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Don’t Tell Your Startup Team to Calm Down

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Why the strongest startup cultures are not the least emotional ones, but the ones that know how to use emotion well.

EDITOR'S NOTE: This article was produced in partnership with Strategic Entrepreneurship Journal, a leading academic journal, as part of our effort to highlight actionable cutting-edge research on entrepreneurship. Click here (https://eiexchange.com/content/bringing-research-based-insights-to-a-wider-audience-our-partner) to read other insights from SEJ.

Startups are often described as fast, lean, and innovative. They should also be described as emotional. In a young venture, a customer meeting can make the team euphoric in the morning and discouraged by lunch. A product issue, a funding delay, a key hire, or a bad week of sales can shift the mood of the whole company in a matter of hours. Because of that volatility, many founders assume that good leadership means keeping people calm, steady, and positive.

That instinct is understandable. It is also often misguided.

In our research, we found that the healthiest startup teams were not the ones with the fewest negative emotions. They were the ones where people could express those emotions openly, and where the team had learned how to respond to these emotions constructively. The critical factor was not whether people felt stress, frustration, anxiety, or disappointment. People in every startup did. The difference was whether those emotions were treated as dangerous disruptions or as useful signals.

We know that emotional norms shape important organizational outcomes. They influence creativity, collaboration, burnout, and performance. Less clear is how those norms are established in the first place, especially in startups, where formal structures are weak and interpersonal patterns have not formed yet. Understanding how these norms evolve can help founders recognize and shape early patterns before they become the culture.

What We Studied

To understand how emotional culture emerges, we followed five early-stage tech startups over 22 months. We conducted 96 interviews and spent 240 hours observing daily work, meetings, and informal interactions. Rather than relying on retrospective stories told years later, we were able to watch these companies in real time as they dealt with uncertainty, setbacks, growing pains, and interpersonal strain. That gave us an unusually close view of how emotional patterns formed and how they became shared expectations inside the team.

All of the startups experienced emotional ups and downs. Life in an early-stage company is a roller coaster. The more interesting observation was what happened next. In some ventures, frustration and anxiety were spoken aloud, taken seriously, and turned into discussion and improvement. In others, people increasingly filtered themselves, avoided difficult conversations, and started speaking honestly only inside smaller subgroups. Over time, those different patterns produced very different emotional climates.

What We Found

The key insight from the study is simple, though a little counterintuitive: startup teams become stronger not when they suppress negative emotion, but when they create a climate in which people can express it openly.

In the ventures that developed what we call a “high-authenticity affective climate,” team members felt they could speak openly and honestly about what they were feeling. In addition, being enthusiastic, worried, irritated, excited, uncertain, or critical did not threaten the social fabric of the team. That did not mean the environment was soft or sentimental. In fact, these teams could be quite direct. But the directness was combined with mutual respect, emotional openness, and a shared assumption that difficult feelings often pointed to something worth addressing. In the lower-authenticity ventures, people were more likely to keep frustration to themselves, talk behind the scenes, or disengage when concerns were dismissed.

Three mechanisms were especially important:

- **The interplay of positive and negative emotion.** One of our surprising findings was that the teams with the most visible positive energy also tended to express more negative emotion, not less. At first glance that seems contradictory. But it makes sense once you see what positive energy was doing. When people genuinely liked each other, enjoyed working together, and had a history of encouraging interactions, criticism and frustration felt less threatening. A sharp comment was less likely to be interpreted as disloyalty or contempt. It was heard in context. Positive relationships created enough trust and mutual respect for people to be candid when things were not working. In other words, positivity did not replace difficult emotion. It created room for it.
- **The founder’s and managers’ relationship to their own emotions, what we called meta-emotions.** Some founders and managers experienced stress, frustration, and anxiety as signs that something useful was being revealed. Others treated the same emotions as irritating noise that should be contained or ignored. That difference mattered enormously. When leaders regarded negative emotion as informative, they were more likely to lean in, ask questions, and engage with what a team member was experiencing. When they regarded it as unhelpful or destabilizing, they were more likely to withdraw, dismiss, or become defensive. Teams learned from those reactions. Very quickly, they picked up whether emotion was welcome as information or unwelcome as a problem.
- **Emotional validation.** In the stronger teams, when someone voiced anxiety, irritation, or dissatisfaction, the response was usually some version of: “That’s understandable”, “What is going on?”, “How can we help?” or “Let’s figure out the cause.” That is what validation looked like in practice. It did not mean agreeing with every complaint or indulging every feeling. It meant acknowledging that the emotion was real and worth understanding. Once that happened, the conversation often moved toward problem-solving. The team asked what in the workflow, role design, customer process, or internal coordination was generating the emotion. That often led to better systems and better decisions. Negative emotion, in other words, became diagnostic data.

This is why “calm down” is often the wrong managerial move. It tries to regulate the feeling before understanding the cause. In the most effective startups we studied, the better instinct was closer to: “Tell me what this reaction is pointing to.” That subtle shift changes everything. It turns emotion from something to suppress into something the team can use.

What Was Most Surprising

Anyone who has spent time in a startup already knows they can be emotional. What was surprising was how team members' emotional openness and operational effectiveness reinforced one another.

In the higher-authenticity teams, open discussion of frustration often led to better processes, clearer priorities, and faster adjustment. Team members became more confident that difficult conversations would not destroy the team. Because of that, they were willing to have them earlier. Over time, this created a positive cycle. People voiced issues sooner, the group addressed root causes sooner, and the experience of solving problems together made future candor easier.

In the lower-authenticity teams, the opposite happened. When frustration was brushed aside or met defensively, people stopped speaking openly. Concerns did not disappear; they went underground. Subgroups formed.

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Employees confided in peers rather than managers. Hidden grievances accumulated, and the issues causing the emotion remained unresolved. That dynamic became self-reinforcing too. The less safe it felt to speak honestly, the more silence and side conversations replaced direct problem-solving. In our cases, one of these ventures ultimately shut down, while another lost several team members.

What Founders Should Do Differently

The main lesson is not that founders should create a more emotional workplace. Startups already have that. The lesson is that founders should become more skilful in what they do when emotion shows up.

First, they should stop treating visible frustration as a failure of professionalism. In an early-stage venture, frustration often means that someone is seeing a bottleneck, a broken process, a misaligned expectation, or a real risk. The right first question is not “How do we make this feeling go away?” but “What is this feeling telling us?”

Second, founders should work actively on the quality of relationships in the team. This is not a soft add-on. It is part of the operating system. When people trust one another, they can absorb candor without immediately personalizing it. That makes it much easier to discuss difficult issues before they become cultural poison.

Third, leaders should model a constructive stance toward negative emotion. If a founder treats stress and disappointment as shameful, the team will hide them. If the founder treats them as normal and potentially informative, the team is more likely to bring them into the room. Culture is not built mainly by what leaders say in principles or slide decks. It is built by what happens in those small moments when someone says, “This is not working,” and everyone watches the response.

Finally, validation should come before solutioning. Many leaders move too fast into fixing, explaining, or defending. In doing so, they unintentionally communicate that the emotion itself is unwelcome. A better sequence is to acknowledge the experience, understand the cause, and then move to action. That is how a team learns that honesty is useful rather than costly.

A Different Way to Think About Emotions in Startups

Startups are not just strategic and financial systems. They are emotional systems too. Founders usually accept that uncertainty, speed, and pressure are part of entrepreneurial life. What they often overlook is that those conditions inevitably produce emotion, and that emotion will shape coordination, learning, and trust whether leaders pay attention to it or not.

The goal, then, is not to eliminate emotional volatility. That is unrealistic. The goal is to build an environment where emotions can be expressed honestly, interpreted intelligently, and translated into action. Startups do not become stronger by pretending everything is fine. They become stronger when people can say what is actually going on and the team knows how to respond.

That is the real message of the research. Don’t calm down too quickly. Listen first.

Explore the research

Don’t calm down! How affective climate emerges in start-ups.
(https://sms.onlinelibrary.wiley.com/doi/10.1002/sej.70007) *Strategic Entrepreneurship Journal, October, 2025*

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