Working on your own: Comparing European dependent and traditional self-employment with salaried employment through personal, occupational, and self-perceptional features

Trabajando por su cuenta: Comparando el autoempleo dependiente y tradicional europeo con el empleo asalariado, a través de características personales, ocupacionales y de autopercepción

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Abstract

This work explores personal/family, occupational and self-perceptional features of salaried employees versus self-employed’s ones to comparatively corroborate whether the advantages of self-employment have more to do with certain intrinsic compensations, identifying key features that might characterized today’s European dependent self-employed. It relies on the use of binary logistic regression and multivariate analysis model. The findings reveal that the working conditions of extrinsic nature are more unfavorable for self-employed compared to those of the salaried workers; while self-employed enjoy more flexibility when deciding both schedule and development/content of activities, compensating their greater precariousness with a considerable flexibility and autonomy. The elements of intrinsic compensation are considerably reduced for dependent self-employed, when working conditions are compared. The originality of this work, giving the lack of research in this field, is grounded on a comparative examination of the 21st century European dependent self-employed's labor characteristics in the still current context of economic crisis.

**Keywords:** Self-employment, Self-perception, Organizational Culture, Salaried Employees, Dependent Self-employed.

**JEL Codes:** J01, J21, J41, C35.
Resumen

Este trabajo explora las características personales / familiares, ocupacionales y de autopercepción de los empleados asalariados frente a los autónomos para corroborar comparativamente si las ventajas del autoempleo tienen que ver con ciertas compensaciones intrínsecas, identificando las características claves que podrían definir a los europeos actuales. Autónomos dependientes. Se basa en el uso del modelo de regresión logística binaria y análisis multivariado. Los hallazgos revelan que las condiciones de trabajo de naturaleza casual son más desfavorables para los trabajadores por cuenta propia en comparación con las de los trabajadores asalariados; mientras que los trabajadores autónomos disfrutan de una mayor flexibilidad a la hora de decidir el calendario y el desarrollo / contenido de sus actividades, compensando su mayor precariedad con una considerable flexibilidad y autonomía. Los elementos de la compensación intrínseca se reducen considerablemente para los trabajadores autónomos dependientes, cuando se comparan las condiciones de trabajo. La originalidad de este trabajo, dada la falta de investigación en este campo, se basa en un examen comparativo de las características laborales de los trabajadores autónomos dependientes europeos del siglo XXI en el contexto todavía actual de la crisis económica.

Palabras Clave: Autoempleo, Autopercepción, Cultural Organizacional, Empleados Asalariados, Empleados Autónomos Dependientes.

Códigos JEL: J01, J21, J41, C35.
1. Introduction

Complexity rules the world today. The migratory exodus from everywhere to nowhere, the actual boom of remote working, the gradual similarity of social and cultural influences in all parts of the globe, the IT disruptive transformation, among many others, are accelerating competitiveness in any arena, and particularly in working settings. In these concrete scenarios, workers’ competences, capacities, productive performance, and contracting conditions - just to name a few -, in addition to the still present economic meltdown in Europe, have transformed not only the organizational structure and content of functions at the workplace, but also contractual labor agreements that to some extent clash with conventional models.

In this context, the dependent self-employed, as an important irruptive labour-market collective, emerges to occupy an ambiguous “gray zone” just halfway between jobholders and traditional self-employed, revealing the existence of specific distinctions as differentiators among each other.

In legal terms, dependent self-employed fit in well within self-employed group, sharing common particularities like working at their own risk and not being subordinate to an employer; nonetheless, both collectives are economically dependent in the sense that most of their revenues, or a relevant part of it, frequently comes from a sole client or firm.

From a sociological perspective, dependent self-employed seem to share the same status salaried employees enjoy, even when the former is in principle excluded from labor protection according to existing legislation.

Actually, dependent self-employed have little in common with other traditional chief executive officers managing organizations with extensive human resources. They are neither mere holders of productive organizations - resourcing assets intended for production-, nor real service providers -
selling in general to an indeterminate consumer group-, but self-employed providing work-related support to a single company for remuneration.

Presently, the Organization for Economic Cooperation and Development (OECD, 2014) places the ratio of European dependent self-employment -excluding agricultural employed workforce- between 0.5% (e.g., Spain) and more than 3% (e.g., Slovakia, Greece, Italy, and Czech Republic) (López-Mourelo and Malo, 2014). According to various authors, the crisis scenario has stimulated its growth, enabling the emergence of new forms of economic relationship between companies and workers (OECD, 1992, 2000; Grubb and Wells, 1993; Centeno, 2000; Parker, 2007; Román et al., 2011). The pressure of dynamic changes and global markets, the increase in personnel outsourcing, and the opportunities offered by novel ICTs have prompted today companies towards innovative organizational schemes, less ranked in categories or divided in levels, in which autonomy and management of employees prevail within multifunctional groups (Smith, 1997; Smither et al., 2016). This context makes insufficient the rigid reliance that has historically characterized employment contracts, diluting the distinction between self-employed and employed (Engblom, 2001). Indeed, the precise recognition of these two collectives seems pertinent not only for the distinctness of differentiating characteristics among each other, but etc. Given the tyranny of these concurrent circumstances, Parker (2007) states that a substantial segment of self-employed should be even labeled as “false” ones since their characteristics turn out to be more like those of the wage employees, compared to those of the conventional self-employed classification.

Subcontracting dependent self-employed means a considerable saving for employers (Collins, 1990) -e.g. avoiding/reducing employment expenses, circumventing labor security laws, imposing strict controls, narrowing management influence via dependence,
also for the nature of the enforced legislation (Kalleberg, 2009).

Unquestionably, wage jobholders enjoy the highest level of protection labor law provides to workers, which makes sense given the asymmetric and hierarchical relationship between employers and employees (Davidov and Langille, 2006). Conversely, dependent self-employed, by having the consideration of autonomous professionals, lose legal protection in every sense, bearing contracts normally regulated by civil and, in many cases, commercial laws. They receive less benefits and social security protection, lacking union representation or collective negotiation, all advantages wage workers ordinarily enjoy (OECD, 2000).

However, significant changes in legislation have been recently introduced to gradually regulate dependent self-employment in European countries -e.g., Germany, Greece, Belgium, Italy, and Austria- (OECD, 2000). This growing concern has led the European Commission to conduct relevant research into ways of providing a comprehensive overview of dependent employment in the region (Perulli, 2003), attempting to setting apart jobholders from those who perform economic activities on their own.

According to its findings, salaried employees are defined as those who perform economic activity under the control of an employer, evidencing other indicators of subordination (e.g., being part of the organization, fulfilling workdays, etc.). Conversely, self-employed are regularly perceived from an unenthusiastic standpoint, depicting to someone who manage to escape from the control of employers (Taylor, 1996). Davidov and Langille (2006) state that this difference in notions might generate profound consequences in rights and guarantees for both collectives.

The results reveal that although dependent self-employed perform economic activities with no subordinate status in legal terms, there is indeed a situation of economic dependence. Moreover, regarding the unipersonality
of service provision, self-employed persons usually provide services by themselves without hiring others, coordinating work with a single client and understanding this exclusivity in strict and remunerative terms (Perulli, 2003). Indeed, the confusion about what dependent self-employment is or is not poses an additional difficulty to the study of this reality (Böheim and Muehlberger, 2006).

The present research aims at comparatively examining labor characteristics of dependent self-employed in the current context of the European Union. Thus, a comparative analysis based on personal/family, occupational and self-perceptional features is conducted to differentiate or associate three profiles: self-employed, wage earners (salaried employees) and dependent self-employed.

It is worth saying that, in some cases, this last collective may be masking the illegal practice of false self-employment, being a deliberate misuse of self-employment classification and an avoidance of taxes and social security contributions. Although it is possible that in these times of crisis some businessmen have resorted to this illegal form of hidden labor, the methodology here utilized does not allow researchers to identify how many of the analyzed dependent self-employed are concurrently false ones.

This work is organized as follows: the succeeding section reviews the most relevant literature on prevailing personal/family and occupational features for self-employed and employees, leading to a set of proposed hypotheses. This part is followed by the method description, the account of the research sample, and the data analysis.

The paper concludes with the elucidation of finding, discussion, and conclusive sections, with and additional consideration to limitations and future lines of research.
2. Literature Review

2.1 Personal/family, occupational and self-perceptional features employment.

The complexity of concepts hinders knowing the labor situation of today dependent self-employed. Scientific literature on this subject, thus, happens to be limited, mostly addressing marginal questions that have little to do with the intention of this research.

The partial empirical exploration comparing employees’ working conditions with those of the self-employed does not sufficiently delve into the distinction between dependent and non-dependent autonomous. Hence, the theoretical framework presented below sets in comparison salaried employees with traditional and dependent self-employed and utilized an exploratory analysis to determine whether the features of the dependent self-employed are more like those of the traditional ones or, conversely, closer to the wage earners. On this basis, existing literature is revised to analyze certain characteristics as differentiators.

In this line, studies reveal that, compared to women, men are more than twice likely to become self-employed (Taylor, 2001). These findings overlook whether it is caused by a greater entrepreneurial spirit or by a more prominent risk aversion among them. The only exception arises when considering self-employment to generate income and improve family situation. According to Taylor (1999), this reason promotes self-employment among women in a higher rate.

Regarding marital status, empirical studies mislead to clear and definite latent trends (Congregado et al., 2014). Although in principle one might expect a predominant rate of self-employed status in married people (e.g., spouses may eliminate economic constraints), the reality is that due to other family circumstances (e.g., the presence of children in the family), married ones are less willing to take risks (Borjas, 1986).
Concerning education level, the literature is not conclusive. On the one hand, Böheim and Mühlberger (2009) statistically disprove the existence of significant differences between self-employed and salaried employees when sorting groups of high educational levels. Contradictorily, Henley (2005) suggests that elevated levels of education provide competence that reinforces individual's character, self-confidence, and self-sufficiency, which can positively determine entrepreneurial success. Finally, according to Cressy (1996), formal education may indicate financial wealth associated with the probability of starting a business project, explaining the entry into self-employment of people with elevated availability of financial means (Bates, 1995a).

Age and professional experience seem to influence as well on the likelihood of performing a self-employed or employed occupation. Age is positively related to the probability of being self-employed, although the increments of such odds decrease as age escalates; this could be considered as an indicative of experience grade even though it is not often linked to educational background (Böheim and Mühlberger, 2009).

Similarly, Blanchflower and Oswald (1994) corroborate that the chances for performing an economic self-employed occupation in Australia or the US increase with age, and that the number of years in formal education system only registers a positive impact on the American sample. Thus, the success promises for self-employed is not always obtained because of educational or training background (Buckley and Casson, 2003).

In a similar vein, Calvo and Wellisz (1980) prove that older people with further professional experience are more prone to becoming entrepreneurs owing to additional time to build large and robust networks, better chances for identifying valuable opportunities, more capital for investing in new ventures, and better options to prolong working life as self-employed (Beugelsdijk and Noorderhaven, 2005; Ucbasaran et al.,

Paradoxically, employees from small businesses have better chances of becoming self-employed compared to wage earners from large ones (Boden, 1996). This circumstance could reflect that working conditions in large companies are more favorable in terms of income and security, making leaving current jobs less probable (Storey, 1994).

Other reports seem to reveal no significant differences among industries in the probability of being self-employed (Hamilton, 2000). However, certain studies unveil the presence of higher opportunities for self-employment in knowledge-based industries (Keeble et al., 1993) regardless of the existence of particular entry barriers -e.g., educational level (Bates, 1995b)-, while the projected growth of agricultural self-employment in the United States (2010-2020) will considerably decrease compared to any other sector in the country (Henderson, 2012).

There seem to be certain particularities related to gender and self-employment by sectors as well. Indeed, women are more inclined to self-employed in sectors that demand qualified services (Georgellis and Wall, 2005), whereas within the same business activity, self-employed women make less money than men on average apparently because of inferior labor experience or positions of lesser responsibility (Aronson, 1991).

Additionally, there are few opportunities for younger women to move to self-employment as household responsibilities rarely harmonize with occupational activities, while among older subjects, women tend to actively pursue self-employment less than men (Walker and Webster, 2007).

Working satisfaction appears as a determining factor when choosing between made-by-oneself wage and salaried employment. Findings validate
that self-employed perceive higher levels of satisfaction than regular wage employees (Blanchflower et al., 2001; Bradley and Roberts, 2004; Georgellis and Lange, 2007), largely attributed to the strong perception of independence in self-employment (Benavides et al., 2000; Hyytinen and Ruuskanen, 2006). Indeed, job satisfaction acts as a strong predictor of self-employment (Silva, 2007; Åstebro and Thompson, 2011; Harms et al., 2014). Its lack, on the contrary, has proven to be a major drive for salaried workers to look for other remunerated alternatives and opt for self-employment (Brockhaus, 1980).

Apparently, salaried employees are likely to feel more satisfied with their job as to the kind of work executed, and less inclined to be satisfied regarding preserving a post (Millán et al., 2013). However, some evidences support that salaried jobholders bear lower levels of occupational satisfaction compared to self-employed owing to diverse reasons such as administrative bureaucracy in business (Helyer and Lee, 2012), managerial inattention to critical organizational constituents (e.g., autonomy, hierarchy, and work centrality) (Helyer and Lee, 2012; Gratton, 2011), and poor management of changes in technology (Neupane et al., 2014; Wesolowski, 2014) and employee’s motivation (Carstensen et al., 1999). The collective consideration of self-employment as a symbol of social status is another variable traditionally related to its latent growth in society. Accordingly, European citizens have more favorable opinions on entrepreneurs or self-employed than on corporate managers, public officials, or politicians (European Commission, 2009, 2012): the more skilled professionals are, the higher for them to achieve a privileged socioeconomic status through entrepreneurship than through wage earners (Parker and Van Praag, 2010). Additionally, self-employment happens to be mostly linked to significant non-monetary returns in comparison with wage employment, especially in countries with higher incomes.
(Blanchflower, 2000; Hundley, 2001; Benz and Frey, 2004, 2008a; Bianchi, 2012). According to Hamilton (2000), self-employed generate on average lower and more variable returns than salaried employees, perceiving inferior levels of satisfaction with revenues as well (Blanchflower and Oswald, 1998; Alesina et al., 2004; Andersson, 2008; Binder and Coad, 2013).

Finally, autonomy is argued as a solid reason for becoming self-employed. In this regard, Benz and Frey (2008b) conclude that the enjoyment of more freedom at the workplace could explain superior levels of job fulfillment in self-employed, as Lombard (2001) reveals that married women are more prone to deciding on self-employment for a reduced dedication and more flexible work schedule. Carr (1996) draws a similar conclusion in the US context where a greater flexibility in work planning elevates the probability of self-employment among women.

Parasuraman and Simmers (2001), in turn, find that self-employed experience greater levels of conflict when balancing and enjoying work and family lives. This conclusion does not seem to be applicable to dependent self-employed women who do part-time works to harmonize both lives (Mühlberger and Pasqua, 2009).

### 2.2 Hypotheses

The present research proposes to explore and compare personal/family, occupational and self-perceptional features of salaried employees versus self-employed’s ones, intending to comparatively corroborate whether the advantages of self-employment have more to do with certain elements of intrinsic compensation compared to those of wage earners, which may be considered a priori extrinsic in nature. Based on these statements, the proposed hypotheses are as follows:

- **The external occupational circumstances of the European self-employed are more disadvantageous compared to that of the wage earners.**
The internal occupational circumstances of the European self-employed are more beneficial compared to that of the wage earners.

In general, the occupational circumstances of the European self-employed happen to be more unfavorable in comparison with that of the wage earners.

3. Method

Analyzing occupational features of dependent and traditional self-employed and salaried employees, bearing in mind rights and obligations, will contribute to better understand in which occupational situation these collectives currently are in term of career opportunities, employment security, social protection, working conditions, etc. The results of this study attempt to elucidate latent responses to these questions, shedding light on dependent employment, which has been branded, in many cases, as excessively opaque.

3.1 Data analysis

In statistical terms, the present work has been elaborated relied on the use of binary logistic regression with the intention of finding dichotomous responses. This procedure simplifies the elaboration of a logit model for the likelihood of opposed occurrences.

3.2 Data collection

The data for this research has been obtained from the Fifth European Survey of Working Conditions, conducted by the European Foundation for the Improvement of Living and Working Conditions (Parent-Thirion et al., 2012). This survey, which inquiries into occupational situation of the 27 countries of the European Union, provides valuable information on attitudes, perceptions, and behaviors of workers. The studied population comprises subjects older than 15 years of age, whose residence is one of the Member States.
From the total sample, it is estimated that 82.7% and 17.3% of the European workers are salaried employees and self-employed respectively. Out of these latter, 10.9% are considered dependent ones, providing professional services exclusively to a single customer or firm.

The sample utilized is composed of 803 subjects who currently enjoy a contractual agreement, 803 interviewees who perform their economic activities as self-employed, and 803 who might be considered as employed as dependent self-employed.

3.3 Measures

The dependent variable of the study is working category, identified through the items included in the Fifth European Survey of Working Conditions (Parent-Thirion et al., 2012) and conceptually founded on the premises that a dependent self-employed (coded as 1) is primarily characterized by the economic dependence to a single client/company under the direction of a manager/employer; that a self-employed performs economic activities to multiple clients/companies in compliance with certain guidelines (coded as 2), and that a wage earner carries out professional activities under a labor contract, maintaining a relationship of subordination to an employer (coded as 3).

Based on the literature review, this study analyzes a series of independent variables comprised in a triad of constructs: personal/family, occupational and self-perceptual features.

Thus, demographic characteristics of each group of workers under study are considered, exploring whether self-employment constitutes a first-job choice or just a second-order alternative for respondents with less occupational training and employability, and observing whether self-employment mainly appeals to certain workers. Secondly, several variables concerning working conditions and job characteristics are examined (e.g., working time, job schedule, influence on decisions, autonomy, etc.). Finally, a third group of variables, focused on the results of certain individual self-perceptions, is considered
(e.g., satisfaction, involvement, and occupational stress, among others).

4. Results

The present research attempts to reveal whether certain employment characteristics may properly help single out dependent self-employed, traditional self-employed, and salaried employees from each other. To this end, the Pearson's Chi-square and contingency tables analyses are initially performed to examine bivariate relationships between each type of employment.

These preliminary analyses serve as groundwork for the multivariate analysis subsequently performed, developing a logistic regression model that portrays the joint effect independent variables might exert on the probability of pertaining to a type of employment or another.

4.1 Personal/family features

The application of Pearson's contrast at a significance level of 0.05 (see Table 1) highlights salient differences regarding gender, age, and level of academic educations in the distribution of the three categories of respondents.

Firstly, the feminization is scarce in self-employed, reaching 39.2% among dependent self-employed and only 28.5% among regular self-employed, while rising to 47.9% for salaried employees. These figures support the theory that self-employment represent an eminently masculine resource of access to the labor market.

Secondly, the age of self-employed turns to be higher compared to wage jobholders: the averages are 46.8 and 43.7 years among dependent and non-dependent self-employed respectively, and 39.9 years for employees. This confirms that self-employment offers job opportunities to economically active collectives that have traditionally evidenced more impediment in accessing labor market.

Finally, results reveal a lower level of occupational training among self-employed, especially among dependent
ones: 21.1% of these subjects admit not having any kind of formal education or just having completed primary studies (see Table 1). This ratio reaches to 16.1% among traditional self-employed and decreases to 5.3% among salaried jobholders. Oppositely, the proportion of individuals with university education among dependent self-employed (10.6%) is almost half of that of non-dependent ones (22.6%) and wage employees (22.3%)

Table 1

<table>
<thead>
<tr>
<th>Personal/family features</th>
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<tbody>
<tr>
<td>Variables</td>
</tr>
<tr>
<td>Sexual category</td>
</tr>
<tr>
<td>Years old</td>
</tr>
<tr>
<td>Educational stage</td>
</tr>
<tr>
<td>Man  Woman  15-29  30-49  50+  No education/primary  Secondary  University</td>
</tr>
<tr>
<td>Dependent self-employed</td>
</tr>
<tr>
<td>Non-dependent self-employed</td>
</tr>
<tr>
<td>Wage earners</td>
</tr>
<tr>
<td>$\chi^2$</td>
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<tr>
<td>Sig.</td>
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</table>

4.2 Occupational features

Findings evidence some significant differences in working conditions between the three collectives investigated. First, there seems to be a comprehensible distinction in the content of activities: while three out of four dependent self-employed do non-office tasks (e.g., agricultural workers, operators, artisans, etc.), one out of two conventional self-employed do perform them, declining to practically one out of three in the case of wage earners. Moreover, the analysis reveals a higher incidence of part-time works in dependent self-employed (31.1%) compared to traditional ones (15.1%), and even among salaried employees (17.3%). Significantly, dependent (38.9%) and traditional self-employed (48.3%) admit to eventually work more
than 10 hours a day, certainly above the 29.5% declared by wage jobholders.

Furthermore, non-dependent (65.8%) and dependent self-employed (48.4%) seem to work more hours per week (more than 40 hours) than salaried employees (27.8%), whereas 4.9% of the dependent self-employed and 5.5% of the traditional ones indicate doing shiftwork occasionally (17% points less than wage employees): more than 90% of self-employed enjoy managing their own timetables, in comparison with 28.2% of salaried workers.

These circumstances do not eliminate the impediments self-employed encounter to harmonize professional and personal lives. In fact, it seems to be a generalized condition for the three collectives investigated, with no significant differences between them.

On the other hand, dependent self-employed seem to perform fewer complex tasks than non-dependent self-employed and salaried employees (42.3% versus 56.1% and 52.9% respectively). Besides, self-employed do less monotonous jobs but with more degree of control. Conversely, among employees, there seems to be more complex (52.9%), monotonous (52.1%), and inflexible jobs: only 71.5% admit to having autonomy over activity content, a gap of more than 20 % points with respect to self-employed.

Concerning work remuneration, 82.2% of dependent self-employed generate a monthly income lower than the standard average of € 942 (see Table 2), a ratio far away from the 57.8% of traditional self-employed and the 51.6% of wage jobholders.

Finally, the sectoral distribution also presents significant differences. As observed in Table 2, one out of two dependent self-employed works in agriculture, representing the service sector just the 36.3% of the total, which happens to be more prominent among regular self-employed (57.9%) and salaried employees (65.5%).
4.3 Self-perceptional features

Regarding this last array of variables (see Table 3), it is verified that traditional self-employed and salaried employees exhibit a very similar behavior in terms of satisfaction with workplace conditions (59.9% versus 59.9%), satisfaction with wage (23.7% versus 23.7%), and a lower level of occupational stress (56%, 0%). Finally, dependent and non-dependent self-employed are similar regarding the degree of labor engagement (67.7% and 72.3%), which happens to be well above to that shown by salaried workers (55.8%).
These results are consistent with previous studies that point out that self-employed persons report higher levels of labour engagement than those employed in organizations (Parasuraman and Simmers, 2001). For example, the research of Gorgievski et al. (2010) among a Dutch sample of self-employed workers and salaried employees showed that the self-employed score higher on labour engagement. In the same way, Czerw and Grabowski (2015) tested (using one dimensional ANOVA and Post Hoc LSD Tests) that people who show higher work engagement are those self-employed, with higher education, in a management position or position of specialists or employed in companies operating internationally.

Table 3

Self perceptional features

<table>
<thead>
<tr>
<th>Variables</th>
<th>Satisfaction with workplace conditions</th>
<th>Satisfaction with wage</th>
<th>Labor engagement</th>
<th>Occupational stress</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes (48%)</td>
<td>No (52%)</td>
<td>Yes (67.7%)</td>
<td>No (32.3%)</td>
</tr>
<tr>
<td>Dependent self-employed</td>
<td>59.9%</td>
<td>40.1%</td>
<td>23.7%</td>
<td>76.3%</td>
</tr>
<tr>
<td>Non-dependent self-employed</td>
<td>77.0%</td>
<td>23.0%</td>
<td>32.5%</td>
<td>67.5%</td>
</tr>
<tr>
<td>Wage earners</td>
<td>77.8%</td>
<td>22.2%</td>
<td>38.4%</td>
<td>61.6%</td>
</tr>
<tr>
<td>$\chi^2$</td>
<td>79.38</td>
<td></td>
<td>38.21</td>
<td>49.66</td>
</tr>
<tr>
<td>Sig.</td>
<td>0.000</td>
<td></td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

4.4 Multivariate analysis

After the initial bivariate analysis, some logistic regression models are conducted to determine the joint effect that different categories of variables exert on the probability of being part of one or another target group. The methodology utilized to fulfill the objectives of this section derived from the binary logistic regression model, a case of regression that help determine the positive or negative probability of occurrence of an investigated event.
The results of the logistic regression approach, which comprises those features that might determine the type of employment respondents perform, are displayed in Table 4. According to the research framework, Model 1 proposes to compare the variables associated to dependent self-employed with those of employees, while Model 2 faces non-dependent self-employed’s features versus those of the jobholders. Finally, Model 3 confronts the variables linked to both kinds of self-employed.

The statistic contrast is performed to evaluate the efficiency of the models as a whole (Hosmer and Lemeshow’s analysis, Chi-square test: 702,751 (Model 1), 796,447 (Model 2), and 179,544 (model 3); Sig. 0.000 in all three models), indicating that there are sufficient reasons to accept its validity; that is, to affirm that the fact that a worker belongs to a certain reference group can be satisfactorily explained by the set of features utilized. Additionally, the variables here selected exhibit a significant capacity for the generalization of the model—as verified by comparing the observations properly classified, both in general terms, as for each of the collective investigated-, which comes to demonstrate its predictive efficacy.

As a result, Model 1 suitably classifies 85.6% of cases, a relation that falls to 78.9% among dependent self-employed and increases to 85.6% among salaried workers. The overall effectiveness of Model 2 is numerically identical (85.6%), distributed between 87.0% in the case of non-dependent self-employed and 84.6% for employees. Finally, Model 3 acceptably classifies 70.4% of the self-employed, exhibiting a good balance between both dependent (70.1%) and traditional self-employed subjects (70.85%).

When focusing on Model 1, which relates dependent self-employed versus wage employees, it is remarkable that dependent self-employed are more likely to perform part-time "non-office" tasks than those who complete a working day of a comparable full-time employee.
Despite this fact, the odds ratios present in this model exposes that the number of working hours per week among dependent self-employed happens to be greater compared to that of the wage earners, even though jobholders bears a higher tendency to labor on weekends and less on shiftwork. Furthermore, the likelihood for a dependent self-employed to obtain a personal income below the average one is three times higher than the one gained by salaried employee (OR: 2770).

The defenseless situation in which they are found results moderately modified on account of a successions of intrinsic beneficial variables experienced by self-employed, namely a significant flexibility in resolving workplace schedule or a larger autonomy over professional content. Additionally, self-employed offer their workforce with a higher rate in construction and, particularly, in agricultural sector.

Finally, despite the precariousness of working conditions, dependent self-employed seem to manifest a higher level of work engagement with their professions compared to that displays by wage earners, substantial at 1% of significance. At this level, logistic regression model reveals that the remaining features, which independently depict a salient connection with the employment groups, do not exhibit that correlation while weighing its total influence.

Concurrently, Model 2 compares traditional self-employed with salaried workers, incorporating the personal/family features age and gender as the former bear a higher likelihood of being older. About occupational features, conventional self-employed do part-time jobs in a greater extent compared to wage earners and perform a more elevated number of working hours per week or on weekend, being coupled with a poorer income per month in comparison with that obtained by salaried employees. However, it seems infrequent for non-dependent self-employed to labor day/night shifts.
Furthermore, as with dependent self-employed, traditional self-employed encompass the flexibility to organize their schedules with the autonomy to decide how they accomplish their works. The last working characteristic present in the regression model illustrates a lower propensity for the traditional self-employed to work in the industrial sector, compared to wage jobholders (OR: 0.365); while the probability for a non-dependent self-employed to be dissatisfied with remuneration almost doubles that of a regular hired employee (OR: 1.757).

On the other hand, a Model 3 is purposed to corroborate whether there are differences or coincidences between both categories of self-employed. The outcomes presented in Table 4 confirm that the regular profile of a dependent self-employed is embodied in a non-office woman with a reduced number of weekly working hours, compared to those workdays performed by traditional self-employed, and inferior returns per month.

Additionally, the features possibility of managing own schedule (flexibility) and controlling work content (autonomy) are not registered in both kind of self-employed; likewise, the odds for a dependent self-employed to labor in the agriculture sector turn to be higher than the double in comparison with that of the traditional ones (OR: 2.199). It is worth noting that the only self-perceptional feature that discriminates both collectives happens to be occupational stress, which seems to be lower among dependent self-employed.
Table 4

Logistic regression: Features that define type of employment and the confidence interval of their odds ratios:

<table>
<thead>
<tr>
<th>Purposed Models for employment features</th>
<th>Personal/family features</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sex</td>
</tr>
<tr>
<td>Model 1</td>
<td>OR (IC) (*)</td>
</tr>
<tr>
<td>Model 2</td>
<td>OR (IC)</td>
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<tr>
<td>Model 3</td>
<td>OR (IC)</td>
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<table>
<thead>
<tr>
<th>Purposed Models for employment features</th>
<th>Occupational features</th>
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<tbody>
<tr>
<td></td>
<td>Job category</td>
</tr>
<tr>
<td>Model 1</td>
<td>OR (IC) (*)</td>
</tr>
<tr>
<td>Model 2</td>
<td>OR (IC)</td>
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<tr>
<td>Model 3</td>
<td>OR (IC)</td>
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<table>
<thead>
<tr>
<th>Purposed Models for employment features</th>
<th>Occupational features</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regularly facing complex tasks</td>
</tr>
<tr>
<td>Model 1</td>
<td>OR (IC) (*)</td>
</tr>
<tr>
<td>Model 2</td>
<td>OR (IC)</td>
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<tr>
<td>Model 3</td>
<td>OR (IC)</td>
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</table>
5. Discussion

Dependent self-employed constitute a collective of reasonable interest to the European labor market since, as this study has shown, they represent one out of ten self-employed in the Union. In some cases, which cannot be quantified in this research due to methodological limitations, these dependent ones possibly conceal the illegal business-operation practice of false self-employment.

It seems that enterprises from different economic sectors started implementing this praxis during the toughest moments of the European economic meltdown, excusing its emergence as something better than being unemployed. This sort of “outward enrollment” is intended to reduce expenditures: every so often, the dependent self-employed are induced to carry out the identical working tasks their salaried colleagues do, but lacking labor rights as regular employees.
Despite this context, empirical studies on dependent self-employed are scarce in Europe due to the complexity that distinguished this workforce. Furthermore, discrepancies in theoretical distinctness hinder the discernment in distinguishing dependent from false self-employed. This position of defenselessness in which these workers find themselves makes tremendously challenging for academics to collect consistent and balanced data.

With the intention of shedding some light on this circumstance, the aim of the present paper is to delve into the labor conditions of European self-employed (both dependent and non-dependent/traditional ones) and compare them with those of salaried employees, so that it may become clear whether there are certain characteristics in their occupational activities that might be used to single out each group.

This research is founded on the basis that, in comparison to wage employment, self-employment presents more precarious extrinsic working conditions (e.g., arduous working days, presence in low-paid productive sectors, poor levels of income, etc.), which may be compensated by certain component of intrinsic-reward nature (e.g., greater flexibility, control in work content, etc.). The original statement is to compare both category of self-employed to shed light on the advantages or disadvantages present in both designations: dependent and traditional self-employed.

In this sense, an empirical study has been conducted with a sample of 2,409 European workers, being collected from the Fifth European Survey of Working Conditions. As a result, it is estimated that 17.3% of the workers in the European Union are self-employed, and that one out of ten can be classified as dependent ones (10.9%).

Having performed a bivariate analysis, personal/family, occupational and self-perceptional features employment are compared in pairs for the three-collective analyzed. To this end, a logistic regression approach that comprises a triad of models is conducted to
differentiate self-employed profiles from wage earners and compare the selected variables of self-employed with each other. Accordingly, models 1 and 2 faces both kind of self-employed with wage jobholders.

When compared, it is observed a mutual focal point regarding those variables that differentiate self-employed and salaried workers. Among self-employed, part-time jobs turn to be relatively more recurrent, not keeping them from laboring a higher number of hours per week or on weekends even though they experience having more possibility of managing their own schedule at the workplace. Moreover, self-employed seem to be less prone to working shifts and having greater control on work content, in contrast to salaried jobholders. Lastly, the incidence of self-employed in the agriculture happens to be certainly elevated, and that includes the fact of obtaining in general terms poorer incomes.

However, there are certain features that enable to tell each group of self-employed apart from wage earners. The odds ratio of Model 1 suggests that the distinctive features of the dependent self-employed pivot around the kind of work they perform and the sector of activity in which they labor; these are more likely to occupy non-office positions in the construction sector and to be more involved with their occupational activities than jobholders. Additionally, Model 2 adds to the common core certain specificities that entail that traditional self-employed tend to be older men who work less frequently in the industrial sector and at nighttime and feel more dissatisfied with their incomes in comparison with salaried workers.

Based on the results of Models 1 and 2, it can be concluded that those working conditions of extrinsic nature (e.g., remuneration, type of activity, hours of work, dedication, etc.) are in general terms more unfavorable for self-employed when comparing them with those of the salaried workers. This circumstance confirms the argument proposed for the first hypothesis of the research.
Concurrently, self-employed enjoy more flexibility when it comes to deciding both schedule and development/content of activities, which would validate the proposal of the second hypothesis of research in the sense that self-employed compensate their greater precariousness with a considerable flexibility and autonomy.

The third hypothesis of research, on the other hand, presupposes that the elements of intrinsic compensation are more significant in non-dependent/traditional self-employed, so that they could be considerably reduced, for the case of dependent self-employed, when the working conditions of both are compared. This circumstance can be clearly inferred from the analysis of the odds ratios of Model 3. This describes a profile of dependent self-employed where women mainly predominate in part-time works and in the agricultural sector, which means a smaller number of weekly hours of work and less monthly income for that group compared to traditional self-employed.

Finally, the double component of intrinsic compensation flexibility to decide timetable (OR: 6,116; IC: 3,014-12,411) and autonomy on the content (OR: 2.384; IC: 1.185-4.793), that somehow are supposed to alleviate the more precarious extrinsic conditions, disappears regarding dependent self-employed, perhaps because in reality these autonomous professionals do not perform their economic activities in a free and personalized manner, but being subject to some extent to a relationship of subordination or dependence on one single client, as regular employees are. This circumstance plainly supports the third hypothesis of this research.

6. Conclusions

The most current management theories postulate that within today context of global competitiveness, structural designs are needed to promote a greater autonomy of work, a more profound decentralization of responsibilities, and a higher worker’s professionalization (Brock, 2003). Flexibility of structures implies both recognizing the importance of self-
employment in all its subcategories and acknowledging its present escalating growth in Europe, in the interest of facilitating new forms of cooperation, communication, and knowledge transfer.

These new organizational forms not only demand a radical change of mentality, but also the construction of new identities and representations for people and for those groups that constantly interact with companies (Rindova and Fombrun, 1999; Balogun, 2007). However, these structural changes, that wipe out the traditional psychological contract between company and worker, are not neutral; on the contrary, this disengagement might give rise to direct consequences on the values organizational culture is based on, obstructing the implementation of modern management practices oriented towards development and continuous improvement.

As Hitt et al. (1998) suggest, being competitive in the 21st century entails not only having greater and better technology, or constantly reshaping organizational structure, but also leading flexible organizations with individuals who learn faster and permanently, working continuously in an interconnected way. It implies demanding both bosses who, without abandoning their responsibility, robust confidence in their subordinates by delegating decision-making, and employees with sufficient conviction in organizations to participate, innovate, and transform the present.

Given this reality, transformations in today's management need to be centered on people and those principles that could enable advancing to a fresh organizational set of beliefs in which authority allocation, networks of direct feedbacks, active involvement, effective teamwork, and permanent knowledge exchange should thrive. This idyllic setting turns to be tarnished by the current predominant and increasing tendency of subcontracting, every so often dishonest and illegal, as a means to elude traditional and regulated job contracts.
The irony is that other dynamisms could counterbalance the so-called cutback in costs referable to the implementations of these novel scheme of workforce management. By assimilating newfangled conventions into the employment realm, it is blemished the organizational scenario in which working interactions and enterprises are based on, introducing the germ of mistrust to personnel; not only to those presently exposed to the duress of dependent self-employment, but also to the employees who currently remain in companies as latent candidates for a future pernicious selection and planned outsourced restructuring. This course of action irrevocably taints the principles on which workforces should nourish from to shape their everyday institutional behavior, severely damaging business competitiveness in our European nations.

7. Limitations and future lines of research

Despite the obtained results, we need to consider certain limitations for this study. Firstly, the data are attained through self-report method, which can lead to some bias and distortion in the information collected. Secondly, since the data are cross-sectional, the relationships found in this study are more correlational than causal; longitudinal studies would therefore be needed to further investigate this topic and to establish causal connections between variables. Finally, although dependent self-employed are undoubtedly a group of great interest for the examination of labor market, it appears even more urgent to shed light on the present circumstances of those subjects currently considered “false self-employed”, and how these have been recently affected by the economic crisis most European countries have undergone in the last decade. This last limitation challenges and guides this team of researchers, constituting the main line of future research on this subject.
8. References


