

CHAPTER 2

THE ENTREPRENEURIAL MIND: PSYCHOLOGY, STRESS, AND MENTAL RESILIENCE

Satish Sharma

 /0009-0008-5988-9533

Lead Management Consultant, SKS Consulting & Advisors, India

ABSTRACT

The entrepreneurial ventures require psychological resilience on part of business founders. The pressures of risky decision-making, financial uncertainty, and personal responsibility create unique psychological conditions for the mental health of these entrepreneurs and business founders. This chapter investigates the complex relationship between entrepreneurship and psychological wellbeing by reviewing scholarly findings from psychology, management studies, and entrepreneurship fields. The chapter explains how founders should identify distinct challenges including risk assessment under ambiguity, doing uncertainty management, and the prevention of entrepreneurial burnout. Through the integration of theoretical frameworks with actionable strategies, this chapter seeks to legitimize mental health discourse within entrepreneurial communities while providing practitioners with robust tools for sustaining psychological wellness.

Keywords: entrepreneurial psychology, entrepreneurial resilience, growth mindset, entrepreneurial stress, peer support networks

2.1 THE PSYCHOLOGY OF RISK AND UNCERTAINTY

2.1.1 Entrepreneurial Decision-Making Under Uncertainty

The entrepreneur's path fundamentally involves making decisions with limited information. Unlike corporate employees working within established structures, founders must navigate unclear situations with incomplete data, unpredictable outcomes, and personal financial risk. This creates what Brockhaus (1980) called the "entrepreneur's risk propensity" – a specific orientation toward uncertainty that sets entrepreneurs apart from others.

Research by Busenitz and Barney (1997) shows entrepreneurs typically use specific cognitive shortcuts that help them decide when others might become paralyzed by uncertainty. These mental shortcuts enable action but can create psychological

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