

## Don't Calm Down! From Individual Affect Regulation To Collective Affect Elevation In Startups

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Life in a startup can be psychologically brutal. Entrepreneurs often have <u>extremely</u> <u>long working hours</u>, and <u>face a number of stressors</u>. The rate of failure is high, and entail both <u>financial</u>, <u>social</u>, <u>and psychological costs</u>. If you launch or join a startup, you are getting on an emotional roller-coaster. Even successful entrepreneurs often go through periods with anxiety and sleepless nights. For example, Bradley Smith – now CEO of a highly successful financial services company – recounts his early-stage startup experience saying:

"There were sleepless nights, staring at the ceiling ... I'd wake up at 4 in the morning with my mind racing, thinking about this and that, not being able to shut it off, wondering, when is this thing going to turn?"<sup>1</sup>

In our research, we wanted to understand how team members in startups manage emotions. How may entrepreneurs best deal with frustrations, anxiety, and stress? We explored this through an intense and deep case study of five early stage startups, gathering data through interviews, observations, and surveys.

While team members in some startups attempted to try to calm down when things got emotional, to "stay cool" and "be rational", team members in other startups would deal with their emotions in a very different way. Rather than trying to calm down, they would embrace strong emotions and speak up about their frustrations and anxiety. In other words, they would **elevate** – not regulate – their emotions.

What did emotion elevation look like? A member in one startup told us that negative emotions often emerged when he perceived that something was not working properly, saying: "The reason that I'm pissed off is that people or processes do not live up to my expectations." He explained how he therefore would speak up about his frustrations to other team members: "If things are really good, I will tell people, and if things are really shit, I will tell people, but I focus on being constructive when I am pissed off". In another startup, one team member spoke up during a meeting saying: "I like it when things are challenging, but this is harder than expected! It's scary, I'm scared to not deliver results as planned". Then

<sup>&</sup>lt;sup>1</sup> <u>https://www.inc.com/magazine/201309/jessica-bruder/psychological-price-of-entrepreneurship.html</u>

another team member responded: "Do you need anything from us? Let's do a training session on presentation skills for example?".

When emotions were elevated, the startups were more able to improve their routines, and team members were more able to help each other out. Expressions of frustration allowed the team to uncover dysfunctional routines. Expressions of fear or stress allowed team members to signal that they needed help.

Why did this work? Think of it this way: emotions are nature's own dashboard. When things are going well, we feel good. When there are unresolved issues we need to deal with, we get stressed. Fear is a signal that we need help to deal with a threat. Anger is a signal that something is blocking our progress towards our goals. When you speak up about your emotions, you allow other people to see your dashboard, so that you can deal with problems together.

Many consider "dealing with emotions" to be something people do alone. We found it to be a highly social process. Like tango, emotion elevation takes two – both a person willing to share and a person willing to receive. Crucially, expressing emotions only led to improved routines and getting help when expressions were met with curiosity and care.

We don't advise entrepreneurs to stir up extra emotions, or to attempt to create a bad vibe. Prolonged anxiety and stress have negative health effects and may cause things to spin out of control. However, some stress, frustration, and anxiety may be an unavoidable part of startup life, and instead of trying to pretend they doesn't exist, they can be used as a potential resource: emotions are information that can help you improve routines and serve as a signal that help is needed. While emotions and gut feeling should not have the final say, we believe that they should have *the first say often*: if you share your emotions, then you and your team can figure out how to best deal with them together. In sum: by elevating – rather than regulating – emotions, startups can increase their ability to learn and thereby their probability for succeeding.

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