DO ENTREPRENEURS REALLY EXPERIENCE ULTRA-HIGH LEVELS OF STRESS? OR DOES SELF-SELECTION AND THE IMPACT OF MODERATING FACTORS HELP THEM COPE? (SUMMARY)

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SUMMARY

DO ENTREPRENEURS REALLY EXPERIENCE ULTRA-HIGH LEVELS OF STRESS? OR DOES SELF-SELECTION AND THE IMPACT OF MODERATING FACTORS HELP THEM COPE?

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Principal Topic

Entrepreneurs are frequently exposed to conditions known to generate high levels of stress (e.g. unpredictable environments, work overload, high levels of responsibility, financial and/or human resource constraints). Thus, it is often proposed that entrepreneurs experience high levels of stress. Attraction-selection-attrition theory, however, (ASA: Schneider, 1987) provides theoretical grounds for predicting that the opposite may be true. Individuals who are attracted to becoming entrepreneurs, who adopt this role and remain in it, may have higher capacity to tolerate stress than persons choosing other careers. Consequently, although entrepreneurs are exposed to many stressors, they may actually experience lower levels of stress compared to other occupational groups.

Method

Surveys were mailed to a random national sample of business founders (entrepreneurs) and non-founding CEOs. Prevalence of challenge and hindrance stressors were assessed using items from Cavanaugh et al. (2000). Perceived stress is measured with Cohen, et al.’s (1983) scale. Performance measures are based on self-report. Coping items were adapted from Lazarus et al.’s (1986) coping scales, and psychological capital items are from Luthans et al. (2007). Subjective well-being is measured using the Satisfaction with Life Scale (Diener et al., 1985).

Results and Implications

Compared to non-founding CEOs, entrepreneurs report having significantly fewer hindrance stressors (p<.05) and are significantly higher in planful coping (p<.05). Path analysis confirmed that hindrance stressors lead to non-adaptive coping and challenge stressors lead to adaptive coping. Non-adaptive coping leads to higher levels of perceived stress, and perceived stress leads to lower levels of subjective well-being. Psychological capital serves as a mediator leading to higher levels of subjective well-being and performance. Adaptive coping contributes to performance through a mediated relationship. Findings suggest that entrepreneurs are a highly selected group, extending ASA theory to important questions in the field of entrepreneurship such as “Why do particular individuals choose to become entrepreneurs?” Results indicate that one aspect of the answer is “Because they know they can cope effectively with high levels of stress.”

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