

Research reveals link between life satisfaction and self-employment

by Angela Yeager & Clay Dibrell

CORVALLIS, Ore. — “If your New Year’s resolution calls for a more fulfilling career, new research from Oregon State University suggests going into business for yourself might be the answer.

“Self-employed workers achieve much higher levels of satisfaction than their waged counterparts,” said Clay Dibrell, an associate professor in OSU’s College of Business.

Dibrell, who specializes in strategic management, and colleague Justin Craig, an OSU courtesy faculty member and associate professor from Bond University, came up with these findings by analyzing data on 7,000 Australian workers. They present their research this week at the Australian and New Zealand Academy of Management conference in Sydney.

The researchers are about to launch a similar comparative study in the United States to see if self-employed Americans also have a more fulfilled lifestyle.

In their Australian study, the OSU researchers discovered that self-employed workers are more satisfied in the following areas: life conditions, employment opportunities, financial situation, personal safety, in feeling part of the community, personal health, and the neighborhood in which they reside.

The research also revealed that employees were more satisfied with their free time, possibly because the self-employed always feel responsible for their business.

Dibrell and Craig used data from the Household Income and Labour Dynamics in Australia (HILDA). They had three objectives: to determine the differences between small business employees and corporate employees, determine whether the factors that contribute to life satisfaction are different for the self-employed and the employee groups, and find out what effect business closures have on individual functioning.

The Oregon State researchers will base their American study on the Panel Study of Income Dynamics, a nationally representative sample of more than 7,000 families in the United States. Following the same families and individuals since 1968, the PSID collects data on economic, health, and social behavior.

“The major strength of the PSID is its long-running information on families,” Craig said. “No other nationally representative survey has captured such detailed information on the same families over such a long time.”

Given the similar social and economic structure between Australia and the U.S., Dibrell and Craig expect a parallel outcome in their upcoming research.

“We anticipate finding similar results,” Dibrell said. “But if we don’t, then we want to find out why.”

Dibrell also said they will conduct a comparative study in Canada, the United Kingdom and Germany. A comprehensive data sample will allow the researchers to make a more definitive statement on life satisfaction among workers in developed nations.

“We’re going to do a longitudinal study, and that will address a lot of the limitations of the original research,” he said.

The research also highlights a vital dimension in the job market: that a work environment can substantially impact a person’s sense of contentment and self-worth. Craig said that scholars and economists are beginning to pay attention to the factors that contribute to a person’s overall well-being, as a happier worker is often a more productive worker.

“These soft issues, like life satisfaction, are starting to become more of an issue for scholars,” Craig said. “By examining these issues, you get a closer look at external factors, as in things that are happening in the macro environment that might affect job and life satisfaction.

“Policymakers can learn from what we find from these studies about life satisfaction,” he added. “It’s pretty important, particularly so these days.”

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