

The search for satisfaction

Janelle Macri

SELF-EMPLOYED business owners are generally happier than their salary-earning counterparts, experiencing higher levels of overall life and job satisfaction, according to a new study.

The study, undertaken by Murdoch University Business School Dean Professor Michael Schaper, Bond University associate professor Justin Craig, and Oregon State University associate professor Clay Dibrell showed significant differences between the level of satisfaction of the self-employed and that of paid employees.

According to the study, the self-employed are significantly more satisfied in most of commonly accepted measures of wellbeing, including life conditions, employment opportunities, their financial situation, their personal safety and personal health, than employed workers.

The self-employed were also more satisfied with their perceived prosperity than employees, with business owners more willing to take risks to gain greater financial wellbeing.

But on the flip side, the study showed wage and salary employees were more satisfied with their work hours and free time, suggesting employees have greater control over their free time than business owners.

Professor Schaper told *WA Business News* the self-employed were better off than employees for most of the wellbeing indicators, according to the study.

He said that, despite the challenges of setting up and running a small business, the autonomy and self-satisfaction of being your own boss usually outweighed the costs.

"Being your own boss meets the needs that employed work just doesn't give," Professor Schaper said.

"In many respects, although it's risky and throws up a lot of



GOOD CHOICE: Sarah Richardson likes the flexibility and range of issues she deals with in her own business. **Photo: Gemma Howard**

WORK CHOICES

- Murdoch study finds self-employed business owners happier than employees.
- Employees happier with work hours and free time.

challenges, those who stick it through often end up better off."

He said the notion of the self-employed being happier than employees was not a uniquely Australian phenomenon, with the results of the study aligning with similar findings of other nations across the developed world.

The study used data from the national Household, Income and Labour Dynamics in Australia survey, comparing the level of satisfaction and wellbeing between 526 business owners and 6,840 wage and salaried employees.

There are currently more than 1.8 million small firms in Australia, with about 180,000 of those located in Western Australia. Almost half of all new businesses close within five years of operation, or, on average, about 8.5 per cent don't survive.

After 20 years' experience in a number of strategic planning, marketing and sales roles in various countries around the world, Sarah Richardson decided to start her own consultancy business in Perth in 2004.

Run from a Subiaco office, her business, Sarah Richardson Consulting, provides sales, marketing and management advice to managing directors and owners of small to medium-sized businesses based in WA.

Ms Richardson said while the corporate world was a good training ground, the flexibility and the better balance of work

and personal life that came with being her own boss made her current role more enjoyable.

"[Working for corporations] gives you exposure on issues like brand management, business development, managing large teams of people, working with large budgets and building up experience base," she said.

"What I like about running my own business is that you get to do very similar work but across a number of different industries and different clients.

"I like the client contact, and the flexibility of being my own boss."

Ms Richardson said the findings of the survey were generally consistent with both her personal experience and that gained through her work as a consultant to a number of small and medium-sized business owners.