

There is a mental health crisis in entrepreneurship. Here's how to tackle it

By: Marcel Muenster and Paul Hokemeyer

_: I am one of 582 million people, almost 8% of the global population, who have devoted their lives to entrepreneurship. This means that for the past decade I have been in the process of either starting or running my own business. But what are the implications of this identity as an entrepreneur on my psychological well-being - and the well-being of the global community?

An entrepreneur has been described as someone who passionately and creatively pursues an idea from concept to actualization as a result of a discovered need or challenge in the market. Or in the words of the iconic Steve Jobs: "The people who are crazy enough to think they can change the world are the ones who do."

Thought leaders around the world, including those who gathered in Davos earlier this year, recognize the extraordinary value that entrepreneurship adds to job creation, economic growth and the commercialisation of innovation. The largest global data set on entrepreneurship from the World Bank shows a statistically highly significant and positive effect of start-ups on GDP per capita, exports per GDP, patents per population and job creation.

In the US alone, start-ups create approximately 43% of new jobs annually based on data released by the Census Bureau's Business Dynamic Statistics (BDS). The Small Business Administration has calculated that from 2000 to 2017, small businesses created 8.4 million net new jobs as opposed to 4.4 million jobs created by large corporations. In 2015 there was a total of 30.2 million small businesses, representing 99.9% of all firms.

But while the data sets have historically focused on the macro wellbeing of local and global economies, they have failed to measure the pernicious impact that mental health disorders have on the micro well-being of founders. Fortunately, the focus of the value analysis has begun to change.

The mental health crisis in start-ups

According to Dr Paul Hokemeyer, an expert in elite identity constructs: “Given the extraordinary impact entrepreneurs have on our world economy, it's critically important they operate in a state of optimum emotional and relational health. Unfortunately, in our current zeitgeist of founder burnout as a benchmark of entrepreneurial excellence, such has not been the case.”

A recent study by the University of San Francisco researcher Michael A. Freeman focused on the mental health crisis that is raging, acknowledged but ineffectively addressed, among the men and women who comprise the entrepreneurial community.

According to this study, approximately one half (49%) of entrepreneurs suffer from at least one form of mental health condition during their lifetimes. These include ADHD, bipolar disorder and a host of addictive disorders.

Freeman's research has shown that start-up founders are:

- Twice as likely to suffer from depression

- Six times more likely to suffer from ADHD

- Three times more likely to suffer from substance abuse

- 10 times more likely to suffer from bipolar disorder

- Twice as likely to have a psychiatric hospitalisation

- Twice as likely to have suicidal thoughts

These findings are actually conservative in the clinical experience of Dr Hokemeyer: “In my clinical practice, I see percentages in the range of 80% of entrepreneurs who struggle with a host of personality disorders such as narcissism, sudden wealth syndrome and the impostor syndrome.

“These conditions erode not just the effectiveness of start-up founders; they also have a negative impact on the endeavours that these highly intelligent human beings have risked their financial, relational, intellectual and emotional capital to pursue.”

When asked to explain why he thought that is, Dr Hokemeyer explained: “Entrepreneurs are trained to ignore the qualitative needs of their well-being measured in meaningful and authentic relationships, overall life satisfaction and happiness. The message they have internalised from the field's most celebrated entrepreneurs is the outdated prescription of ‘no pain, no gain’ and a pernicious message that success is purely measured in quantitative returns, return on investment and profit.

“For these highly intelligent individuals, quantitative returns trump qualitative considerations. Unfortunately, in this paradigm entrepreneurs crumble, struggling to calibrate the dissonance between their internal awareness that their physical and emotional distress compromises their performance with the industry standard of cutthroat competitiveness that has defined the field for centuries.”

Fortunately, there is a solution. At this year's World Economic Forum meeting in Davos, thought leaders and luminaries such as the UK's Prince William, the CEO of Kaiser Permanente Bernard Tyson, and John Flint, CEO of HSBC, among others, have begun discussing mental health issues in a curative and non-stigmatising light. But while awareness is important, concrete steps are critical to minimising the mental health risks while maximising the social and cultural benefits of entrepreneurial endeavors.

Our action plan

To build on the momentum of Davos, Dr Hokemeyer and I have come up with tangible steps to mitigate the damage caused by founder burnout and other mental health challenges.

1. Destigmatisation: Investors need to lead by example, by showing founders that it's OK to be vulnerable and open up about their mental health challenges. The process of openly communicating and showing support for founders can start as early as in the due diligence process of start-ups. A great way for investors to support this initiative is to take the Investors Pledge developed by Erin Frey and Ti Zhao. It is a public commitment to take an active role in mental health.

2. Wellbeing resources: The global investment community must change their mindset by expanding their horizon beyond financial and other key performance indicators by also taking into account the mental and physical wellbeing of their most important asset, the founders. Just because a start-up has raised \$2 million or more doesn't mean that the founders have the means to seek support and help. It is the

investor's responsibility to allow founders to spend a fraction of the investment on their personal wellbeing.

3. Investor support: Investment funds need to include mental health professionals in their organisational ecosystem to serve as support systems and to implement empirically proven, enhancing and curative strategies for the leadership of the human beings who are stewarding their investments.

Given the volatile state of the geopolitical climate within which entrepreneurs are striving to create social and economic value, it is critically important that their valuations of success include qualitative measures of mental health in addition to quantitative measures of financial return on investment. To do this we need to work as a global community to incorporate established tools such as the WHOQOL to measure the psychological and relational health of individuals and communities.

The stage was set for this expansion in Davos. We now need to populate this stage with activists who will expand the traditional boundaries of valuations from the purely quantitative to a mixture of quantitative and qualitative returns.

We can build an inclusive workplace, and it starts with empathy

By: Simon Freakley

_: "Genius draws no color lines."

In 1939 US Secretary of the Interior Harold Ickes said those words as he welcomed renowned contralto Marian Anderson to the steps of the Lincoln Memorial. Her performance was profound: Anderson stepped onto the stage after having been prevented from singing at Constitution Hall, a venue which allowed white performers only. Still, her genius moved thousands that day; to watch the performance now sends a chill down my spine.

The story of Anderson's performance and Ickes's words embody something I think about often, not only as an opera enthusiast, but also as a human and a father - and as a CEO in an industry that continues to struggle with diversity.

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