

*Full Length Research Paper*

# Sources of stress and the coping mechanism for Malaysian entrepreneurs

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**The purpose of this paper is to present the findings on the stress factors and the coping mechanism of the Malaysian entrepreneur's. Data were collected via a questionnaire distributed amongst the entrepreneurs over the Klang Valley, Malaysia. A total of 118 out of 300 entrepreneurs completed questionnaires, which represented all business sectors with varieties demographic background. The results factor analysis with a variamax rotation are conducted on the actual performance to generate the underlying dimensions of the stress experience by Malaysian entrepreneurs. Additionally, bivariate analysis revealed significant differences in terms of sources and coping instruments of stress. Multiple regression analysis provided evidence that the affected and influential issues of stress factors as well as the coping mechanism. This current study contributes to the body of research by investigating the combined effects of stress factors and its coping mechanism, using one instrument, in one area setting. Recommendations for future research at the theoretical and practical level are given.**

**Key words:** Entrepreneurs, stress, coping, Malaysia.

## INTRODUCTION

In recent years, there has been a plethora of literature examined the job stress among entrepreneurs (Boyd and Gumpert, 1983; Allison, 1997; Akande, 1994; Johnson, 1995; Harris et. al., 1999; Rauch et. al., 2007). Several researchers found that entrepreneurs are more likely to experience higher levels of stress due to their heavy workload as well as the assumption of risk in their business activities and operations (Dewe and Guest, 1990; Akande, 1994; Harris et. al., 1999). Many challenges in the current business environment, characterised by heightened competition, lack of time, lack of space, continuous technological development, conflicting demands from organisational stakeholders (Hall and Savery, 1986; Edwards, 1992), increased use of participatory management and computerisation (Murray and Forbes, 1986; Johnson, 1999), greater uncertainty and others factors have resulted in higher job stress. Furthermore, dealing and handling the entire business organisation, which entails managing the cash flow, recruiting and retraining

staff, meeting the targets, dealing with the red tape and juggling the work or life balance leading to feelings of anxiety (Robertson, 2004; Rythonen and Strandvik, 2005). There are also numerous other factors that contribute to the generation of stress such as economic changes in the environmental factors and responsibility for others (Johnson, 1995). However, the stress phenomenon does not only exist among new entrepreneurs who just formed a start-up business but also affects those who own established firms that have been in business for up to 20 years operations (Robertson, 2004). According to Robertson (2004), the experience of stress among entrepreneurs is much higher compared with other job occupations. The empirical evidence from his study shows that approximately 70% of business owners and managers believed that it is far more stressful running one's own business activities compared to working for other people, while 19% of the survey shows that running one's own businesses is less stressful than working for others. The remaining 11% shows that the experience of stress is more or less the same in both cases. Indeed, much evidence has now accumulated in an attempt to explain the coping strategies in order to assist entrepreneurs in overcoming the problems (Akande, 1994; Johnson, 1995;

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Kivimaki and Lindstrom, 1995; Kirkcaldy and Furnham, 1999). In spite of the importance of understanding the entrepreneurial stress factors, most studies have been confined to entrepreneurs in developed economies. However, few studies have centred and compared the experience of stress as well as the coping mechanism amongst entrepreneurs in developing countries and Malaysia in particular. Therefore, this study demands to investigate this issue in greater details and seek to contribute to this inchoate literature. According to Hofstede (1996), theories are influenced by their cultural contexts and the universality of many theories is therefore doubtful. Given these weaknesses in the literature, this current study has the following objectives:

- (i) To identify the stress factors amongst Malaysian entrepreneurs.
- (ii) The factors that may help cope with stress among Malaysian entrepreneurs.

This paper is divided into 3 sections: first, it described a methodology employed for the study. Second, it presents the results and findings of the research and finally, the last section concluded the paper, discussed its contribution and offers directions for future research.

## METHODOLOGY

### Subjects

A total of 300 questionnaires were distributed and a total of 118 questionnaires were returned (response rate 39.3%). About 59.3% of the respondents were male and 40.7% were female. A total of 61% of the respondents are aged below 40 years old while 39% are above 40 years old. The respondents were well educated, with only 4.2 and 20.3% completing only primary school and secondary school, respectively, while 66.1% have at least a bachelor's degree. No less than 9.3% had professional certificates. In relation to years in business, 50.8% of the respondents have operated their business less than 9 years compared with 25.4% between 10 to 24 years and 23.7% who have operated their business more than 25 years. Table 1 contains other demographic characteristics of respondents.

### Procedure

The researcher independently contacted entrepreneurs using a random sample retrieved from the Small and Medium Sizes Enterprises (SMEs) Report list within the Klang Valley region. Additionally, appointments were made to visit approximately 25 entrepreneurs in order to explain the objectives of the survey and to distribute the materials. A time period of three to four weeks is expected for the data collection process. The completed questionnaires were collected by the researcher. Follow-up calls were made to those participants that did not provide any response after a period of one month.

### Measure

The questionnaire's content was administered through various sources which relates with the suitability of the instrument (Mount et

al., 1994; Rothermund and Brandtstädter, 2003; Hoonakker et al., 2004; Occupational Health, Safety and Welfare, 2003). Furthermore, these instruments have been extensively used in the detection of stress amongst various studies Meta-Analysis of Personality-Job Performance Relations (Mount et al., 1994) and Developmental Psychopathology (Cicchetti and Cohen, 2006).

### Dependent variables

The dependent variables in this study incorporates measures of the expected sources of stress, namely, characteristics, skills, family commitment, work commitment, responsibility and value as well as the coping mechanism. All items are rated on a five-point Likert-type rating scale, with the high score denoting higher levels of symptoms and high levels of handling factors, respectively.

**Characteristic:** This is an 11-item scale which reflects various affective trait factors, such as behavioural, imagination and emotions. This characteristic provides a single overall score, with a Cronbach's alpha reliability coefficient of 0.675.

**Skills:** This 7-items scale measures the level of confidence, knowledge and experience of the respondents. For this current study, Cronbach's alpha coefficient was 0.802.

**Work and family:** This scale provides a measure the respondents' commitment towards work and family and consist of 5 items. Each item assesses the degree of work and family, ranging from 1 ("strongly disagreed") to 5 ("Strongly agreed"). There are a total of three subscales which measure different aspects of family: time management, problems and activities (Cronbach's alpha = 0.803) and work: time consuming and workload (Cronbach's alpha = 0.551).

**Responsibility and value:** This 3-items scale measures the expectation and the visionary views with the Cronbach's alpha coefficient of 0.874.

### Independent variables

The independent variables in this study were included to measure the level of stress and the coping mechanisms. All items were rated on a five-point Likert-type scale.

**Level of stress:** The items were rated in terms of the degree of pressure the individual perceived in his/her job, from 1 ("very definitely not faced stress") to 5 ("very definitely faced stress").

**Coping mechanism:** This scale accesses the coping factors of stress. It taps into various aspects of the healing aspects, such as prioritize work, effective communication, disregarding, do something fun, networking and exercise regularly. There are 6 statements rated from 1 ("strongly disagree") to 5 ("strongly agree"). For this study, the Cronbach's alpha for this scale is 0.623.

## RESULTS AND FINDINGS

Due to data available, it was possible to examine a variety of sub samples; however for this current paper, only the main findings from the frequency analysis based on the respondent's feedback, bivariate analysis and regression analysis are presented.

### Analysis of respondents' feedback

In this first instance, data were analyzed to explore the

**Table 1.** Respondent's Demographic Characteristics.

Profile		Frequency	Percent	Valid Percent	Cumulative Percent
Ethnic	Malay	78	66.1	66.1	66.1
	Chinese	20	16.9	16.9	83.1
	Indian	13	11.0	11.0	94.1
	Others	7	5.9	5.9	100.0
	Total	118	100.0	100.0	
Marital Status	Single	38	32.2	32.2	32.2
	Married	80	67.8	67.8	100.0
	Total	118	100.0	100.0	
Business Sector	Trading	19	16.1	16.1	16.1
	Services	48	40.7	40.7	56.8
	Construction	7	5.9	5.9	62.7
	Manufacturing	6	5.1	5.1	67.8
	Agriculture	6	5.1	5.1	72.9
	Others	32	27.1	27.1	100.0
	Total	118	100.0	100.0	
Years in Business	Below 9 years	60	50.8	50.8	50.8
	10-24	30	25.4	25.4	76.3s
	Above and 25 years	28	23.7	23.7	100.0
	Total	118	100.0	100.0	

means, the standard deviations and the median for the stress factors variables based on Online Analytical Processing (OLAP) Cubes. Results show that among the top five variables that generate stress towards Malaysian entrepreneurs are: no commercial experience in conducting business, no experience in related sector, hesitate to delegate work, weak and unable to make decisions and is emotionally stable (not easily upset) with mean scores of 4.08, 4.07, 3.82, 3.63 and 3.53 respectively.

A stepwise OLAP Cubes procedure was calculated with coping mechanism as the dependent variable against work prioritization, effective communication, disregarding, divert feeling (by doing something fun), networking and regular exercise as the independent variables. The highest mean score is for to divert thinking by doing something else (3.98), whereas the highest score for standard deviation is through keep fit by trying to exercise regularly (1.212). It was also found that the median results show the three highest scores are for keep cool and refuse to be rushed into anything (4.00), express and discuss feelings with others (4.00), and divert thinking by doing something else (4.00).

### Analysis of stress between groups

In the second stage of analysis, stepwise a bivariate correlation analysis was done on all constructs to determine Pearson's Correlation Coefficients with a Two-tailed significance test. Entrepreneur's characteristics, skills work,

**Table 2.** Relation of stress factors with the stress level.

Factor	Correlation Value, R	Significant Level, P
Characteristics	0.297	0.001
Skills	0.147	0.113
Work	0.199	0.030
Family	0.332	0.000
Responsibility	0.179	0.052
Values	0.216	0.019

family, responsibility and value constructs have been chosen as dependent variables and the stress level and coping mechanism as independent variables. For finding the relation, a minimum significance level,  $\alpha = 5\%$  or 0.05 was chosen. The result shows that characteristics, work, family and values has a strong relation with the value of correlation coefficient,  $R = 0.297, 0.199, 0.332$  and  $0.019$  respectively. It is also found that its significant level ( $P$  value)  $< 0.05$ . However, results indicate that skills and responsibility has a weak relation with the value of correlation coefficient,  $R = 0.147$  and  $0.179$  respectively with the significant level ( $P$  value)  $> 0.05$ . Table 2 below indicates the correlation between the variables with stress level.

On the coping aspects the same measurement are tested to each instruments. The correlation coefficient

**Table 3.** Relation of Stress Factors with the Coping.

Factor	Correlation Value, R	Significant Level, P
Prioritize work	0.469	0.000
Effective communication	0.161	0.082
Disregarding	0.419	0.000
Divert thinking (do something fun)	0.040	0.664
Networking	0.659	0.000
Exercise regularly	0.169	0.067

**Table 4.** Summary predicting stress level.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	0.397(a)	0.158	0.141	1.113	9.372	0.000(a)

(a) Predictors: (Constant), Family, Characteristic.

**Table 5.** Results of regression analysis for predicting stress level.

Model		Unstandardized coefficients		Standardized coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.435	0.590		0.738	0.462
	Family	0.548	0.166	0.307	3.309	0.001
	Characteristic	0.362	0.156	0.215	2.319	0.022

**Table 6.** Summary predicting coping mechanism.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	0.540(a)	0.292	0.254	0.218	7.627	0.000(a)

(a) Predictors: (Constant), Prioritize work, Effective communication, Disregarding, Divert thinking, Networking, exercise regularly.

value shows prioritize work, disregarding and networking has a strong relations with a result,  $R = 0.469$ ,  $0.419$  and  $0.659$  respectively. It is also found that its significant level (P value) = 0.000 for all factors. This indicates a very strong relation. Table 3 below indicates the correlation between the variables with the coping factors.

### Regression analysis of stress and coping criteria

For this study, regression analysis was performed to predict the stress level based on five independent factors. The five independent factors are characteristics, skills, work, family and values. The appended Table 4 summary in predicting stress level shows that R is 0.397, R square is 0.158 and adjusted R square is 0.141, meaning that 14.1% of the variance in Stress Level can be predicted by the other independent variables.

The result of the regression analysis shows that out of the five indicators, only two are significant as shown in Table 5. The two significant factors are family with P value = 0.001 and characteristics with P value = 0.022.

For this study, regression analysis was performed to

predict the coping mechanism based on six independent factors. The six independent factors are prioritizing work, effective communication, disregarding, divert thinking, net-working and exercise regularly. The appended Table 6 summary in predicting coping mechanism shows that R is 0.540, R square is 0.292 and adjusted R square is 0.254, meaning that 25.4% of the variance in coping mechanism can be predicted by the other independent variables.

The result of the regression analysis shows that out of the five indicators, only three are significant as shown in Table 7. The three significant factors are prioritize work with P value = 0.001, disregarding with P value = 0.013 and networking with P value = 0.000.

Overall the model is significant. From the prediction equation, it means that an increase of one point rating for prioritize work factor, given no change in the disregarding and networking factor, the coping mechanism will increase by 0.086. On the other hand, the coping mechanism will increase by 0.082 and 0.114 if the disregarding and networking factors are increased respectively by one pair, given no change in prioritize work factor.

**Table 7.** Results of regression analysis for predicting coping mechanism.

Model	Unstandardized coefficients		Standardized coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.556	0.167		3.338	0.001
Prioritize work	0.086	0.024	0.371	3.585	0.001
Effective communication	0.010	0.024	-0.041	-0.395	0.694
1 Disregarding	0.082	0.032	0.242	2.536	0.013
Divert thinking	0.012	0.028	-0.047	-0.438	0.662
Networking	0.114	0.027	0.376	4.189	0.000
Exercise regularly	0.027	0.021	-0.131	-1.288	0.201

## DISCUSSIONS AND CONCLUSIONS

In recent years numerous theories on entrepreneurs stress have emerged (Boyd and Gumpert, 1983; Akande, 1994; Johnson, 1995; Harris et al., 1999; Rauch et al., 2007). However, there appears to be little research available on the Malaysian entrepreneurs in one given study. Therefore, in this particular study, we attempted to highlight the stress factors and the coping mechanism and we draw that the factors may have slightly differed from entrepreneurs from other countries. In addition, the instruments used in this study are adequate as it cover every issue that affect the overall parts of the entrepreneurs. However, because of the small sample size due to the limited coverage area, it will be appropriate to repeat this study with a large sample size covering the whole nationwide region in Malaysia. By studying these areas, the sources of stress and coping mechanisms can be examined to ensure the validity of the results. Moreover, future research should continue to address specific business sector of the entrepreneurs as each business may have a different range of difficulties and problems that may generate stress. Finally, while this study also examined a variety of different demographic backgrounds, a future study could explore how each demographic area, such as, age, marital status, ethnic group, educational level and years in business has implications and contributes stress to entrepreneurs.

Ultimately, we found that the study fulfilled its purposes, one of which was to provide information about the degree of stress among Malaysian entrepreneurs. Another purpose was to study the factors associated with the coping mechanism. In short the conclusions are:

i) Responsibility and values seemed to be the major sources of contributing stress towards Malaysian entrepreneurs. As these factors are crucial, it requires a lot of effort and skill on the part of entrepreneurs'. As such, this leads to the experience of stress.

ii) Other predictors on the sources of stress towards Malaysian entrepreneurs are skills and work. Entrepreneurs need to tackle these factors in order to succeed. Nevertheless, focusing too much on work and the need to

acquire numerous skills could cause stress.

iii) People problems and family are not considered as a factor of stress contributors to Malaysian entrepreneurs although it is highly rated as one of the stress factors in other countries.

iv) Among the effective coping mechanisms to overcome stress among Malaysian entrepreneurs are disregarding, divert thinking (by doing something fun) and effective communication. These factors are similar and supported by earlier literature as well.

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