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SELF-EMPLOYMENT IS SECRET TO HAPPINESS

Want to be happier at work? The answer's simple: go work for yourself.

That's the findings of a new study conducted by Murdoch University Business School Dean, Professor Michael Schaper, Associate Professor Justin Craig (Bond University) and Associate Professor Clay Dibrell (Oregon State University, USA).

"There's been a big push in recent years to encourage more enterprise and entrepreneurship in Australia, and today there are over 1.8 million small firms in existence," Professor Schaper said.

"However, very few researchers have bothered to try and find out if becoming a self-employed entrepreneur does, in fact, lead to greater personal rewards than other careers."

Using data from the national Household, Income and Labour Dynamics in Australia (HILDA) survey, the researchers compared the level of satisfaction and well-being between 526 business owners and 6840 wage and salaried employees.

"The results seem to be pretty clear: if you really want to get a sense of satisfaction and contentment in your work life, then you should seriously consider going into business for yourself," Professor Schaper said.

The researchers examined a range of issues, including satisfaction with one's own life and job, individual priorities, perceived prosperity, risk preferences, and individual health and well-being.

"The results suggest that the level of satisfaction between the self-employed and paid employees does differ significantly, and that entrepreneurs are more satisfied than their waged counterparts," Associate Professor Craig said.

"Self-employed business owners report both higher levels of overall life satisfaction and job satisfaction.

"More specifically, the self-employed are significantly more satisfied in regards to their life conditions, employment opportunities, their financial situation, their personal safety, in feeling part of the community, their personal health, and the neighbourhood in which they reside – all of which are commonly accepted measures of well being."

The results also broadly align with similar findings amongst other nations across the OECD.

However, it appears this well-being does not come without some cost.

"Wage and salary employees are actually more satisfied with their free time," Professor Schaper said.



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"Employees were more satisfied with the hours they work, and their leisure activities, than the self-employed. This specific finding could suggest that employees are able to have greater control of their free time, whilst entrepreneurs may feel that they are always responsible to their business and their customers."

As expected, the self-employed were also more satisfied with their perceived prosperity than employees. Business owners, as a whole, felt "very comfortable" with their level of prosperity, and were more willing than employees to take risks to gain greater financial well being.

"Those considering pursuing a career move into business ownership should be encouraged to know that, although there are well documented risks and challenges, our results point to rewards in terms of life satisfaction, work satisfaction, health and financial return," Professor Schaper said.

"The benefits usually outweigh the costs."

The results have recently been presented to the HILDA Survey Research Conference, and are under submission for the leading academic journal Small Business Economics.

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