



SCHOOL OF
ECONOMICS AND
MANAGEMENT

The Influence of Investors on Stress – a Blessing or a Curse for New Venture Teams?

A Qualitative Study of Private Equity Investors' Influence on Stress
Experienced in New Venture Teams

by

Melanie Kontonikolaou & Maximilian Terstappen

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Supervisor: Dr. Diamanto Politis, Anna Brattström
Examiner: Hans Landström

Abstract

Entrepreneurs often face high levels of stress (Boyd & Gumpert, 1983; Shepherd, Marchisio, Morrish, Deacon & Miles, 2010) and stress has been found to affect a team's performance (Driskell, Salas & Johnston, 1999). At the same time, private equity investors are a common source to gain external funding, while being known for their value-added roles as well as potential risks (De Clercq, Vance, Lehtonen & Sapienza, 2006; Politis, 2016). Building on those findings, the purpose of this study is to identify how private equity investors influence stress perceived in a new venture team (NVT).

This qualitative study examined four Swedish ventures who received equity investment. Semi-structured interviews with the CEO's and other NVT-members allowed for an in-depth understanding of the complex interdependencies and processes of investors' negative influence on stressors, their positive influence on coping with stress and its effect on an NVT.

First, the study found that NVTs perceived an increased level of stress due to investors and the investment itself. Second, an investor's problem- as well as emotion-focussed contribution to coping with stress has been observed. Thereby, only the leader benefitted from both contributions directly, as he/she is often the single point of contact for investors. Lastly, the importance of contextual factors such as leadership as a moderator of investor-caused stress has been found.

This study reveals the positive and negative influences of an investor's involvement, as well as the importance of strong leadership and, is, therefore, of relevance for entrepreneurs, leaders, NVTs and investors.

Prior entrepreneurial finance studies have mainly focused on investor-related conflict and added value, disregarding stress. Moreover, entrepreneurial stress literature is lacking the investor as a specific endogenous stressor and does not focus on the team context. Therefore, this paper adds to entrepreneurial finance as well as entrepreneurial stress literature.

Keywords: new venture teams, entrepreneurial stress, stressor, coping, entrepreneurial finance, private equity investors, leadership

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List of Abbreviations

Abbreviation	Explanation
BA	Business Angel
BoD	Board of Directors
GVC	Governmental Venture Capitalist
NVT	New Venture Team
VC	Venture Capitalist

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1 Introduction

Entrepreneurship is generally regarded as an “emotional rollercoaster” (Baron, 2008; De Cock, Denoo & Clarysse, 2020, p.1). Thereby the emergence of stress amongst entrepreneurs is mostly acknowledged for its consequences on an individual, such as burn-out in extreme cases (Omrane, Kammoun & Seaman, 2018; Shepherd et al. 2010). However, stress not only influences the individual but also the team as a whole. Scholars found that high levels of stress negatively affected information processing (Ellis, 2006) and a team’s cohesion (Driskell, Salas & Johnston, 1999) resulting in decreased team performance (Driskell, Salas & Johnston, 1999; Ellis, 2006). Although teams are considered to be key for a venture’s success (Gorman & Sahlman, 1989; Kaplan & Strömberg, 2002; Wasserman, 2012) and the majority of new ventures consists of a team rather than a single entrepreneur (82-88% in tech- and life-science ventures; Wassermann, 2012, p.75), scholars have mainly studied the phenomenon of stress in entrepreneurship from the individual’s perspective.

Teams in an entrepreneurial context face particular stressors. Scholars have not only studied these stressors on an individual (Scheier, Weintraub & Carver, 1986; Sethi, Vermani & Verma, 2015) and organisational level (Dewe & Guest, 1990) but also examined stressors in an entrepreneurial context (Boyd & Gumpert, 1983; Wincent & Örtqvist, 2009). The entrepreneur as an individual is often facing stress due to loneliness, a high need to achieve as well as immersion in business (Boyd & Gumpert, 1983; Vasumathi, Govindarajalu, Anuratha & Amudha, 2003). On a venture-level, stressors like the ambiguity of roles, the organisational climate or people problems such as complex relations to collaborators have been found (Omrane, Kammoun & Seaman, 2018).

Individuals and teams can establish different strategies to cope with stress. Those strategies have been studied in the organisational (Latack, 1986; Latack & Havlovic, 1992) and entrepreneurial (Akande, 1994; Vasumathi et al. 2003) context. However, as with stressors, most studies focus on the entrepreneur’s perspective and how to cope with stress as an individual (Baron, Franklin & Hmieleski, 2016; Boyd & Gumpert, 1983; Uy, Foo & Song, 2013; Vasumathi et al. 2003). On the other hand, scholars argue for the importance of strong social support networks (Boyd & Gumpert, 1983; Muhonen & Torkelson, 2008; Vasumathi et

al. 2003) and thereby acknowledge the importance of social relations. However, only little research has focussed on stress in the context of new venture teams.

New venture teams (NVT) often face high levels of uncertainty (Baron, 2008; Shane & Venkataraman, 2000). Moreover, tech and science start-ups typically experience high financial distress to bridge their development phase before becoming profitable themselves (Landström, 2017). Combined with the lack of collateral and existing information asymmetries, they are often unable to receive debt-based financing (Cosh, Cumming & Hughes, 2009; Landström, 2017). Consequently, these high growth ventures turn to private equity investors such as Business Angels (BA), Venture Capitalists (VC) and Governmental Venture Capitalists (GVC) (Drover, Busenitz, Matusik, Townsend, Anglin & Dushnitsky, 2017). There are, however, indications that those investors trigger certain stressors. For instance, conflict between the investor and the entrepreneur has been studied thoroughly (Champenois, Devigne & Puyou, 2016; Khanin & Turel, 2015; Yitshaki, 2008), which is argued to cause stress within the NVT (Zacharakis, Erikson & George, 2010). On the other hand, equity investment might have a positive effect on how the NVT copes with stress. They not only contribute with financial, but also human and social capital (De Clercq et al. 2006; Drover et al. 2017; Landström, 2017), which might help a NVT to solve a problem, which causes stress in the first place.

Problem Statement

Scholars have shed light on how entrepreneurs can cope with stress, a common emotion in the entrepreneurial context. However, little research is focused on the social dimension of stress in the context of an NVT, especially when funded by investors. This is particularly relevant, as there are reasons to argue that NVTs not only face higher levels of stress and uncertainty when taking investors on the Board of Directors (BoD) but also, as investors can influence stress in both, a positive or negative way.

Stressors and coping mechanisms for stress have been examined not only in an organisational context but also in entrepreneurship (Eager & Maritz, 2011; Vasumathi et al. 2003). However, transferring those findings to an NVT context is only possible to a limited extent, due to contextual differences in established organizations (uncertainty, scarcity of resources, smaller organisation) as well as the lack of team perspective in entrepreneurship literature. The benefits and risks of private equity investors, such as VCs, GVCs and BAs, have been widely acknowledged. Nevertheless, how those benefits and risks contribute to stress in NVTs by influencing stressors or coping mechanism remains poorly explained.

This phenomenon of stress in NVTs backed by investors is not only of theoretical relevance but also has practical implications. By identifying potential stressors as well as potential support when coping with stress, this study gives helpful insights for entrepreneurs and investors alike.

Aim and Objective

There remains a gap in existing literature. Therefore, this study aims to understand the influence of private equity investors on the perceived stress of NVTs. By comparing an investor's negative influence on potential stressors as well as a positive influence on coping mechanisms in ventures with different types of private equity investors, the study addresses the following research question:

How do private equity investors influence stress in NVTs?

This study makes use of a multiple-case study approach, analysing NVTs of Swedish tech and science ventures with high growth ambitions. Existing frameworks of entrepreneurial stress (Staal, 2004) and team literature (Driskell, Salas & Johnston, 1999; Ellis, 2006), as well as literature on entrepreneurial finance (De Clercq et al. 2006; Landström, 2017), are used. Contributions to current literature are mainly in the domains of entrepreneurial stress and finance.

Outline of the Thesis

This thesis will first discuss the existing literature on which the research is based, drawing upon knowledge of stress and team literature, as well as entrepreneurial literature in the field of stress and finance. Then, the methodology is explained, providing a detailed description of how the research was conducted. Subsequently, findings are presented, followed by a discussion and interpretation of the results. Finally, this study provides conclusions and implications for future research.

2 Literature Review

2.1 Stressors in New Venture Teams

In the following paragraph, stress in entrepreneurship and potential consequences, are described. The various situations leading to stress are defined as a “stressor”. Secondly, stress in the context of an NVT is given, defining the NVT and the phenomenon of stress. Lastly, known stressors in entrepreneurship are outlined.

Entrepreneurship as a Stressful Context

“The entrepreneurial journey is often experienced as an emotional rollercoaster” (De Cock, Denoo & Clarysse, 2020, p.1). Therefore, it is of no surprise, that stress has been subject to entrepreneurial studies, leading to the concept of the so-called Entrepreneurial Role Stress, which acknowledges the unique environment of the entrepreneur (Eager & Maritz, 2011; Vasumathi et al. 2003; Wincent & Örtqvist, 2009). Entrepreneurs operate in a high level of uncertainty and risk (Baron, 2008; Shane & Venkataraman, 2000), face an immense amount of information, and operate in a fast-paced environment, in which they manoeuvre with limited resources and under time pressure (Baron, 1998; Morris, Kuratko, Schindehutte & Spivack, 2012; Schindehutte, Morris & Allen, 2006). Consequently, entrepreneurs tend to experience an increased level of stress.

Although stress can be beneficial for performance until a certain extent (Boyd & Gumpert, 1983; Omrane, Kammoun & Seaman, 2018; Shepherd et al. 2010), its prevalence comes with consequences. On the one hand, stress can result in burn-out, a phenomenon increasingly discussed by scholars in the context of entrepreneurship (Boyd & Gumpert, 1983; Omrane, Kammoun & Seaman, 2018; Shepherd et al. 2010). On the other hand, stress can result in conflicts (Omrane, Kammoun & Seaman, 2018; Sethi, Vermani & Verma, 2015) within an NVT. Consequently, stress not only affects the well-being of the entrepreneur as an individual but the whole NVT, underpinning the relevancy of the present study to examine the phenomenon of stress in the context of the NVT.

Stress in New Venture Teams

When defining the NVT, there is not only disagreement in nomenclature, but also conceptualisation (Klotz et al. 2014; Knight, Greer & De Jong, 2020). Drawing upon a broad understanding of an NVT, as stress potentially affects every employee in a venture, this study defines an NVT-member, as an individual who is either

- an *active founder*, who is still involved in the venture's operations (Klotz, Hmieleski, Bradley & Busenitz, 2014; Watson, Ponthieu & Critelli, 1995) OR
- a *non-founder*, who has *decision-making power* due to a c-level position in the venture (Lazar, Miron-Spektor, Agarwal, Erez, & Goldfarb, 2020), acknowledging that members can join the team later in the process (Klotz et al. 2014; Watson, Ponthieu & Critelli, 1995)_OR
- considered part of the *entitativity* of the NVT (Knight, Greer & De Jong, 2020), that is, the NVT is viewed by themselves/others as an *intact social entity* (Lechler, 2001; Schjoedt & Kraus, 2009).

High levels of stress can influence team performance (Driskell, Salas & Johnston, 1999; Ellis, 2006; Savelsbergh, Gevers, van der Heijden & Poell, 2012). First, Ellis (2006) found, that shared mental models and the transactive memory of teams are negatively affected by stress. Second, stress is influencing an individual's perspective on the team itself, which is also described as the sense of "we-ness" (Driskell, Salas & Johnston, 1999; Ellis, 2006). In other words, team members of a group rather tend to focus on themselves, when being stressed, than on the collective (Driskell, Salas & Johnston, 1999; Staal, 2004). Third, stress regarding roles has been found to decrease a team's performance (Savelsbergh et al. 2012). Stress can be considered as an emergent state, a construct widely discussed in team literature describing "overall climate of the team" (Klotz et al. 2014, p.242). To sum up, stress as an emergent state, which serves as a mediator between the input and the output of a team (Klotz et al. 2014; Marks, Mathieu & Zaccaro, 2001) significantly impacts team performance.

Stress, which is a form of emotion, has a strong social component (Barsade & Gibson, 2007). Emotions emerging within an individual can affect the whole team and how they interact with each other (Barsade & Gibson, 2007). The process of transferring emotions from one individual to another is called emotional contagion (Barsade & Gibson, 2007). Consequently, an entrepreneur, who is confronted with stress or conflict caused by an investor (Gomez-Mejia, Balkin & Welbourne, 1990; Yitshaki, 2008) might transfer this emotion to his/her team and is thereby not only influencing the individual's stress but the collective stress of the whole team.

Stress is a subjective phenomenon. Eager and Maritz (2011) state that “there will be no stress response if the situation is not perceived by the individual as stressful”. This is in line with McGrath (1967), Stokes and Kite (2000) and Vasumathi et al. (2003), who all highlight the individual’s perception of stress. Stress is perceived when there is a “mismatch between individuals’ perceptions of the demands of the task or situation and their perceptions of the resources for coping with them.” (Stokes & Kite, 2000, p.116). This definition acknowledges the fact that stress cannot only be explained by exogenous stressors (stimulus-based model) or by examining an individual’s reaction to the stress (response-based model) (Staal, 2004). Therefore, this study makes use of the transactional model and defines stress as a subjective phenomenon, which takes not only the exogenous stressors (that is investors) but also the NVT’s reaction on stress into consideration.

Stressors in Entrepreneurship

In the past, scholars have mainly analysed stressors from the perspective of the entrepreneur as an individual (Boyd & Gumpert, 1983; Omrane, Kammoun & Seaman, 2018). Analysing the identified stressors, this study distinguishes personal from team stressors, as presented in table 1.

Personal stressors	Team stressors
<ul style="list-style-type: none"> • Loneliness • Immersion in business • Need to achieve • Lack of skills 	<ul style="list-style-type: none"> • Lack of resources • Role dilemmas • Risky daily operations • Negative organisational climate • High level of uncertainty • Conflict with collaborators / People problems

Table 1: Individual and team stressors in entrepreneurship (own categorization based on: Boyd & Gumpert, 1983; Omrane, Kammoun & Seaman, 2018)

Thereby, personal stressors describe stressful situations which are rooted within the individual, such as stress due to the need to achieve (Boyd & Gumpert, 1983) or due to a lack of skills (Omrane, Kammoun & Seaman, 2018). Although the present study focusses on the stress perception in the entrepreneurial *team* context, one needs to remain aware of the fact that any personal stressor may develop into a stressor affecting the NVT as a group.

Team stressors, as characterized by the present study, are provoked by causes related to the venture and the environment it interacts with. For instance, stress due to role dilemmas does not only hold for an individual’s role conflict (Omrane, Kammoun & Seaman, 2018) but is

likely to apply for entrepreneurial teams, as they typically face dilemmas regarding role allocation (Wasserman, 2012). Although the stressors in Table 1 were found when analysing the entrepreneur's individual perception of stress, this study argues for their potential relevancy and applicability in an entrepreneurial *team* context.

2.2 Coping with Entrepreneurial Stress

To reduce stressors, as outlined in chapter 2.1, one needs to cope with them. In the first section, coping is defined while highlighting the concept of problem- and emotion-focused coping. Second, collective coping strategies are outlined while emphasizing the importance of social support.

Problem- and Emotion-focused Coping

Coping is a cognitive or behavioural effort to reduce stress (Shinn, Rosario, Mørch & Chestnut, 1984; Smith & Lazarus, 1991). Making use of the conceptual model of stress as suggested by Eager and Moritz (2011), coping is part of a circular process, starting with a stressor as described in chapter 2.1. Various scholars discuss approach and avoidance strategies when coping with stress (Billings & Moos, 1984; Roth & Cohen, 1986). However, the present study focuses on coping strategies that teams actively make use of. If the stressor is perceived as such, the first step of coping is to acknowledge the stress and to be aware of the underlying reason (Akande, 1994). The chosen coping strategy, then, has an influence on the symptoms of the stress (Billings & Moos, 1984; Latack, 1986) or ideally the stressor, and thus the stress itself.

When coping with stress, two major strategies can be distinguished, that is *problem-focused* and *emotion-focused* coping (Coyne, Aldwin & Lazarus, 1981; Folkman & Lazarus, 1980; Lazarus & Folkman, 1984). When pursuing a problem-focused coping strategy, action is taken to resolve the stressor or to circumvent it. This rational, task-oriented behaviour (Dewe & Guest, 1990) is mostly applied when individuals or teams believe they can do something about the perceived stress (Folkman & Lazarus, 1980). On the other hand, when believing that the stressor cannot be solved, emotion-focused strategies are amplified (Folkman & Lazarus, 1980). Emotion-focused coping reduces emotional stress, through distraction or emotional release (Dewe & Guest, 1990). However, Sideridis (2006) found that combining both strategies results in the highest effect in decreasing negative emotions and arousal. As, both problem- and

emotion-focused coping are crucial when coping with stress, Lazarus et al.'s (1981; 1980; 1984) framework for coping is used to identify and categorise an NVT's coping strategies and to assess an investor's effect on them.

Collective Coping

Coping can be distinguished in individual and collective coping strategies (Muhonen & Torkelson, 2008). Collective strategies to cope with stress in a work environment are categorized in an individual seeking out for Instrumental Social Support and Emotional Social Support as well as Social Joining, and thus joining others to cope with the situation together (Muhonen & Torkelson, 2008). Moreover, strategies on an organisational level such as stress counselling programs, identifying stressors, communication and participative decision-making when coping with stress are discussed (Sethi, Vermani & Verma, 2015). Acknowledging the differences between established organisations and new ventures as well as considering the importance of communication (Hyatt & Ruddy, 1997) and decision-making structures (Wasserman, 2012) in (entrepreneurial) teams, those organisational factors might still be of relevance in the general entrepreneurial, as well as team context.

Although various scholars have confirmed the importance of social support in an organisational as well as an entrepreneurial context (Akande, 1994; Boyd & Gumpert, 1983; Dewe & Guest, 1990; Eager & Maritz, 2011), only little research has been done on how entrepreneurial *teams* in particular cope with stress.

2.3 Investor's Influence on Entrepreneurial Stress and Coping mechanisms

New ventures seeking equity investment are associated with a high level of uncertainty and large information asymmetries between the investor and the NVT (Landström, 2017). Therefore, both the investor and the entrepreneur take high risks in their pursuit of a high growth opportunity, which might trigger stress within the NVT. This subchapter will firstly take the reader through the equity investment landscape. Then, a variety of stressors will be presented that might arise after an equity investment. Lastly, the investor's positive influence on coping mechanisms for stress will be highlighted.

Defining Equity Investment

In a new venture's search for capital investment, there are various options to consider. According to the pecking order framework (Myers, 1984), a venture initially prefers internally generated funds over external finance. However, a venture with high growth ambitions is generally in need of external financing and is often not able to apply for debt-based funding due to the lack of collateral and the high levels of risk and uncertainty (Landström, 2017). Therefore, the option of equity investments remains, that is, formal or informal venture capital (Landström, 2017).

Formal venture capital can be defined as “The investment by professional investors of long-term, unquoted, risk equity finance in new firms where the primary reward is an eventual capital gain, supplemented by dividend yield” (Robbie & Wright, 1998, p.521). There is, however, a variety of different organisational forms of formal venture capital, such as independent limited partnerships, publicly traded VC companies, captive VC companies & GVCs (Landström, 2017). This study only considered two types of VC's, that is, independent limited partnerships, as they are most common (Landström, 2017), and GVCs, as they are generally used in the early-stage funding in start-ups (Luukkonen, Deschryvere & Bertoni, 2013). The main differences between both types of VC's are the areas of value-adding activities and the type of ventures they invest in (Luukkonen, Deschryvere & Bertoni, 2013). For instance, VC's are found to be of more importance in the professionalisation of the venture than GVC's (Luukkonen, Deschryvere & Bertoni, 2013).

When it comes to *informal venture capital*, scholars have not yet defined one uniform definition of the concept of an “Informal Investor” or a “Business Angel”. The BA is generally represented by a high net-worth individual with past entrepreneurial or senior executive experience who invests capital in entrepreneurial endeavours (De Clercq et al. 2006). BAs generally take a practical role in the venture with four value-adding activities, that is, strategic role, monitoring role, resource acquisition role and mentoring role (Politis, 2016). However, informal venture capital is likely to have a less dominant and less formal influence in the venture they invest in than formal venture capital (Drover et al. 2017). Throughout this study, the term “investor” will be used to describe a private equity investor being either BA, VC or GVC, unless mentioned otherwise.

Investors typically tend to express their interest through their position in the BoD (Gabrielsson & Huse, 2010). The overall governance function of the BoD is represented by four BoD roles, that is, control, service, strategy and mediation (Ingley, Khlif & Karoui, 2017). As

mentioned above, the characteristics of all different types of investors vary. Although the intensity of the involvement of the single investors on the team may differ as well, there are indications for their influence on the NVT's stress, which can be either negative (stressor) or positive (coping) and will be elaborated in the following paragraphs.

An Investor's Negative Influence on Stressors

Researchers highlight conflict and thus, negative emotions between the entrepreneurs and the VC (Lim, Busenitz & Chidambaram, 2013; Zacharakis, Erikson & George, 2010). Zacharakis et al. (2010) argue that conflict between the investor and the entrepreneur leads to stress. Moreover, Gomez-Meija et al. (1990) state that the managerial involvement of a VC is perceived negatively by the management of the venture, and thus the NVT. The intensity of the VC's involvement "increases as a function of perceived risk by taking into consideration such factors as the venture stage, confidence in the management team, and background of firm executives" (Gomez-Meija, Balkin & Welbourne, 1990, p.116).

Besides conflict, also other aspects of the investor's involvement in a new venture indicate a potential stressor. Although research has not provided evident links between the investment and the consequential emergent stress levels yet, there are some indications which will be highlighted in this paragraph. First of all, in the pre-investment phase (Landström, 2017), negotiations between VC and new venture regarding the agreement can become "complex and problematic" (Landström, 2017, p.175). Furthermore, in VC-backed ventures, there is a strong increase in governance and reporting (De Clercq et al. 2006) and upward BoD-management tasks (Wasserman, 2012) which may negatively affect stress levels.

Lastly, some scholars argue that the financing of an outside investor drives the venture to become more professionalised (Hellmann, Schure, Tergiman & Vo, 2019; Wasserman, 2012). This happens with an increasing title allocation within the NVT and a shift in the decision-making process from egalitarian to a more hierarchical approach (Wasserman, 2012). Having highlighted stressors like role dilemmas (chapter 2.1) and having outlined the importance of participative decision-making (chapter 2.2) when coping with stress, this influence might affect the NVT's perceived stress.

An Investor's Positive Influence on Coping with Stress

As stated in chapter 2.2, the NVT's coping mechanisms are of significant importance to reduce stress. Although the influence of the investor on those coping mechanisms is understudied, there are indications, as an equity investment is typically accompanied by human

and social capital (De Clercq et al. 2006; Landström, 2017; Politis, 2016). The present study argues that the investor's added value can contribute to an NVT's problem-focussed coping with stress as described in chapter 2.2. Another indication for the emergence of positive emotions after equity investment is that investors, such as VCs, typically serve as a positive signal to customers, other investors or the labour market (De Clercq et al. 2006; Hellmann, 1994). This might trigger confidence in the NVT and therefore reduce the perceived stress.

Stress has been argued to hamper a NVT's performance (Driskell, Salas & Johnston, 1999; Ellis, 2006; Savelsbergh et al. 2012). Therefore, the avoidance of perceived stress and the establishment of coping mechanisms to handle stress is not only of interest for the NVT, but also for investors to ensure their return of investment. As shown in Figure 1, an NVT's coping influences their perceived stress, which in turn affects the coping mechanisms needed. Moreover, the investor can have a positive influence on the coping mechanisms of the NVT; this contribution might, decrease the respective stressor and thus the perceived stress levels of the NVT. However, the investor might also have a negative influence on the stressor, increasing the perceived stress levels of the NVT. As elaborated in this chapter, there are indications for the investor's positive as well as negative influence on the stress within the NVT. However, it remains an understudied phenomenon, which highlights the relevancy of this study.

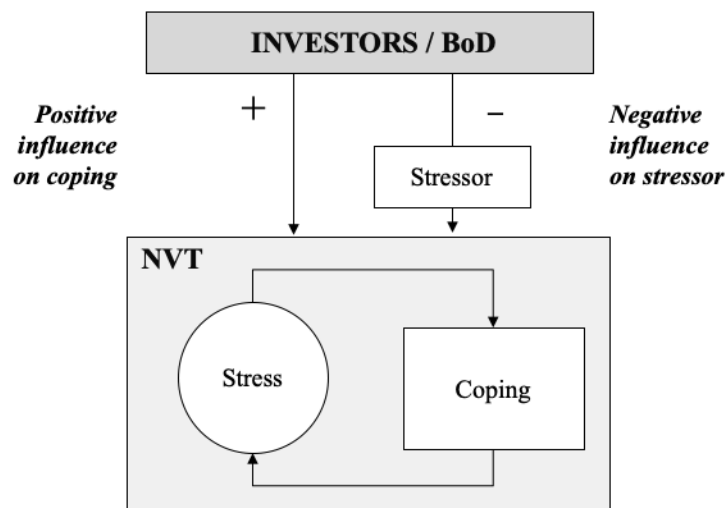


Figure 1: Investor's influence on entrepreneurial stressors and coping (own illustration)

3 Methodology

3.1 Research Approach

An investor's influence on stress in NVTs is a relevant but understudied phenomenon. In the following chapter, the purpose of this research is stated by explaining the knowledge gap mentioned above. Second, the underlying epistemological and ontological consideration is outlined. Lastly, an overview of the research process is given.

Research Purpose

The present study uses a qualitative approach to explore the identified knowledge gap. As discussed in chapter 2.1 and 2.2, stress, teams and entrepreneurship literature sheds little light on the phenomenon of stress within NVTs, especially when backed by an investor. Despite the known benefits and risks of investors (chapter 2.3), there is a lack of theory which shows how investors influence stress in an NVT, leaving our research question unanswered. Consequently, a qualitative and inductive approach is chosen, which is “typically associated with the generation of, rather than the testing of theory” (Bell & Bryman, 2019, p.42).

This study is of explorative nature. Consequently, the purpose of this study is to identify potential investor-caused stressors in an NVT and the investor's support in coping with stress.

Epistemological & Ontological Consideration

Aiming to see the phenomenon of stress through the eyes of the interviewees (Bell & Bryman, 2019), this study is adopting an interpretive epistemological view on how NVTs manage stressful situations. The study intends to understand the interviewees' views on an investor's positive, but also negative influence on stress in an NVT. Consequently, this study anticipates on the subjectivist paradigm, arguing that stress is a subjective phenomenon, which can only be understood by taking over the viewpoint of the individuals involved (Bell & Bryman, 2019).

Adopting an anti-realistic view, only one of multiple potential versions of reality are depicted, and propositions generated do not present a definite version of reality (Bell & Bryman,

2019). Therefore, this study acknowledges various versions of reality, as a situation, which is perceived as stressful by one individual, might not be stressful for another. The same is true for the perceived involvement of an investor in causing or coping with stress.

Research Process

Before defining the research question, previous academic literature on stress and team literature as well as entrepreneurial stress and finance was examined. Second, the approach of the research process was developed and substantiated. Next, the sample was selected, according to rigorous criteria (chapter 3.3). An interview guide was specified, followed by the conduction of interviews, data coding and analysis (chapter 3.4). Lastly, conclusions were drawn, resulting in a conceptual framework of how private equity investors influence stress in an NVT (chapter 5). The research process as a whole is summarised in Figure 2.

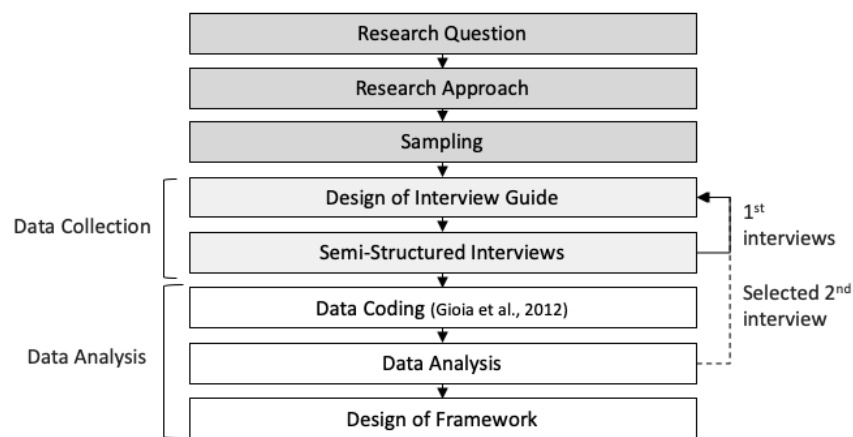


Figure 2: The research process

3.2 Research Design

Qualitative research is often questioned in its rigorousness (Gioia, Corley & Hamilton, 2012). Therefore, a qualitative study needs to be captured in a systematic approach, which is why this subchapter explains the reasoning for a multiple-case study as well as the semi-structured interview.

Multiple-case Study

This empirical study follows a qualitative approach in collecting its data; this will be accomplished by examining multiple cases of high-growth science and tech ventures in Sweden. Eisenhardt and Graebner (2007, p.25) argue that “case studies are rich empirical descriptions of particular instances of a phenomenon that are typically based on a variety of data sources”. This is in line with Gioia, Corley & Hamilton (2012), who state that for good qualitative research, it is crucial to implement multiple data sources. Consequently, the data sources within this multiple-case study are based on interviews with three different members of the NVT as well as public information on their website.

A multiple-case study was chosen over a single-case, as it allows for cross-case comparison (Bell & Bryman, 2019). Multiple case studies are claimed to “recognise complexity and embeddedness of social truth and can attend to social situations and represent something of the discrepancies or conflicts between the viewpoints held by participants” (Bassey, 1999, p.23). Firstly, this is especially relevant as investor-types differ in their involvement in a venture. Also, NVT-members vary regarding their perception of stress. Adopting a multiple-case study, therefore, allows the identification of the full spectrum of potential investor-related stressors and coping mechanisms. Second, a cross-case comparison enhances an analysis of potential stress-related differences between investors. Analysing multiple cases serves the purpose of exploring how investors influence stress in NVTs best and will allow the creation of theoretical constructs or propositions from empirical proof (Eisenhardt, 1989).

Semi-structured Interview

In qualitative research, interviews “offer a rich source of data which provide access to how people account for both their troubles and good fortune.” (Silverman, 2001, p.201). Compared to observations, interviews allow to reconstruct various stressful situations (Bell & Bryman, 2019). Therefore, this study argues for the applicability of interviews to analyse the perceived influence of the investor on an NVT’s stress. Consequently, interviews were chosen for this qualitative study. In total, 17 interviews were conducted to gather data from the participants. All interviews were conducted individually with each NVT member to avoid biases from other team members and were conducted using a semi-structured approach.

First, semi-structured interviews allow for flexibility in the subjects that are discussed, which enables the researchers to pick up on the interviewee’s unanticipated responses of significant value (Bell & Bryman, 2019). This is in line with the theory of Corbin & Strauss (2014), which emphasises that besides prior categorisation, new information may arise in

qualitative research. Second, semi-structured interviews have an interview guide that leads the researcher and interviewee through the conversation, ensuring that crucial topics are discussed (Bell & Bryman, 2019). Third, Silverman (2001) states that semi-structured interviews require rapport between interviewer and interviewee, which, when achieved, can lead to deeper insights into an emotional state such as stress. This qualitative research aims to be explorative and provide novel perspectives. Therefore, semi-structured interviews, in addition to an extensive review of stress, team and finance literature, are suitable to answer the research question.

3.3 Sample

In the following subchapter, the process and criteria are described in order to identify and select the ventures for this multiple-case study. Then, the selected sample is presented.

Selection Process

Sample selection criteria for analysing *how private equity investors influence stress in NVTs* were defined as presented in Table 2.

	Criteria	Relevancy
Venture Characteristics	Growth ambition in science & tech industry	Entrepreneurs with <i>high growth</i> ambitions in the <i>science and tech industry</i> are expected to be more likely to encounter stress, as they generally entail high levels of risk (Stewart, Roth & Wayne, 2001). Moreover, they are often in need for equity investment to bridge their R&D phase (Manigart & Struyf, 1997).
	Equity investment	As argued in chapter 2.2, there are indications that an <i>equity investors</i> have a negative or positive influence on stress. Since there are differences in the characteristics of different investors (De Clercq et al. 2006), the sample selection aims to select ventures being in the post-investment phase mutually encompassing a wide variety of investor types (BA, VC, GVC).
	Recent investment	A <i>recent investment (after 2019)</i> might allow for the NVT-members to remember the process and the investor's involvement in more detail.
NVT Characteristics	NVT members	<i>Three members of the NVT</i> as defined in chapter 2.1 are interviewed in order to incorporate different perspectives on the same situation as well as to identify team-related effects on stressors and coping.
	NVT Leader	The <i>Leader/CEO</i> is interviewed, as he/she often plays a central role in a team (Crumpton, 2012).

Table 2: Sample selection criteria

Through the researcher’s academic and professional network, several ventures matching the selection criteria have been identified. Contact was made by email to initiate a first interview with the leader of the NVT to gain information on the venture, the NVT and the investor. After the conduction of this first interview, which was directed by an initial interview guide (see Appendix A), the suitability of the venture for the present study was confirmed or rejected. Last, further interviewees in the NVT were identified for the confirmed cases.

Zacharakis et al. (2010) argue that for an investor and an NVT the perception of a task conflict differs, which might also be the case for the perceived influence on stress. Besides, stress is a highly subjective topic, which is why this study argues that the investor’s perception does not represent the NVT’s perspective. As this study aims to analyse stress from the NVT’s perspective, interviews were only conducted with the NVT-members and not the investor.

Selected Samples

The selected cases are located in Sweden and find themselves in either the seed- or start-up stage, that is, not yet generating sufficient revenue to sustain themselves (Berger & Udell, 1998 cited in Landstöm, 2017). The cases mutually encompass a variety of private equity investments, consisting of BAs, GVCs and VCs. Table 3 represents the main investors with the most considerable involvement (mostly through the BoD). Details of the BoD, other investors, as well as the NVT’s composition, are presented per case in more detail in Appendix C.

Characteristics		Datahouse	Medcare	Travelbuddy	Wavelength
Venture	Location	Malmö, Sweden	Lund, Sweden	Malmö, Sweden	Lund, Sweden
	Industry	Real Estate Tech	Life Science	Travel Tech	Mobile Tech
	Founding Year	2018	2012	2014	2017
	Stage	Start-Up Stage	Start-Up Stage	Start-Up Stage	Seed Stage
NVT	NVT	4	4	3	4
	# of Founders	4	3	1	2
	Total employees	5	13	6	5
Investor	Main Investors	GVC BA	GVC 2VC BA	2GVC 2VC BA	2GVC 2BAs
	# of BoD members	4	7	5	5
	Last investment	Apr 2019	Dec 2019	Dec 2019	Feb 2020
	Investment amount	0,04M EUR	15M EUR	2,3M EUR	0,65M EUR

Table 3: Presentation of samples

3.4 Data Collection and Analysis

In the following sub-chapter, the three-step process in collecting qualitative data is outlined. Next, the approach to analyse the collected data is presented.

Data Collection Process

First, public data sources for potential cases were analysed to assess the applicability of ventures for this study and for the researchers to familiarise themselves with the venture’s characteristics and investors. Second, data were collected in three different steps. First, as described in chapter 3.3, collection of data started even before the cases were selected by conducting a pre-interview with the leader of the NVT. Second, the main data collection consisted of interviews with three NVT-members. Third, a follow-up interview was initiated when relevant circumstances needed further clarification. The following table shows an overview of the 17 interviews conducted.

Case Name	NVT member	Data Collection - Conducted interviews		
		(1) Pre-Interview	(2) Main Data Collection	(3) Follow-Up
Datahouse	CEO & co-founder	X	X	
	CTO & co-founder		X	
	CSO & co-founder		X	
Medcare	CEO	X	X	
	Head of R&D		X	
	CQO		X	
Travelbuddy	CEO & founder	X	X	
	CTO		X	
	COO		X	
Wavelength	CEO	X	X	X
	Head of R&D		X	
	Active co-founder		X	

Table 4: Overview of conducted interviews

Before conducting the interviews with all NVT-members to collect the main data (see Table 4), a semi-structured interview guide was designed and tested in two trial rounds with interviewees independent from the sample selected. The interview guide avoided leading

questions, and its semi-structured design allowed the researchers to follow up on interesting statements throughout the interviews (Gioia, Corley & Hamilton, 2012). Although traditional research highlights the importance of standardized interview protocols (Gioia, Corley & Hamilton, 2012), the interview guide was continuously adapted in the course of the research, which is considered essential “in order to uncover new concepts” (Gioia, Corley & Hamilton, 2012, p.20). This flexible approach allowed the researchers to validate concepts emerging in one interview with the perspectives of other NVT member, and thereby contributes to decrease the level of subjectivity. The last version of the interview guide can be found in Appendix B and is based on the topics explained in the following table.

Topic	Purpose
Interaction with investor	Identify the range of involvement of each investor and existing communication structures between NVT and investors.
An NVT-member’s stressful situations	Allow the identification of <i>new</i> stressors in entrepreneurship caused by investors.
Known stressful situations	Identify the investor’s influence on <i>known</i> stressful situations in an entrepreneurial context as described by Omrane, Kammoun & Seaman (2018).
Coping as a team	Identify the investor’s influence on the way the NVT copes with stressful situations.

Table 5: Interview guide topics

Duration of the interviews was between 40 and 80 minutes. Interview data consist of interview recordings, observations as well as additional notes, which have been taken during the interviews. Due to the pandemic influence of the virus Covid-19, all interviews were conducted online. As this potentially influences the collected data, the particular limitations are outlined in chapter 3.5.

During the interviews, the interviewees' wordings were used instead of academic terms to better understand the experience of the interviewees (Gioia, Corley & Hamilton, 2012) and to build the foundation to talk about an emotional topic like stress. To protect the interviewees and gain their trust, it was agreed that the information from their interviews would be anonymised and not discussed with other team members. Openly communicating these ethical codes to the participants is argued to be vital (Bell & Bryman, 2019).

Analysis of Interviews

All 17 interviews have been recorded and transcribed. Transcriptions and recordings can never transmit the actual situation as experienced by the researchers (Bell & Bryman, 2019). Therefore, the transcripts are always accompanied by notes of observations.

The ventures, the team members, and their investors were guaranteed their anonymity by modifying the venture's name and all the revealed individuals' names by fictional ones. This contributes to the integrity of the participants (Bell & Bryman, 2019) and consequently, to a more open conversation about their perceived stress. However, by selecting names, which mirror the real-life characteristics, such as gender and industry-context, the researchers stay aware of the context and its different individuals which enables to understand different perspectives.

One piece of data can be coded in various ways (Bell & Bryman, 2019). The subjective nature of qualitative research, therefore, needs to be addressed by a rigorous coding approach (Gioia, Corley & Hamilton, 2012). The coding method used in this study is inspired by Gioia, Corley & Hamilton (2012), as the circular process of perceived stress and coping of NVTs is examined, which in turn influence stress. Analysing the investor's potential positive influence on coping and negative influence on stressors, this coding method not only suits our research purpose to analyse the chain reaction resulting from an investment round but also aims to limit the researchers' confirmation bias (Gioia, Corley & Hamilton, 2012).

Lastly, data were coded in three different steps, in line with Gioia et al. (2012). As a first step, the first-level coding was conducted individually by each researcher. First-level themes were derived whilst attempting to neglect existing literature which otherwise might increase the risk of confirmation bias (Gioia, Corley & Hamilton, 2012). After coding the same interview individually, both researchers discussed and noted initial findings in order to not get lost in details of a wide range of first-level codes and to not lose sight of the bigger picture. Moreover, first-level codes were analysed, and the coding book was adapted respectively. Then, the next interview was coded based on the updated coding book. All interviews of one case were coded in a row to validate different statements made by individuals and to ensure consistency between the perception of the NVT-members. After the first-level coding of all cases, the initial cases were recoded, considering the full extent of the coding book, which grew throughout the first-level coding process. This individual analysis allows for a collectively exhaustive range of first-level themes, whilst decreasing the risk of bias.

As a second step, the vast number of first-level themes was reduced by identifying common and distinct features. The second step of the coding process has been conducted

together, in order to include all researcher's perspectives when reducing the number of themes. As a third step, all second-level themes are further developed to "aggregate dimensions". Again, this step is being conducted jointly by both researchers. Second-level codes and aggregate dimensions are presented in Appendix D.

After coding the data in a systematic process, aggregate dimensions and second-level codes were analysed. When findings were interpreted, a model was designed (see chapter 5), defining investor-caused stressors as experienced by NVTs and elaborating the investor's influence on their coping mechanisms.

To enhance the process of qualitative analysis (Saunders, Lewis & Thornhill, 2009) this study used the software Nvivo, a research tool for qualitative and mixed-method research.

3.5 Limitations

In the following subchapter, the study's limitations are acknowledged. First, limitations due to the chosen qualitative approach are presented. Second, the study's validity and reliability are outlined.

Limitations of Methodology

Qualitative research is prone to bias (Bell & Bryman, 2019; Eisenhardt & Graebner, 2007; Gioia, Corley & Hamilton, 2012). This effect is reinforced by the study's epistemological consideration of interpretivism. First, one needs to be aware of the impact of the researcher's values, which can affect various steps in the research process. Second, prior knowledge and thus in-depth understanding of literature can lead to confirmation bias (Gioia, Corley & Hamilton, 2012), which applies as both researchers are part of an NVT as well as students in entrepreneurial studies, and thus familiar with entrepreneurial theory. This risk of bias was counteracted by systematic reflection (Bell & Bryman, 2019) on potential biases after each round of interviews as well as after each coding round of data.

Furthermore, it is argued a disadvantage that researchers are potentially biased when conducting an interview (Eisenhardt & Graebner, 2007), or that researchers are "going native" and become too close to the participant and consequently adopting their view (Gioia, Corley & Hamilton, 2012). This should especially be taken into account as this study uses the interviewee's wordings instead of existing academic terms. Therefore, a high-level perspective is maintained by having one of the researchers always actively adopting an outsider view

(Gioia, Corley & Hamilton, 2012). This will be accomplished by having one of the researchers asking questions, using the language of the interviewee; the other researcher (the “outsider”) is the “quiet” observer, who still has the academic view in the back of their head.

As described in chapter 2.1, stress is a subjective phenomenon based on an individual’s perception. This also applies to the interviewee’s answers on whether the experienced stress is influenced by an investor. Moreover, perceived stress is always a sum of various reasons (Fineman, 2003). Therefore, it needs to be acknowledged, that findings represent an investor’s *potential* influence on the stress, as perceived by the individual. To counterbalance the subjective nature of stress, interviews were conducted with team members individually instead of having a joint group interview, in order to consider various perspectives (Bell & Bryman, 2019; Eisenhardt & Graebner, 2007). Moreover, only findings which were confirmed by at least two team members were taken into consideration in order to reduce the level of subjectivity.

Face-to-face interviews allow researchers to understand the interviewee holistically and to build up rapport (Opdenakker, 2006; Silverman, 2001). The latter might be especially relevant when talking about emotions such as stress, as it is heavily subject to the individual’s perception (McGrath, 1967; Stokes & Kite, 2000; Vasumathi et al. 2003). However, all interviews were conducted online instead of face-to-face due to virus Covid-19, leading to conversations which are supposedly less natural and open. Therefore, it needs to be acknowledged that a wider range of findings might have been found, when conducting interviews face-to-face.

Validity and Reliability

This study aims to limit external validity and reliability. Due to the qualitative nature of the research process and small sample size, the replication of the study by other researchers is confined (Bell & Bryman, 2019). Furthermore, the above-mentioned subjectivity of stress limits generalizability. Acknowledging the constraints of a qualitative case study, a systematic approach in coding and data analysis is executed as described in chapter 3.4 to counterbalance ambiguity and subjectivity, and thereby increase replicability and generalizability (Bell & Bryman, 2019)

In order to ensure internal reliability, dedicated discussions on notes and observations were held throughout the study. This ensures that both researchers agree on the observations being made. In the case of diverging observations, the particular aspect was not considered in further analysis. Moreover, first-level coding was conducted individually in order to avoid bias and increase internal reliability.

A high level of internal validity is ensured by making use of triangulation, and thus of “more than one method or source of data” (Bell & Bryman, 2019, p.402). Interviews were conducted with three members of the NVT. Furthermore, interview data was enriched by public information on the BoD, company structure, investors and the NVT. Data received by each NVT member is critically cross-checked with other data sources (interview data and public data) to ensure, that observations and findings were confirmed from multiple perspectives (Bell & Bryman, 2019).

4 Findings

In the following chapter, the findings of this qualitative study are presented, contributing to answering the research question ‘*How do private equity investors influence stress in NVTs?*’. Obtained information on how investors negatively influence stressors and positively contribute to coping with stress is outlined in chapter 4.1 and 4.2, enriched by quotes of the semi-structured interviews. Unless mentioned otherwise, only findings, that were confirmed by more than one NVT-member were mentioned. Furthermore, findings on additional contextual factors that determine the investor’s positive and negative influence on stress are shown in chapter 4.3. Additional major quotes are presented in Appendix E.

As described in chapter 3.4, the coding method by Gioia, Corley & Hamilton (2012) has been used to analyse the data collected. Consequently, findings are presented in the form of the identified second-level codes. An overview of all second-level codes, as well as aggregate dimensions, are displayed in Appendix I.D.

4.1 Investor’s Negative Influence on Stressors in NVT

This study found that investors or the investment can trigger stress in several ways, that is, due to an investor-initiated *shift in strategy*, *pressure to deliver*, *inefficient communication* or *inadequate board contribution*. Furthermore, the investment itself triggers stress due to a continuous *lack of funding* or by causing *role discussions*.

Shift in Strategy

In one of the cases (Medcare), the BoD initiated a *shift in strategy*. This led to a reprioritisation of the NVT’s focus, which resulted in stress.

“The most stressful is when the board decides that the company should shift direction very quickly, and we had a shift like that about a year and a half ago.”

Martina, HoR&D, Medcare

This BoD-initiated strategic reprioritisation was perceived as stressful by two of Medcare’s NVT-members, as it created uncertainty regarding one’s role within the venture and required them to suddenly abort unfinished projects.

In contrast, Datahouse’s BoD did not initiate any shift in strategy. The CEO explained that the lack of tech expertise of the BoD limited them in their strategic contribution. He assumed that increased expertise and strategic involvement would have led to more stress in the NVT.

Pressure to Deliver

It was found that closing the first investment round increased the workload, as the NVT now feels the *pressure to deliver*. Promises were made towards the investor, and the NVT needed to prove that they could develop their projected results. Wavelength’s CEO highlighted this pressure as follows:

“We're going to have to show some commercial proof points and, if we come very close to the next financing round and we don't have a partner or relationship with something that starts looking like a customer, then that will be stressful.”

Wilson, CEO, Wavelength

This pressure to deliver was present in all cases except Datahouse. For instance, Medcare’s former BoD increased the pressure to deliver due to strict timelines, triggering stress for the whole team. Martina, Medcare’s Head of R&D, explained that the tight timelines were often set due to the lack of industry experience, and thus the lack of understanding of the operational context. Interestingly, Wavelength’s CEO mentioned that he felt more committed to return the investment of the BAs than that of a GVC, as they have *“taken money out of their own pocket”*.

Inefficient Communication

The leader of Medcare and Datahouse expressed potential stress due to *inefficient communication* caused by maintaining contact with multiple investors, as it would distract them from their actual job. Especially when investors own a minor share of the venture and/or do not bring relevant industry knowledge or contacts to the table, the effort spent in communication was considered as stressful.

Another communication-related stressor for the whole NVT became overt when agreed communication channels between the board and the NVT were undermined, and communication was not channelled through the chairman of the board to the CEO. In the case of Medcare, the CEO highlighted stress due to inefficiencies as well as anxiety as a result of these communication channels:

“I think it (board members directly approaching CEO) definitely triggers stress. Just like it does if the chairman rings one of the people reporting to me and says: ‘What’s going on here? Why isn’t he talking to Mark? What can I say? What can’t I say?’.”

Mark, CEO, Medcare

Inadequate Board Contribution

The investor’s contribution through the BoD was perceived as overrated. Even though this was mentioned from only one perspective (Mark, CEO, Medcare), it gave an interesting insight into the influence the BoD can have on the NVT’s perceived stress levels. Members in a BoD can provide an *inadequate contribution*, resulting in stress due to the wasted time for following up upon those suggestions:

“I’ve been in some companies where you’ve run down a lot of rabbit holes, at the end of it is nothing but rabbit shit.”

Mark, CEO, Medcare

Lack of Funding

A pressing stressor, which was found in all the cases except Medcare, is the *lack of funding*. The CEO was obliged to spend most of the time in search for a next funding opportunity, which led not only to stress for the leader but the whole NVT.

“Since we’ve been struggling so much with finances, the biggest stress for me definitely, and most probably for the whole team, has been around that (the constant search for finance).”

Thomas, CEO and founder, Travelbuddy

Similarly, the CTO of Datahouse had expressed his concerns about the financial means running low, drawing the analogy of a *“knife to the throat”*, as the lack of finance could potentially jeopardise the continuation of their venture. This potential stress was even more accentuated by the difficulty and fragility of effectuating an investment round, which was associated with building a *“house of cards”* (Wilson, CEO, Wavelength).

In contrast, Medicare's CEO expressed his gratitude for their stable group of owners (investors), who continuously provided additional funds for the venture. Acknowledging that Medicare might be an exceptional case, he was grateful for not experiencing stress caused by a lack of financial means.

Role Discussions

After securing the investment, *discussions* arose about the *roles* within the NVT and the composition of the BoD. This was the case for Datahouse, whose CTO highlighted the discussions about the roles within their NVT and the GVC's involvement in that process. Although it was not explicitly mentioned to trigger stress, they expressed that the CEO felt "grumpy", highlighting an emerging negative emotion. Furthermore, in the case of Wavelength, a *role discussion* on the composition of the BoD had created some tension:

"After we got the financing, the board of directors had to change. During those conversations about 'Who's going to do what?' or 'Is this individual going to be the head of the board?' you can feel a little bit stressed as well."

Wilhelm, Head of R&D, Wavelength

4.2 Investor's Positive Influence on Coping in NVT

This study found that investors have a positive influence on how NVT cope with stress by contributing with *financial support*, *strategic support*, *emotional support*, as well as by triggering a sense of *confidence and relief*. However, findings show that most contributions only affect the leader, and therefore do not have a direct influence on the NVT.

Financial Support

The search for finance turned out to be a stressor for NVTs. At the same time, it was found that investors and the BoD provide *financial support* with financial, human and social capital and, thereby, contribute to relieving stress.

For instance, Travelbuddy experienced increased stress levels when they were running low on budget, which forced them to stop paying out any salaries for several months. The stress they perceived due to the lack of funding was relieved when a loyal, existing group of BAs was willing to jump in, helping out financially when other investors hesitated. In addition to the investor's contribution in closing this funding gap, their VC connected Travelbuddy to

important contacts and even contributed with its own expertise when preparing their application for a game-changing grant.

Likewise, Datahouse received an essential contribution of the GVT's human capital when preparing pitch decks for future investors. This helped them cope with the stress due to a lack of funding.

“At the time we were seeking investment, the GVC stepped in and pulled an all-nighter with David. They wrote the pitch deck together until one in the morning. They really help us in uncertain times like that.”

Douglas, CTO and co-founder, Datahouse

Strategic Support

Three out of four ventures confirmed an investor's contribution in the form of *strategic support* with human and social capital. However, only one venture (Medcare) showed that an investor's contribution with strategic support helped the NVT to cope with stress. Medcare revealed their reliance on two of the BoD-members, a VC and a BA with deep experience and broad network in their industry, to establish connections in the US market. This was crucial to implement a new go-to-market strategy, which caused stress prior to this contribution.

“The contacts of the chairman of the board and our specialists have been extremely valuable in order to get in contact with different clinics that can run the study and also to recruit people that can help us in the States. (...) I think it would have been very difficult for us without their help to get this together.”

Martina, Head of R&D, Medcare

Although the strategic support was acknowledged by the whole NVT, it mainly benefitted the CEO and leader of the team. This is in line with the finding that all four cases experienced no contribution on an operational level by investors and the BoD. Therefore, the NVT (excluding the CEO) did not experience any influence on problem-focused coping with stress by investors.

Emotional Support

Next to financial and strategic contributions to help NVTs to cope with stress, three ventures confirmed the *emotional support* that was provided by certain investors or BoD-members. For instance, Datahouse's CSO and CTO mentioned the affirmative nature of the GVC, stating the importance of confirmation by the BoD:

“If they can confirm ‘hey, you’re doing good, this is something that happens to everybody’ you feel a bit more like ‘okay, we’re probably on the right track’. We’re all beginners and it’s so hard to know if what you’re doing makes sense. So, it’s nice to have a meeting with the board members once a week to get their confirmation.”

Douglas, CTO and co-founder, Datahouse

Furthermore, Travelbuddy’s CEO admitted that the board itself sometimes serves as a therapist for him. This is in line with Wavelength’s CEO, who explained the emotional connection to the board, and the chairman in particular.

The emotion-focussed compared to the problem-focussed contribution of the BoD and investors varied across the cases. For instance, Medicare’s CEO highlighted a rather problem-oriented BoD, while Travelbuddy’s CEO underlined the provision of emotional support.

Confidence and Relief

The qualitative interviews not only found active emotional support by investors or BoD-members but also an investor’s contribution to the NVTs *confidence*. This, in turn, created a sense of *relief*, which reduced the NVT’s perceived stress.

Wavelength experienced this sense of relief after their first successful round of investment, which triggered excitement and enthusiasm, as it enabled them to work full-time on the project. Furthermore, Medicare’s CEO stressed the importance of an investor, “*who really believes in what you’re doing*”. He thereby acknowledged not only the financial benefits but also the emotional side of it. This corresponds with Travelbuddy, whose COO acknowledged the relief due to the financial security as well as the boost in confidence due to the investment:

“And then, when we got the funding, it was just it was like a stone fell off. We knew that we were safe for another one and a half years. It was just a really nice feeling that they believe in us. To get a confirmation of somebody actually saying ‘This is a brilliant project. We are ready to fund you for this’.”

Therese, COO, Travelbuddy

Furthermore, Datahouse expressed another stress-relieving perspective, as the investors helped them to focus on the business idea only, relieving the burden of additional tasks and side-jobs and thereby reducing stress.

4.3 Stress-determining Contextual Factors

In addition to the findings regarding an equity investor's negative influence on stressors or positive influence on an NVT's coping, the qualitative data provides an insight into further contextual factors. The three second-level codes, which determine the perceived stress of an NVT, are *Inter-NVT-BoD communication*, *Inter-NVT-BoD relationship* and *Intra-NVT characteristics*.

Inter-NVT-BoD Communication

In three cases (Travelbuddy, Medicare, Wavelength) the CEO acted as a single point of contact towards the BoD and investors and/or served as a buffer between the NVT and the BoD. Travelbuddy's COO acknowledged the importance of channelling communication via the CEO. The importance of the leader as a buffer and protector from stress was also independently confirmed by Medicare's CQO, as well as the CEO himself.

"I think as a CEO, you're in the middle of the board, and the workforce, it is like a pyramid. It comes down on top of you, and then it opens up again. So, my job really is to protect the organisation from the board and from the stresses of the outside world."

Mark, CEO, Medicare

Wavelength's CEO stressed the importance of being able to discuss matters with the board to not burden the team. This is in line with the perception of Travelbuddy's CEO, who considered it as crucial to not confront the team with all experienced setbacks.

"I try to concentrate that (the stress due to a setback) on me or use the board for my frustration. That's how it should be, because you want and need the team to continue to work. You want to be transparent, but you don't want to hit them three times a day, that you got three NO's from three different investors. You need to try to hide that from the team."

Thomas, CEO and founder, Travelbuddy

In three out of four investigated ventures, the communication between the NVT/CEO and the BoD as well as other investors was found to particularly influence an NVT's perceived stress. Thereby, specific factors of the communication became apparent. For instance, Medicare's CEO, who is the single point of contact to the board, expressed the necessity for a controlled communication in order to buffer stress to the NVT. He thereby promoted an aligned communication towards the BoD as well as the NVT. His efforts for transparent communication

towards employees and the BoD were confirmed by Medcare's Head of R&D. She especially pinpointed a contrasting experience with previous BoDs, where non-transparent communication and lack of understanding created anxiety and stress in the NVT. Furthermore, clear task priorities and their respective communication were highlighted as important by both the CEO of Medcare as well as the CQO.

Whilst highlighting the importance of transparency in their communication to the NVT, the CEO's of Wavelength and Travelbuddy acknowledged the dilemma of finding the right level of transparency. On the one hand, the leaders wanted to be transparent to the employees. On the other hand, they wanted to filter information, so the NVT can concentrate on the task at hand.

Inter-NVT-BoD Relationship

Across all ventures, the importance of the interpersonal relationship between BoD-members and the NVT (in particular with the CEO), was mentioned. In the case of Wavelength and Medcare the weight of the chairman's role and therefore, the crucial relationship between the CEO and chairman, became apparent. Wavelength's CEO considered the chairman's availability and reachability as well as the personal relation to the chairman as essential while Travelbuddy's CEO highlighted the close relationship to all BoD-members and biggest investors. This is in line with Medcare, whose CEO not only favoured a strong and respected chairman but also mentioned the necessity of a good relation and mutual understanding.

"We (the CEO and chairman) came in together more or less, and therefore, we have a good understanding of each other. So, we formed a team. And you know, that makes my life easy. Of course, it's not easy. It's incredibly complicated, but that relationship is incredibly important."

Marc, CEO, Medcare

Although the importance of the chairman-CEO relation was not overt in the other two cases, the relevance of interpersonal relationships between the BoD or investors and the NVT were found. For instance, Medcare's CEO highlighted the importance of mutual respect and trust to ensure that investors believe in an efficient use of resources.

Datahouse and Wavelength, additionally mentioned the influence of trust in the pre-investment phase when convincing investors (Wavelength), which even was a selection criterium for choosing an investor in the first place (Datahouse). In other words, if trust cannot

be built up during the pre-investment phase, then Datahouse's CSO would not accept a potential investment.

Intra-NVT Characteristics

In addition to stress-determining aspects between the NVT and the BoD or investors, this study found cross-case evidence for the importance of characteristics within the NVT in determining the perceived stress. First, besides the importance of a strong vision one can identify with, Travelbuddy's COO stressed that having shared values influenced her stress-level:

"If you have a problem or if you feel stressed, it's easier to share, if you are in a team that has the same values."

Therese, COO, Travelbuddy

Second, when experiencing a stressful time due to the lack of finance, Travelbuddy's COO described the necessity of trust in each other's commitment. This is in line with Datahouse, whose CEO stated that the trust in his team members leaves him without experiencing any stress before a deadline. Moreover, Travelbuddy, Datahouse and Wavelength all expressed the importance of team-spirit when dealing with stress. For instance, Travelbuddy's COO expressed that the feeling of "*being in this together*" helped to relieve stress.

Lastly, the NVT-members of Datahouse are taking on different roles in order to support each other with pressing tasks. For instance, the CEO sometimes works as a developer under the CTO in order to reduce stress by sharing the workload. In other words, for them, teamwork is considered vital in stressful times. However, Datahouse's NVT-members are not only helping each other to solve the problem at hand but also shared the emotion of stress. Therefore, the CTO added that one crucial pre-condition is a culture in which it is allowed to openly talk about stress.

Considering the presented findings, this study shows that the involvement of an equity investor has indeed a multi-faceted and complex effect on the stress perceived by an NVT. In the following chapter, those findings are critically reflected, whilst adding upon existing theory.

5 Discussion and Analysis

5.1 Investor/BoD- and Investment-caused Stressors

In terms of the investors' negative influence on the stressors, the main finding is that not only the *investor* (through the BoD) but the *investment* itself created stress within the NVT.

Investor/BoD-caused Stressors

As mentioned in chapter 2.3, conflict between the investor and the entrepreneur/NVT has been widely discussed within entrepreneurial finance theory (Yitshaki, 2008; Zacharakis, Erikson & George, 2010) and a certain degree of conflict is argued to trigger stress (Zacharakis, Erikson & George, 2010). Interestingly, this study has not found any stressor related to a conflict between the investor and the NVT. First, this might be due to the sample selection, as ventures with large VCs with a more aggressive approach to safeguard their investments (De Clercq et al. 2006) were not included. Second, it is only natural that ventures with a rather good relation to their investor agreed to participate in this study. Nevertheless, it needs to be acknowledged that further reasons might have caused to not identify any conflict-related stressors.

Nevertheless, several other stressors caused by investors have been observed. In all cases, the major investors communicated through the BoD. As the BoD typically fulfils a strategic role within a venture (Ingley, Khlif & Karoui, 2017), it is no surprise that this study found a stressor due to a BoD-initiated *shift in strategy*. However, this has only been the case with Medicare. One could argue that this is because the investors of Medicare own a majority voting right on the BoD or because their BoD is more professionalised than in the other ventures, leading to a more dominant control-role of the board (Ingley, Khlif & Karoui, 2017).

Organizational literature on stress found stressors due to inefficient communication or the lack of employee participation in decision-making (Sethi, Vermani & Verma, 2015). Those stressors might manifest themselves when a BoD decides upon a shift in strategy, without the involvement of an NVT. Therefore, this study not only confirms organizational theory in an entrepreneurial context but also specifies an investor-caused stressor in the context of an NVT.

Entrepreneurial finance literature has shed light on the added value of private equity investors (De Clercq et al. 2006; Politis, 2016). Contradicting to that, this study found that investors (through the BoD) can have a negative influence when providing added value. First, the CEOs of two ventures (Medcare and Datahouse) mentioned stress due to *inefficient communication*. Second, Medcare's CEO highlighted a BoD's *inadequate contributions* as a trigger for stress. The latter was found to be apparent when investors or BoD-members lacked relevant industry experience leading to less understanding of the operational activities and setting unrealistic timelines. As a consequence, those tough deadlines led to increased *pressure to deliver*.

Moreover, it is argued that the *pressure to deliver* may vary between different investor types. VCs are known for their assertive involvement in a venture (De Clercq et al. 2006). In addition to current entrepreneurial finance literature, this study found that BAs unintentionally increase pressure, as the NVT feels a higher responsibility to fulfil their commitment due to a BA's personal fortune being at stake. Even though this is only stated by the CEO of Wavelength, it provides an interesting perspective in the different influences per investor type.

Consequently, this study enriches entrepreneurial finance literature by shedding light on the potential negative results that investors can have on the NVT's perceived stress.

Investment-caused Stressors

Besides the *investor's* influence on stressors, this study also shows stressors which are triggered by the *investment* itself. The data showed general stress on the CEO's shoulders due to the *lack of funding*. In the case of Travelbuddy, the CEO has been in constant search for funding, which caused him the most stress. This lack of funding is in line with the big money assumption, which implies a high-tech venture's need for external capital (Bhide, 1992). In addition, this study found that when closing an investment round and thereby opting for external capital, the venture automatically transitioned to the pre-investment phase of a new round of funding, leading to continuous stress when searching for financial means.

The stress caused by the *lack of funding* is in line with entrepreneurial stress literature, which mentions the stressor lack of resources (Omrane, Kammoun & Seaman, 2018). However, the present study emphasises that the NVT of a science/tech venture is in a continuous search for new financial means after initially opting for equity investment. It can, therefore, be argued that NVTs, having received equity investment, perceive this stressor continuously.

As highlighted in existing literature, an equity investment typically triggers the NVT to become more professionalised by, for example, an allocation of roles and responsibilities

(Wasserman, 2012). This study found, that the NVT might perceive *role discussions* within the NVT (Datahouse) or regarding the BoD (Wavelength) as being stressful.

With these findings, the present study enhances entrepreneurial stress literature in a team context by highlighting that not only the investor, but also the investment itself negatively influences stressors.

5.2 Investor/BoD's Contribution to Emotion- and Problem-focused Coping

The main finding of this study regarding an investor's contribution to an NVT's coping with stress is that investors and the BoD contributed to both *problem- and emotion-focused* coping. However, most of the time, only the leader received these contributions instead of all members of the NVT.

Problem-focused Coping

An investor's contribution with financial, human and social capital is widely discussed (De Clercq et al. 2006; Landström, 2017; Politis, 2016). In addition to existing literature, the present study found that the NVT perceived the *financial support* of investors as the biggest contribution to coping with stress, which is reasonable because the continuous struggle to secure funding (see chapter 4.1) is one of the biggest investment-related stressors for an NVT.

However, data across all analysed ventures showed that investors were rarely involved in operational matters, and only the case of Medicare demonstrated that *strategic support* helped them to cope with stress. Besides, it should be noted that the investor's contribution mainly supported the leader, instead of the NVT as a whole. Although those findings were similar in all of the examined ventures, it needs to be acknowledged, that the lack of operational involvement depends on the type of investor. Datahouse, which is funded by a GVC and a BA, was lacking a significant strategic contribution. This could be caused by the lack of industry and tech experience of their involved BA (Kroll, Walters & Wright, 2008). Additionally, a GVC's contribution with human and social capital tend to be significantly lower than that of a VC (Luukkonen, Deschryvere & Bertoni, 2013). Although the rare operational involvement of seems to contradict the importance of the investor's added value, stressed in entrepreneurial finance literature, this perhaps explains why no significant positive influence on the NVT's (excluding leader) stress was observed.

Moreover, this study found a variation of the BoD's problem-focused and emotion-focused contribution, which might be due to the different venture stages and investor types. Ventures in an early seed stage are typically funded by BAs, whereas later stages are typically funded by VCs (De Clercq et al. 2006). As BAs can also take upon a mentoring role in the venture (Politis, 2016), an increased extent of emotion-focused contribution seems evident when having BA investment. By comparing the variance in stages of the different cases, this study suggests a transition from emotion- to problem-focused contributions to coping in the course of a venture's life-cycle and with the change of investor types present on the BoD (Ingley, Khlif & Karoui, 2017).

An investor's and a BoD's problem-focused contribution to coping with stress, which eventually contributes to solving a stressor, is indicated in existing entrepreneurial finance literature. This also applies to the differences of involvement regarding investor type and formalization of the board. Nevertheless, the current study contributes to entrepreneurial stress literature by highlighting how those differences in contribution add to problem-focused coping with stress for the NVT as a whole (financial support) and exclusively for the leader (strategic support).

Emotion-focused Coping

As stated in chapter 4.2, this study found that BAs, GVCs and VCs contributed not only with helping to solve a problem at hand but also helped to cope with stress emotionally. Positive emotions emerged due to the investment itself and the *confidence* of the investors in the business idea. This finding, which occurred across all ventures, is in line with indications found in existing theory (chapter 2.3). It needs to be stated, that the excitement in two of the ventures (Datahouse, Wavelength) may have been mainly due to the fact of closing their first investment round and therefore having the chance to work full-time on the business idea.

Additionally, three cases (Datahouse, Travelbuddy, Wavelength) indicated distinct *emotional support* by the BoD. Literature acknowledges not only different roles of investors (De Clercq et al. 2006; Politis, 2016) but also a variety of roles that can be incorporated by a BoD (Ingley, Khlif & Karoui, 2017). The service-role is one of the four BoD roles. Although it incorporates "information gathering, advice and counsel" (Ingley, Khlif & Karoui, 2017, p.732), the emotion-focused aspect is missing. In literature on stress, emotion-focused coping is considered an important aspect when coping with stress and should always accompany the problem-focused counterpart (Sideridis, 2006). The collected data support the importance of the social support (Akande, 1994; Boyd & Gumpert, 1983; Dewe & Guest, 1990; Eager &

Maritz, 2011) as well as emotion-focused coping (Sideridis, 2006) in the context of the BoD-NVT relation. However, the emotional support provided by the BoD or the chairman in particular only applied for the CEO and not for the whole NVT. The only exception is Datahouse, where all NVT-members experienced emotional support from the BoD. This is most likely since, at Datahouse, all NVT-members were in contact with the BoD and communication was not channelled through the CEO.

Consequently, this study makes various theoretical contributions. First, it adds to entrepreneurial theory on BoD roles, as it extends the perimeter from being exclusively problem-focused to encompassing an emotion-focused perspective. Second, it confirms the necessity of social support for emotion-focused coping, whilst highlighting the investor's role as a social pillar for the CEO and leader of the NVT.

5.3 Contextual Factors Moderating Stress

In addition to the positive and negative influence of private equity investors on the stress perceived by an NVT, this study identified certain contextual factors, which serve as a moderator for coping with stress. Clear indications for the *importance of leadership*, as well as *NVT characteristics*, were found.

The Importance of Leadership

In line with current literature, it is most often the CEO, who communicates to the BoD (Kakabadse, Kakabadse & Barratt, 2006), and thus to investors. Furthermore, organizational theory on leadership discusses the importance of leaders and their leadership style on the stress level of their followers. For instance, Cummins (1990) states that for “relationship-oriented” individuals, leaders act as a buffer for stress. The importance of the leader in communicating with the team became apparent in three cases (Travelbuddy, Medcare, Wavelength), who all had a clear leader being in contact with the BoD and the investors. The stress-buffering role the leader incorporates for the NVT was not only acknowledged by the leaders, but also the NVTs. Datahouse, whose NVT consists of four co-founders, was the only exception. Despite having a CEO, the hierarchy of Datahouse is very flat and egalitarian. As they are all in contact with the BoD and investors, the role of the leader as a stress-buffer is not apparent and coping with stress is more of “*a group effort*” (Douglas, CTO, Datahouse).

“Leadership is a process that unites leaders and followers in a complex emotional web.”(Fineman, 2003, p.87). As discussed in chapter 2.1, emotions like stress can be transferred from an individual, such as the leader, to the whole NVT, and can thereby create collective stress (Barsade & Gibson, 2007). At the same time, Rogers (1975) found that leadership responsibilities can be stressful for executives. Therefore, leaders often regulate their own emotions in order to not influence their team in a negative way (Fineman, 2003). In all cases with a clear leader (Medcare, Travelbuddy & Wavelength), the CEO expressed an active regulation of their own emotions to not distract the team. However, leaders need to show empathy and actively as well as effectively manage the emotions of their team (Barsade & Gibson, 2007; Fineman, 2003). Moreover, scholars found that social assistance of a leader reduces stress at work (Lyons & Schneider, 2009; Sargent & Terry, 2000; Sosik & Godshalk, 2000). The findings of this study are convergent to existing literature, as members of Travelbuddy’s NVT expressed that a closer bond to the leader would have helped them to better cope with stress. At the same time, the leader of Travelbuddy expressed regrets about his absence due to the constant hunt for finance. Consequently, leaders play not only an essential role in an NVT’s coping with stress but also face the risk to transmit their stress to the team.

In all cases with a clear leader (Medcare, Travelbuddy & Wavelength), the CEO mentioned the importance of transparency when communicating to both the board and NVT. Convergent with organizational stress literature, the collected data proves the importance of communication as a way of coping, as well as non-transparent communication as a potential stressor for an NVT (Sethi, Vermani & Verma, 2015). At the same time, two leaders (Travelbuddy, Wavelength) stressed the importance of the right level of transparency, as they do not want to burden the team with unnecessary information. Considering that the CEO also needs to cope with stress individually and that venting emotions are considered as one of the individual coping strategies in a work context (Muhonen & Torkelson, 2008), a leader’s self-imposed restriction could negatively affect his/her stress. This could, in turn, affect the collective stress of the NVT as a whole. Consequently, a leader needs to be aware of his/her role’s impact concerning stress.

The present study not only found that the leader and his/her communication can affect an NVTs perceived stress, but also that the relationship between the CEO and the BoD/chairman of the board has an influence on stress. Kakabadse, Kakabadse & Barratt (2006) expressed the importance of the chairman-CEO relation and its impact on the effectiveness of the board. This is in line with the data collected in two cases (Medcare, Wavelength) whose CEOs stressed the importance of a strong relationship and connection to the chairman, which in turn positively

influenced their perceived level of stress. The importance of the chairman-CEO relationship might not have been mentioned by the other two cases (Datahouse & Travelbuddy) due to a rather informal communication to the BoD. When the NVT's CEO was not the founder of the venture (Medcare, Wavelength), a more formal approach in communicating to the BoD via the chairman was established. When the ventures' founders still bore the CEO-title (Datahouse & Travelbuddy), the communication to the BoD had been more informal and had not been channelled through the chairman. The interpersonal relationship and trust were considered crucial for both scenarios, with founders and non-founders being the CEO, since it determined if the influence on the NVT's or leader's stress was positive or negative. The importance of trust is in line with entrepreneurial finance literature, which points out the importance of building up trust and cohesion between the investor and the entrepreneur (Ensley, Pearson & Amason, 2002; Shepherd & Zacharakis, 2001).

With the findings mentioned above, this study is adding to entrepreneurial leadership theory as well as literature on stress, while confirming leadership literature. First, the importance of communication as both a stressor and coping mechanism is confirmed. Thereby organizational stress theory is extended to the entrepreneurial context. Second, the importance of the leader's role as a communicator between the BoD and the NVT is underpinned, whilst contributing to stress and confirming entrepreneurial leadership literature. Third, it reveals the dilemma the leader undergoes when finding the right level of transparency as well as the effect it may have on both the leader's individual stress level and the collective stress of the NVT. By suggesting the relevance of the concept of emotional contagion for stress in NVTs, this study is putting an investor's positive as well as negative influence into perspective, as it reveals the complex interactions and chain reaction between investors, BoD-members, leaders and the NVT and their influence on stress. Lastly, the study confirms the importance of the CEO-chairman relationship as well as the relationship between the NVT and investor in general. Thereby a contribution to entrepreneurial stress literature is made, as the dimension of interpersonal relationships with investors and board members and their role in social support (Akande, 1994; Boyd & Gumpert, 1983; Dewe & Guest, 1990; Eager & Maritz, 2011) for the leader is confirmed.

NVT Characteristics Influencing Stress

Acknowledging the importance of affective relationships, scholars increasingly stress the importance of building up trust and bonding as a team (Ilgen, Hollenbeck, Johnson & Jundt, 2005). Therefore, bonding and a shared mindset is not only considered as one of the "enabling

conditions” for a team to thrive (Haas & Mortensen, 2016; Ilgen et al. 2005) but is also affecting a team’s perceived level of stress (Driskell, Salas & Johnston, 1999). This is in line with the findings of this study, as NVT-members across all cases referred to team-related characteristics as a contextual factor determining stress. For instance, the importance of a shared vision (Travelbuddy), team building (Travelbuddy, Wavelength), supporting each other (Datahouse, Wavelength) and interpersonal relationships (Medcare) were acknowledged to determine stress.

This study thereby confirms the importance of a sense of togetherness (Driskell, Salas & Johnston, 1999) when coping with stress and the relevancy of stress in an NVT context.

In sum, this study found that private equity investors indeed have a positive as well as a negative influence on the NVTs perceived stress, which is visualized as a conceptual framework in Figure 3.

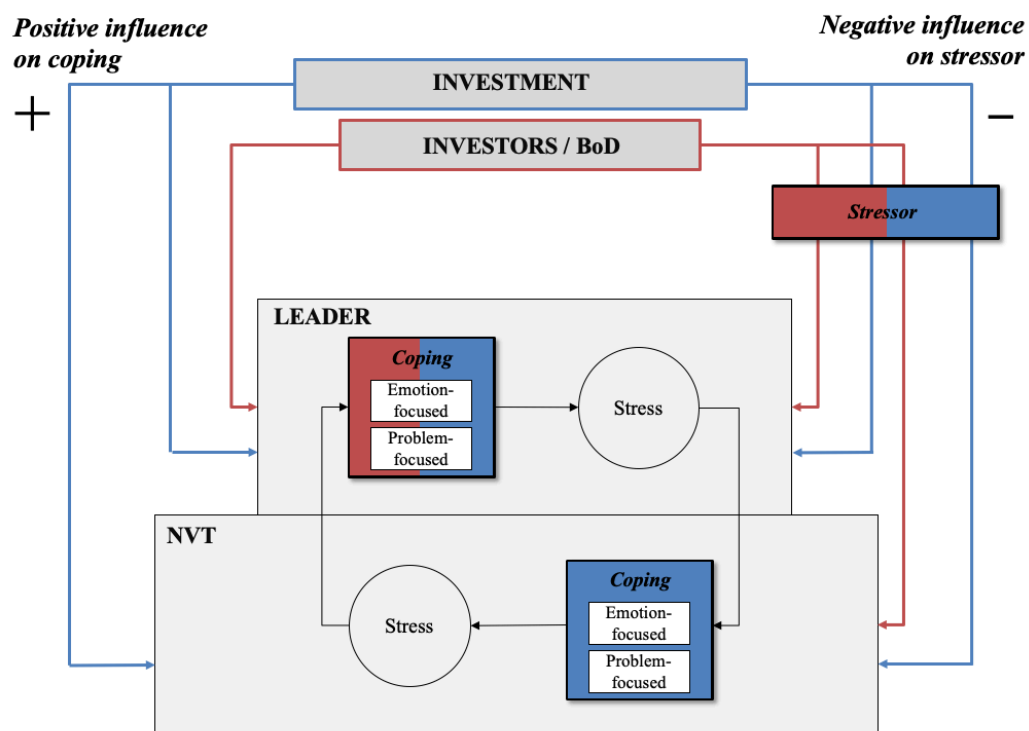


Figure 3: Conceptual framework of stress in NVTs backed by private equity investors (own illustration)

First, it was found that not only the investor (or BoD-member) but also the investment itself have a negative influence on stressors. Second, the study identified, that investors (or BoD-members) and the investment positively influence coping, in both, a problem- as well as

emotion-focused way. However, a stronger direct benefit for the leader has been identified, which, in turn, has an indirect positive effect on the collective stress of the NVT as a whole.

Moreover, this study found various reasons to explain why the leader plays a conspicuously important role when it comes to the influence on stress in an NVT by a private equity investor. First, the leader often serves as a single point of contact to the BoD and other investors and therefore shields the NVT from potential investor-caused stressors. Second, there is the risk, that a leader's own stress creates collective stress for the NVT as a whole despite him/her potentially buffering stress from investors.

6 Conclusion

In the following, key findings and their contribution to existing literature are highlighted. Furthermore, practical implications, research limitations and directions for future research are outlined.

Key Findings

The aim of this study was to provide an answer to the research question: *How do private equity investors influence stress in NVTs?* Four cases were analysed within the science and tech industry after receiving equity investment to obtain a detailed comprehension of how private equity investors negatively influence stressors or positively influence coping in NVTs.

This study contributes to entrepreneurial stress and finance literature by identifying potential stressors that arise as a result of equity investment. Findings showed how investors can increase the perceived stress levels by, for example, forcing a shift in strategy, communicating inefficiently or providing inadequate board contributions. In general, stressors due to the investors' influence became more evident with a more formalised BoD structure. Although it was found that mainly the CEO is in contact with investors, the stressors had an influence on the leader as well as the stress perceived by the NVT.

Besides the investor's negative influence on stressors, findings highlighted the influence of the investment itself on potential stressors for the NVT. When choosing for equity funding, a continuous need for investment arose, creating a potential stressor due to the lack of financial resources. Additionally, when closing a round of funding, many promises were made towards investors, putting a lot of pressure on the NVT to deliver the promised results.

Furthermore, the present study highlights the investor's positive influence on the NVT's coping mechanisms, thereby contributing to entrepreneurial stress and finance literature (and literature on BoD within an entrepreneurial context). Besides the financial injection, the investor's added value in terms of human and social capital helped the NVT with their problem-focused coping. However, as this mainly applied to the search for new funding and providing strategical support, this support mostly benefitted the leader and not the NVT as a whole.

Investors contributed, however, also to the emotion-focussed coping of the NVT, which was first accomplished by showing their confidence in the NVT and belief in the venture.

Furthermore, multiple leaders of NVTs acknowledged the emotional support they received from their BoD (in particular from the chairman). Interestingly, findings demonstrated a shift in contribution from investors in early-stage funding (BA & GVC) being more emotion-focused to investors in a later stage (VC) contributing more to the NVT's problem-focused coping.

Lastly, the present study contributes to entrepreneurial stress, while confirming leadership literature by highlighting the importance of the leader within the NVT context. Being the main contact between the NVT and the BoD, the leader plays a sensitive role in transmitting the investor's influence on the perceived stress of the NVT. Furthermore, the leader needs to be aware of his/her own emotional contagion towards the NVT. A strong chairman of the BoD as well as a close CEO-chairman relationship has been highlighted to be of utmost importance for an effective BoD, and also might serve as emotional support.

Practical Implications

Besides the major theoretical contributions to entrepreneurial stress literature and entrepreneurial finance literature, this study raises awareness for an equity investment's potential influence on stress in an NVT, which benefits both, the NVT as well as the investor. Consequently, an NVT should always consider the potential investor- and investment-related stressors before closing an investment round. For investors, on the other hand, the present study is giving more insights into the results of their actions and the effect on an NVT's stress.

Furthermore, this study raises awareness for the importance of problem-focused and emotional contributions of investors. Therefore, on the one hand, entrepreneurs should be aware of the potential emotional support when building their BoD and when looking out for investors. On the other hand, investors and BoD members should not underestimate their role in emotionally supporting the NVT on their journey. Furthermore, a shift from emotion-focused to problem-focused coping of the BoD's contribution in the course of a venture's lifecycle should be expected.

This study highlights the vital role a leader plays regarding the perceived stress within the NVT and is, therefore, creating awareness of his/her sensitive role, especially when receiving equity investment. Establishing trust and the right level of transparency, not contaminating the NVT with his/her own stress and establishing a solid relationship and communication with the BoD are found to be of utmost importance for the emotional wellbeing of the NVT.

This study has built a foundation to further understand the complex interdependencies of an private equity investor's influence on stress, the NVT and the leader in regard to stress. It

thereby combines two essential topics for a venture to thrive, that is finance and the team. The CEO of Medicare nicely summed this up:

“It all comes down to: “Did you have the financial backing and the right people on board?”

Mark, CEO, Medicare

Limitations and Future Research

The qualitative nature of this study includes general limitations, as mentioned in chapter 3.5. Qualitative research leads to inevitable bias since it requires the researchers to interpret social constructs and interactions in a particular context (Bell & Bryman, 2019). In addition, the small sample size of this study limits the generalisability of findings (Bell & Bryman, 2019). Consequently, even though the analysis and discussion of data were delineated to support generalisability, findings of this study might not be applicable for every NVT of a science or tech start-up in need of equity financing. Therefore, future research should consider quantifying and verifying the findings of this study.

The case selection process might have led to a biased sample as only leaders not prone to stress or ventures which are on good terms with their investors might have agreed to participate in this study. This, might have led to an overemphasis of the importance of leadership as well as underrepresentation of stressors. Therefore, this study suggests a similar qualitative study with a sample selection focussing on stressful relationships between the investor and the NVT.

The sample selection did not include a bigger and more formal VC, which are known for their thorough ways of safeguarding their investments (Landström, 2017). These VCs might, however, help the venture with value-adding roles (De Clercq et al. 2006). Therefore, one could expect more formalised VCs to influence the NVT in terms of stress, potentially even more than the investors who were present in the sample selection of this study. Therefore, qualitative research exploring how an aggressive investor influences the perceived stress levels in the NVT is suggested. Nevertheless, the existent findings are relevant for theory and particularly practice, as the majority of new ventures rather makes use of BAs, GVCs and smaller VCs and only a minority gets funded by a large VC (Cosh, Cumming & Hughes, 2009).

The present study only captured the perceived influence of investors on stressors as well as coping with stress. Findings were drawn upon retrospective data based on NVT-members memories or snapshots focused on one point in time. In order to capture a more objective view on an investor’s involvement and its influence on stress, as well as the long-term effects of an investor, a longitudinal study is suggested.

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Appendices

A. Pre-Interview Guide

Topic	Q-#	Question	Purpose & Reasoning
Intro		Smalltalk	Making the interviewee feel comfortable.
Intro		Explaining the focus and purpose of our study	Familiarise the interviewee with the topic.
Venture info	1	Where are you located?	Find out about the venture's characteristics. Identify if it would be suitable for the purpose of our study.
Venture info	2	What industry do you operate in?	
Venture info	3	How many founders do you have?	
Venture info	4	How many people are operating in the NVT? (explaining our definition of the NVT)	
Venture info	5	How many employees are operative?	
Venture info	6	What is your projected yearly revenue?	
Investment info	7	What kind of investments have you received?	Get to know the investments that the venture has received to identify the applicability for the purpose of our study.
Investment info	8	How many rounds of investment have you had? When was the last round?	
Investment info	9	What was the total amount of investments? Amount of equity provided?	
BoD info	10	Who are on the BoD? How many members on the BoD?	Get to know the characteristics of the BoD.
High growth	11	When was the venture founded?	Identifying the operational level and plans for the future of the venture to assess the applicability of the venture for this study.
High growth	12	What stage are you at with the venture? Developing? Earning revenue?	
High growth	13	Lifestyle or high growth ambitions?	
End		We will come back to you within two weeks to let you know if your venture suits our selection criteria, and elaborate on how we would like to proceed.	

B. Interview Guide

Topic	Q-#	Question	Purpose and Reasoning
Intro		Smalltalk	Small talk, make the interviewee feel comfortable.
Intro	1	- today we will talk about stressful moments since those investments and how you as a team cope with it - everything said here will be anonymised and won't be shared with teammates; if there's anything, you won't want us to let us know in your thesis, you can always let us know.	Set the scene for the interview.
Stress	2	What do you consider important when it comes to dealing with stress?	Getting to know the individual's perception of stress and how he/she deals with it.
Investor	3	What is the investor's role in that coping mechanism?	The initial influence of the investor on personal coping mechanism.
Investor	5	How do you interact with the investors? - BA - VC - GVC	Identify routines with and involvement of the different investor types. This creates the foundation for understanding the investor's influence on the stress levels of the NVT.
Stress	6	Which is the most stressful moment for your team since the involvement of the investor ?	Explorative approach to find out new stressors. Leaving type of moment open to identify the most pressing stressful moment. This will be compared with the other team members. Consciously asking "since the involvement of the VC" instead of "since the deal was closed", to leave room for the VC investment itself being a memorable moment. However, if no moment is identified, give inspiration regarding typical entrepreneurial stressors (see later on, category: situations).
Stress	7	Which role did the investor(s) play when triggering/relieving stress ?	Identifying the investor's influence on either the stressor or coping mechanism for the NVT.
Stress	8	How did this involvement make you feel ?	Identifying what this influence meant on the individual's stress levels.
Stress	9	Dig deep into reasons/triggers	Ensuring understanding of the context and the individual's emotions as a result of the investor's influence. Does this actually mean that it had an effect on the individual's stress levels?

Stress	10	How did the team experience (<i>above mentioned moment</i>)?	Identify potential collective stress perception. Identifying whether potential stress mentioned is only the subjective perception of an individual or has been shared across the team.
Coping	11	How did you deal with the situation? (individually and as a team)	Identify potential coping mechanisms. Consciously leaving open whether it is you as an individual or as a team.
Coping	12	Could you explain in more detail how you proceeded? What did you talk about? - Dig deep into coping mechanisms	Identify more details in order to assess whether the coping was problem-focused and/or emotion-focused.
Coping	13	Do you always do it like this? If so, how often do you do this? Since when?	Identify whether there is an established routine to deal with stress. Is it response- or antecedent-focused?
Coping	14	Do you think it was a good way ? Would you do it again? If not, what would you do differently?	Finding out if the established coping mechanisms are perceived as helpful, to find out of the investor's involvement had a positive or negative influence on that perception.
Coping	15	Do you think it changed since you closed the deal with the investor ? - If so, how?	Finding out how the investor influenced the coping mechanism (in a positive or negative way).
Coping	16	What role did the investor play in how you handled the situation?	Get a deeper understanding of how the investor communicated their influence on the NVT.
Situation	17	We know that in the entrepreneurial environment, many times, stress is caused due to a lack of resources . Have you ever experienced that since the involvement of the investor? E.G. Financial, employees & information.	In this category of the interview guide (situation), the researchers focus on known stressors in entrepreneurship and try to identify if the NVT experienced those stressors and if the investor had an influence on it: Lack of recourses (Omrane, Kammoun & Seaman, 2018):
Situation	18	Have you ever felt overwhelmed by the role you fulfil within the venture?	Tension and ambiguity of roles (Omrane, Kammoun & Seaman, 2018)
Situation	19	We know that in the entrepreneurial environment, many times, stress is caused due to unclearly defined roles and responsibilities . Have you ever experienced that since the involvement of the investor?	Process conflict, allocation of roles and responsibilities. (Jehn & Mannix, 2001)
Situation	20	We know that in the entrepreneurial environment many times, stress is caused due to the higher risk and uncertainty in the daily operations . Have you ever	Uncertainty & Risk management and perceived risk. (Omrane, Kammoun & Seaman, 2018)

		experienced that since the involvement of the investor? E.g. lack of customers, cashflow problems.	
Situation	21	To what extent does the corporate culture or the organisational climate have on the stress levels within the team?	The organisational climate (Omrane, Kammoun & Seaman, 2018)
Situation	22	To what extent have you ever experienced conflict with your Customer, supplier, banker, partner etc. How did the investor play a role in this?	Complex relations to collaborators (Omrane, Kammoun & Seaman, 2018)
Coping	23	Can you think of a stressful moment, where one of the investors was of any help?	Summing up the interview with a comprehensive, explorative questions, to identify other positive influences of the investor, which had not been covered beforehand.
Coping	24	Can you think of a stressful moment, where one of the investments itself was of any help?	Summing up the interview with a very broad, explorative questions, to identify other positive influences of the investment, which had not been covered beforehand.
End	25	Is there anything you would like to share that we haven't asked before?	Leaving room for further interesting insights in stress, coping, the NVT and the role of the investor.
End		Next Steps: analyse the interview, conduct with other team members; might be that we have some more in-depth questions; could we approach you a second time?	

C. Sample-specific Characteristics

In the following, the sample-specific characteristics of each venture are presented. The first table is giving insights into the NVT. All NVT-members, which were interviewed, were marked in the last column. The second table displays the BoD-members as well as involved investors. The results of this study only focus on investors with high involvement in the venture. Therefore, the data presented in this study refers to the investors listed above the bold line.

Datahouse

NVT	Role	Founder	Board member	Interview
David	CEO & co-founder	X		X
Douglas	CTO & co-founder	X		X
Dimitri	CSO & co-founder	X	X	X
Damian	CSM & co-founder	X	X	

Board and Investors	Financial Capital	Human and Social Capital		Board Member
		Financial Exp.	Industry Exp.	
BA (Chairman)	X		X	X
GVC	X	X		X

Medcare

NVT	Role	Founder	Board member	Interview
Mark	CEO			X
Martina	HoR&D			X
Melissa	CQO			X
Magnus	HoR&D			
Maria	COO			

Board and Investors	Financial Capital	Human and Social Capital		Board Member
		Financial Exp.	Industry Exp.	
VC (Chairman)	X		X	X
GVC	X	X		X
BA	X		X	X
VC	X			
Co-Founder	X			X
Co-Founder	X			X
Co-Founder				
Prof. Board Member			X	X

Travelbuddy

NVT	Role	Founder	Board Member	Interview
Thomas	CEO & founder	X	X	X
Tobias	CTO			X
Therese	COO			X

Board and Investors	Financial Capital	Human and Social Capital		Board Member
		Financial Exp.	Industry Exp.	
BA (Chairman)	X	X		X
VC	X			
VC	X		X	
GVC	X	X		
GVC	X	X		
NGO	X		X	
Foundation	X		X	
Prof. board member			X	X
BAs (15x)	X			

Wavelength

NVT	Role	Founder	Board member	Interview
Wilson	CEO			X
William	Active co-founder	X	X	X
Wilhelm	HoR&D			X
Walter	CTO & co-founder	X		

Board and Investors	Financial Capital	Human and Social Capital		Board Member
		Financial Exp.	Industry Exp.	
GVC (Chairman)	X	X		X
GVC	X	X		X
BA	X		X	X
BA	X		X	X
Other BAs	X		X	

D. Aggregate Dimensions and Second-level Codes

#	Aggregate Dimension	#	Second-level code	Occurrence
A	BoD/Investor-caused	1	Shift in strategy	(not D), M
		2	Pressure to deliver	M, T, W
		3	Inefficient communication	D, M
		4	Inadequate board contribution	M
B	Investment-caused	5	Lack of funding	D, T, W
		6	Role discussion	D, W
C	Problem-focused contribution to coping	7	Financial support	T, D, M
		8	Strategic support	(not D), M, T, W
D	Emotion-focused contribution to coping	9	Emotional Support	D, T, W
		10	Confidence and relief	D, M, T, W
E	Importance of Leadership	11	Inter-BoD-NVT relationship	D, M, T, W
		12	Inter-BoD-NVT communication	M, T, W
F	Other	13	Intra-NVT characteristics	D, M, T, W

E. Additional Quotes per Second-level Code

#	Second-level code	Quotes
A1	Shift in strategy	<p><i>“The most stressful is when the board decides that the company should shift direction very quickly, and we had a shift like that about a year and a half ago.”</i> Martina, HoR&D, Medcare</p> <p><i>“The most stressful moment was six months ago. And there was a shift to focus (...). So, at that point, it was kind of uncertain what would happen with my role. I found it very, very stressful.”</i> Melissa, CQO, Medcare</p> <p><i>“We haven't had the tech profile on our board before. So, it's been very hard for the board to actually speak up and say ‘this strategy is wrong, or you should do this’ because we still know a lot more about the tech industry than they do. So, maybe it will get more stressful as he (expected tech-knowledgeable BoD-member) will join because then he can really start to question our decisions as well.”</i> Wilson, CEO, Wavelength</p>
A2	Pressure to deliver	<p><i>“He (the CEO) takes a lot upon himself. But I'm sure he does experience a lot of stress, especially when the board is putting pressure on him to get things. When they are thinking that things are moving slowly or, you not going according to plan and so on, but that's what it's like to be a CEO. It's kind of your role a little bit.”</i> Martina, Head of R&D, Medcare</p> <p><i>“It was more difficult to explain things when the board was not so experienced in the field. They always used to say, ‘If I give you three more people, can you do it three months quicker? How much quicker can you do this?’. There was no understanding that some things actually cannot speed up just because you put more people on it.”</i> Martina, Head of R&D, Medcare</p> <p><i>“I think it's hard for the board members to completely understand the complexity of the work. So, I think they sometimes tend to underestimate time.”</i> Melissa, CQO, Medcare</p> <p><i>“I mean, you can have different kinds of stress. One is linked to results or not delivering that's frustrating and can be stressful.”</i> Thomas, CEO and founder, Travelbuddy</p> <p><i>“So, it's a lot of people we have made promises of the great future to (...). You feel that you have taken on a commitment and that you have their trust and their money and now we need to deliver.”</i> Cesar, CEO, Wavelength</p> <p><i>“It's not like the business angels are storming our office and start yelling at everyone. But I guess everyone feels, it's more serious when you've taken someone else's money than when you're using your own.”</i> Cesar, CEO, Wavelength</p>

		<p><i>“What the investors have already seen is the plan and not the details. And so, of course, the pressure increases because you more or less have to keep this plan alive.”</i></p> <p style="text-align: right;">Cesar, CEO, Wavelength</p> <p><i>“We're going to have to show some commercial proof points and, if we come very close to the next financing round and we don't have a partner or relationship with something that starts looking like a customer, then that will be stressful.”</i></p> <p style="text-align: right;">Wilson, CEO, Wavelength</p> <p><i>“The investors have already seen the plan (...), so of course, the pressure increases because you have to keep this plan alive.”</i></p> <p style="text-align: right;">Wilhelm, Head of R&D, Wavelength</p> <p><i>“The promises to business angels. You feel more committed to that than to the GVCs (...) say that you disappoint them if you fail, it's going to be worse with Business Angels that have taken money out of their own pocket.”</i></p> <p style="text-align: right;">Wilson, CEO, Wavelength</p>
A3	Inefficient communication	<p><i>“I don't want to get a call from someone who owns 0.5% of the company asking 'how are we doing?' and telling us what to do next. I think it's a matter of stress as well. Being able to just answer to investors that have industry knowledge or help you with contacts and stuff like that.”</i></p> <p style="text-align: right;">David, CEO and co-founder, Datahouse</p> <p><i>“If people (the Board members) start ringing me and asking me, 'Can you send me this? Can you do that? What's happening here? What's happening there?' then my focus is taken away from what I should be doing.”</i></p> <p style="text-align: right;">Mark, CEO, Medicare</p> <p><i>“I think it (board members directly approaching CEO) definitely triggers stress. Just like it does if the chairman rings one of the people reporting to me and says: 'What's going on here?' he feels, holy shit, what's going on here? What's all this about? Why isn't he talking to Mark? And what can I say? What can't I say?.”</i></p> <p style="text-align: right;">Mark, CEO, Medicare</p>
A4	Inadequate board contribution	<p><i>“I've been in some companies where you've run down a lot of rabbit holes down the end of it is nothing but rabbit shit.”</i></p> <p style="text-align: right;">Mark, CEO, Medicare</p>
B5	Lack of funding	<p><i>“I think the most stressful moments are actually when the counts are low. Yeah, that might actually trigger a little bit of stress for me.”</i></p> <p style="text-align: right;">David, CEO and co-founder, Datahouse</p> <p><i>“We sort of rely on that investment to keep things going. So, it's a little bit like a knife to the throat. So yeah, for sure it's stressful when you see the balance reports and the funds shrinking, and you're quite uncertain how things are going to go.”</i></p>

		<p style="text-align: right;">Douglas, CTO and co-founder, Datahouse</p> <p><i>“What the board does in order to take away stress is financing the company, and letting management get on with that. I actually spend a very small percentage of my time worrying about financing.”</i></p> <p style="text-align: right;">Mark, CEO, Medicare</p> <p><i>“My biggest frustration is that I've been obliged to spend basically 80% plus of my time just chasing money, which means you're not very present for your employees to help.”</i></p> <p style="text-align: right;">Thomas, CEO, Travelbuddy</p> <p><i>“Since we've been struggling so much with finances, the biggest stress for me definitely, and most probably for the whole team, has been around that (the constant search for finance).”</i></p> <p style="text-align: right;">Thomas, CEO and founder, Travelbuddy</p> <p><i>“To build an investment round is to build a house of cards. You now have this very instable structure, and if one goes away, they all fall.”</i></p> <p style="text-align: right;">Wilson, CEO, Wavelength</p> <p><i>“Now (after the investment) it has to happen. Once you ramp up your company, when you start to become like, three, four, maybe five people, then you have a bigger burn rate as well. Then it becomes a different ballgame.”</i></p> <p style="text-align: right;">Wilson, CEO, Wavelength</p>
B6	Role discussion	<p><i>“When they (the GVC) had called us and said they wanted to invest, we sat down with them, and this one guy said: ‘yeah it's probably a good idea if Denis is CEO because he knows all the economic stuff and so on’ and then David got a bit grumpy.”</i></p> <p style="text-align: right;">Douglas, CTO and co-founder, Datahouse</p> <p><i>“After we got the financing, the board of directors had to change. During those conversations about ‘Who's going to do what?’ or ‘Is this individual going to be the head of the board?’ you can feel a little bit stressed as well.”</i></p> <p style="text-align: right;">Wilhelm, Head of R&D, Wavelength</p>
B7	Financial support	<p><i>“At the time we were seeking investment, the GVC stepped in and pulled an all-nighter with David. They wrote the pitch deck together until one in the morning. They really help us in uncertain times like that.”</i></p> <p style="text-align: right;">Douglas, CTO and co-founder, Datahouse</p> <p><i>“There were a lot of investors who said, ‘we believe in you, but we cannot add more money’. (...) So eventually a lot of small investors stepped up and pitched in.”</i></p> <p style="text-align: right;">Therese, CCO, Travelbuddy</p> <p><i>“I would not have found that high quality consulting company, which was helping us to write the application, without the VC. The VC really helped us tremendously by pushing us on that track.”</i></p> <p style="text-align: right;">Thomas, CEO and founder, Travelbuddy</p>

		<p><i>"We prepared at least for two weeks for the grant and did several dry runs with the investors."</i></p> <p style="text-align: right;">Therese, COO, Travelbuddy</p>
C8	Strategic support (no operational support)	<p><i>"We haven't had the tech profile on our board before. It's been very hard for the board to actually say 'this strategy is wrong' or 'you should do this', as we still know a lot more about the tech industry than they do."</i></p> <p style="text-align: right;">David, CEO and co-founder, Datahouse</p> <p><i>"He (the BA) doesn't know enough on the subject and the market we're in. He has a lot of experience in other fields, but in tech and real estate not too much. (...) But now we're going to get a real techie guy into the board. So that's going to be nice to have some help from the more technical side of things."</i></p> <p style="text-align: right;">Douglas, CTO and co-founder, Datahouse</p> <p><i>"The contacts of the chairman of the board and our specialists have been extremely valuable in order to get in contact with different clinics that can run the study and also to recruit people that can help us in the States. (...) I think it would have been very difficult for us without their help to get this together."</i></p> <p style="text-align: right;">Martina, Head of R&D, Medicare</p>
C9	Emotional Support	<p><i>"When you're new in this there are a lot of questions that you don't know how to handle. Then he (the GVC) is very laid back, saying 'take it easy', 'go with that', 'you don't have answers to all the question', 'just keep going'. I don't think he knows that he is doing that. But he helps me calm down."</i></p> <p style="text-align: right;">Dimitri, CSO and co-founder, Datahouse</p> <p><i>"If they can confirm 'hey, you're doing good, this is something that happens to everybody' you feel a bit more like 'okay, we're probably on the right track'. We're all beginners and it's so hard to know if what you're doing makes sense. So, it's nice to have a meeting with the board members once a week to get their confirmation."</i></p> <p style="text-align: right;">Douglas, CTO and co-founder, Datahouse</p> <p><i>"I don't think he knows, that he is doing that (supporting emotionally). But he helps me to calm down. When you're new in this stage, there's a lot of questions that you don't know how to handle, and he is more laid back. He's like 'Take it easy. Go with that. Just keep going'."</i></p> <p style="text-align: right;">Dimitri, CSO and co-founder, Datahouse</p> <p><i>"I can afford to use the board as my therapist when I'm really pissed off. It's important as a founder because the ups and downs are crazy in a startup."</i></p> <p style="text-align: right;">Thomas, CEO and co-founder, Travelbuddy</p> <p><i>"I use the chairman of the board for many of the emotional things. When you want a sounding board, then I'm going to the chairman of the board, to be able to get someone to talk to."</i></p> <p style="text-align: right;">Wilson, CEO, Wavelength</p>
D10	Confidence and relief	<p><i>"It was for sure game changer for us. Before we were studying full time, plus working at Datahouse. And me and David had a second job working about 25%. So, it was a stressful period, and when the GVC came into the picture we said,</i></p>

		<p><i>'okay, we quit everything, our jobs and study and just focus 100% on this'. In a sense, it became less stressful when they came in.'</i></p> <p>Douglas, CTO and co-founder, Datahouse</p> <p><i>"A very important thing, perhaps the most important thing is money. If you have an investor like P., who has a lot of money, and who really believes in what you're doing, then life is good."</i></p> <p>Marc, CEO, Medicare</p> <p><i>"And then, when we got the funding, it was just it was like a stone fell off. We knew that we were safe for another one and a half years. It was just a really nice feeling that they believe in us. It was very nice to get a confirmation of somebody actually saying 'This is a brilliant project. We are ready to fund you for this'."</i></p> <p>Therese, COO, Travelbuddy</p> <p><i>"When the actual contract for the financing was done, I actually felt a sigh of relief. Because now I know what I'm going to be working for the next half a year."</i></p> <p>Wilhelm, Head of R&D, Wavelength</p> <p><i>"There's a lot of enthusiasm, seeing all the possibilities after having gone into the round of investment (...) eventually we could go for real and be the small team we are today."</i></p> <p>Wilson, CEO, Wavelength</p>
E11	Inter-BoD-NVT relationship	<p><i>"He (the CEO) takes a lot of the fights towards the board if there are any, and kind of buffers toward the employees."</i></p> <p>Melissa, CQO, Medicare</p> <p><i>"I think as a CEO, you're in the middle of the board, and the workforce, it is like a pyramid. It comes down on top of you, and then it opens up again. Your people are below you, and you're in the middle. So, my job really is to protect the organisation from the board and from the stresses of the outside world. I do that by trying to keep the board happy and keep them well informed."</i></p> <p>Mark, CEO, Medicare</p> <p><i>"You want to be able to control the communication. And that's not in order to hide things. It's in order to protect and create an environment where people can work effectively."</i></p> <p>Marc, CEO, Medicare</p> <p><i>"So be transparent. The other way of doing this is to say to the board, 'This is going to take three years.'. And say to the team, 'It will take a year'. So, we've got two years buffer. I think it's right, but I could be wrong, but we have the same timelines internally as we have on the board. And they're always best-case timelines. And that allows you to be transparent."</i></p> <p>Marc, CEO, Medicare</p> <p><i>"Our CEO is always stressing transparency. He tries to be very transparent to us, about what the board is thinking and how they are responding to what we're</i></p>

		<p><i>doing and so on. And also, the other way around, being very transparent about what is actually going on in the projects towards the board.”</i></p> <p style="text-align: right;">Martina, Head of R&D, Medicare</p> <p><i>“I would say the communication was not so transparent. And there was not as much understanding from the board about, about the challenges and the constraints that are governing our business.”</i></p> <p style="text-align: right;">Martina, Head of R&D, Medicare</p> <p><i>“When dealing with stress, it's important to have a good prioritisation of tasks, and to know where you should put your focus on at that moment.”</i></p> <p style="text-align: right;">Melissa, CQO, Medicare</p> <p><i>“When dealing with stress in a team, a very clear communication of what we are doing and why we are doing it is important. (...) And an enormous focus. Yeah, we're doing this. We're not doing this or that. We're doing this.”</i></p> <p style="text-align: right;">Marc, CEO, Medicare</p> <p><i>“I'm not in contact with the board members at all. And to be honest, I think that's very important when you're such a small company. At the moment, it's only Thomas that talks to the board and is in the board meetings.”</i></p> <p style="text-align: right;">Therese, COO, Travelbuddy</p> <p><i>“I try to concentrate that (the stress due to a setback) on me. Or use the board for my frustration. That's how it should be because you still want and the team to continue to work. You want to be transparent, but you don't want to hit them three times a day, that you got three NO's from three different investors. It kind of hits me, but you need to try to hide that from the team.”</i></p> <p style="text-align: right;">Thomas, CEO and founder, Travelbuddy</p> <p><i>“It's important to have a good mix between transparency and not over transparency. We want to be transparent that we don't have cash, that we have those leads, but you don't need to communicate all the hundred ups and downs that you've received over the course of the day or over the course of the week. You don't lie, but you don't need to tell everything either because otherwise, they could not concentrate on the daily work. So, being transparent on what is important, but also whilst being reasonable. A smart mix of communication, basically.”</i></p> <p style="text-align: right;">Thomas, CEO, Travelbuddy</p> <p><i>“He was the one who's always in contact with investors. I mean, he called them and talked to them all the time. It was important due to the critical situation that he was in contact with them all the time.”</i></p> <p style="text-align: right;">Therese, COO, Travelbuddy</p> <p><i>“You want to be as transparent as possible. But sometimes you introduce a delay in communication because you just want to make sure that you don't overcommunicate. So, transparency is important, but so is filtering.”</i></p> <p style="text-align: right;">Wilson, CEO, Wavelength</p>
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E12	Inter-BoD-NVT communication	<p><i>“I think that trust is a very important component when it comes to stress. And even when I talk to new investors. If I don’t feel trust in the room, I know that they are not going to help me.”</i></p> <p style="text-align: right;">Dimitri, CSO and co-founder, Datahouse</p> <p><i>“We (the CEO and chairman) came in together more or less, and therefore, we have a good understanding of each other. So, we formed a team. And you know, that makes my life easy. Of course, it’s not easy. It’s incredibly complicated, but that relationship is incredibly important.”</i></p> <p style="text-align: right;">Marc, CEO, Medicare</p> <p><i>“It’s a lot about trust, isn’t it? Do you trust me, that I’m using the resources and the money and the whole team as effectively as possible? Or do you think the reason that they are missing their timelines is because they’re not working hard enough or they’re not working in the right way.”</i></p> <p style="text-align: right;">Marc, CEO, Medicare</p> <p><i>“I think it’s extremely important that you have a good relationship with those people. Absolutely. But it’s based on more on, let’s say, mutual respect.”</i></p> <p style="text-align: right;">Marc, CEO, Medicare</p> <p><i>“I am a big believer of having a good strong chairman, who is respected by the rest of the board.”</i></p> <p style="text-align: right;">Mark, CEO, Medicare</p> <p><i>“I know why we’re doing this. I know what my job is in this transition.’ So that’s important for everybody to feel safe and understand what’s going on.</i></p> <p style="text-align: right;">Mark, CEO, Medicare</p> <p><i>“I’ve always been in contact with each one, especially because normally in an early start-up, many of the board members represent your key investors. So, it’s very natural and necessary as a CEO to be in contact with your biggest investors.”</i></p> <p style="text-align: right;">Thomas, CEO, Travelbuddy</p> <p><i>“You feel that you have taken on a commitment, that you got their trust and their money and now we need to deliver.”</i></p> <p style="text-align: right;">Wilson, CEO, Wavelength</p> <p><i>“I want to be able to just pick up the phone, call the chairman and ask him ‘what do you think about this?’”</i></p> <p style="text-align: right;">Wilson, CEO, Wavelength</p> <p><i>“It is important to have someone, that I can have that tight relationship with. Someone that I can discuss back and forth, pros and cons, and who is available for that sort of discussions as well.”</i></p> <p style="text-align: right;">Wilson, CEO, Wavelength</p>

E13	Intra-NVT characteristics	<p><i>“I can still develop, so I always help Douglas (the CTO), if we have a tight deadline and I can also go on sales meetings and stuff like that to help Dimitri (the CSO) if there is a lot. So we always support and relief each other.”</i> David, CEO and co-founder, Datahouse</p> <p><i>“I just think you got to be really open about it (the stress) with the group.”</i> Douglas, CTO, Datahouse</p> <p><i>“I think that I couldn't run a company by myself, because that would be very, very stressful.”</i> Dimitri, CSO, Datahouse</p> <p><i>“I just felt like I knew what was left, and I knew that he would be able to finish it before the next day. It's the confidence in the team (that relieves stress) and that everyone knows that we deliver on time.”</i> David, CEO, Datahouse</p> <p><i>“I think communication and to act like a team is important during stressful situations. So, no one feels the stress alone.”</i> David, CEO, Datahouse</p> <p><i>“I feel that stress is a bit of a taboo sometimes and you don't really want to admit that you're feeling stressed. I think that it's, it's really important that you have an open culture about it.”</i> Douglas, CTO, Datahouse</p> <p><i>“It's important that you have good relationships. Good relationships and respect for each other.”</i> Mark, CEO, Medicare</p> <p><i>“When you are as few as four or five or six people you know, there is a seed of culture, but not much more than that. So, I think the impact of the CEO and are of the founder has a bigger impact on stress than anything else.”</i> Thomas, CEO and founder, Travelbuddy</p> <p><i>“If you have a problem or if you feel stressed, it's easier to share, if you are in a team that has the same values.”</i> Therese, COO, Travelbuddy</p> <p><i>“We knew that everybody tried their best and really tried to solve the situation.”</i> Therese, COO, Travelbuddy</p> <p><i>“It's important that you feel that you were in a team. If I wouldn't have felt such a strong connection, it wouldn't have been possible. You felt that you were in this together.”</i> Therese, COO, Travelbuddy</p> <p><i>“It's such a small team. We depend on everyone; someone not feeling well or being stressed.”</i> Wilson, CEO, Wavelength</p> <p><i>Everyone became aware of the situation (an individual feeling stressed). So, we have spent time trying to figure out what we can do differently to make sure that</i></p>
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