

Psychosocial stress and coping mechanisms of Entrepreneurs during COVID-19 Pandemic

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ABSTRACT

COVID-19's social distancing restrictions and demand shifts are expected to close many small businesses, but there is little early evidence of the effects. This paper is the attempt to examine how the pandemic has affected the number of active small businesses in India. Over the critical two-month period from February to April 2020, the number of active business owners in India fell down at significant rate. The drop in business owners was the greatest on record, with losses felt across nearly all industries and even incorporated businesses. The paper has focused upon the mental health issues of small and big entrepreneurs and the effective mechanisms of coping from stress during COVID-19 pandemic.

Keywords: *Psychosocial, Stress, Coping Mechanisms, Entrepreneurs, COVID-19.*

COVID-19 started in December 2019, like a viral outbreak in Wuhan city of China. Then WHO and Chinese authorities started to work together with a view to establish the aetiological agent and found it to be a new virus, so named as Novel Corona Virus (2019-nCoV). On 11th January, the first death related to COVID-19 was reported. Over the period of few weeks, infection spread furiously across the globe leading WHO to declare Public Health Emergency of International concern on 30th January, 2020 (WHO 2020b, 2020c).

Businesses are being hampered by nationwide lockdowns and social distancing at a time when the entire world is paralysed by a COVID-19 pandemic. Companies big or small are witnessing effects, regardless of how long they have been in operation. This is causing them to reconsider how they manage and operate their business, including a re-examination of their working business plan. The entire world has come to a halt, and everyone is talking.

Covid -19 has affected masses not only in physical level but also on psychological and financial level. Entrepreneurs are globally considered to be the pillars for the development of the country's economy. Entrepreneurs' role becomes more significant in a developing nation like India. It has been seen that many people have lost their jobs in service industry.

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The current population survey (CPS) data of USA portrays particular data about gender, race, and immigration status also depicts the number of female and male business owners between February and April 2020. COVID-19 had a particularly negative impact on female-owned businesses. During the critical two-month period, the number of female business owners fell from 5.4 million to 4.0 million. One-fourth of female business owners are disappearing. (Fairlie, 2020).

According to the report from Canadian entrepreneurs, two out of every five business owners (39%) are stressed at least once a week, and two-thirds are exhausted or have low energy (64%). The pandemic is wreaking havoc on certain subgroups, especially women entrepreneurs, visible minorities, and business owners who have yet to resume or have only partially resumed activities following the initial epidemic. The Canadian Mental Health Association (CAMH) published a report of analysis and informed prediction about the mental health of Canadian entrepreneurs in 2019, which included findings on entrepreneurial stressors, how entrepreneurs are dealing with mental health problems, and the challenges they face in accessing mental health services. Mental wellbeing is a concern for almost one-third of Canadian entrepreneurs. Not only Canada but according to Shah et al. (2020) this mental health related issues such as stress, anxiety and depression has been witnessed and reported across the globe during covid 19.

The condition of entrepreneurs becomes even worst in developing and under developed countries where resources to earn livelihood is even scarce. According to (Rubbin & Wessely 2020) Lockdown created huge stress and fear among entrepreneurs because of mass quarantine and increased news about death from covid and losing expenditure and earnings are difficult. Quarantine causes a loss of control and a sense of being trapped, which is exacerbated when families are separated, especially when their livelihood is also impacted. Entrepreneurs, on the other hand, are more vulnerable to burnout than salaried employees (Kuan-Han et al., 2020), because they work longer hours (Bodier et al., 2010), spend less time on leisure activities (Van der Zwan et al., 2018), sleep less (Guiliani & Torrès, 2018; Gunia, 2018), and have a more stressful work life due to their economic and managerial responsibilities (Dahl et al., 2010).

Even the smallest health issue for an entrepreneur can have far-reaching implications for the entire company (Chao et al., 2007), especially if the company is young. Small enterprises, according to Mintzberg, are "... dependent on the health and whims of one individual." A single heart attack can devastate the organization's primary coordination system" (Mintzberg, 1979: p. 312). Thus, a small business's health is likely the most important intangible capital (Stephan, 2018; Torrès, 2012; Torrès & Thurik, 2019). Entrepreneurial stresses have been discovered across several studies. Human resource management, sales, finances, suppliers, and administration were recognised as five sources of stress/stressors by Fernet et al. (2016). White and Gupta (2020) identified three key sources of stress for entrepreneurs, based on a thorough literature review: role-related stress, stress connected to business operations, and general life stress.

Role-related stress refers to the various role stresses that entrepreneurs face, such as role ambiguity, role conflict, and role overload (see role theory of Kahn et al., 1964). The stress associated with business operations refers to the duties that entrepreneurs have at work. Finally, general life stress refers to the stress that entrepreneurs endure outside of the workplace (White & Gupta, 2020). As a result, entrepreneurs face stress on a daily basis as a result of their work roles and duties, as well as their personal lives. When there is an

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imbalance between the demands of their surroundings and their present resources, these stressors can become a source of burnout (Wei et al., 2015).

Thus, the entrepreneurs across the globe have witnessed huge stress due to downfall in share markets, markets remained closed for almost a year and entrepreneurs have losing their source of income. Some of the leading factors include the job's exhausting nature. Building a company is a difficult challenge, and when you're in control of everything, the stress and pressure levels are bound to rise. It's more likely that the boundaries between work and life gets distorted leading to work life imbalance. (Roy et al. 2021)

It is also reported that minorities including women, tribal, are substantially more likely to claim that mental health issues have hampered their ability to function (48%) and that they would have appreciated professional help (33 %). Business owners who had not yet resumed their activities were significantly more likely to feel tired (87 %), depressed (75 %) and say that mental health challenges hindered their ability to work (5 %). (Khari et. al., 2020)

Researchers reported some of the common reasons for entrepreneurial stress during covid 19

- **Financial Stress:** There's no such thing as a "typical" startup; some of these businesses are able to get off the ground with almost no investment, while others spend millions of dollars before they go live. Still, the Small Business Administration estimates that the average startup requires at least \$30,000 to get going, and if you're the entrepreneur starting the business, you may have to dip into your savings or accumulate debt you're personally liable for.
- **Uncertainty of ongoing venture:** Some of the entrepreneurs have already invested huge money in their startups or in their running business but due to lockdown they did find it difficult to pay huge installments of the loan they have taken.
- **Government Rules and Guidelines:** The business landscape is rapidly changing. Every day, it appears that the government issues new regulations impacting business owners. Business owners will need to monitor news from the local, state, and federal governments on a daily basis in order to understand and follow new legislation and changes. Most importantly, ensure that you are getting your information from a reliable source.
- **Shift from ongoing venture to the new one:** Most of the entrepreneurs had gone through severe stress as they had to stop their ongoing venture due to lockdown in the city and had even faced with the challenges of survival. All that resulted in to shifting to entirely different venture considering the requirement of the pandemic times. Shifting from one's established venture to entirely new one can lead to huge stress and even depression.

Ways to Cope with Stress

Identify the psychological problems

When dealing with entrepreneurial stress during COVID-19, one must try to analyze, express and confront their emotions. Keeping the emotions pent up can cause thoughts to become disorganized, stress to become overwhelming, and anxiety would rise. (Dubey et. al 2020). (Rubin &Wessely, 2020) Being honest with yourself and those around you about your entrepreneurial stress during COVID-19 is the first key towards wellbeing and mental health.

Reviving old hobbies to reduce entrepreneurial stress

Certain boundaries must be set to find solutions to your entrepreneurial stress during COVID-19. Do not spend number of hours attempting to deal with problems. It has been observed setting strict boundaries of the work schedule, maintain work life balance and spending rest of the times with reviving old hobbies or cultivating new hobbies can bring significant positive changes in one's mental health and well-being.

Connecting with the Community

At the time of stress and anxiety entrepreneurs must not isolate themselves around the walls. Rather connecting with the community people of same field can make them feel more connected and together some new ventures or startups can also be planned. Such involvement with the community would certainly lead the significant decrease in stress and anxiety.

Get support from multiple sources

Entrepreneurs must not shy away from seeking support. Support comes in a variety of forms. To manage the entrepreneurial stress during COVID-19, it's always wise to seek support from your loved ones, community people, friends and family and specially mental health professionals. There is a sudden rise in awareness about availability and need of mental health professionals during lockdown. One should also consider seeking the assistance of a Tele mental health provider if can't find any mental health professional in vicinity. They can offer you much-needed perspective as well as tools to help you succeed and overcome stress.

Government role in dealing with pandemic times

The Government of India has been developing strategies and various action plans to ensure that businesses and the economy thrive and recover from these difficult times. By promoting the Atmanirbhar Bharat Abhiyan, policymakers are focusing not only on business continuity and sector revival, but also on improving the ease of doing business within the country.

Considering the severity of pandemic and increase number of cases, Rajya Sabha has recently passed National Commission for allied and health care professionals bill under section 2(f) in which all counsellors, psychologists except clinical psychologists, psychiatric social worker, behavioral analyst, mental health support workers can be registered with central council as behavioral health sciences professionals. Thus, unlike earlier now onwards there is no dearth mental health professionals. Thus, there is a dire need for all sections of people to stay update about the mental health needs during the pandemic times and approach mental health professionals to seek support to overcome stressors.

Limitations and Future Research

There are some limitations in this paper that warrant additional investigation. The first constraint is generalizability. Only studies which are available during initial phase of COVID-19 are included in the study which are limited from country to country and state to state. More research is needed to quantitatively evaluate the psychosocial stress in India and coping mechanisms being followed by entrepreneurs using a large cross-sectional dataset in India allowing more generalizable findings to be drawn. It is also required to see which coping strategies such as emotion focused coping, problem focused coping, meaning making or religious coping have been used by Indian entrepreneurs during COVID-19.

CONCLUSION

Fears of a new recession and financial collapse necessitate resilient and strong leadership in healthcare, business, government, and society as a whole. Immediate relief measures must be put in place, and those who may fall through must be addressed. To rebalance and re-energize the economy after the crisis, medium and long-term planning is required as pandemic has not yet ended. It is necessary for the governments to constantly assess and re-evaluate the financial crisis of entrepreneurs and to make policies to help them financially as well as psychologically where mental health professionals take a lead with the other medical professionals to contribute positively in addressing the needs of the entrepreneurs in general.

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Conflict of Interest

The author(s) declared no conflict of interest.

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