadays is the need and willingness to contribute to sustainable developments, to contribute more to the world than just an income.

In a recent systematic review Ute Stephan integrates insights about entrepreneurial well-being from 144 empirical studies. The results show that the considerable autonomy, flexibility, and the general sense of meaningfulness derived from entrepreneurial activities are only some of the main advantages associated with starting and developing one's own business (Stephan, 2018). This corresponds to other findings that find that most entrepreneurs tend to get a lot of satisfaction from the job and, if given the choice, would repeat the decision to become self-employed (Liantis, Unizo & Integraal 2019).

However, this is usually only one side of the story, as being an entrepreneur can also have its downsides and can have a considerable negative impact on one's mental well-being. Negative aspects for the well-being of entrepreneurs are primarily stress in general and financial stress in particular. Other downsides are that entrepreneurs can feel alone, that balancing one's private life and work life is hard and that entrepreneurs often lack peer support (Stephan, 2018).

In this chapter we highlight the main results of this and other studies on entrepreneurial well-being. At the end of this chapter, we summarize the major outcomes and what this means for developing tools for entrepreneurs.

### **Impact on mental health**

Research shows entrepreneurs being relatively more susceptible to various psychiatric conditions like depression, ADHD, or bipolar disorder (Freeman, Staudenmaier, Zisser & Andresen, 2018). Depression is also significantly and positively related to the probability of exiting entrepreneurship. Hence, mental health issues clearly affect entrepreneurs and the performance of their businesses (Hessels, Rietveld, Thurik, Roy, Van der Zwan 2018).

Additional recent evidence indicates that entrepreneurship may also entail patterns of intensive engagement that bear the risk of leading to the development of a psychological addiction to the work experience (Spivack 2020). Entrepreneurship involves a set of intense psychological and emotional

experiences that unravel over time; it offers a context that inherently reflects qualities of an addictive sensation (Morris et al. 2012).

Other recognized negative outcomes linked to entrepreneurial pursuits have been discussed, such as negative consequences for sleep quality (Kollmann et al. 2019), for work-life balance (Spivack and Desai 2016) and for work-home interference (Kollmann et al. 2019; Song et al. 2011). Many entrepreneurs experience psychological stress and fatigue due to high work demands and difficulties in maintaining a balanced relation between work and life spheres, which can lead to burnout (Liantis, Unizo & Integraal 2019). In addition to high levels of stress, other health risks have been described such as the risks of losing self-worth and financial security and the feelings of anxiety and dismay related to business failure (Jenkins et al. 2014; Monsen and Wayne Boss 2009).

An interesting perspective in this regard is to investigate the temporality of effects of self-employment and the mediating role of work-related strain. Stephan, Li and Qu (2020) have found that entrepreneurs, after entering self-employment, experience a short-term improvement in mental wellbeing due to lower work-related strain. This was especially true for self-employed men. In the longer-term (4 years) the mental health of these individuals finds itself again at pre-self-employment levels.

## **Stressors**

Unsurprisingly, problems related to the financial side of entrepreneurship are one of the primary sources of stress. At the same time, it is important to realise that the relationship between financial problems on the one hand and psychological distress on the other is not merely unidirectional. Instead, stress and financial problems tend to interact and reinforce each other, potentially leading to a vicious circle. More specifically, long-term longitudinal research of Dutch agricultural business owners confirmed that financial business problems initially lead to psychological distress. In turn, however, the stressful situation acted as a demotivator for the entrepreneurs and created an incentive to quit their business, which further deteriorated the financial health of the company (Gorgievski, Bakker, Schaufeli, van der Veen & Giesen, 2010).

Apart from financial problems, an additional and important factor associated with stress is loneliness and relative isolation (Fernet, Torrès, Austin & St-Pierre, 2016). When it comes to loneliness, entrepreneurs and the self-employed may be especially vulnerable because of two different reasons.

Firstly, many entrepreneurs' days are characterised by excessively long working hours, with their professional activities often extending into the weekends. This has the potential to severely limit the time they can spend with their friends or family or even with business partners, increasing their relative isolation.

Secondly, in many countries and cultures there is still a stigma or even a taboo attached to business problems or to business failure, which tends to isolate them even more, especially when problems start to arise (Liantis, Unizo & Integraal 2019). Even though it is perfectly natural for companies to experience financial problems or even to fail altogether, the role of the entrepreneur as a

person during such a renewal process is often neglected. Most research focuses on analysing what happens to the company but does not consider the impact on the entrepreneur (Stokes en Blackburn, 2002). Furthermore, more recent research points out that when entrepreneurs are faced with professional problems, they are often too ashamed to reach out for support. This only increases the psychological distress they experience and may lead to depression or even suicide (Cubbon, Darga, Wisnesky, Dennett & Guptill, 2020).

Hence, not only excessive working hours but also the existence of a widespread social stigma may alienate entrepreneurs from their personal and professional network (Cope, 2011). Although the prevalence and strength of the failure stigma differs across countries (Efrat, 2006), the social stigma surrounding bankruptcy clearly remains an important issue, especially in a European context, where fear of bankruptcy is one of the main barriers for potential startup entrepreneurs (European Commission, 2007).

Some studies would dig into the business' characteristics and point out to the challenges confronted by small and new businesses, and business families. They discuss how issues around mental health, regulation and administration, race, disability, and gender issues will affect the conditions for healthy entrepreneurial work, in particular for start-ups or smaller working environments (Klofsten, MacEachen, Ståhl 2020). Small and new businesses generally lack the bureaucracy and organizational structure of larger firms. A systematic review of the understandings of workplace health and the effectiveness of interventions in small businesses concluded that the often-informal social relations in small firms risk downplaying workplace risks and individualize the management of occupational health hazards (MacEachen et al. 2010). A conclusion from Arijs & Michiels (2021) is that the uniqueness of family businesses, being the intertwining of the family and the business system, represents a double-edged sword for business families that strive for mental health at individual, family, and business levels. Indeed, there is a large heterogeneity in business structures, which implies that results are likely to differ across sectors.

The evolving environmental and contextual level, which bring factors that amount to continuing work pressure and stress for entrepreneurs, also needs to be considered. First, today's economy is a growing gig, 24/7 economy. Second, there is an increasing social expectation for instant gratification, of which social media are an illustrative example. Third, there are growing repositories of widespread data on any type of information, based on people's engagement with technology. It creates a context of never-ending thriving and optimization. And fourthly, entrepreneurship is a very public performance, which makes it difficult to evade. (Spivack 2020; Klofsten, MacEachen, Ståhl 2020). There is a need for further research into the influences of these contextual elements surrounding the individual entrepreneur today and how it affects mental wellbeing.

## Conclusion

Notwithstanding the detrimental impact of financial and professional problems on entrepreneurs' well-being, such problems are usually part of their field of expertise. The same, however, cannot be said of psychological problems. Instead, most entrepreneurs have little or no knowledge of issues regarding psychology and mental or social well-being. Such a limited level of understanding of the psychological side of business and entrepreneurship may cause them to miss advance warning signs of stress but also restricts their awareness of useful support or coping mechanisms (Volery & Pullich, 2010).

Considering the aforementioned factors threatening entrepreneurs' mental well-being, it seems different steps may be taken to alleviate the situation.

Firstly, entrepreneurs or potential entrepreneurs should be adequately **informed about psychological and mental processes**, both in a general sense and as they relate to entrepreneurial activities. This includes cultivating a higher level of self-awareness that allows entrepreneurs to better assess, analyse and protect their state of mental well-being but also providing them with **helpful coping mechanisms or tools** (Fernet, Torrès, Austin & St-Pierre, 2016; Volery & Pullich, 2010).

A significant second step forward would be to increase entrepreneurs' opportunities **to connect to their peers** and to learn from their experiences, for example through **coaching or mentoring**. Strengthening and expanding their network can help entrepreneurs put things in perspective and cope with stressful situations, while at the same time **combatting the feeling of isolation and loneliness** (Fernet, Torrès, Austin & St-Pierre, 2016; Volery & Pullich, 2010).

## 2. Partner research on well-being

### 2.1. Student well-being at Avans Hogeschool

Jessica Nooij is senior researcher at the department of Institutional Research, part of the Expert Center for Learning and Innovation at Avans and has a PhD in sociology and behavioural psychology. She has broad experience in applied research and developing knowledge and data-based interventions for students in higher education.

Recently Jessica conducted extensive research on well-being policies for students. She is project leader of a scientifically based tool that helps students to track and reflect on their own well-being in relation to their study. The implementation starts in December 2021 with the objective to better prepare students to adapt to the challenges of more flexible forms of teaching in the future, and to deal with the major transitional changes they experience as a young adult.

#### Well-being monitor

The Wellbeing Monitor is a tool that allows students to test their own well-being. The tool starts with a number of questions that measure the so-called resilience of students. The resilience measurement consists of 9 items. These include

'personal perception and significance, 'social relationships and involvement', 'health' and 'feelings and thoughts'. After answering each questionnaire, a personal recommendation is given immediately. In addition, the tool offers a modular section where students can test and further develop specific aspects of their well-being and learning behavior as needed. From the advice on the resilience measurement, students are pointed to the various modules with more in-depth questions, which may be useful for them to follow. For example, mindfulness, motivation or self-regulation. Within the app an explanation of the module is given, and students can find tips and tricks and are offered helpful links to Avans Extra or external resources.

The tool is dynamically designed. Based on the results of the questionnaires, the needs of the students are becoming increasingly clear. This is important information for, for example, study supervisors or academies. The offer of help can move along with this. The development continues. Students of the academy of entrepreneurs at Avans are one of the first to experiment with this tool and it would be interesting to investigate how such a tool could also benefit entrepreneurs. As we know from the literature the importance of resilient, and to read the signs at an early time.

## **2.2 Project 'Mental health of college students – a precision public health approach' Universitair Centrum Leuven-Limburg**

UCLL researches and supports the mental well-being of its students with an annual follow-up survey for first year students.

All freshmen are invited to participate in the study through a baseline survey and are then invited each year to complete a follow-up survey. In this way, the mental well-being of the students is mapped via a validated online questionnaire. Ad-hoc support is offered to students by sending an email with personal feedback and advice immediately after completing the questionnaire. Subsequently, the aim is to tailor the support facilities of UCLL to the identified needs of the students and thus create tailor-made support. This survey is a collaboration with the WHO World Mental Health Surveys International College Students Project.

## **2.3. Research on entrepreneurial well-being at Odisee Hogeschool**

The Center for Sustainable Entrepreneurship (CenSE) is an independent scientific research center at the Odisee University College, focused on analyzing sustainable entrepreneurship within family businesses and SMEs and on detecting new economic or societal trends and challenges. Throughout the years, CenSE and its predecessor the Study Center for Entrepreneurship have conducted several research projects connected to entrepreneurial well-being, including studies on poverty amongst the self-employed, the impact of business failure on entrepreneurs and their family and on entrepreneurial resilience. These projects have resulted in several publications, seminars, and policy recommendations.

### **3. A threat to our planet and health**

2020 ranks as the second-hottest year in history after 2016, with a record number of Atlantic hurricanes and tropical storms, a string of wildfires from the Arctic to Australia, crop-eating locust swarms, and seasonal monsoon floods destroying more than 1.4 million homes in China (EcoWatch, 2020). The physical impact of the climate crisis is impossible to ignore, but experts are becoming increasingly concerned about another, less obvious consequence of the escalating emergency: the strain it is putting on people's mental well-being. (Source: Conscious Consumption, 2021). This might be the biggest external stressor for entrepreneurs in the upcoming years.

#### **3.1 The need for change in a disrupting world**

In a rapidly changing world, it is impossible for entrepreneurs to follow only their own direction. Influenced by their environment, it is important to find a way to use their talents in a most efficient and effective way. Finding a way to educate entrepreneurs on sustainable strategies is relevant to reduce stress and create a new way of working. In the research done by InSites consulting in 2021, this need is stated from a consumer perspective. Consumers are possibly more and faster changing as most of the entrepreneurs (SME's).

Introducing the U.N. Global Goals as a starting point for developing sustainable strategies might be helpful.

#### **3.2 The gap between SAY and DO**

From a consumer perspective, entrepreneurs must bridge the gap between SAY and DO. Research has shown that more than 57% of European consumers wish to change their habits, to have a positive impact on the environment, and the number is even higher among women (64% vs 57%) and NextGen (= Gen Z and Millennials) (63% vs 58%). Yet, adopting new habits does not happen from one moment to the next. Many aspects of our lives run on autopilot, including most decisions we take daily. Just consider a visit to the grocery store where you are likely to stock up on recurrent items without considering their (sustainable) alternatives. (ref.: Conscious Consumption).

The social pressure will become higher and higher for entrepreneurs. How to act, how to react towards a sustainable business model is one of the needs to survive for entrepreneurs. Future tools must be supportive for entrepreneurs to close this gap.

Research shows sustainability is fully integrated in strategy of successful bigger businesses. This means for entrepreneurs' well-being we must lead them into this topic. Consumer habits change rapidly, entrepreneurs cannot ignore this anymore.

*CONSUMER x INNOVATION = SUCCESS*

We must support entrepreneurs to take their societal role and give them the tools to innovate their businesses.



## **4. Recommendations**

Considering the conclusions from existing research and our own research and meetings the following information needs to be integrated in developing future tools and meetings. One of the major key factors for entrepreneurs is financial stress. This could also prevent them for asking for help. Asking for help is already an issue. The prevention of stress and taking signals of stress seriously is something worth investigating further. Based on the theories on psychological well-being by Deci and Ryan (2001) and Seligman (2011) we know that the following six aspects are of great influence:

1. Sense of control and meaning on choices they make
2. Experiencing autonomy in their learning
3. Experiencing learning as pleasant
4. Experiencing strength in their unique competencies
5. Social relationships and a sense of belonging
6. Being emotionally, behaviourally, and cognitively engaged in their learning

The more resilient an entrepreneur is, the better he can self-regulate.

### **Autonomy of the entrepreneurs**

All entrepreneurs are different, hence, in order to help them, we need to be able to offer a variety of tools to meet the different needs of the entrepreneur. When tools are developed, we need to take into consideration that elements such as flexibility timewise and autonomy are also relevant (Stephan, 2018).

With all kinds of entrepreneurs, with individual needs at different times, the tools that we would develop would not be a one-size fits all solutions. We would need to aim for tools that help entrepreneurs at a time convenient for them. The tools should contain

- Self-help options (such as the tool for wellbeing for students)
- Self-knowledge: tool for self-diagnosis.

### **Additional support such as a support system**

Entrepreneurs often work by themselves. They have a need to talk to others about their problems. They often lack a support system, a network to fall back on, or a coach to help them. Developing a platform to go to and having aid available could be elements worth developing.

It could be interesting to explore the idea of developing a self-diagnostic tool, that implies a diagnosis not solely executed by the individual entrepreneur, alone behind his or her desk, but in which the surrounding keypersons play a role to identify problems and signs at the level of mental wellbeing. By integrating the network into evaluating and monitoring the entrepreneurs state of mental health, this can not only lead to a more accurate and early diagnosis,

but also reinforce the supportive and encouraging role of the persons close to the individual entrepreneur.

### **Me-scan**

A possible solution could be to offer entrepreneurs access to a tool such as the Me-scan or free online counselling. The Me scan is an international tool that gives clarity and insights into the strengths and potential of an individual: this clarity has a huge impact on your ability to make conscious choices that have a positive impact on all aspects of your life. The Me-scan offers a compact, accessible, and precise method of gaining insight into the degree of a person's utilization of his or her natural talents. The Me-scan consists of two parts. The first part makes use of positive and negative associations with 8 archetypical images. The experience someone has with the 8 images used gives insight into his or her (unconscious) behavioural preferences and allergies. In the second part of the Me-scan 10 competence cards need to be chosen out of 24 options, choosing the 10 that he or she think or feel best reflects their own qualities. The coherency between the choices of the two parts shows the degree of awareness a person has between his or her natural talents and how far these talents may have developed. It also becomes visible which blockages and pitfalls someone can encounter without being fully aware of them.

### **Exploring the option for a monitor on well-being for entrepreneurs**

It would be interesting to investigate whether a platform that integrates elements of the existing tool for students would work for entrepreneurs.

### **Tools to adapt to the market**

In the fast-changing external environment for entrepreneurs we must overthink developing tools to support in crating "sustainable strategies" and "innovation".

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## State of the Art - a Portugal and social enterprise perspective

### INTRODUCTION

When studying ways to improve mental wellbeing in the entrepreneurship world it is critical to consider different types of entrepreneurs to understand what struggles they go through and how it is possible to make an actual difference in their lives and mental health. Without any doubt creating a business can be a challenging process. Even in the initial stages, entrepreneurs are pressured to be creative and resourceful in the most efficient manner, while ensuring the most effective and impactful go-to-market strategy.

Afterwards, when the plan and implementation are already in motion, entrepreneurs find themselves responsible for their team(s), their business' finances, while balancing constant pivoting and innovation with customer satisfaction. This would be challenging for any entrepreneur, let alone if one adds the claim "changing the world for the better", not only due to their personal and wholehearted investment but due to the commitment entrepreneurs hold to, and to the people they want to help.

Throughout this chapter, we will be exploring the social entrepreneurship concept in the Portuguese ecosystem, as well as go over case studies concerning Portuguese social entrepreneurs and their mental well-being, by identifying key drivers that contribute to their mental health issues.

### BACKGROUND

*"Two decades on, social economy today has a significant political and academic recognition, as well as centrality in the agendas of the most diverse sectors of the society. In the mid-2000s, the concepts of social entrepreneurship and social enterprise began to gain visibility. Despite the long historical roots of the Portuguese Third Sector, the concepts are still in its early stage of development. Social enterprises and social innovation are becoming more relevant than ever, as businesses are now playing a key role in ensuring a sustainable future for all" (Parente, 2014).*

Social entrepreneurship is the process of creating sustainable and impactful solutions to solve important and neglected social or environmental issues, either affecting a large part of the population or deeply a specific group. It is also important to highlight that in this specific field of intervention, the resources available are usually hard to obtain.

When it comes to social entrepreneurs one of the main challenges are to make sure that the created business, project, enterprise, organization, venture, or initiative adds value to the society while being economically viable. There are many examples of important and neglected problems in the Portuguese impact ecosystem, ranging from neglected groups (immigrants, elderly, students, or communities with challenging family backgrounds, etc) to the exclusion of colour-blind people, or even the alarming amounts of gas and textile pollution generated by the fast fashion industry.

An example of a Portuguese social impact initiative is IES-Social Business School. Considering the IES-Social Business School case as an example. Prior to its foundation thirteen years ago, there was a lack of entities focused on capacitating businesses which were tackling environmental and/or social issues in the Portuguese ecosystem.

In 2008, the awakening of the social entrepreneurship movement was becoming noticeable. However, entrepreneurs were often missing tools to build or rethink business models to better deliver solutions aiming at mitigating societal/social problems.

IES-Social Business School (IES-SBS) was founded as an impact organization with a mission of building capacity on impact leaders and organizations. IES-SBS was the first business school focused on social innovation aiming at inspiring and building the capacity of impact agents, solving neglected and important societal problems through scalable, innovative, and sustainable solutions. IES-SBS focuses its activities on impact ventures and leaders but is agnostic when it comes to its legal framework. IES-SBS has been educating leaders and organizations for 13 years. The vision is to contribute to creating a New Economic Order where organizations prioritize value creation for the society over value capture– the Impact Economy. Today, nine thousand alumni are part of this growing Community.

Throughout the past decade, the development of impact community itself and the increasing number of impact ventures, led to an increasing need for growth, sustainability, and scalability either through access to funding opportunities or incubation and mentoring processes. IES-SBS has been trying to fill this gap in the ecosystem for the past couple of years.

The need to access funding opportunities as impact ventures struggle with economic sustainability over its own life cycle. This challenge is raised by a lack of funding opportunities in both the start-up and development phases. Additionally, impact ventures also face endogenous bottlenecks as they are operating in market failures, where typically traditional market driven approaches don't work efficiently. Both exogenous and endogenous bottlenecks are contributing to the above mentioned on-going financial constraints.

This is the reason why IES-SBS has been partnering with Portugal Inovação Social (Portugal Social Innovation). Portugal Social Innovation is a €150M fund comprehending an incentives package to foster social innovation in the country.

Portugal Inovação Social is a “public initiative aiming at promoting social innovation and the social investment market in Portugal. This initiative is a pioneering experience in Europe, as Portugal is the only EU Member State using EU funds until 2020 to experiment new financing instruments to boost social innovation and social investment in Portugal” (Portugal Inovação Social, 2019). This public initiative is complemented by funding opportunities available through private enterprises, municipality funds, start-up incubators, and banks, etc.

However, impact ventures keep on facing challenges while accessing funding opportunities, namely: (1) Overload with bureaucratic reporting processes and

applications; (2) Lack of funding opportunities that cover overhead costs (increasing the managerial capacity).

The complexity of the funding system is one of the reasons why impact entrepreneurs are particularly exposed to personal challenges such as long hours of work or the stress of maintaining an impact venture afloat.

Over the past decade, particularly over the past 3 years, mental health issues amongst social entrepreneurs became a hot topic.

Portugal “has 160,000 people who launched impact ventures. This is the equivalent to 3.2% of the Portuguese population, according to the Global Entrepreneurship Monitor survey” (Nunes, 2017).

*“According to the OECD’s Health at a Glance 2018 report, 18.4% of the Portuguese population suffers from some kind of mental health problem. Nevertheless, data related to mental health in the entrepreneurship ecosystem in Portugal is non-existent, a Business Insider’s article draws a parallel with the Australian ecosystem where the prevalence of this type of problems is four times bigger in the entrepreneurial community” (Marques, 2021).*

Additionally, it is not possible to ignore the negative impact of COVID-19 on impact entrepreneurs, their initiatives, and their teams. As previously stated, even before the pandemic, it was already challenging for entrepreneurs to keep economic sustainability while building more robust teams. The pandemic only made this worse.

During this complicated period, which is still far from being over, many impact ventures and businesses had no other option rather than closing or downsizing their teams. The already insufficient funding was on the verge of being cut off, and the unforeseen challenges resulted in people and teams feeling unsure and overwhelmed with the urgency to act and to become digital. Although this feeling isn’t something strange or unfamiliar to social entrepreneurs, the pandemic enhanced these fragilities.

## **CASE STUDIES**

To better understand the struggles faced by social entrepreneurs, four interviews were conducted to identify their biggest challenges.

Helena Antónia is the Founder and CEO of “Vintage for a Cause”, a circular economy brand with a strong social commitment. This impact venture focuses on reusing textile waste through upcycling, while empowering unemployed women over 50 years old. Helena stated

*“You need to find the resources to be able to work within the Impact Ecosystem. You need to seriously invest yourself in every aspect of creating a brand with a social impact. This requires a lot from the entrepreneur. It takes a massive predisposition to fail. It’s important to be aware that personal validation can’t come from work and professional failure can’t be taken personally, which often isn’t the case in this role.”*

Helena also shared that she feels the ecosystem is complex to navigate on. However, from her standpoint, it’s crucial that entrepreneurs



should develop the ability to distancing themselves from the pressure of the community:

*“Impact entrepreneurs are surrounded by people who are changing the world, but from a certain point of view this can become toxic... The individuals in the same community can easily become depressed because of the intense competition for the same scarce resources.”*

When it comes to mental health, Helena shares that it is possible to change the game and it must happen sooner rather than later:

*“Most social entrepreneurs reach a breaking point due to the insane levels of exhaustion. Creating tools and approaches and encourage self-discovery should be a priority to us. If one can be able to deal with feelings, frustrations and learn how to communicate and normalized failure, impact entrepreneurs would be able to deal with their mental health situation much better.”*

Celmira Macedo is the CEO and Founder of EKUI - a multi-sensory and inclusive methodology that enhances the ability to learn how to speak, read, write and communicate. She opened up and shared her views and the way she feels about mental health:

*“A social conception was created around being a social entrepreneur, stating that we constantly need to feel good as if we must be in a perpetual bliss state. It is our responsibility to act upon it. According to my experience and my contact with other social entrepreneurs, we can draw the following conclusion: we have all experienced burnout at least once.”*

EKUI's founder added *“When I am deeply involved in a project, I forget about myself. I stop taking care of my mental and physical health. And I know this happens with a lot of my colleagues too.”*

Celmira stated the three main reasons that drive most social entrepreneurs to a mental breaking point or burnout. According to her:

*“Because we are so involved in what we are doing, we forget we need to take care of ourselves. Most of us face a hard time delegating and empowering teams, thus leading to being extremely hard to let go of a project when it does not thrive”.*

EKUI's CEO shared some final remarks *“We, as entrepreneurs, need to prioritize better and ask for help, we need to stop doing everything on our own, we need to assess opportunities, learn to say no and start balancing our personal and professional lives, instead working tirelessly.”*

Joana Lopes, CEO and Co-founder of SPOT GAMES - an impact start-up developing gamification solutions that help teachers to motivate their students to outdo themselves, regardless of their socio-economic background - talked about the relevance of discussing mental wellbeing within the social entrepreneurship context *“mental wellbeing is a pressing matter in any type of context. Impact entrepreneurs deal with a lot of pressure, have little time to rest and few resources to work with. The everyday work is very intense. My co-workers often call me out on my fast-paced routine”.*

The Founder of SPOT GAMES shared that she almost reached a burn out and felt the need to take emergency measures,

*“I ended up reaching my limit several times, I got to a point I realized I could not go on like this, or I would burnout”.*

Frederica Cerqueira is the Co-Founder and Operations Lead at Impulso – Impulso creates opportunities for entrepreneurs and businesses to grow together. Their commitment is to present solutions that support entrepreneurs in the different stages of their business’s development. Frederica also struggled to preserve her mental wellbeing, referring she had two burnout episodes where she needed to fully stop working due to very high levels of stress. Wondering what brought her to that breaking point, Frederica said

“I think a lot of social entrepreneurs end up feeling frustrated by the limitations faced. For example, not being able to get funding or being forced to change plans halfway through, due to the lack of funds, is a very complicated thing to go through”.

The Co-Founder of Impulso added *“Talent retention is also a big concern. It is imperative that we can grant decent work conditions, empower, and invest in our staff. However, the great deal of uncertainty blocks long term planning”.*

Lastly, Frederica shared she’s changing her work schedule from full-time to part-time due to the negative way her work impacted her personal life

*“if I kept working full-time, I would reach a breaking point. So, I will remain connected to Impulso, in a less formal way and I will spend more time taking care of myself”.*

## **KEY ISSUES**

Throughout this research and interviews, it was possible to identify the following drivers of mental health issues among impact entrepreneurs:

- Lack of access to funding.
- Uncertainty regarding the business sustainability and insecurity regarding financial management.
- Uncertainty and inability to long term planning.
- Inability to retain talent.
- Working long hours and mostly alone.
- Inability of granting decent work conditions, empowering, and investing in staff.
- Frustration regarding slow-paced transformation.
- Inability to reach work life balance.
- Inability to prioritize efficiently and effectively.

## **CONCLUSION**

In conclusion, this report identified most causes that put the mental well-being of social entrepreneurs at risk. As discussed above, social entrepreneurs share most issues, facing the same obstacles and struggles.

There is a lot of intricate and challenging factors in the life and work of social entrepreneurs. This report aims to shed light on the subject to build knowledge and lead to the development of tools to help social entrepreneurs to build a healthier work-life balance.

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