

Chapter

A Theoretical and Practical Analysis of Balancing Entrepreneurial Success and Mental Well-Being

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Abstract

Entrepreneurship plays a vital role in economic growth and innovation but often imposes significant psychological strain on entrepreneurs. Despite extensive research on business success, the mental health dimension of entrepreneurship remains underexplored. This study aimed to critically analyse how theoretical perspectives on entrepreneurship intersect with the practical realities of stress, burnout, and resilience among entrepreneurs. A qualitative desktop research methodology was adopted, reviewing recent academic literature published between 2019 and 2025. Findings revealed that entrepreneurial stress, uncertainty, and overwork contribute to declining mental well-being, which, in turn, affects venture sustainability. Theoretical models such as the Job Demand–Resources and Diathesis–Stress frameworks explain how psychological strain evolves within entrepreneurial contexts. The study recommends integrating mental health awareness into entrepreneurship education, policy, and business incubation programmes. These interventions can strengthen entrepreneurs’ resilience, enhance productivity, and promote sustainable entrepreneurial ecosystems in emerging economies.

Keywords: entrepreneurship, mental health, resilience, burnout, sustainable practice

1. Introduction

Entrepreneurship is characterised by the ability to generate a new idea that has the potential for financial gain. It involves establishing a creative and unique venture that can prove to be successful. It is the process of using resources to your advantage and providing a service or product that is in demand. Entrepreneurs are responsible for accepting the various risks associated with their ideas, specifically financial, family, and employment risks [1]. This paper focuses on mental health surrounding entrepreneurship and how entrepreneurs are experiencing burnout, stress, and mental well-being challenges. The ‘dark side’ of entrepreneurship will be explored, along with identifying how this can, and is, affecting entrepreneurs in South Africa.

Various strategies to deal with these mental health challenges will be discussed in the context of an entrepreneurial environment. This study is important because it highlights an ongoing and serious issue that is rarely discussed. This issue involves the psychological struggles that several entrepreneurs are facing, whether it be start-ups or successful entrepreneurial businesses. The challenges faced by entrepreneurs need to be addressed so that future entrepreneurs are made aware of them and can deal with them accordingly. This paper will help to highlight the daily challenges that entrepreneurs face behind closed doors.

The available literature relating to the theme of this study indicates that, in the past, there has been a large focus on only the successes of entrepreneurs rather than the downfalls they face and how these impact their health. Current research shows a different perspective on what it means to be an entrepreneur, as more research papers are focusing on the mental health issues that entrepreneurs experience, which this paper will address. Emphasis is placed on how depression, suicide, and mental disorders are becoming increasingly prevalent among entrepreneurs [2]. Research indicates that the negative side of entrepreneurship can be broken down into 'The Triple Ds framework' – dark, destructive, and downside [3]. Recent literature also explores how the COVID-19 pandemic has caused mental health problems in entrepreneurs in the form of stress, fear, and anxiety [4].

Several articles disregard the negative side of entrepreneurship, creating a knowledge gap. This study aims to fill that gap by addressing the issues that entrepreneurs face and how they can navigate through them, thereby enabling future entrepreneurs to be more aware of these challenges.

1.1 Background of the study

The purpose of this study is to highlight the seriousness of an issue that is often overlooked. It aims to shed light on the mental health issues faced by entrepreneurs, as a large focus is centred around the positive aspects of entrepreneurship instead of the reality that many business owners face. Not enough focus is placed on the hardships that entrepreneurs experience, and so this paper sets out to acknowledge the dark side of entrepreneurship, such that future entrepreneurs are better educated on the subject. This article will help aspiring business owners and current entrepreneurs not feel so isolated when faced with such challenges.

With regards to local entrepreneurs, South Africans have had to navigate through countless challenges to remain successful in their businesses. Load shedding, COVID-19, and rising fuel prices have negatively affected the performance of entrepreneurial businesses in the past few years. A study conducted at UC Berkeley (University of California, Berkeley) declared that 72% of entrepreneurs in South Africa had some form of mental health problem, and that 30% of this group of people had a history of depression, 19% of whom had attention deficit hyperactivity disorder (ADHD), 12% with substance abuse problems, and 11% who have bipolar disorder [5].

Entrepreneurial mindsets are greatly affected by current socio-economic challenges such as unemployment, lack of education, and the rising competition in the entrepreneurial environment [1]. Unemployment rates have surged in recent years, with South Africa's unemployment rate reaching approximately 30% in 2024, resulting in the country having the highest unemployment rate in Africa [6]. Other

factors affecting entrepreneurs mentally include limited job opportunities for youth and financial uncertainty [1].

The effects of entrepreneurship on mental well-being have been witnessed globally as well. A study from the Harvard Business Review revealed that entrepreneurs have a 30% higher chance of being depressed as opposed to those who are not entrepreneurs [7]. An American journal stated that entrepreneurs are exposed to major stressors that cause anxiety, depression, and other mental health conditions. This results in 'emotional whiplash' [7], where entrepreneurs are thrown into a vicious cycle of successes and failures, creating mental problems [7].

1.2 Problem statement

Entrepreneurship is widely promoted for its role in economic growth and innovation, yet dominant academic and public narratives continue to emphasise success while systematically neglecting the psychological costs borne by entrepreneurs, resulting in an incomplete and potentially misleading understanding of the entrepreneurial experience [1]. Emerging evidence indicates that entrepreneurs face disproportionately high levels of stress, burnout, anxiety, depression, and even suicidal ideation due to financial uncertainty, long working hours, social isolation, and the emotional consequences of business failure – challenges that are rarely integrated into mainstream entrepreneurship education and policy discourse [2]. In the South African context, these psychological pressures are further intensified by structural constraints such as high unemployment, economic instability, and recent crises, exacerbating mental health risks among self-employed individuals [5, 6].

Although recent studies acknowledge the 'dark side' of entrepreneurship, including the destructive and downstream effects of failed ventures, the literature remains fragmented and lacks an integrated synthesis of psychological effects, mental disorders, and coping strategies relevant to entrepreneurs [3]. This gap limits the ability of aspiring entrepreneurs, educators, and policymakers to anticipate risks and implement evidence-based support mechanisms, thereby underscoring the need for a comprehensive desktop study that consolidates current knowledge on entrepreneurial mental health challenges and identifies strategies to promote sustainable mental well-being within entrepreneurial environments [8].

1.3 Purpose of the study

The purpose of this study was to critically analyse how theoretical perspectives on entrepreneurship intersect with the practical realities of stress, burnout, and resilience among entrepreneurs. By consolidating evidence on psychological effects and identifying strategies that promote mental well-being, the study seeks to contribute knowledge that can support healthier and more sustainable entrepreneurial practices. The findings are intended to benefit key stakeholders, including current and aspiring entrepreneurs, entrepreneurship educators and higher education institutions, policymakers, business support organisations, and mental health practitioners, all of whom play a role in shaping supportive entrepreneurial ecosystems.

1.4 Objective of the study

To critically analyse how theoretical perspectives on entrepreneurship intersect with the practical realities of stress, burnout, and resilience among entrepreneurs.

2. Literature review

The underlying mental health problems faced by entrepreneurs are becoming more prevalent. This has led to an increase in studies surrounding how the mental well-being of entrepreneurs is being affected in terms of stress, burnout, and a range of psychological effects. Entrepreneurs are experiencing large amounts of emotional turmoil that the majority of non-entrepreneurs are unaware of. Researchers have explored various aspects of this topic, including how mental disorders develop in entrepreneurs, the effects of unsuccessful businesses, and how poor mental health can reflect badly on the outcome of a business venture. Some studies showcase the effects of mental health on businesses, while others focus more on how entrepreneurship can negatively affect those involved in the venture. The selection of sources was based on the relevance of the article, journal, or paper in terms of the topic discussed. Only sources published within the past five years were selected for this study. This literature review will also comment on the methods that have been established to help those struggling with mental health challenges in the entrepreneurial environment. A thematic approach will be taken for the review of current academic literature sources. This review will critically examine the available literature on the topic of the 'dark side' of entrepreneurship. It will identify key findings and gaps, along with providing a comprehensive understanding of the focus of this study.

2.1 Conceptual framework

Important concepts that guide this study are defined below.

Mental health refers to the state of psychological well-being of a person and allows them to handle the challenges of life, along with performing duties efficiently, recognising their potential, and actively participating in their community. It is a fundamental aspect of a person's overall health and supports a person in the choices they make and the relationships they develop [9].

Anxiety is something that creates a feeling of fear or worry in a person. It is an uneasy emotion characterised by nervousness and worry about a current situation or something that could happen in the future. It is a 'future-oriented, long-acting response broadly focused on a diffuse threat' [10].

Stress is the feeling of worry or psychological tension created by unfavourable situations. It is a human response when faced with problems in life. The way one copes with stress will influence their overall well-being [11].

Burnout is a syndrome caused by 'chronic workplace stress' that has been poorly managed. It is characterized by feelings of fatigue and a negative mindset related to one's job. It specifically refers to a person's emotions in an occupational context [12].

Fear is an intense emotion experienced due to an imminent threat and can lead to mental changes. It is a short-term response to a present threat that is generally experienced when attempting to avoid a certain situation [13].

The literature review focuses on four essential themes: these themes include the psychological effects that entrepreneurs face, depression and suicide among entrepreneurs, the negative aspects of being an entrepreneur, and strategies that promote mental well-being.

2.2 Psychological effects experienced by entrepreneurs

The study by Pradana et al. [14] investigates the effects of entrepreneurs experiencing heightened stress throughout the process of starting and growing a business venture. This stress develops due to the challenging nature of being an entrepreneur, which is often associated with taking risks, making difficult decisions, and constantly being exposed to uncertainties. The demands of entrepreneurship are closely related to poor mental health, showcasing the substantial impact that the pressures of running a business can have on a person [14]. The mental well-being of an entrepreneur is largely influenced by stress. The concept of well-being involves not only emotional aspects but also psychological and social factors, which are essential for an entrepreneur. Mental health and well-being have proven to be significant in the functioning of a person in their private and professional lives [14]. Research indicates that happiness, as opposed to stress, in entrepreneurs acts as a motivator. This can positively influence the mental well-being of a person, leading to greater success in the organisation and creating a better overall environment for entrepreneurs to work in, both mentally and physically [14].

Self-employed individuals are not only experiencing stress during their daily lives but are also at risk of burnout, which impacts both their mental health and professional performance. A study conducted in Germany highlighted declining start-up rates among entrepreneurs who were experiencing high levels of stress due to extensive workloads and significant financial uncertainties [8]. The study analysed 117 entrepreneurs in Germany, focusing on the work demands of entrepreneurs and strategies to manage stress. Results from the study revealed a strong correlation between the demands of being an entrepreneur and mental fatigue. Mental fatigue and exhaustion increased significantly when business owners experienced higher levels of stress [8].

Burnout among self-employed individuals indicates that chronic stress can result in serious mental health problems like depression and anxiety, significantly affecting the business's performance and efficiency. Burnout is primarily caused by prolonged stress in a work environment where there are long working hours and important responsibilities [8]. The study utilises a 'Job Demand-Resources' (JD-R) model to outline how burnout and mental fatigue can develop within the workplace. The model helps identify the link between stresses and strains experienced in a working environment. The JD-R model is based on work design theories that define how work resources and motivation are related. Work resources can be identified as the social, psychological, and physical factors that motivate a person to reach their goals [8]. The model recognises the impact that work demands and resources can have on burnout. Within the article by [8], work demands are characterised by activities that cause continuous mental and physical stress, such as deadlines and high-pressure environments.

Within the entrepreneurial environment, various stressors were identified throughout the German study, directly relating to quantitative and cognitive demands. Within the research, these demands included considerable volumes of

tasks being undertaken by entrepreneurs, as well as having to make important decisions [8]. A concept known as ‘presenteeism’ was also observed in individuals during the study conducted in Germany. This was described as the tendency to work while being in a state of mental fatigue. This can have detrimental effects on mental health, illustrating unhealthy strategies for dealing with stress in a business environment [8]. The study investigated how psychological effects, like stress and burnout, can negatively affect productivity, performance, and overall job satisfaction among entrepreneurs. It highlighted how these underlying issues can further deteriorate an individual’s mental health if not effectively managed through appropriate coping mechanisms [8].

2.3 Mental disorders among entrepreneurs

The impact of entrepreneurial stress can result in serious mental disorders, including depression and suicide [2]. Depression is characterised by the emotion of sadness and a lack of interest in completing daily activities [15]. Depression is becoming prevalent among entrepreneurs because of their high-stress environment, as well as factors like the failure of the business and unmanageable debt. Entrepreneurs also experience insomnia and fatigue, all of which contribute negatively to their mental state. Depression may not be experienced by all entrepreneurs, as everyone has different levels of vulnerability. Each person may react differently to stressful situations depending on their past experiences, trauma, and genetics, all of which can influence whether a person develops depressive symptoms or not [2]. The Diathesis–Stress model, shown in **Figure 1**, was developed to examine why some people experience depression while others do not.

The systematic review conducted by Cubbon et al. [2] explores three major factors that influence mental health in entrepreneurs. These contributing factors include social relations, work characteristics, and personal factors. These themes align with the Diathesis–Stress model in **Figure 1**.

The paper by Cubbon et al. [2] commented on how social relations can cause depression in entrepreneurs. This theme discussed how social isolation is common among entrepreneurs due to their long work hours, high workloads, and working alone. Separation from support systems and having minimal social interactions can

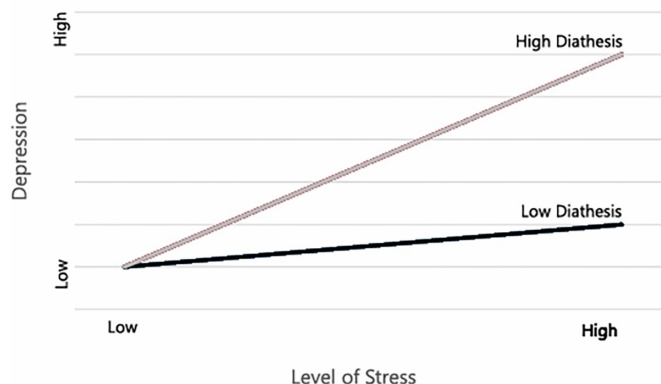


Figure 1.
Diathesis–Stress model [2].

negatively impact an entrepreneur's mental well-being. This lack of a support system, combined with the stresses and demands of the entrepreneurial environment, can contribute to depression in business owners. A higher depressive mood is experienced as the lack of social support becomes more significant. Some entrepreneurs may feel as though they do not need a support system due to their desire to manage themselves and their business independently. Another leading contributor is that entrepreneurs and their significant others may have different careers, resulting in differing working hours. Entrepreneurs' working hours can put strain on their relationship with their partner due to their inability to balance work and social lives. This can lead to entrepreneurs not being fully supported by their partners, creating a negative mindset that could ultimately cause depression.

Work characteristics were also reviewed among entrepreneurs. This relates to how an entrepreneur plans their time throughout their working day. When entrepreneurs have control over their work schedule, they can structure their day more effectively, lowering the risk of depression and fatigue. Whereas, when entrepreneurs are overwhelmed and lack control of their work routine, this can create an irregular sleeping schedule due to excessive work hours. As per the review by Cubbon et al. [2], insomnia in entrepreneurs is linked to depression, and the two can influence each other. Poor sleep routines can reduce an entrepreneur's attention to detail, motivation, self-efficacy, and influence the decisions they make. Negative thoughts can develop, reducing an entrepreneur's self-confidence and diminishing their motivation to work hard to grow their business. Self-efficacy is characterised by an individual's ability to achieve their goals when faced with difficult circumstances and obstacles [2].

Lastly, personal factors were investigated in the article by Cubbon et al. [2], focusing on how an entrepreneur's personal life and living standards can impact their mental health. An entrepreneur's personality also significantly affects their psychological well-being. A person's confidence, self-motivation, and self-efficacy all influence their mental health. Low self-efficacy is associated with depression and can affect the way business owners function both mentally and physically. These factors largely contribute to entrepreneurs viewing themselves in a negative light, creating negative thoughts, lowering their motivation to complete daily tasks, and subsequently placing their business at risk. The article by [2] further comments on the increase in the number of deaths caused by suicide or clinical depression among entrepreneurs. These findings have heightened public awareness surrounding the mental health risks associated with being an entrepreneur [2].

2.4 The negative side of entrepreneurship

Entrepreneurs are faced with a multitude of responsibilities and decisions that can influence the outcome of their business ventures. The high-stress environment they are exposed to daily greatly impacts their mental health, the way their business may perform, and their overall well-being. Entrepreneurship is associated with positive outcomes such as financial rewards, self-confidence, and status, but there are also negative aspects that are often overlooked by the majority. The article by Sordi et al. [3] explores the negative side of entrepreneurship. One of the major concerns when starting a business is whether the business will be successful or not. Failed business attempts can have a large impact on a person and cause psychological harm, as implied by the article focusing on the 'dark side' of entrepreneurship. The

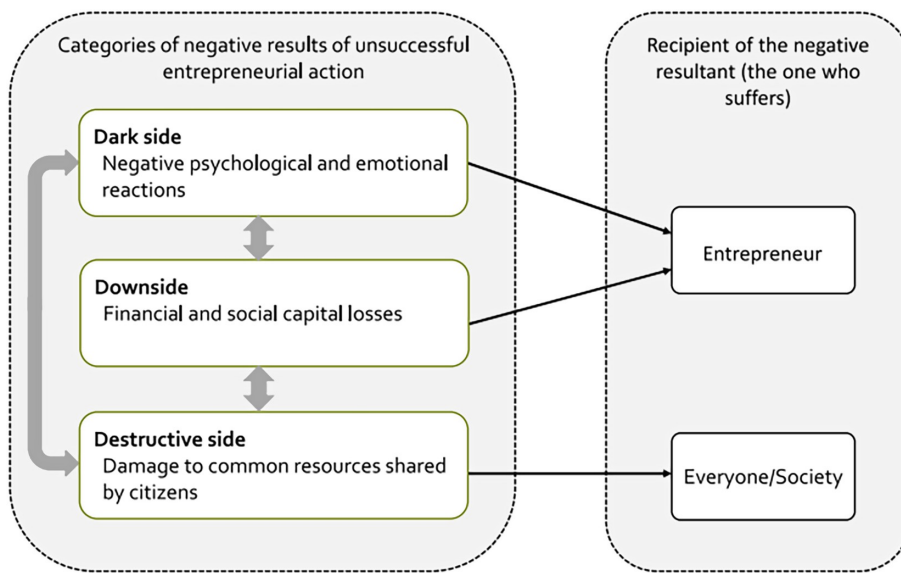


Figure 2.
Triple Ds conceptual schema [3].

‘downside’ of entrepreneurial failure is attributed to the loss of business funding as well as customers. The failure of a business not only affects those directly involved but society as well, showing the ‘destructive side’ of entrepreneurship. These three key elements make up the ‘Triple Ds framework’ that the paper is based on. **Figure 2** shows the conceptual schema behind these three focus points.

To investigate their claims of the ‘Triple Ds framework’, the authors conducted qualitative interviews with 17 failed entrepreneurs and 15 professionals who actively engage with business owners. Alongside this, a review of recent articles was undertaken to analyse current data. Their research revealed that approximately 38 negative aspects resulted from failed entrepreneurial actions. This led to the formation of a taxonomy tree, as illustrated in **Figure 3**. The taxonomy tree categorises the negative results obtained via the analysis of existing literature and interviews conducted concerning unsuccessful entrepreneurship ventures. The authors of this study were also involved in the development of a software tool equipped with the ability to provide access to the taxonomy tree. This initiative is aimed at developing a better understanding of the entrepreneurial environment, allowing future business owners to be more aware of the risks involved.

The study by Sordi et al. [3] highlights how business failure is linked to significant emotional distress, causing feelings of anxiety and depression, which can be related to the bankruptcy of the company or the loss of material property. With these losses come destructive effects that impact not only those actively involved in the business but also others connected to it. The families of employees are affected, as well as the social and economic networks within the business. An important aspect focused on within the research paper is the positive side commonly associated with entrepreneurship, whereas the negative implications of failed entrepreneurial ventures are largely underexplored. Because of this, the article advocates for more inclusive education on entrepreneurship, where both the successes and failures of

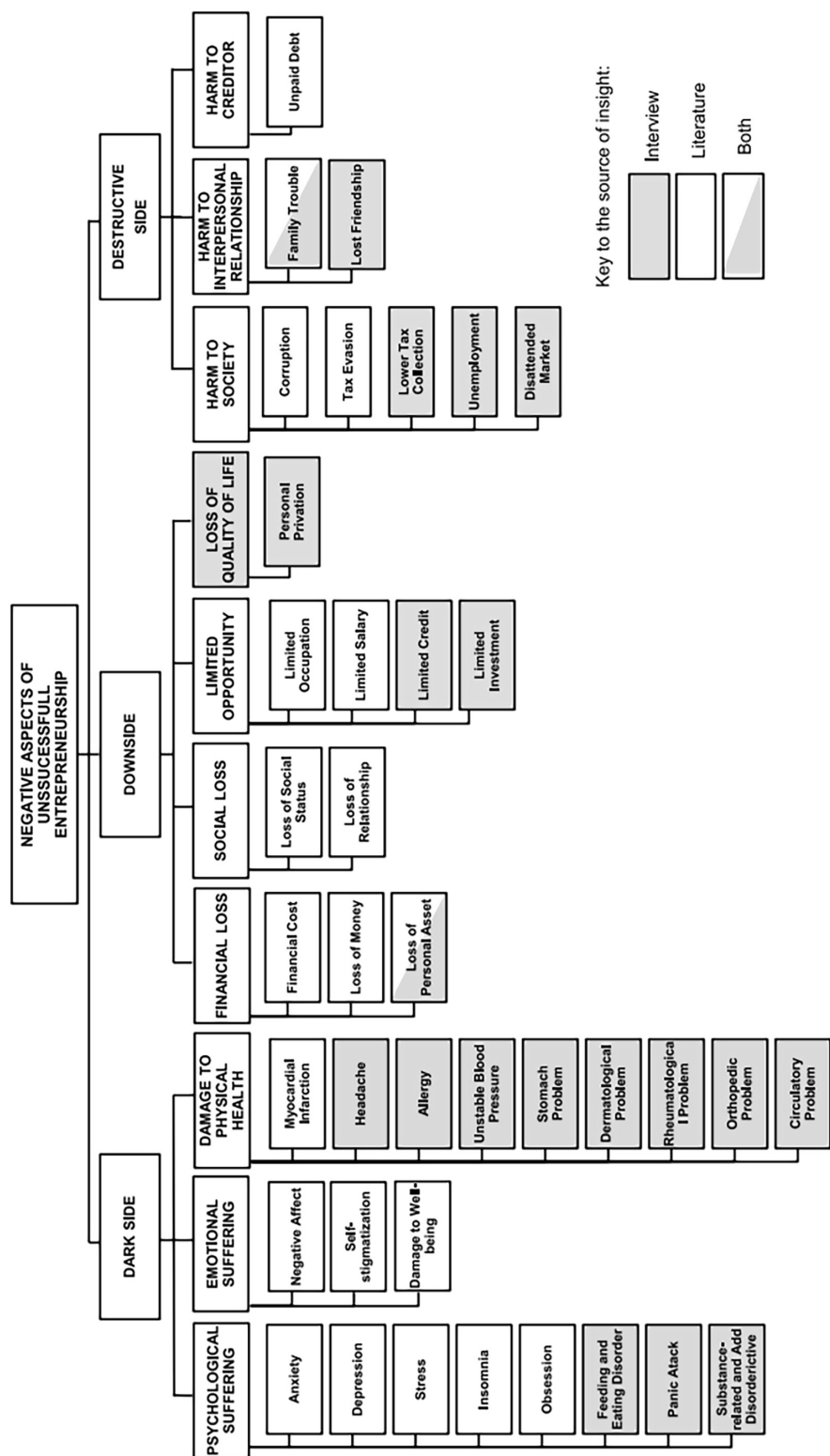


Figure 3.
 Taxonomy tree [3].

entrepreneurs should be studied. This will allow aspiring entrepreneurs to understand all the risks involved in being a business owner.

2.5 Strategies promoting mental well-being in the workplace

Entrepreneurs need effective ways of managing the high demands and stressful environments they are exposed to daily. Strategies to promote mental health and well-being in business owners are discussed in the study by Kiefl et al. [8]. The article reviews several coping mechanisms that can help actively address the stressful nature that comes with being an entrepreneur. Coping strategies can be effective in promoting mental well-being, depending on the coping mechanisms a person implements. These mechanisms may include a proactive approach, where an individual directly addresses the challenges they are facing; this is a problem-oriented approach. However, some people may choose to cope with a problem by avoiding it, increasing the risk of developing mental health issues in the future. This can be categorised as an emotion-oriented coping strategy [8].

Emotion-based coping mechanisms are also known as self-management, where individuals influence their thoughts and feelings, thereby creating self-confidence and motivation. This can drive an entrepreneur to perform better, allowing their business to excel. Creating a positive mindset can also help in managing and planning one's work schedule, reducing the daily demands and stresses of being self-employed, and, as a result, increasing mental well-being [8]. Ways of promoting mental health in the business environment can include advocating for 'job crafting'. The article addressing stress management by Kiefl et al. [8] defines 'job crafting' as a means of altering the environment and conditions under which a person works. This can include people making changes to their attitude, work tasks, and daily planning. This strategy can help mitigate the development of harmful effects such as burnout, mental well-being deterioration, and stressful situations [8].

Entrepreneurs should also be advised to develop support systems so that when they are faced with mentally exhausting situations, they have emotional support. A good balance between work and life must be established to ensure that business owners do not get caught up in the fast-paced environment of being self-employed. This can cause detrimental effects on their health in terms of burnout, mental exhaustion, and mental disorders. Time management is also essential. Time should be designated for relaxation, lowering the risk of harmful psychological effects and fatigue. Entrepreneurs should also seek professional help when they require it, instead of ignoring the signs. To maintain a healthy business and lifestyle, entrepreneurs need to be able to manage not only their business but themselves as well. This entails maintaining healthy mental well-being so that they can succeed in their business venture. Methods that promote mental health and well-being in entrepreneurs are important not only for the growth of their business but also to ensure that their personal lives are not impacted negatively.

3. Methodology

This study adopted a qualitative, literature-based research design, specifically a structured desktop systematic review of scholarly literature, to examine the relationship between entrepreneurship and mental health challenges such as

stress, burnout, depression, and psychological resilience. Literature-based research is appropriate for synthesising existing knowledge, identifying conceptual patterns, and revealing gaps in emerging research areas where empirical evidence remains fragmented. Within the context of entrepreneurial mental health, a systematic review enables the consolidation of dispersed findings across disciplines, including entrepreneurship, psychology, and organisational behaviour.

The methodological approach involved a structured search, screening, and thematic analysis of recent academic literature relevant to the objectives of the study. Academic sources were retrieved from reputable scholarly databases, primarily Google Scholar, the University of KwaZulu-Natal online library, and ScienceDirect, which provide access to peer-reviewed journal articles, review papers, and academic publications within the fields of business management and psychology. The search strategy was guided by a set of predefined keywords reflecting the focus of the study. These keywords included combinations of the following terms: entrepreneurship, mental health, entrepreneurial stress, burnout, psychological well-being, depression among entrepreneurs, and negative aspects of entrepreneurship. The use of multiple keyword combinations ensured broader coverage of relevant literature and reduced the likelihood of omitting significant studies.

To ensure the relevance and quality of the literature included in the analysis, explicit inclusion and exclusion criteria were applied. Studies were included if they focused on entrepreneurship and psychological or mental health outcomes; examined themes such as stress, burnout, depression, anxiety, or coping mechanisms in entrepreneurial contexts; were published in peer-reviewed academic journals or scholarly sources; and were published between 2019 and 2025, ensuring that the review reflects recent developments in research on entrepreneurial mental health.

Sources that did not directly address the relationship between entrepreneurship and psychological well-being, lacked scholarly credibility, or fell outside the specified publication period were excluded from the review. This screening process helped ensure that the analysis was based on credible, current, and relevant academic evidence.

Following the identification and selection of suitable literature, the studies were subjected to qualitative thematic analysis. Thematic analysis was used as an interpretive technique to identify recurring patterns, conceptual relationships, and dominant themes within the literature. The analytical process involved several stages. First, selected articles were read in detail to extract key findings relating to mental health challenges in entrepreneurial environments. Second, recurring concepts and arguments were coded and grouped into broader analytical categories. Third, these categories were synthesised into four central themes that structure the literature review of the study: psychological effects experienced by entrepreneurs; mental disorders among entrepreneurs; the negative or 'dark side' of entrepreneurship; and strategies for promoting mental well-being within entrepreneurial environments.

Organising the literature into these themes enabled the study to systematically compare findings across multiple studies and to develop an integrated understanding of the mental health implications of entrepreneurial activity. The thematic structure also facilitated the identification of conceptual gaps and underexplored areas, particularly regarding the psychological consequences of entrepreneurial failure and the effectiveness of coping mechanisms for entrepreneurs.

To maintain academic transparency and reproducibility, all sources included in the review were properly documented and referenced using the APA referencing style. The systematic organisation of literature, together with clearly defined search and selection procedures, allows future researchers to replicate the review process or extend the analysis using updated datasets.

Despite the strengths of a literature-based methodological approach, several limitations should be acknowledged. First, the study relies exclusively on secondary data derived from existing academic publications, meaning that the findings depend on the scope, quality, and methodological approaches of the studies reviewed. Second, the review does not include primary empirical data from entrepreneurs themselves, which may limit the ability to capture nuanced personal experiences of mental health challenges. Third, although the search strategy prioritised recent publications, it is possible that emerging research not yet indexed in major databases may not have been captured.

Nevertheless, the systematic synthesis of existing scholarship provides valuable insights into the psychological dimensions of entrepreneurship and contributes to the growing body of research that seeks to present a more balanced understanding of entrepreneurial success and well-being. By integrating findings from diverse studies, the methodology supports the study's objective of critically analysing how theoretical perspectives intersect with the practical realities of stress, burnout, and resilience among entrepreneurs.

4. Findings and discussion

The analysis of the selected literature reveals that entrepreneurial activity is frequently accompanied by substantial psychological pressures, which are often overlooked within dominant narratives of entrepreneurial success. Although entrepreneurship is widely celebrated for its role in economic growth, innovation, and job creation, the findings from this study indicate that the lived experiences of entrepreneurs frequently involve complex psychological challenges that influence both personal well-being and business sustainability. The synthesis of the literature identified four inter-related themes that shape the mental health experiences of entrepreneurs: psychological stressors within entrepreneurial work environments, the emergence of mental disorders among entrepreneurs, the structural realities of the negative side of entrepreneurship, and coping mechanisms that promote mental well-being.

4.1 Psychological stressors in entrepreneurial environments

The literature consistently demonstrates that the entrepreneurial environment is characterised by heightened psychological demands that can adversely affect mental well-being. Entrepreneurs often operate under conditions of financial uncertainty, long working hours, and constant decision-making pressures, all of which contribute to elevated levels of stress and emotional strain [14]. These findings suggest that entrepreneurial work differs fundamentally from traditional employment because individuals must simultaneously assume multiple roles, including strategic decision-maker, financial manager, and operational leader. As a result, the accumulation of responsibilities creates a context in which stress becomes an embedded feature of entrepreneurial activity rather than an occasional occupational challenge.

Empirical research further suggests that excessive workloads and cognitive demands significantly increase the likelihood of mental fatigue and emotional exhaustion among entrepreneurs [8]. From a theoretical perspective, these findings align with the JD-R model, which posits that high work demands combined with insufficient resources can produce burnout and deteriorating psychological health [8]. The findings of the present study support this argument by demonstrating that entrepreneurs frequently operate within environments where demands substantially exceed available support structures. Consequently, the entrepreneurial context can intensify psychological strain and contribute to the progressive deterioration of mental well-being.

However, a critical examination of the literature reveals that much of the existing research tends to frame entrepreneurial stress primarily as an individual-level problem rather than a structural one. While many studies acknowledge the psychological consequences of stress, fewer studies examine how institutional conditions, such as financial instability, economic volatility, and inadequate support systems, shape the mental health experiences of entrepreneurs. This limitation suggests that current scholarship may underestimate the extent to which entrepreneurial stress is embedded within broader economic and organisational structures.

4.2 Mental disorders and psychological vulnerability among entrepreneurs

Beyond general stress, the findings indicate that prolonged exposure to entrepreneurial pressures can contribute to more severe mental health outcomes, including depression and anxiety disorders. Research demonstrates that entrepreneurs may be particularly vulnerable to depression due to the combination of financial risk, social isolation, and the emotional consequences of business failure [2]. The literature suggests that these psychological conditions often emerge when chronic stress remains unmanaged over extended periods.

The Diathesis–Stress model provides a useful theoretical lens for understanding why some entrepreneurs develop mental disorders while others do not. According to this model, psychological disorders occur when environmental stressors interact with individual vulnerabilities, such as genetic predisposition, previous trauma, or personality traits [2]. In the context of entrepreneurship, this framework suggests that the demanding nature of entrepreneurial activity may act as a trigger for individuals who possess underlying psychological susceptibilities. Consequently, entrepreneurial stress does not affect all individuals uniformly, highlighting the importance of considering both environmental and personal factors when examining mental health outcomes.

Nevertheless, the literature also reveals significant inconsistencies regarding the prevalence and severity of mental disorders among entrepreneurs. While some studies report elevated rates of depression and anxiety among business owners, others emphasise the resilience and psychological adaptability often demonstrated by entrepreneurs. This contradiction indicates that the relationship between entrepreneurship and mental health is complex and cannot be reduced to a purely negative narrative. Instead, entrepreneurial experiences may simultaneously generate both psychological strain and opportunities for personal growth.

4.3 The negative side of entrepreneurship

A major finding emerging from the literature is the increasing recognition of the ‘dark side’ of entrepreneurship. Traditional entrepreneurial discourse tends to emphasise success stories, innovation, and wealth creation, often overlooking the psychological and emotional costs associated with entrepreneurial activity. The Triple Ds framework (comprising the dark, destructive, and downside aspects of entrepreneurship) provides an important conceptual lens for understanding the negative consequences associated with entrepreneurial failure [3].

The findings suggest that failed entrepreneurial ventures frequently produce significant emotional distress, including feelings of anxiety, shame, and depression [3]. Financial losses, reputational damage, and the collapse of business networks can have profound psychological consequences for entrepreneurs and their families. Furthermore, the destructive consequences of entrepreneurial failure often extend beyond individual business owners to affect employees, suppliers, and broader economic networks [3]. These ripple effects illustrate that entrepreneurial failure is not merely an economic event but also a social and psychological phenomenon.

Despite these insights, the literature reveals that the negative aspects of entrepreneurship remain significantly underrepresented in academic research. Many studies continue to prioritise narratives of entrepreneurial success, thereby contributing to an overly optimistic portrayal of entrepreneurship. This imbalance creates a distorted understanding of entrepreneurial reality and may prevent aspiring entrepreneurs from adequately preparing for the psychological challenges associated with business ownership. As such, the findings of this study support calls for a more balanced scholarly discourse that recognises both the positive and negative dimensions of entrepreneurial activity.

4.4 Coping strategies and mechanisms for promoting entrepreneurial well-being

While the literature highlights significant mental health risks associated with entrepreneurship, it also identifies several strategies that can mitigate these challenges. Coping mechanisms such as proactive problem-solving, emotional regulation, and effective time management have been identified as important strategies for maintaining psychological well-being among entrepreneurs [8]. These approaches enable individuals to manage stress more effectively and prevent the escalation of psychological strain into more severe mental health disorders.

In particular, the concept of job crafting has emerged as a promising strategy for improving entrepreneurial well-being. Job crafting involves modifying work tasks, relationships, and cognitive perspectives to create a more manageable and meaningful work environment [8]. By reshaping the structure of their work, entrepreneurs may be able to reduce stress levels and improve overall job satisfaction.

However, the effectiveness of these coping strategies remains uneven across different entrepreneurial contexts. For example, entrepreneurs operating in resource-constrained environments may lack access to professional mental health services or supportive business networks. This limitation highlights the need for broader institutional interventions, including entrepreneurship training

programmes that integrate mental health awareness and psychological support systems.

4.5 Synthesis and critical implications

Overall, the findings of this study demonstrate that entrepreneurship cannot be fully understood without considering its psychological dimensions. The literature clearly indicates that entrepreneurial activity involves a complex interaction between opportunity-driven motivation and psychological vulnerability. While entrepreneurship offers opportunities for innovation and economic advancement, it simultaneously exposes individuals to significant emotional and cognitive pressures.

A key implication emerging from this analysis is that the traditional portrayal of entrepreneurs as resilient and endlessly driven individuals may obscure the mental health challenges inherent in entrepreneurial work. By emphasising success narratives while neglecting psychological costs, existing discourse may inadvertently contribute to unrealistic expectations among aspiring entrepreneurs.

Therefore, a more balanced understanding of entrepreneurship is required, one that recognises both the opportunities and the psychological risks associated with entrepreneurial activity. Integrating mental health awareness into entrepreneurship education, policy development, and business support programmes may play a crucial role in creating more sustainable entrepreneurial ecosystems.

5. Recommendations

Based on the findings of this study, several recommendations are proposed to address the challenges faced in existing research. These recommendations can enable future results to be more accurate and improved.

Entrepreneurship training workshops should be integrated into business start-up programmes. These workshops should include mental health awareness programmes that provide entrepreneurs with mechanisms and strategies to cope with stress, burnout, and anxiety. These training programmes allow future entrepreneurs to be more aware of the environment they will face and help them mitigate the effects of psychological stressors on their mental well-being. Awareness programmes also give aspiring entrepreneurs a better perspective of what they can expect in their daily lives and how to effectively cope with the demands of running a business.

Given that entrepreneurs experience high levels of stress and anxiety, mental support services must be made available to them. Therapy, counselling, and mentoring should be included in start-up programmes. Entrepreneurs need to be made aware of the fact that experiencing mental strain is a common aspect of self-employment. Individuals should recognise when it is necessary to seek professional help before their situation escalates, thereby decreasing the risk of mental disorders such as depression and suicidal behaviour.

Peer support groups can allow entrepreneurs to share their business experiences, struggles, and failures. These groups can provide entrepreneurs with emotional support and coping strategies. Support networks can play an important role in reducing the solitary environment of self-employment and can significantly improve overall mental well-being.

Policy makers should consider developing mental health support schemes for entrepreneurs. This can have a significant impact on the economic growth of a country, as entrepreneurs play a crucial role in the economic stability of a country. If greater focus is placed on improving the support facilities available to business owners, it can be beneficial to the growth and performance of entrepreneurial businesses.

A clearer perspective of the struggles faced by entrepreneurs needs to be established. Although existing studies are centred around the negative effects of entrepreneurship on mental well-being, this research is limited. More extensive investigations are required to provide a more detailed view of the challenges that entrepreneurs face daily, as well as how they manage them sustainably. With a more comprehensive understanding of these barriers, future entrepreneurs can successfully navigate and overcome them. Along with the negative aspects of entrepreneurship, success stories should also be highlighted but not solely focused on. This can promote a more balanced and realistic portrayal of entrepreneurship. This approach can help lower the stigma and allow entrepreneurs to prepare sufficiently for the practical aspects of self-employment. By implementing these recommendations, future and current entrepreneurs can be adequately prepared to manage the mental health effects associated with entrepreneurship. This can result in highly sustainable business practices and improved psychological well-being.

6. Future research

Considering the key aspects and findings presented in this study, it is evident that the relationship between mental health and entrepreneurship requires further in-depth investigation and analysis. While recent studies have begun to focus on this crucial aspect, there are key gaps within academic literature that future research should explore.

Firstly, more empirical research is required regarding the extent to which psychological effects impact entrepreneurs. The rate of progression of stress into severe mental health conditions such as burnout, anxiety, and depression needs to be investigated. Current literature refers to these underlying issues but lacks a detailed assessment of the primary causes, variations of these issues among individuals, and the resulting long-term effects. By performing a more thorough investigation into this aspect, it could lead to the development of coping mechanisms that are better tailored to specific mental health problems that entrepreneurs may encounter. Secondly, the destructive impact of failed entrepreneurial businesses requires more focus. Even though the ‘Triple Ds framework’ has provided a perspective on the negative aspects associated with entrepreneurship, further research is needed to explore both the social and economic consequences of unsuccessful entrepreneurial ventures. The effect of these consequences should be centred on their impact on families, employees, and communities.

Additionally, there is limited representation of entrepreneurs who do not succeed in their businesses. This lack of representation can create a false image of entrepreneurship. Future research should aim to provide a more inclusive narrative by exploring the challenges, setbacks, and failures experienced by self-employed individuals. Furthermore, future studies should focus on understanding how personal factors, such as past trauma, life experiences, and genetics, are linked to

depression in entrepreneurs. By bridging this knowledge gap, it can help explain the different reactions among individuals to business-induced stress. Although conceptual models, such as the Diathesis–Stress model, currently exist, a more concise representation of the relationship between stress levels and depression is needed.

Lastly, research should be directed towards investigating how effective the existing coping strategies and support systems are for mental well-being within an entrepreneurial setting. A detailed analysis should be conducted for each of the coping strategies implemented by entrepreneurs. This evaluation can establish how successful coping mechanisms are in helping self-employed individuals manage the stressful nature of their profession. Researching the support systems used by entrepreneurs, whether it be through family, peers, or trained professionals, can help in identifying the support systems that are beneficial to the entrepreneurs' overall mental well-being. By identifying these successful support networks, entrepreneurs can rely more heavily on them instead of those that are not useful in promoting or improving their mental health.

By addressing these areas for further research, the results of future studies can provide a better understanding of the stresses faced by entrepreneurs, which can equip individuals with successful coping strategies. By bridging the gaps through further research, it can promote a better environment for future entrepreneurs, where their mental health and well-being are considered important factors in the business sector. This can establish a positive working environment as well as contribute to entrepreneurial successes.

7. Conclusion(s)

This study set out to explore the dark side of entrepreneurship, due to it being mainly associated with a positive narrative. The negative side of entrepreneurship assesses how stress, anxiety, and burnout are experienced by self-employed individuals. The study focused on how these factors have a leading effect on the overall mental health and well-being of entrepreneurs. The main aim of this study was to identify important aspects that affect the mental state of entrepreneurs, along with examining strategies that promote mental well-being in the self-employed environment.

A thorough analysis of existing academic literature was performed. Key findings highlighted the extent to which stress can cause negative implications for entrepreneurs and emphasised that high stress levels must be effectively managed and controlled. The severity of psychological effects such as stress, anxiety, and burnout on entrepreneurs was also investigated. This discussion explored how poor mental health can lead to depression and suicide, indicating the need for coping mechanisms. The Diathesis–Stress model was recognised as an essential tool in identifying how depression progresses in individuals who are stressed within the entrepreneurial environment, although the model has limitations due to personal differences among individuals.

Various negative aspects of entrepreneurship were reviewed. One aspect of significant importance included the failure of entrepreneurial ventures. This examined how unsuccessful businesses led to burnout and chronic stress, severely impacting the mental health of those affected. This helped establish a better

understanding of the destructive side of entrepreneurship, one of the crucial elements of the ‘Triple Ds framework’. Strategies to manage the high demands of the entrepreneurial setting were addressed, but it is unknown how successful these coping strategies are. This creates opportunities for further investigations regarding coping mechanisms that can be implemented by entrepreneurs.

Through performing this study, several gaps in the existing literature were also identified. These gaps provide a starting point for further research and can greatly influence the way that future and current entrepreneurs live and work. Future studies need to be more inclusive in their research, thereby providing balanced results for future use. The gaps present in academic literature also indicate a lack of awareness of significant struggles faced within the self-employment network, highlighting the need for more extensive research. The recommendations presented in this paper align well with promoting mental health and well-being in entrepreneurs. These recommendations can improve the results of future studies, providing a more detailed assessment of the challenges and underlying mental health issues encountered by business owners. The results of this paper not only reinforce the importance of acknowledging the negative side of entrepreneurship but also significantly contribute to providing a more realistic and inclusive perspective of the entrepreneurial setting. This can create a better understanding of not only the successes experienced by business owners but also the challenges, struggles, and failures they encounter, and how these implications can be sustainably dealt with and managed daily.

Appendices and nomenclature

Term/acronym	description
Entrepreneurship	the process of creating, developing, and managing a business venture while assuming financial and psychological risks.
Mental health	a state of psychological well-being that enables individuals to cope with stress, function effectively, and realise their potential.
Stress	psychological tension arising from demanding or uncertain conditions, commonly experienced in entrepreneurial environments.
Burnout	a condition of emotional and mental exhaustion resulting from prolonged exposure to work-related stress.
Depression	a mental health disorder characterised by persistent sadness, low motivation, and reduced functioning.
Anxiety	a future-oriented emotional response involving worry and fear related to uncertainty and perceived threats.
Entrepreneurial failure	the inability of a business venture to sustain operations, often leading to financial loss and psychological distress.

Triple Ds framework	a conceptual model describing the dark, destructive, and downside aspects of unsuccessful entrepreneurial activity.
Diathesis–Stress model	a model explaining how individual vulnerability, combined with stress, can lead to mental health disorders.

Conflict of Interest

The authors declare no conflict of interest.

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