

# Sleeplessness Can Be Hazardous to Your Venture

Barbara Silva (University of Central Florida)

Jeff Gish (University of Central Florida)

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Many entrepreneurs speak derisively about the act of sleeping, uttering phrases like, “I’ll sleep when I’m dead!” or “Sleep is for weaklings.” These statements imply that working on the business is so important that entrepreneurs cannot afford to squander precious time on a cause as “frivolous” as sleep. In the mind of the self-employed, sleeping less can signal that the entrepreneur has an unwavering commitment to enterprise and wears this commitment as a badge of honor. However, founder sleep is not only vital to the success of the startup, but also more than a zero-sum game.

Contemporary [research](https://doi.org/10.1016/j.jbusvent.2019.06.004) (https://doi.org/10.1016/j.jbusvent.2019.06.004)

suggests that sufficient high-quality sleep enables better performance on the following day and that a few extra hours spent sleeping can make you a more efficient entrepreneur.

If you are not convinced that entrepreneurs devalue sleep, look no further than the agenda at a [Startup Weekend](https://en.wikipedia.org/wiki/Startup_Weekend_(organization))

(https://en.wikipedia.org/wiki/Startup\_Weekend\_(organization)) . Startup Weekend events pit new venture teams against one another to create and vet new venture ideas, vying for bragging rights and funding. These popular events have popped up all over startup ecosystems. They usually run nonstop from Friday evening to Sunday afternoon, spanning 54 hours. The last item on the agenda at a recent Startup Weekend event read, “Sleep!” Including sleep as the final agenda item in a multi-day event furtively suggests that participants should work through the night(s) to gain an advantage in the competition. Even though these suggestions are superficial and misguided, guidance like this is perpetuated for seemingly logical reasons.

Entrepreneurship is highly demanding as it involves developing, starting, growing, and running an independent organization by planning and acting for both the present and the future. Because of the extreme pressures associated with these activities, entrepreneurs usually have a deep personal investment

in their ventures, making it hard to detach from working on the business, and inevitably melding work and personal life. As they try to advance the business, entrepreneurs typically end up working very long hours, with work extending into evenings and weekends.

However, research suggests that cranking ahead without sleep is not a good idea. For example, sleep deprivation frequently leads to [diminished personal well-being](https://journals.sagepub.com/doi/10.1177/10422587211006431)

(https://journals.sagepub.com/doi/10.1177/10422587211006431) , also known as ill-being, and reduced sleep hours. Even though entrepreneurs actually sleep as much or more than wage earning employees [on average](https://link.springer.com/article/10.1007/s11187-019-00166-5) (https://link.springer.com/article/10.1007/s11187-019-00166-5) , when short on sleep, they are [bad at recognizing](https://onlinelibrary.wiley.com/doi/10.1002/ana.25023)

(https://onlinelibrary.wiley.com/doi/10.1002/ana.25023) the deficits that accompany sleep restriction. Further, when sleeping less and/or poorly, entrepreneurs are likely to experience extreme exhaustion and fatigue. These experiences can diminish both physical and mental health, and potentially harm business performance, as we demonstrate below.

## Growing evidence that entrepreneurs need sleep

Recent EIX articles discuss the importance of competencies such as [creativity](https://eiexchange.com/content/114-creativity-how-to-nurture-it-and-get-it-back?search=creativity) (https://eiexchange.com/content/114-creativity-how-to-nurture-it-and-get-it-back?search=creativity) , opportunity

[awareness](https://eiexchange.com/content/old-vs-young-nations-opportunities-and-challenges-for-entrepreneurs?search=opportunity%20awareness) (https://eiexchange.com/content/old-vs-young-nations-opportunities-and-challenges-for-entrepreneurs?search=opportunity%20awareness) , and [social skills](https://eiexchange.com/content/388-the-3-skills-that-build-confidence-in-entrepreneurs?search=SOFT%20SKILLS)

(https://eiexchange.com/content/388-the-3-skills-that-build-confidence-in-entrepreneurs?search=SOFT%20SKILLS) for entrepreneurial success. Entrepreneurs need to be creative to generate different and innovative ideas (e.g., new products, services, processes) to stand out from



competitors and gain market traction. They need to be aware of opportunities so that they can take advantage of favorable commercial developments that arise, such as promising partnerships, potential investors, new markets, or even new business opportunities. Entrepreneurs benefit from strong social skills because these skills enable the cultivation of a variety of trusting relationships with a wide array of people (e.g., customers, suppliers, shareholders, and employees). Unfortunately, problematic sleep patterns can [diminish](https://doi.org/10.5465/amp.2016.0159) (https://doi.org/10.5465/amp.2016.0159) all of these competencies.

Poor sleep undermines the type of innovative and flexible thinking necessary to produce novel and useful ideas, whereas good sleep encodes temporary information and experiences into long-term memory and allows entrepreneurs to make new associations using different knowledge. When sleeping well, entrepreneurs can generate more [creative business ideas](https://doi.org/10.1016/j.jbusvent.2017.09.001) (https://doi.org/10.1016/j.jbusvent.2017.09.001), unlock greater imaginativeness, and innovate more in their activities. Sleep deprived entrepreneurs [perform worse](https://doi.org/10.1016/j.jbusvent.2019.06.004) (https://doi.org/10.1016/j.jbusvent.2019.06.004) when facing decisions that require creativity and ideation—an intrinsic and critical part of the entrepreneurial process.

Bad sleep also affects entrepreneurs' opportunity awareness or alertness. Individuals with [insomnia](https://doi.org/10.1016/j.jbusvent.2018.08.001) (https://doi.org/10.1016/j.jbusvent.2018.08.001), for example, tend to have less daily alertness than individuals without insomnia. In addition, entrepreneurs with problematic sleep patterns likely display symptoms of reduced alertness, such as increased distraction, reduced attention, lack of concentration and focus, and poor cognitive reasoning.

Sleep problems also have an impact on entrepreneurs' social relationships by impairing their ability to relate effectively to others. [One paper](https://doi.org/10.5465/amp.2016.0159) (https://doi.org/10.5465/amp.2016.0159) published in 2018 emphasizes that mental health conditions can influence a person's entrepreneurial motives and means as well as suggests that sleep plays an important role in both. In the study, the author demonstrates that when experiencing a lack of sleep, either in time or quality, entrepreneurs suffer significant decreases in their positive mood, emotional intelligence, patience with other people, and moral awareness. These detriments can contaminate or even ruin interpersonal relationships that are vital for the success of a new venture.

## Lack of sleep impairs decision-making

Moving beyond creativity, awareness, and social competence, sleep problems affect many additional aspects of an entrepreneur's life. [Two studies](https://doi.org/10.1016/j.jbusvent.2018.12.004) (https://doi.org/10.1016/j.jbusvent.2018.12.004) conducted in the United States surveyed self-employed individuals (105 and 329 respondents) and examined the possible benefits of sleep for reducing exhaustion. Both studies found that poor sleep can lead to a lack of energy at work, such that entrepreneurs may feel demotivated, depleted, and overly fatigued, with little focus and concentration during their workday. These effects are especially harmful for entrepreneurs since they frequently make decisions that require high levels of judgment and attention.

High quality sleep regulates the [body's natural rhythms](https://www.sciencedirect.com/science/article/abs/pii/S0883902621000756?via%3Dihub) (https://www.sciencedirect.com/science/article/abs/pii/S0883902621000756?via%3Dihub), and those rhythms are important for entrepreneurial decision making as well. For example, equity crowdfunders who are morning people make bad investments in the evening. The same is true of night owls in the morning.

As opposed to simply resting or taking naps, high quality deep sleep transforms temporary information and experiences into long-term memory and allows entrepreneurs to make new associations using different knowledge. Another recent [study](https://doi.org/10.1016/j.jbusvent.2017.09.001) (https://doi.org/10.1016/j.jbusvent.2017.09.001) conducted with 62 German entrepreneurs investigated how recovery from work stress influences entrepreneurs' daily idea generation and found that entrepreneurs with adequate sleep efficiency generate more creative ideas on the following day.

There is a common belief that the more you work, the more you earn. This belief implies that the best entrepreneurs would be those who dedicate an exceptional amount of time to their endeavors, even if that requires less sleep. However, [three studies](https://doi.org/10.1016/j.jbusvent.2019.06.004) (https://doi.org/10.1016/j.jbusvent.2019.06.004) conducted with 958 entrepreneurs, both experienced and aspiring, found that without adequate sleep, entrepreneurs might perform far below their optimal capacity and form overly positive beliefs about less promising ideas. Taken together, empirical evidence suggests that entrepreneurs should not see sleep as a "waste of time," but as a "time investment" in a

fundamental tool for their success.

Now that we have discussed some of the problems—the negative consequences of the lack of sleep in the work-health relationship of entrepreneurs—we can outline some solutions. The good news is that there are several ways to enhance recovery and improve sleep, and we discuss some of these methods below.

## Tips for entrepreneurs who want to sleep better

Sleep restores energy. However, sleep is not the only pathway to optimal performance. Behaviors, activities, and experiences outside work can also help individuals [recover](https://doi.org/10.1016/j.jbusvent.2020.106016) (https://doi.org/10.1016/j.jbusvent.2020.106016) mental and physiological resources, and even sleep better as a result. It is therefore essential for entrepreneurs build a recovery strategy toolkit they can rely on, as recent [research](https://doi.org/10.1177/10422587211006431) (https://doi.org/10.1177/10422587211006431) suggests. We outline a few of these recovery interventions below.

### Small breaks during the day

A crucial piece of the recovery process is to break away from work and to experience relief from stressors associated with working by mentally detaching from it. By taking small breaks (from 5 to 10 min duration) during the workday, entrepreneurs can restore energy and attention during subsequent working time. Small breaks not only provide recovery but also support follow-on productivity by restoring focus and attention. By employing this intervention, entrepreneurs can reduce the buildup of stress during the workday, which positively reflects on their body relaxation and sleep.

### Physical exercise

Another effective intervention that entrepreneurs could rely on to both recover and enhance their sleep quality is the practice of physical exercises. Such activities foster greater control over attention and impulsivity, improve creativity, reduce psychological distress, and stimulate better sleep. Not only the exercises themselves but also spending time in a natural setting (e.g., taking a nature walk) can be very beneficial for an entrepreneur's recovery processes because it improves positive moods and fulfills a universal human need to connect to the natural world.

## Mindfulness exercises

Recent [research](https://doi.org/10.1016/j.jbusvent.2018.12.004) (https://doi.org/10.1016/j.jbusvent.2018.12.004) investigated the exhaustion experienced by 434 entrepreneurs and, among their findings, the authors identified that practicing mindfulness exercises (i.e., meditation, yoga, or prayer) helps entrepreneurs mitigate the effects of sleep restriction and reduce feelings of exhaustion by elevating self-control of thoughts and attention. It also has the added benefit of aiding the following night of sleep. In addition, some other [validated interventions](https://doi.org/10.1016/j.jbusvent.2017.09.001) (https://doi.org/10.1016/j.jbusvent.2017.09.001), such as listening to relaxing music or avoiding activating activities before bedtime are also effective approaches to enhance relaxation and improve sleep quality after a long day of work.

## Changing mindsets

Entrepreneurs face a lot of stress and pressure in their business, making it difficult for them to separate work from personal life. When carrying a lot of stress and negative emotions from work to home, it is even harder for them to recover and sleep. Recently, [researchers](https://doi.org/10.1177/10422587211006431) (https://doi.org/10.1177/10422587211006431) found that a potential intervention to mitigate this negative channeling of emotions is by redirecting harmful cognitions and behaviors into more positive ones, through a mental process called cognitive behavioral therapy (CBT). If CBT is new to you, there are several free or paid smartphone applications that do a capable job of guiding individuals through CBT exercises.

When going through difficult and stressful times (e.g., failures) in their businesses, entrepreneurs can positively reframe the event and channel all the negative energy from that situation into processes of learning, reducing self-blame, and focusing on progress. Reframing perceived failures increases growth potential, instead of attributing the failure to their own venturing capabilities and generating even more negative emotions. By applying this important mindset shift, entrepreneurs can turn stressful situations into learning moments and reduce major impacts on their well-being and health, facilitating their recovery processes and improving their sleep.

## Sleep on This

Entrepreneurs often face tremendous pressures when building and growing new ventures. When faced with

these challenges, there is a temptation for self-employed individuals to sacrifice sleep in order to keep working. Our research challenges this perspective and conclusively demonstrates that good sleep is an essential ingredient of entrepreneurial success. For entrepreneurs, prioritizing sleep will enhance your ability to thrive as an entrepreneur, improving your creativity, social skills, and awareness of new opportunities while stabilizing and enhancing your emotional and mental health. So regardless of the pressures you are facing, good sleep hygiene in terms of time and quality is a key secret to success. Give yourself adequate time to sleep; Your future self will thank you.

*Disclaimer: When noticing severe sleep problems like insomnia, please consult a licensed healthcare provider.*

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