

Joint Effects of Prior Start-up Experience and Coping Strategies on Entrepreneurs' Psychological Well-being

Abstract

Drawing on theories from the coping and entrepreneurship literatures, we investigated the relationship between the entrepreneurs' active and avoidance coping on psychological well-being (PWB) and the moderating role of prior start-up experience on this relationship. Data from 156 entrepreneurs indicate that the use of avoidance coping positively predicted immediate PWB for entrepreneurs with more start-up experience. Notably, this relationship was negative for entrepreneurs with less start-up experience. We also found that over the extended period, entrepreneurs who used avoidance coping had improved PWB only if they also used active coping. Theoretical and practical contributions to the entrepreneurship and coping research are discussed.

Keywords: entrepreneur, coping, psychological well-being, prior start-up experience

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1. Executive summary

Entrepreneurship can be rewarding yet stressful, as entrepreneurial tasks are associated with risk, income and outcome uncertainty, intense work effort, and long working hours. Although stress is ubiquitous among entrepreneurs, there are surprisingly few empirical studies on how entrepreneurs cope while running their business ventures and how their coping impacts their psychological well-being (PWB). PWB is critical for cognitive and emotional elements of overall human functioning (Aldwin and Revenson, 1987). As Shepherd and Haynie (2009) argued, PWB “is a valuable dependent variable in its own right” (p. 330) because the entrepreneur’s PWB could positively impact firm performance, a view echoed by Baron (2007, 2008). In their coping efforts, entrepreneurs can directly address venture problems (i.e., active coping), or they can obtain respite by temporarily getting away from the stressful situation (i.e., avoidance coping). Entrepreneurs can oscillate between taking active steps to address the venture issues head on and temporarily distancing from venture-related problems.

In this study, we contribute to entrepreneurship research by embarking on a critical yet neglected topic that focuses on entrepreneurs’ coping and PWB. Notably, our study contributes to entrepreneurial coping research specifically by shedding light on coping effectiveness. We theorized that prior start-up experience is a source of learning that empowers entrepreneurs to cope effectively with the demands of the business venture. We expect coping effectiveness as indicated by a positive relationship between coping and PWB will be exhibited by entrepreneurs with prior start-up experience. By learning what works for oneself, by breaking old habits, or by creating new habits or routines, experienced entrepreneurs should be able to use coping actions more effectively than novice entrepreneurs. We proposed and found that the use of avoidance

coping predicted better PWB in the immediate period for more experienced entrepreneurs, while the result was the opposite for entrepreneurs with less prior start-up experience. Importantly, we found support for the positive interactive effects of active and avoidance coping on PWB in the extended period (in this study, three months after), suggesting that over the course of time, the entrepreneurs' use of avoidance coping has to be combined with the use of active coping to enhance PWB.

Our study on entrepreneurial coping and PWB has practical implications. Coping is critical to entrepreneurs because of the stressful nature of the entrepreneurial environment. Our study suggests that the effective use of avoidance coping (i.e., improves immediate PWB) is evident among entrepreneurs with more prior start-up experience. The importance of active coping is something that entrepreneurs could easily embrace, but the value of temporarily distancing from the stressful situation to reduce distress levels might be less evident especially for novice entrepreneurs who may be more reticent to take breaks for fear that if they take their eyes off the venture for one moment, problems will go worse. Our study suggests that incorporating short breaks and temporary respites could also be beneficial to the immediate PWB particularly for those entrepreneurs with prior start-up experience. Over the extended term, entrepreneurs should use avoidance coping alongside active coping and learn to take advantage of both methods in dealing with venture issues. Because the effective use of these two strategies jointly could take some time to be realized, entrepreneurs need to be patient with themselves in the process.

2. Introduction

Entrepreneurship is a rewarding yet stressful undertaking, as it is associated with risk taking, income and outcome uncertainty, intense work effort, long working hours, decision autonomy, and considerable responsibility (Aldrich and Martinez, 2001; Boyd and Gumpert, 1983; Covin and Slevin, 1991; Wiklund, 1999). Entrepreneurs typically perform tasks such as business opportunity recognition, business planning, resource acquisition, hiring, managing, and leading employees, creative problem solving, and quick decision making in uncertain and ambiguous situations (Douglas and Shepherd, 2000; Patzelt and Shepherd, 2011). Due to the nature of these tasks, entrepreneurs generally experience higher levels of stress compared to managers (e.g., Buttner, 1992; Harris et al., 1999). The ability to cope effectively may allow entrepreneurs to handle the day-to-day demands of their business ventures, as coping impacts psychological well-being (hereon referred to as PWB), and general performance (cf. Carver and Scheier, 1994; Thoits, 1995; Waters and Moore, 2002; Zeidner and Endler, 1996). Coping thus plays a pivotal role in the entrepreneur's life.

Coping is a response to the demands of a stressful situation. In dealing with venture-related stress, entrepreneurs can oscillate between taking active steps to address the venture issues head on and temporarily distancing from venture-related problems. Given the uncertain and unpredictable environments in which entrepreneurs tend to operate, the relevance of coping and PWB is apparent. As the ability to cope impacts general performance, and entrepreneurs typically operate and manage their firms directly, how effectively entrepreneurs cope could have a significant impact on the business venture. But despite this relevance, there is somewhat surprisingly little empirical research on coping and PWB of entrepreneurs. Most of these studies

(e.g., Harris et al., 1999; Jamal, 1997; Rahim, 1996) only provide evidence that entrepreneurs experience significantly higher stress compared to non-entrepreneurs due to the ambiguous and ever-changing entrepreneurial landscape. Others like Boyd and Gumpert (1983) discuss sources of entrepreneurial stress which are usually embedded in tasks associated with self-employment, while Shepherd (2003) focused on an extremely stressful event, business failure, and proposed a dual process model of recovery. Recently, Patzelt and Shepherd (2011) found that individual's coping behaviors moderated the impact of career (self-employment versus employment) on negative emotions. Notwithstanding the contributions of these studies, how entrepreneurs' coping behaviors relate to their PWB and in what conditions such relationships hold remain largely unclear. PWB enhances the individual's effective use of cognitive and emotional capabilities (Aldwin and Revenson, 1987), and could influence the entrepreneur's productivity and performance (Baron, 2007, 2008). Hence, PWB is vital for entrepreneurs to run their business ventures effectively.

While individuals use coping strategies to respond to stressful situations, this coping response is not inherently good or bad (Folkman and Moskowitz, 2004), and the use of a coping strategy per se is not equivalent to coping effectiveness (a phenomenon indicated by the positive relationship between coping and PWB). Contrary to the layperson's intuition that coping automatically improves PWB, extant literature reveals inconclusive results since as we will elaborate later, the same coping strategy can improve PWB in some and hurt PWB in others (e.g., Baum et al., 1983; Felton and Revenson, 1984; Iwasaki, 2000; Jex et al., 2001). Such inconsistent relationships make coping scholars (Folkman and Moskowitz, 2004; Somerfield and McCrae, 2000) regard the coping effectiveness phenomenon as one of the most perplexing topics in coping research. Similarly, an entrepreneur may confront a problematic employee (a form of

active coping), which could directly resolve the underlying issue in the venture, and thus improve the entrepreneur's PWB. However, such active coping strategy could also generate additional stress, and thus compromise the entrepreneur's PWB.

Our study contributes to entrepreneurial coping research, specifically by shedding light on coping effectiveness in the entrepreneurial context. Given the dearth of research on entrepreneurial coping, the complex and fragmented state of affairs of the coping literature (Folkman and Moskowitz, 2004), and the lack of consensus on the relationship between coping and PWB (Aldwin and Revenson, 1987; Coyne and Downey, 1991; Rodin and Salovey; 1989; Thoits, 1995), we embrace this complexity and propose that the coping to PWB relationship is not as straightforward as it may seem (i.e., one should not merely focus on the simple "main effects" relationship between coping and PWB). Instead, coping effectiveness depends on the context. One such context proposed and found in this study is prior start-up experience. To our knowledge, past research has not recognized the value of prior experience in coping effectiveness which could account for some of the inconclusive results. Theoretically, because PWB is a dynamic state, and also because coping methods are not mutually exclusive (Folkman and Moskowitz, 2004) we also examined the impact of entrepreneurs' combined coping approaches or the interaction effects of both coping strategies (an empirical question that to our knowledge has not been explored) on PWB. Roth and Cohen (1986) highlighted the importance of time in understanding coping effectiveness. To include time in the dynamics of coping effectiveness, we examined the impact on both immediate and extended term PWB (i.e., three months after).

We contribute to entrepreneurship research by proposing that prior start-up experience can contribute to coping effectiveness (i.e., result in a positive relationship between coping and

PWB) at least in the immediate period. The importance of prior start-up experience has been widely recognized in the entrepreneurship literature (e.g., Cooper et al., 1995; Minniti and Bygrave, 1999; Shane, 2000), as it impacts firm outcomes such as survival and success (e.g., Bruderl et al., 1992; Schoonhoven et al., 1990). We propose prior start-up experience to be a source of learning that could potentially enable entrepreneurs to better cope with the demands of the business venture (Corbett, 2005; Shane and Stuart, 2002). For instance, when entrepreneurs take time off from their ventures (a form of avoidance coping) novice entrepreneurs can be filled with guilt and fear that such temporarily “letting go” will put them further behind in developing their ventures. In contrast, at least in the immediate term, experienced entrepreneurs would likely be able to distance themselves without feeling guilty as they have realized from past experiences of founding and running businesses that breaks are important, even necessary, given the highly stressful entrepreneurial environments (Baron, 2008). Still, our findings also indicate that over time, the use of avoidance coping should be accompanied by the use of active coping to improve entrepreneurs’ extended term PWB.

In the sections that follow, we define our constructs of interest and theorize how the entrepreneurs’ coping strategy predict immediate and extended PWB contingent on their prior start-up experience, and how the interactive effects of the combined coping strategies impact the entrepreneurs’ immediate and extended PWB. Next, we describe our research methodology and present our analyses and results. Finally, we discuss the theoretical and practical implications of our study to entrepreneurship and coping research.

3. Coping and PWB

Before we explain our hypotheses, we first define our constructs of interest. PWB is equivalent to mental health, defined as a person’s overall psychological condition required for

effective overall human functioning (Costa and McCrae, 1980; Ryan and Deci, 2001). Coping is defined as a person's cognitive and behavioral efforts in response to stressful and demanding situations (Folkman and Lazarus, 1980). Scholars have distinguished two general coping methods, active and avoidance coping. Active coping, also known as “approach coping”, “problem-focused coping”, and “task-oriented coping” (Billings and Moos, 1981; Lazarus and Folkman, 1984), entails addressing the issue head on by doing something to alter the stressful situation and typically includes either a cognitive or behavioral component. Avoidance coping is a type of emotion-focused coping (Carver et al., 1989; Lazarus and Folkman, 1984) that involves temporarily distancing oneself from the stressful situation, or temporary disengagement to seek relief from unpleasantness generated by the stressful situation (Holahan and Moos, 1987; Roth and Cohen, 1986). Between the two most popular (and similar) coping taxonomies—(1) problem and emotion focused coping; and (2) active and avoidance coping—we opted to use the latter categorization because the active-avoidance label parallels the natural instinctive human response tendencies of fight or flight and presents cleaner distinctions of coping approaches.

As individuals can use both and alternate between active and avoidance coping to manage a stressful situation, these coping types are not mutually exclusive (Folkman and Moskowitz, 2004). For example, Folkman and Lazarus (1980) found that people used both active and avoidance coping in 98% of 1,300 stressful episodes, lending support to the assertion that individuals use more than one coping method when dealing with ongoing stress (Thoits, 1995). In a study of self-employment and coping behaviors, Patzelt and Shepherd (2011) found a significant positive correlation between problem-focused coping and emotion-focused coping (similar to the active and avoidance coping categorization), suggesting that entrepreneurs used both coping types to deal with venture-related stress, such that the use of one coping method

does not preclude the use of another. To illustrate an example, if an entrepreneur is facing cash flow problems, s/he can approach a supplier to extend the credit period (a form of active coping) and after the call, s/he can go out to watch a movie (a form of avoidance coping). The entrepreneur may not be able to do both simultaneously but can do both coping methods to deal with the same episode. The meta-analysis by McKee-Ryan et al. (2005) also recognized that "...the same individual may engage multiple coping strategies in response to the same stressor" (p. 68).

In this study, we are interested to illuminate coping effectiveness defined as the relationship between coping and some outcome measure (Aldwin and Revenson, 1987), and in the case of our study, PWB. Contrary to the layperson's intuition, coping does not necessarily result in favorable outcomes. Numerous studies show mixed results of coping and PWB relationship. Some studies found active coping related positively to PWB (e.g., Cassidy, 1996; Felton and Revenson, 1984; Iwasaki, 2003; McWilliams et al., 2003; Mitchell et al., 1983). In contrast, other studies (e.g., Aldwin and Revenson, 1987; Baum et al., 1983; Jex et al., 2001) found a negative relationship as it has been argued that active coping can sometimes be a source of stress (Schonpflug, 1985); still, others found marginal effects (e.g., Menaghan, 1982). In discussing their findings, McKee-Ryan and colleagues stated that "...from our data we were unable to examine whether specific forms of problem- or emotion-focused coping are more or less effective, given the small number of studies that have examined coping strategies" (p. 68). Notwithstanding contributions of existing studies, scholars acknowledge that coping effectiveness remains an area that warrants further investigation (Folkman and Moskowitz, 2004).

Contrary to popular notion that active coping tends to be more beneficial than avoidance coping, the literature suggests no “magic bullet” coping method that can consistently improve the mental health of every person across all situations (Pearlin and Schooler, 1978; Rodin and Salovey, 1989; Thoits, 1995). McKee-Ryan and colleagues (2005) found that job search, an active coping strategy, related *negatively* to mental health due to stress from potential rejections. This negative relationship is also reflected in Bolger’s (1990) study among medical students that disclosed higher psychological distress among those who engaged in active coping in the form of problem-solving behaviors. In short, coping effectiveness depends not on the sheer use of a particular coping strategy but on how coping impacts PWB. Guided by such challenges in addressing coping effectiveness, we deemed it critical to go beyond examining the main effects of coping on PWB. Rather, as we will elaborate in the next section, contextual elements such as prior start-up experience and also the timing of assessing PWB to capture immediate- and extended-term outcomes could illuminate the nuances of coping to PWB relationships.

3.1. Active coping, PWB, and prior start-up experience

Before we explain the moderating hypotheses, we will first clarify what prior start-up experience is. Prior start-up experience is defined as an individual’s past experience relating to previous creation or founding of new business ventures. Although it can be argued that any type of work experience can be useful, the previous experience of implementing new ventures would be most relevant to the entrepreneur because the extent to which prior experience could reflect learning (i.e., knowledge and skills that can be applied to the new job) depends on the “relatedness” of such experience (Dokko et al., 2009), and that learning is more likely to happen if there is similarity in tasks and contexts between previous and current environments (Barnett and Ceci, 2002; Singley and Anderson, 1989). Hence, we specifically focused on prior start-up

experience rather than just a generic prior work experience of entrepreneurs. Because much of the entrepreneurial process is learned by doing (Hebert and Link, 1988), prior start-up experience can generate knowledge, hone expertise, serve as a learning indicator (Corbett, 2005), and spawn expertise and skill development which could subsequently improve decisions and actions for the venture (Reuber and Fischer, 1999). Past studies indicate that prior start-up experience is relevant to opportunity recognition (e.g., Baron and Ensley, 2006), venture creation decisions (e.g., Davidsson and Honig, 2003; Dew et al., 2009; Mitchell et al., 2000), identifying and serving profitable and growing markets (Westhead and Wright, 1998), new venture success (e.g., Delmar and Shane, 2006; Stuart and Abetti, 1990) and other entrepreneurial outcomes (e.g., Bosma et al., 2004; Gartner, 1985; Gimeno et al., 1997).

Taking the prior experience literature into the coping research, we theorize that experience would play a key role in the coping to PWB relationship. Compared to novice entrepreneurs, we expect those with prior start-up experience to exhibit coping effectiveness, i.e., manifest a positive relationship between coping (active and avoidance) and PWB. Prior experience is often used as a proxy for learning (e.g., Huckman and Pisano, 2006; Politis, 2005) as it includes not only knowledge (Quinones et al., 1995), but also skills, routines, and habits (Dokko et al., 2009). Holcomb et al. (2009) demonstrated that prior experience contributed to turning small, resource-constrained companies into successful ones.

Active coping entails coming to grips with the stressful situation by cognitively analyzing the situation or by concrete actions that seek to address the issue directly (Carver et al., 1989; Parkes, 1994; de Rijk, et al., 1998; Roth and Cohen, 1986). Whether the use of active coping could result in improved PWB is not straightforward. For example, when customers complain about the quality of the product, the entrepreneur's active coping could include talking to the

supplier or to the quality control manager about the problem and finding ways to remedy the situation. However, engaging in active coping can sometimes be a source of stress due to potential setbacks (Schonflug, 1985). As in our example, talking to the supplier could also likely worsen the situation if perceived as accusatory by the supplier and consequently tarnish the business relationship.

We predict a positive relationship between active coping and PWB especially among those with more prior start-up experience. Specifically, prior start-up experience can be a source of knowledge that could help entrepreneurs decide and act in moments of uncertainty and time pressure (Duchesneau and Gartner, 1990). Because prior experience can also offer a sense of control in times of stress as a result of being exposed to relatively familiar environments (Bandura, 1977; Hmieleski and Baron, 2008), experienced entrepreneurs' active coping efforts could subsequently be more effective in improving PWB compared to their non-experienced counterparts. While efforts to cope are expected to impact PWB, the question remains whether such impact would persist over time. Roth and Cohen (1986) asserted that in coping studies, it is critical to take into account the period when the predictor and outcome are captured to address both short and long-term implications. Distinguishing immediate and extended effects would allow for a more nuanced examination of the coping effectiveness phenomenon. Because PWB is a dynamic state that can potentially change over time as people adapt to efforts to improve PWB (Diener, et al., 2009), it would be theoretically consistent to examine not just the immediate-term but also the extended-term PWB in analyzing the impact of entrepreneurs' coping approaches on PWB.

Hypothesis 1: The entrepreneur's use of active coping will relate positively to (a) immediate term and (b) extended term PWB especially among those with more prior start-up experience.

3.2. Avoidance coping, PWB, and prior start-up experience

As explained earlier, avoidance coping refers to temporarily distancing oneself from the stressful situation (Beehr et al., 1995; Carver et al., 1989). Avoidance coping provides the entrepreneur with a temporary respite from venture-related issues. For example, the entrepreneur may take a short break, eat out with a friend, or engage in temporary forms of behavioral and mental disengagement. Paradoxically, some empirical studies have found avoidance coping predicted *increased* distress (e.g., Aldwin and Revenson, 1987; Jex et al., 2001), although some studies indicated opposite effects (e.g., Cassidy, 1996; Iwasaki, 2003), prompting scholars to call for a more thorough examination of coping effectiveness by considering moderating variables (Folkman and Moskowitz, 2004).

While some studies have shown beneficial effects of taking time off on PWB (e.g., Tambini, et al., 2010), such effects are not realized consistently across all contexts. In particular, Henning et al.'s (1997) study on the effects of frequent rest breaks on PWB among computer workers in two different worksites indicated mixed results. Henning and colleagues inferred that workers at the second worksite were less calm when taking their breaks because they perceived that breaks could compromise their productivity in terms of taking time away from meeting task demands. On the other hand, workers at the first work site had improved PWB as breaks were taken not as disruptions to one's task but as something necessary for rejuvenation and integrated into their regular schedule.

Relating the aforementioned research to our study of entrepreneurs who are typically regarded as self-managing workers that have discretionary rest break behaviors (i.e., forms of avoidance coping), we theorize that prior start-up experience could channel the entrepreneur to use avoidance coping in a manner that effectively improves PWB. Compared to inexperienced entrepreneurs, repeat entrepreneurs could be more aware of the reality that continuous exposure to venture-related issues could be damaging to one's psychological health, so that temporarily getting away from it all has to be taken into consideration (Boyd and Gumpert, 1983; Fritz and Sonnentag, 2005). An entrepreneur can learn from past experience that taking a respite from the daily grind of running a business can be done without having to feel guilty or nervous. The experienced entrepreneur may also deliberately choose a time-off location that is not close to the workplace to avoid temptations of going to office during these break periods. Some might even consciously leave their electronic devices at home when they travel to resist temptations of checking emails or working on their business during holidays. We argue that prior start-up experience could inform the entrepreneur that a temporary disengagement is part of the process such that one can take short breaks without fear of lagging behind or missing out.

In contrast, the use of avoidance coping could result in lower levels of PWB for entrepreneurs with no or minimal prior experience. Scholars argue that first-time entrepreneurs usually go by the textbook (Dew et al., 2009). Although there are many creative approaches and problem-solving techniques that are considered variants of active coping written for and about entrepreneurs (e.g., Buttner and Gryskiewicz, 1993; Hsieh et al., 2007), scant attention has been given to how entrepreneurs should deal with negative experiences brought about by the stressful nature of running their ventures (for exception, see Shepherd, 2003, although he focused more on the extreme--loss of business, while our focus is more on the difficulties and hassles inherent in

managing and growing new ventures). With the lack of guidance on how to engage in avoidance coping, novice entrepreneurs would likely be less effective in using avoidance techniques such that in the course of taking time off they might feel guilty that they have left their ventures behind, and such guilt could compromise their PWB. Hence, we hypothesize:

Hypothesis 2: Prior start-up experience will moderate the relationship between the entrepreneur's use of avoidance coping and (a) immediate term and (b) extended term PWB, respectively, such that the relationship will be positive for those with more prior start-up experience and negative for those with less prior start-up experience.

3.3. Combined use of active and avoidance coping over time

We also hypothesized the nature of the relationship between the joint use of active and avoidance coping in predicting PWB. As explained earlier, coping researchers have long recognized that using more than one coping approach, particularly using both active and avoidance coping in dealing with the same issue is common and possible (Folkman and Lazarus, 1980; Folkman and Moskowitz, 2004). Because coping strategies are not mutually exclusive, entrepreneurs could use more than one coping approach to deal with the stressful venture situation. We expect that when both strategies are used by the entrepreneur, s/he is able to reap the benefits of both strategies over time.

To our knowledge, no study has examined the interactive effects of active and avoidance coping on PWB, although it has been argued that oscillation between active and avoidance coping could enhance PWB (Stroebe and Schut, 1999). For instance, in the midst of a severe cash flow issue, the entrepreneur can temporarily step back from the stressful situation by either going out for a break or spending time with friends (avoidance coping). However, the entrepreneur cannot stay away from the situation far too long, as s/he needs to get back into

action and work out a viable financial plan (active coping). In short, while taking breaks may be helpful, such avoidance coping strategies need to be used in conjunction or alternation with active coping strategies. Such a mix of coping strategies could eventually allow for resolving the underlying venture issues by providing the entrepreneur the time and space not only to step back and potentially alleviate distress experiences but also to uncover feasible solutions to the problem and approach the issue head on (i.e., active coping). We expect the potential benefits of avoidance coping on the entrepreneur's PWB would depend on the alternating use of active coping. Importantly, the potential effects of jointly using active and avoidance on PWB requires the passage of time (Roth and Cohen, 1986). Unlike in the previous hypotheses, we predict that the positive impact of the joint use of active and avoidance coping will be realized only in the extended term PWB mainly because such oscillation takes time (Folkman and Moskowitz, 2000). Hence, we hypothesize:

Hypothesis 3: The entrepreneur's combined use of active and avoidance coping will be positively related to PWB over the extended period.

4. Methodology

4.1. Sample and procedures

Participants were recruited from the Entrepreneurs Society of the Philippines (ESP), an association of individual entrepreneurs in Manila, Philippines. Small and medium-sized enterprises account for the largest share of Philippine entrepreneurs, employing about 55% of the Philippine labor force and contributing 30% to total domestic volume sales (Co, 2004).

Consistent with scholars' conceptualization of entrepreneurs as individuals who identify and implement business opportunities (Davidsson et al., 2001; Shane and Venkataraman, 2000), we limited our participants to business owners who personally founded their ventures and are

actively involved in running them. As noted by Bruton, Ahlstrom, and Objloi (2008), most entrepreneurship research has focused on mature economies of the U.S. and Europe where the institutional environment could be different from less mature economies in areas such as the legal framework, availability of capital, and government initiatives for entrepreneurship. Nonetheless, it is precisely because of the pervasiveness of stress in this type of environment that renders it suitable for a study that seeks to provide a better understanding of how entrepreneurs' coping impact their PWB. Interestingly, Manila, the capital city where the study was conducted is a hotbed for entrepreneurship. The Philippine government has created a number of initiatives to promote entrepreneurship, such as the creation of the Office of Presidential Consultant for Entrepreneurship dedicated to assisting current and aspiring entrepreneurs, the enactment of a Magna Carta (Republic Act No. 8289) which supports close coordination between government institutions involved in small-medium enterprises and the private sector, and the establishment of movements such as "Believe and Inspire" to encourage more people to become entrepreneurs (Periquet, 2006).

Letters of invitation were sent to around 600 Manila-based ESP entrepreneurs, of whom 216 (35.5%) met our study requirements (i.e., founded their ventures and are running them) and agreed to participate in the study. Through the email survey, participants provided demographic and venture-related background information. They also reported their prior start-up experience, use of active and avoidance coping, and PWB. One hundred sixty surveys (74.07% of those who agreed) were returned, and four surveys were excluded from the analysis due to substantial missing data, resulting in 156 valid surveys. Following the recommendation of Armstrong and Overton (1977), we estimated non-response bias by comparing the early versus late respondents

and found no significant difference between the key variables of active and avoidance coping (t-test results for coping are as follows: active coping $t=-.77$, *ns*; avoidance coping $t=.89$, *ns*).

The average age of respondents was 32 years, about 38.22% were women, and almost everyone (99%) had a bachelor's degree. Seventy-seven (49%) entrepreneurs reported their firms to be in the early start-up/survival stage, while the rest (51%) reported their firms to be transitioning towards the growth stage. The average age of the firms was 3.86 years, and the average number of full-time staff was 15. About 43% of the start-up ventures belonged to the wholesale and retail industry, 38% were in the service industry, and the rest were in manufacturing (8%), financial and professional (6%), and others (5%). For previous start-up experience, about 59% have not started a business in the past, close to 20% had one venture started prior to the current venture, approximately 11% had two ventures started in the past, while the rest had three (7%), four (2%), and five (1%) past business ventures.

4.2. Measures

4.2.1. Active and avoidance coping

Participants were asked to focus within the recent two months on the most stressful venture-relevant experience they have been dealing with and describe the event briefly in their own words (i.e., what happened, how the event took place, who was involved, etc.). They were then asked to rate the extent to which they were using the following to deal with the situation on a scale of 1 (not at all) to 5 (very much). We used measures and techniques commonly used in past studies to ensure that our methods are valid and that our findings can be compared to past studies. The two-month time frame was used as anchor based on previous coping studies that examined situation-specific coping methods (e.g., Carver et al., 1989; Endler and Parker, 1994; Folkman and Lazarus, 1980). For instance, in Carver et al. (1989), participants were asked to

recall and think about their most stressful event in the past two months. They described the event, and then completed a series of ratings, indicating the degree to which they engaged in each coping activity to deal with the event. Other coping studies that used the two-month time frame include Portello and Long (2001), Rodgers (1993), and Shinn et al., (1989). Extant research on stressful life events operationalized recent events as those that occurred within the past two months (Avison and Turner, 1988; Diener et al., 2009).

Measures of active coping and avoidance coping (7 items each) were adapted from the short form of Endler and Parker's (1990) Coping Inventory for Stressful Situations (CISS). CISS is a reliable and valid coping measure that has been extensively used in both US and non-US coping studies (e.g., Cohan et al., 2006; Furukawa et al., 1993; McWilliams et al., 2003). Examples of active coping include "Focused on the problem to see how I could solve it", and "Worked to understand the situation." Avoidance coping consist of items such as "Took some time off to get away from the situation" and "Went out for a snack or a meal". The alpha reliability coefficients were .78 for active coping and .77 for avoidance coping.

4.2.2. Prior start-up experience

Prior start-up experience was measured by asking participants to report the number of business ventures they started prior to the current business ventures (Delmar and Shane, 2006). To be theoretically compatible with the experience learning perspective (Dokko et al., 2009; Huckman and Pisano, 2006), we operationalized prior start-up experience using the number of ventures started. Following Delmar and Shane (2006), because the distribution of this variable was skewed, we performed log transformation procedures and added 1 to all values to allow the log transformation of cases with zero prior start-up experience.

4.2.3. Psychological well-being

Participants were asked to assess their PWB using 12 items of the General Health Questionnaire (GHQ-12, Goldberg, 1978) on a scale of 1 (not at all) to 4 (much more than usual). Examples of the items include “Have you recently been able to concentrate on whatever you’re doing?”, “Have you recently been able to enjoy your normal day-to-day activities?” and “Have you recently been losing much sleep over worry?” (reverse-coded). The GHQ-12 is one of the most commonly used instrument to assess PWB (Banks et al., 1980; Goldberg et al., 1997; O’Driscoll, 1992), as past studies have used GHQ-12 to measure PWB among different populations, including those of employees (e.g., Daniels and Guppy, 1994; Prosser et al., 1999), unemployed individuals (e.g., Clark, 2003; Creed and Macintyre, 2001), and national samples (e.g., Furukawa et al., 2003; Winefield et al., 1989). For this study, the alpha reliability of immediate PWB was .83. Three months later, we contacted the participants who responded to the initial survey to complete a follow-up survey on their PWB. From the original 156 entrepreneurs that completed the first wave of survey, we were able to retrieve 145 usable follow-up PWB reports (93%), allowing us to generate the extended PWB variable, with an alpha reliability coefficient of .87.

4.2.4. Control variables

We controlled for potential influences of firm age, firm size (number of employees), age and gender of the entrepreneur for all regression analyses. Younger, smaller ventures face the danger of high failure rates compared to older, more established firms (Stinchcombe, 1965), which could likely account for some variance in PWB. In a similar vein, we controlled for the phase/stage of the venture which captured whether they were in the early start-up/survival stage (coded as 0) or transitioning into the growth stage (coded as 1). Baron (2009) also suggested that

the entrepreneur's age could possibly account for differences in outcomes, as studies (e.g., Schieman et al., 2001) show that age may account for differences in PWB. We also controlled for gender because past studies found gender differences in PWB (e.g., Harris et al., 1988; Pugliesi, 1995).

5. Results

Table 1 shows the means, standard deviations, reliability and correlation coefficients of the variables of interest. The significant but moderate positive correlation between active and avoidance coping ($r=.29, p<0.01$) supports the theoretical assertion that individuals use more than one coping method to deal with a stressful situation and that coping methods are not mutually exclusive (Folkman and Moskowitz, 2004).

Results of the regression analyses for the hypothesized relationships are presented in Tables 2 and 3. We followed Aiken and West's (1991) centering procedures for our coping data in conducting hierarchical regression analysis to reduce potential multicollinearity problems inherent in the use of multiplicative scores. In interpreting the results, methodological scholars prescribed using the full/complete model (i.e., Model 3, for both tables) where main effects and interaction effects are simultaneously estimated to avoid omitted variable bias and prevent theoretical misspecifications, given that *a priori* interaction effects were hypothesized (Echambadi et al., 2006; Finney et al., 1984).

The first hypothesis describes the relationship among active coping, prior start-up experience, and PWB. Results in Model 3 of Table 2 indicate a non-significant interaction between active coping and prior experience on immediate PWB ($b = -.10, ns$). Model 3 of Table 3 also indicated a non-significant interaction between active coping and prior experience on extended PWB ($b = -.12, ns$). Hence, Hypotheses 1a and 1b are not supported.

The second set of hypotheses describes the moderating effect of prior experience on the use of avoidance coping and entrepreneur's PWB. Results in Model 3 of Table 2 indicate a significant interaction between avoidance coping and prior experience on the immediate PWB ($b = .27, p < 0.05$). To facilitate the interpretation of the interaction, we graphed the relationship between avoidance coping and PWB at one standard deviation above and below the mean of prior start-up experience (Aiken and West, 1991). As shown in Figure 1, the upward sloping line indicates that for entrepreneurs with more start-up experience, there is a positive relationship between avoidance coping and PWB. In contrast, the downward sloping line suggests that for entrepreneurs with minimal prior start-up experience, there is a negative relationship between avoidance coping and PWB. The simple slopes test also revealed that the simple slope for the downward sloping line is significantly different from zero ($t = -2.81, p < 0.01$). In contrast, the interaction term had a non-significant impact on the extended PWB, as shown in Model 3 of Table 3 ($b = .02, ns$). Thus, Hypothesis 2a is supported but not Hypothesis 2b.

The last hypothesis describes the joint effects of active and avoidance coping in predicting PWB over the extended term. Controlling for immediate term PWB, we ran hierarchical regression analyses with the extended-period PWB as outcome. Results of the full model (Model 3) in Table 3 indicate that the interaction between the two coping methods was positive and significant ($b = .13, p < 0.05$). The interaction graph is depicted in Figure 2. This suggests that over the extended term, the use of avoidance coping is positively related to PWB only if it is accompanied by the use of active coping. Over time, if the entrepreneur frequently uses avoidance coping without balancing it with the use of active coping, PWB will decrease. As indicated in Model 3 of Table 2, we found no significant evidence for the impact of the combined use of avoidance and active coping on immediate PWB ($b = .07, ns$), suggesting that

oscillating between the use of active and avoidance coping takes time to unfold. We also tested a three-way interaction among active coping, avoidance coping, and prior experience; however, the three-way interaction was not supported ($b=.07$, *ns* for immediate outcome; $b=.09$, *ns* for extended outcome).

5.1. Robustness tests and other statistical analyses

We performed several steps to verify the robustness of our findings and check for potential biases. In describing entrepreneurial experience, Reuber and Fischer (1999) observed that start-up experience usually reflects diversity, capturing whether or not an owner has previously launched a start-up (expressed as a dichotomous variable) or in how many different start-ups he or she has been involved (as indicated by the number of ventures founded). Following previous studies (e.g., Davidsson and Honig 2003; Farmer et al., 2011), we reanalyzed the moderating relationships using a binary coding for prior start-up experience (0=without prior experience, 1=with prior experience). Results did not significantly alter our previous findings, namely, Hypotheses 1a and 1b were not supported ($b =-.19$, *ns* for immediate outcome; $b =-.10$, *ns* for extended outcome), and Hypothesis 2a was supported ($b =.28$, $p<0.05$) but not 2b ($b =.02$, *ns*), and the interaction plots were relatively similar to Figure 1. Since prior experience can be viewed as duration of experience, we also asked participants to report years of experience as an entrepreneur. This variable did not significantly impact the coping to immediate PWB relationship ($b=.007$, *ns*, for interaction between active coping and prior entrepreneurial experience in years; and $b=.009$, *ns*, for interaction between avoidance coping and prior entrepreneurial experience in years). Including it as a control variable did not significantly affect our results. Such results are consistent with the experience learning perspective that operationalizing prior experience in terms of number of project/task types (in our case, number

of business ventures) could be a stronger predictor than tenure. We also explored nonlinear effects of prior experience but did not find any significant effects ($b=-.0001$, *ns*) on immediate PWB, nor moderating effects ($b=.0005$, *ns* for avoidance coping and $b=-.0002$, *ns* for active coping). Interestingly, we also captured prior experience (in years) as a salaried employee, and consistent with the literature on prior experience, the inclusion of prior experience as an employee did not significantly change our findings.

Further, we conducted a series of analyses to assess potential biases. We used the variance inflation factor (VIF) to test for multicollinearity and found none of the variables had problematic VIF values (the highest value we obtained was 2.16; cf. Hair et al., 2006). Next, we conducted a heteroskedastic robust endogeneity test using the White's test (cf. Greene, 2000; White, 1980). The general chi-square statistic was not significant ($\chi^2=60.09$, $p=.16$), suggesting that the regression estimators in the model are not significantly biased. Another potential threat to our study is common method variance. However, the low zero-order correlations between the variables of interests and the results of the Harman's single factor test (Harman, 1967) both indicate that common method variance was not a serious threat in this study. In particular, three distinct factors emerged from the unrotated factor analysis, with the first factor capturing 37.22% of the variance in the data. We also conducted a series of confirmatory factor analysis as recommended by Podsakoff et al. (2003) to explore the best fitting model. A three-factor model with items loading on the appropriate variables (active coping, avoidance coping, and immediate PWB) generated the following indices: RMSEA=.08, RMSR=.04, TLI=.77, CFI=.79, AIC=7578.67, BIC=7703.18. These indices are better than those of the one-factor model (RMSEA=.16, RMSR=.19, TLI=-3.96, CFI=.00, AIC=8069.07, BIC=8184.48) or even the two-factor model of coping and immediate PWB (RMSEA=.12, RMSR=.17, TLI=.16, CFI=.26,

AIC=7772.06, BIC=7890.51). The results suggest that common method bias is unlikely to account for the statistically significant findings in our study. Moreover, significant moderator effects are less likely to be influenced by common method bias (Schriesheim and DeNisi, 1981).

We also reran our analyses for all models with three additional individual-level variables as controls—venture commitment, learning goal orientation, and satisfaction with venture—as these variables could potentially account for differences in PWB. Inclusion of these variables did not significantly alter our results, so we decided to drop them in all our models for parsimony. Moreover, we performed Ramsey’s omitted variable regression specification error test (RESET; Ramsey, 1969) in all our analyses, and results indicate that we should accept the null hypothesis that “the model has no omitted variables” (Ramsey, 1969). This was consistent across all models, indicating that omitted variable bias was not a significant threat to our study.

6. Discussion

Shepherd and Haynie (2009) argued that PWB “is a valuable dependent variable in its own right” (p. 330) and coping effectiveness could potentially impact firm performance (cf. Carver and Scheier, 1994; Thoits, 1995; Waters and Moore, 2002; Zeidner and Endler, 1996). Entrepreneurship scholars encourage greater efforts in studying attributes and conditions of the individual entrepreneur because there can be no entrepreneurship without the entrepreneur who pursues opportunities and creates business ventures (Baron, 2007; Shaver and Scott, 1991). Recognizing the abundance of stress in the highly uncertain and complex entrepreneurial domain (Hoang and Gimeno, 2010; McGrath and MacMillan, 2000) and the surprising lack of systematic research on coping and PWB of entrepreneurs, we addressed this critical yet understudied topic. Moreover, coping effectiveness, which is verified by looking at the relationship between coping and PWB, is considered to be one of the most perplexing research topics given the inconclusive

findings across different contexts. Importantly, our study addresses this gap in the entrepreneurship field and also contributes to the broader coping literature. We found that while avoidance coping improved immediate PWB only among experienced entrepreneurs, and active coping positively predict both immediate and extended PWB. We also found support for our assertion that over time, the entrepreneur's combined use of avoidance and active coping positively predicted extended-term PWB.

6.1. Theoretical implications

We contribute to research on coping theory in general and entrepreneurial coping in particular by embarking on a study that focuses on entrepreneurs' coping and PWB. Although there is no clear consensus on which coping method is most effective (Aldwin and Revenson, 1987), previous studies indicate that individuals use more than one coping method to deal with a stressful situation (Carver et al., 1988; Roth and Cohen 1986; Solomon et al., 1988).

Theoretically, both methods should seek to improve PWB (Lazarus and Folkman, 1984), and ideally, both active and avoidance coping would be operative as the individual tries to capitalize on the benefits and minimize the costs of each (Roth and Cohen, 1986). Yet empirical studies have disclosed inconsistent findings on the impact of coping on PWB. We propose and find that prior start-up experience may in part explain this inconsistent finding at least with respect to the use of avoidance coping on the immediate PWB. Prior experience can be regarded as a knowledge and information resource (Davidsson and Honig, 2003) which could spawn an individual's "coping schema" or mental framework for which coping strategies can be utilized when faced with stressful situations (Peacock et al., 1993). The entrepreneur's prior start-up experience could be an indicator, among other things, of one's acquired knowledge of what strategies can be applied to what situations. At least in the immediate term, previous experience

could also offer a sense of control in similar (venture-related) situations as a result of being exposed to relatively familiar environments.

We found that previous start-up experience facilitated the effective use of avoidance coping in the immediate period as indicated by the positive interaction term. Previous experiences could influence the entrepreneurs' mindset and consequently the entrepreneurs' ability to deal with the venture situation (Shane, 2000; Zhao et al., 2005). Novice entrepreneurs were not as effective in using avoidance coping as evidenced by the negative relationship between avoidance coping and immediate PWB. Engaging in avoidance coping might have left novice entrepreneurs guilt ridden at least in the immediate term, primarily because of the widely accepted notion that entrepreneurs are doers (McMullen and Shepherd, 2006). Hence, briefly getting away from the venture situation might actually result in more anxiety and worse mental health in the immediate term for entrepreneurs with less start-up experience because they might find it more difficult to handle temporary separation from their business ventures. The benefit of prior experience lies in informing the entrepreneur that alleviating stress by taking a break is a helpful way of re-energizing. Although we were not able to verify whether these experiences involved successful or failed past ventures, entrepreneurship scholars suggest that previous founding experiences, whether positive or negative, were beneficial to developing knowledge, capabilities, and competencies (Chandler and Hanks, 1998; Colombo and Grilli, 2005) which also includes using coping methods effectively as indicated by improved (immediate) PWB.

We did not, however, find any moderating effect of prior start-up experience on the active coping and PWB link, and instead found entrepreneurs' active coping related positively to PWB (both immediate and extended terms) regardless of previous start-up experience. The strong main effect of active coping on PWB could have precluded us from detecting a significant

moderating effect of prior start-up experience. Entrepreneurship implies a strong action orientation (Ma and Tan, 2006; McMullen and Shepherd, 2006), and entrepreneurs are typically depicted as doers and problem solvers (Becherer and Maurer, 1999; Herron and Sapienza, 1992). Because engaging in actions consistent with one's identity could positively impact PWB (McGregor and Little, 1998; Thoits, 1991), this suggests that the sheer use of active coping (which is consistent with the nature of being an entrepreneur), could be enough to enhance PWB (Cross et al., 2003; Funder, 1995) and potentially supersede other elements, including previous start-up experience.

Consistent with our prediction, the significant positive interaction between active and avoidance coping on extended-term PWB suggests that the beneficial impact of the combined use of both coping methods on the entrepreneur's PWB can only be realized over an extended period. As mentioned earlier, this has been duly acknowledged by many scholars (e.g., Roth and Cohen, 1986; Stroebe and Schut, 1999) but to our knowledge has not been empirically demonstrated. This confirms that the passage of time should be considered in examining the joint effects of avoidance and active approaches. Oscillation also suggests that avoidance coping over time should not interfere with the use of active coping. One can also infer that the benefits of avoidance coping on PWB in the long run could mainly be effects that work to facilitate subsequent active coping (Roth and Cohen, 1986). Future research can embark on more extensive investigations using various time frames and longer time periods (i.e., exceeding three months) to generate more nuanced findings.

Although not hypothesized, we found a negative relationship between prior start-up experience and immediate PWB. A possible explanation to this might involve the level of optimism and confidence which has been shown to have strong correlations with PWB (Lucas et

al., 1996; Peterson and Bossio, 2001). Scholars argue that novice entrepreneurs are more highly optimistic and (over)confident than repeat entrepreneurs (Hayward et al., 2010). Past start-up experiences could make the entrepreneur less idealistic and more realistic, reducing optimism and confidence to moderate levels (Hmieleski and Baron, 2009) and making them more sensitive to negative information (Segerstrom, 2001). The lower immediate PWB of experienced entrepreneurs also provides some evidence of the prevalence of stress in entrepreneurship (Boyd and Gumpert, 1983).

6.2. Limitations and future research

The cross-sectional nature of our study limits our conclusions and precludes us from making causal implications. While causality cannot be established, our study represents an initial step towards addressing coping effectiveness among entrepreneurs as we offer prior experience as a factor (at least in the immediate term) that can explain some of the inconsistent results of coping to PWB relationship, in particular, avoidance coping and immediate PWB. Future studies can conduct experiments to scrutinize causal relationships as well as more sophisticated longitudinal designs to model the mechanisms behind coping to PWB linkages. A possible extension of this study is to distinguish in-the-moment coping of entrepreneurs and comparing it against more stable active and avoidance coping methods (Todd et al., 2004). Our study focused on coping methods in a more general level, and one could examine the fluctuating nature of coping over multiple time periods by using repeated measures techniques of data gathering such as experience sampling methodologies (ESM) (Beal and Weiss, 2003; Uy et al., 2010). By using ESM (Foo et al., 2009; Song et al., 2008), entrepreneurs can provide real-time reports of their coping behaviors and PWB, and researchers could also capture the exact time of a critical stressful event, which is an important step that could clarify the nuances and address the changes

in the relationships over time. We also acknowledge that our study does not reveal exactly how long the coping methods impact PWB, and future research could explore this issue using designs with longer duration, including diary studies and longitudinal panel designs (Bolger et al., 2003).

Another possible empirical extension of our study could focus on how entrepreneurs cope with extreme setbacks such as business failures (Shepherd, 2003). Future research can embark on testing conceptual frameworks on learning from and coping with business failures (Shepherd, 2004; Shepherd et al., 2009, 2011). In addition, over and above prior start-up experience, future studies can also consider other individual level attributes that could shed light on the coping to PWB relationship, such as the individual's regulatory focus (Higgins, 1998; McMullen et al., 2009) among others.

Finally, as with any study, the context limits generalizability and presents possibilities. Our participants were recruited from Manila-based members of the Entrepreneurs' Society of the Philippines with a good majority having completed college education. Because our sample comprised educated entrepreneurs, our findings can be relevant to more knowledge intensive entrepreneurial environments and probably less so for less knowledge intensive business landscapes. Furthermore, as our study focused on individual entrepreneurs, future research can explore the relationships of the variables of interest using a team context. Examining contagion effects (e.g., Barsade, 2002; Hatfield et al., 1994, Song et al., 2011) among venture team members' PWB could potentially offer richer insights on the dynamics of coping and PWB.

6.3. Practical implications

Coping is critical to entrepreneurs because of the stressful nature of the entrepreneurial environment. Without being mindful of this, entrepreneurs could be overwhelmed by venture-related stressors that could dampen their spirits (Boyd and Gumpert, 1983), and perhaps leave

their ventures. As Foo, Sin, and Yiong (2006) suggested, at the early venture stages, it is vital that entrepreneurs remain excited about their ventures so that they do not abandon their ventures before the ventures have a chance to succeed. Coming into terms with the reality of stress is half the battle; the other half has to do with dealing with it through coping. Importantly, while entrepreneurs need to address venture problems directly, they also need to obtain temporary respite from stressful situations at least in the immediate term to prevent the risk of burnout (Blonk et al., 2006).

As one famous entrepreneur and author said, “Without a break, there may just be no breakthrough” (May, 2011). The importance of active coping is something that entrepreneurs could easily embrace, but perhaps the case is different for avoidance coping. The value of temporarily distancing from the stressful situation in the immediate term might be less evident especially for novice entrepreneurs who may be more reticent to take breaks for fear that if they take their eyes off the venture for one moment, problems will worsen. To excerpt from an entrepreneur’s blog: “As entrepreneurs, we tend to feel guilty about taking breaks. In the past, I used to be riddled with guilt when I took a full hour for lunch. We somehow got misinformed that the more we time we spend working, working, working...the better off we are” (Riley, 2011). Our study suggests that incorporating short breaks and temporary respites could also be beneficial to immediate PWB particularly for individual with more start-up experience. At least in the immediate term, one could use avoidance coping in an effective way by not worrying or feeling guilty while being temporarily away.

In addition, results of our additional analysis that examined entrepreneurs’ PWB three months after suggests that combining and balancing active and avoidance coping could improve PWB over an extended period of time. Because the effective use of these two strategies jointly

could take some time to be realized, entrepreneurs must be patient with themselves in the process. To quote the Scottish author Samuel Smiles (1859, p. 26), “Men (and women) must necessarily be the active agents of their own PWB ... they themselves must in the very nature of things be their own best helpers.” And as this study suggest, being your best helper means recognizing the value of actively resolving issues as well as taking time off.

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Table 3. Hierarchical Multiple Regression: Coping Strategies, Prior Start-up Experience and Extended Term Psychological Well-being

Figure 1.
Moderating Effect of Prior Start-up Experience on the
Relationship between Avoidance Coping and Immediate PWB

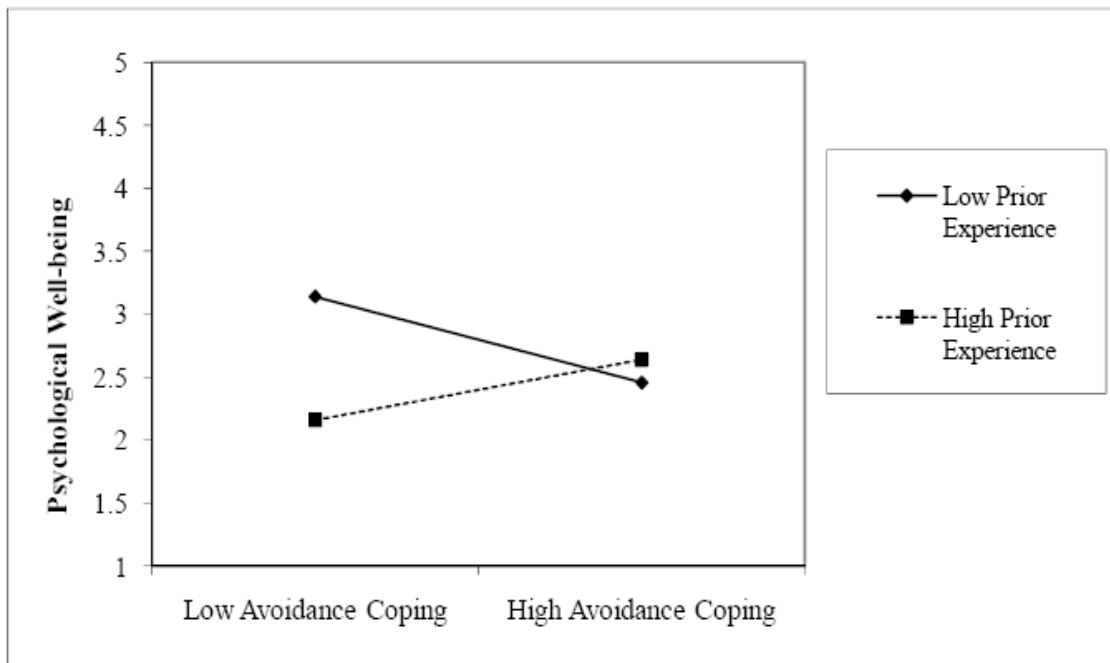


Figure 2.
Interaction of Active and Avoidance Coping on Extended PWB

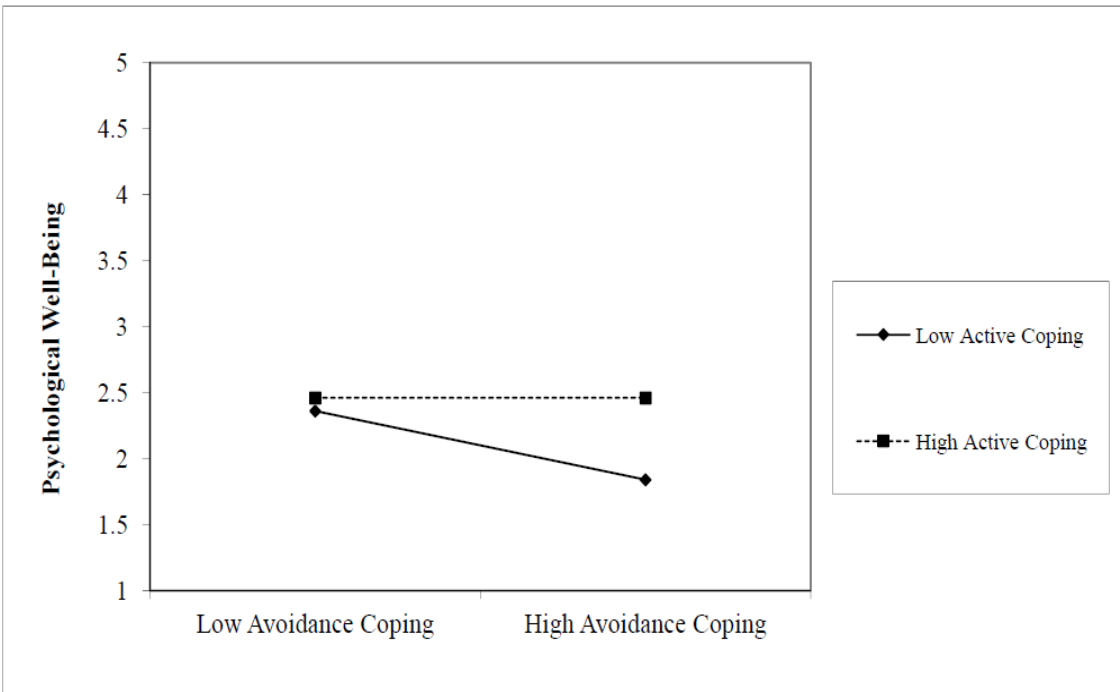


Table 1.
Means, SDs, and correlations of the study variables.

	Mean	SD	1	2	3	4	5	6	7	8	9
1 Gender	0.38	0.49									
2 Age	32.11	9.99	-0.01								
3 Firm age (in years)	3.86	3.17	-0.03	0.53							
4 Firm size (no. of employees)	14.94	22.46	-0.01	0.22	0.46						
5 Firm stage/phase	0.51	0.50	-0.12	0.44	0.71	0.37					
6 Prior start-up experience	0.75	1.11	-0.07	0.19	-0.01	0.06	0.04				
7 Active coping	3.80	0.69	-0.03	-0.06	0.09	0.01	0.06	0.05			
8 Avoidance coping	2.38	0.85	0.10	-0.10	-0.03	0.09	-0.07	0.10	0.29		
9 Immediate-period PWB	3.00	0.57	-0.03	0.16	-0.01	0.04	-0.06	-0.08	0.21	-0.01	
10 Extended-period PWB	3.26	0.50	-0.06	0.43	0.33	0.15	0.34	0.11	0.10	-0.17	0.23

Notes: $|r_s| \geq 0.16$ are significant at the 0.05 level (2-tailed); $|r_s| \geq 0.21$ are significant at the 0.01 level (2-tailed).

N=156 except for Extended-Period PWB where N=145; Gender: 0=male; 1=female; Firm stage/phase: 0=start-up/survival, 1=growth; PWB=psychological well-being.

Table 2.
 Hierarchical Multiple Regression: Coping Strategies, Prior Start-up Experience and Immediate Term Psychological Well-being

	Model 1		Model 2		Model 3	
	DV: Immediate PWB		DV: Immediate PWB		DV: Immediate PWB	
	B	SE	B	SE	B	SE
Gender	-0.06	(0.09)	-0.07	(0.09)	-0.07	(0.09)
Age of entrepreneur	0.01 **	(0.01)	0.02 **	(0.01)	0.02 **	(0.01)
Firm age	-0.01	(0.02)	-0.03	(0.02)	-0.04 †	(0.02)
Firm size (no. of employees)	0.01	(0.01)	0.01	(0.01)	0.01	(0.01)
Firm stage/phase	-0.17	(0.13)	-0.19	(0.13)	-0.14	(0.13)
Immediate PWB						
Prior start-up experience			-0.17 †	(0.09)	-0.20 *	(0.09)
Active coping			0.24 **	(0.07)	0.28 **	(0.09)
Avoidance coping			-0.05	(0.06)	-0.17 *	(0.07)
Active X experience					-0.10	(0.13)
Avoidance X experience					0.27 *	(0.11)
Active X avoidance					0.07	(0.08)
R^2	0.05		0.15		0.19	
Adjusted R^2	0.02		0.10		0.13	
R^2 -change			0.09		0.05	
F	1.73		3.08**		3.05*	
F -change			5.11**		2.69*	
N	156		156		156	

* $p < 0.05$, ** $p < 0.01$; † $p < .10$

DV=dependent variable; PWB=psychological well-being; regression coefficients are unstandardized.

Table 3.
Hierarchical Multiple Regression: Coping Strategies, Prior Start-up Experience and Extended Term Psychological Well-being

	Model 1		Model 2		Model 3	
	DV: Extended PWB		DV: Extended PWB		DV: Extended PWB	
	B	SE	B	SE	B	SE
Gender	-0.05	(0.07)	-0.04	(0.08)	-0.03	(0.08)
Age of entrepreneur	0.01 **	(0.01)	0.01 **	(0.01)	0.01 **	(0.01)
Firm age	0.01	(0.02)	0.01	(0.02)	-0.01	(0.02)
Firm size (no. of employees)	-0.01	(0.01)	0.01	(0.01)	0.01	(0.01)
Firm stage/phase	0.20	(0.11)	0.19 †	(0.11)	0.22 *	(0.11)
Immediate PWB	0.18 **	(0.06)	0.15 *	(0.07)	0.14 *	(0.07)
Prior start-up experience			0.02	(0.08)	0.01	(0.08)
Active coping			0.10	(0.06)	0.18 *	(0.08)
Avoidance coping			-0.11 *	(0.05)	-0.13 *	(0.06)
Active X experience					-0.12	(0.11)
Avoidance X experience					0.02	(0.09)
Active X avoidance					0.13 *	(0.06)
<i>R</i> ²	0.25		0.29		0.32	
Adjusted <i>R</i> ²	0.22		0.24		0.26	
<i>R</i> ² -change			0.04		0.03	
<i>F</i>	8.04 **		6.19 **		5.12 **	
<i>F</i> -change			2.21 †		1.66	
<i>N</i>	145		145		145	

p*<0.05, *p*<0.01; †*p*<.10

DV=dependent variable; PWB=psychological well-being; regression coefficients are unstandardized.