DETERMINANTS OF JOB SATISFACTION ACROSS THE EU-15: A COMPARISON OF SELF-EMPLOYED AND PAID EMPLOYEES (INTERACTIVE PAPER)

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INTERACTIVE PAPER

DETERMINANTS OF JOB SATISFACTION ACROSS THE EU-15: A COMPARISON OF SELF-EMPLOYED AND PAID EMPLOYEES

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Principal Topic

Entrepreneurship as an occupational choice has been the subject of analysis in various theoretical and empirical studies. Recent studies emphasize that job satisfaction is an important determinant of the choice between self- and wage-employment (Taylor, 1996; Blanchflower, 2000, 2004). A consistent finding from previous studies is that self-employed have higher levels of job satisfaction than employees. However, such studies failed to take account of the fact that job satisfaction is a heterogeneous phenomenon. Different people can mean different things when they evaluate the extent of satisfaction with their job (Muñoz de Bustillo-Llorente and Fernández-Macías, 2005; Bianchi, 2008). Therefore it is difficult to assess what job satisfaction captures and how it can be influenced by policy makers. In this study we try to take an initial step in overcoming this problem by making a distinction between two types of job satisfaction, i.e. job satisfaction with the type of work and job satisfaction with job security.

Method

We first compare self-reported levels of job satisfaction in terms of type of work and job security among self-employed and paid employees. Next, we also investigate the determinants of the two types of job satisfaction both for self-employed and employees. We draw on a unique dataset, the European Community Household Panel, covering the EU-15 countries for the period 1994-2001.

Results and Implications

We find that self-employed are more satisfied than employees with the type of work and less satisfied in terms of job security. These findings may suggest that perceptions of the type of work may positively influence entry into self-employment, and that the reverse holds for perceptions about job security. The results also provide insight into the determinants of the two types of job satisfaction for both self-employed and employees. Overall, the findings illustrate that to understand what job satisfaction captures it is important to distinguish between several aspects of job satisfaction.

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