



To be or not to be a freelancer: Job satisfaction and wellbeing

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ipse



The number of people working on a freelance basis has shot up in recent years, but there has been a lot of debate as to whether this a positive phenomenon. It poses some big questions: what motivates people to go out on their own, and are freelancers happier than they would be in regular employment? Shedding light on the link between independent working and work/life satisfaction, IPSE conducted a survey among freelancers to explore the subjective psychological dimensions of freelancing and how this might be contributing to the growth of the sector. Our findings are overwhelmingly clear – freelancers desire control over their careers and even with its challenges, working for yourself can have a significantly positive impact on an individual’s wellbeing.

The job satisfaction and wellbeing agenda

A widely accepted view is that a happy and engaged workforce is a productive one. Job satisfaction, work engagement and wellbeing among employees, has long been the focus of organisations’ management strategies and HR departments looking to get the most from their labour force. Yet little attention has

been given to job satisfaction and the wellbeing of the UK’s growing population of freelancers. Now two million strong and contributing £119 billion to the economyⁱ, freelancers are an increasingly important sector of the workforce and arguably a key enabler of innovation and efficiency-driven economic performanceⁱⁱ.

Freelancers, who can be distinguished by their high level of skills and expertiseⁱⁱⁱ, make up 42 per cent of the wider 4.8 million self-employed population, and are the fastest growing segment of self-employment in the UK. With little sign of this growth slowing down anytime soon, it’s important we understand what motivates people to work independently, the level of satisfaction experience

working this way and how freelancing contributes to their wellbeing.

In recent times self-employment has become a popular topic on research agendas. However, little attention has been given to freelancers’ job satisfaction and wellbeing. Of the studies that have been conducted it has been commonly observed that freelancers report higher levels of job satisfaction compared to employees.^{iv} One possible explanation behind this heightened sense of job satisfaction is that those who choose to be self-employed value the autonomy and flexibility that comes with this way of working, which offsets the negative aspects associated with independent work.^v

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To be or not to be a freelancer

An important argument often surrounding the growth in self-employment is whether freelancers make a voluntary choice or are unwillingly pushed into this way of working. IPSE's research reveals that a major reason for becoming a freelancer is the lure of freedom and control that comes from working independently. The top three reasons behind freelancers' decision to go solo are: it provides better work/life balance (60%); they like being in control of their own work (60%); and freelancing provides an opportunity for them to maximise their earning potential (60%).^{vi}

There were some, however, who reported that the reason for getting into freelancing is due to losing their previous job (18%) and having no other option (13%). Though despite the fact they may not have actively chosen to become self-employed, reassuringly, 70 per cent of this group indicate that they are satisfied with working this way.^{vii}

Overall, the majority surveyed are happy with their freelance lifestyle, with 84 per cent indicating that they are very satisfied with working as a freelancer. This compares favourably to a CIPD study,^{viii} which found that only 64 per cent of employees are satisfied with their jobs.

Freelancers' satisfaction with the way they work has increased by one percentage point since 2015 when IPSE conducted a similar survey. Albeit marginal, this increase has occurred during one of the most significant political periods in the UK's history and in the face of a series of government proposals negatively impacting the flexible labour market. Over the last 12 months IPSE's Confidence Index, a quarterly study that tracks the economic outlook of freelancers, has shown that the factors most negatively impacting freelancers

business performance are government fiscal policy, regulation relating to hiring freelancers and the outcome of the EU referendum.^{ix} Therefore, despite a tough political, business and economic environment over the past couple of years, freelancers have demonstrated resilience and remained satisfied in their decision to work this way.

Why satisfaction is soaring

The reason behind these positive experiences is further explored in the research. When asked how working as a freelancer makes them feel, the majority say that they are often cheerful (66%), optimistic (50%) and energised (46%). Adding to the theory that freelancers are more satisfied than they would be in regular employment, a similar study by CIPD found that only 29% of employees often feel cheerful.^{viii}

Even though freelancing appears to be a positive choice for many, it doesn't come without its challenges. Half (50%) of those surveyed acknowledge that they sometimes feel stressed. But this doesn't mean they would change what they do: nearly two thirds (64%) intend to work as a freelancer for the foreseeable future. By contrast, just three per cent want to make the switch and work as an employee.

Link between freelancing and wellbeing

The survey also explored wellbeing through four dimensions: fulfilment and motivation, confidence in one's own abilities, work and financial security, and health and wellbeing. The results show that concerns around labour market demand and financial stability are

negatively impacting freelancers' welfare. While simultaneously, and by contrast, self-deterministic characteristics such as confidence in their own abilities are enhancing their experience.

Contributing most strongly to freelancers' overall sense of wellbeing is confidence that they can usually handle the challenges in their work (95%) and a sense of pride in the work they do (91%). This heightened level of confidence is not surprising, as just over three quarters (77%) also agree that they have enough opportunity to apply their knowledge and skills in the freelance work they do.

On the other hand, three in ten (30%) freelancers indicate that financial security and confidence in the availability of freelance work were the top factors impeding wellbeing.

An optimal way of working?

The view that emerges from these findings is that there is a positive link between the decision to become a freelancer, job satisfaction and overall wellbeing.

The choice to become a freelancer is strongly influenced by a desire for freedom and control. Even in cases where self-employment has come about through adverse employment situations, it proves to be a satisfying way of working. On the whole, freelancers are very satisfied with working this way, owing to high levels of self-efficacy and a strong sense of optimism and energy towards their work.

This suggests that the increase in the number of freelancers over the past few years is not due to a short term solution during the recession, but because working this way is a long term and satisfying career choice.



Reasons behind decision to become a freelancer

Freelancing as an active choice

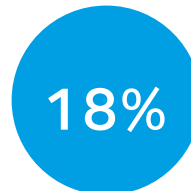


Three in five reported that the top factors behind their decision to go solo are:

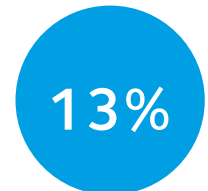
- ✓ Provides better work/life balance
- ✓ They like being in control of their own work
- ✓ Provides an opportunity for them to maximise their earning potential

Those who do not make the active choice are still satisfied with working this way

Job loss



No other option



Of these, **70%** are satisfied with working this way

How freelancing makes people feel

Percentage of freelancers who often feel:

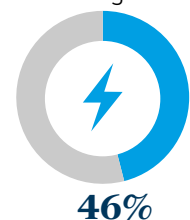
Cheerful



Optimistic



Energised



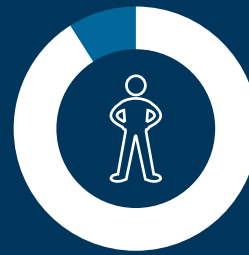
The freelance experience

How people feel about the freelance work they do



95%

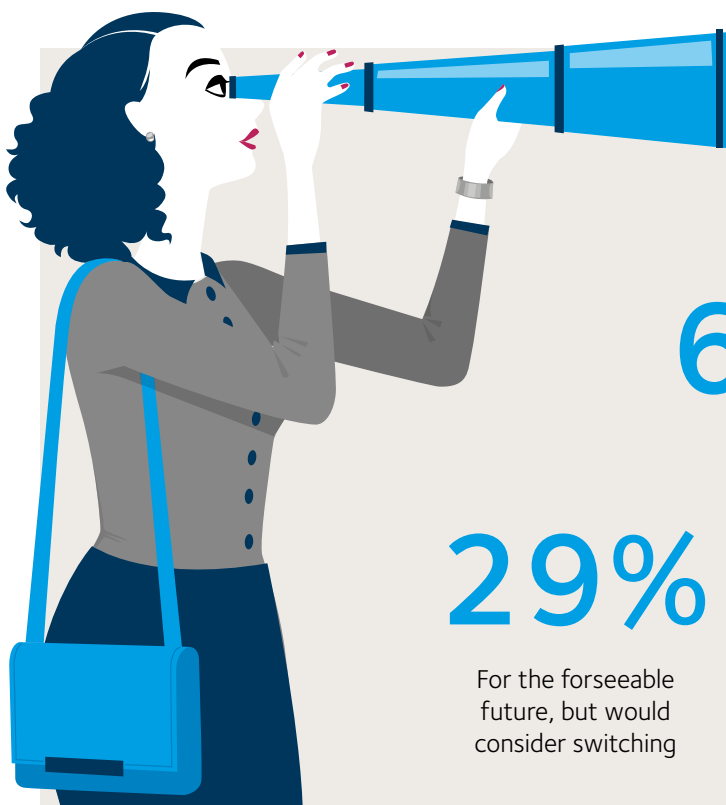
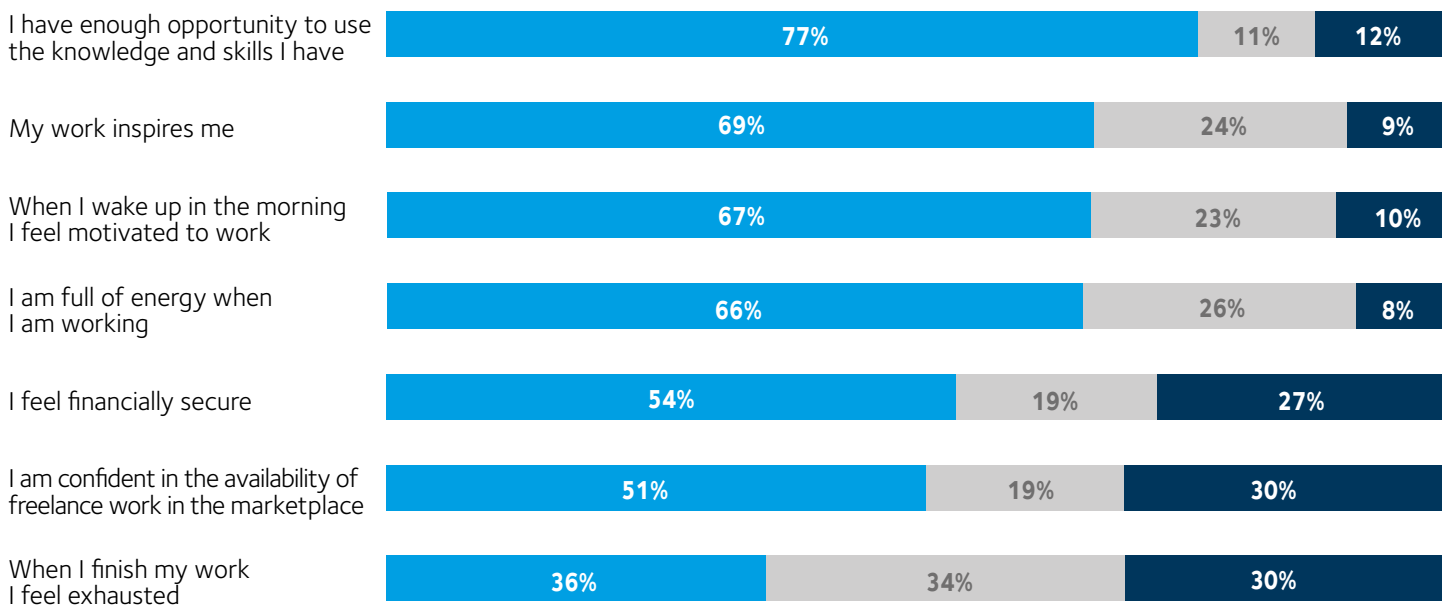
Agree that they can usually handle the challenges in their work



91%

Agree that they are proud of the work they do

■ Agree
 ■ Neither
 ■ Disagree



Work intentions

How long they intend to work as a freelancer

64%

Intend to work as a freelancer for the foreseeable future

29%

For the foreseeable future, but would consider switching

3%

Want to switch to working for someone else as soon as possible

4%

Don't know

Methodology

This summary is based on the responses to a series of questions about job satisfaction and wellbeing, as part of a survey conducted by IPSE. The data was collected via an online questionnaire between 16 and 31 March 2017. The survey results are based on the responses of 1,053 IPSE members as well as other freelancers working in SOC1–3 occupations who completed the survey.

End Notes

- i. The Association for Independent Professionals and the Self Employed (IPSE) (2017), Exploring the UK Freelance Workforce in 2016, London, available online: https://www.ipse.co.uk/sites/default/files/documents/research/exploring_the_uk_freelance_workforce_in_2016_v2.pdf.
- ii. Burke, A.E. (2012), The Role of Freelancers in the 21st Century British Economy, PCG Report, available online: www.ipse.co.uk/sites/default/files/documents/research/Andrew-Burke-Report-v1.pdf.
- iii. 'Freelancers' are a sub-section of the wider self-employed workforce. They highly skilled self-employed professionals working in jobs that fall into Standard Occupational Classification (SOC) 2010 groups 1–3: managers, directors and senior officials, professional occupations, and associate professional and technical occupations.
- iv. RSA (2015), Boosting the living standards of the self-employed, available online: <https://www.thersa.org/globalassets/pdfs/reports/boosting-the-living-standards-of-the-selfemployed.pdf>.
- v. Meager, N. (2016), Foreword: JMO special issue on self-employment/freelancing, *Journal of Management & Organization*, 22:6 (2016), pp. 756–763.
- vi. Survey respondents could select multiple options and therefore percentages do not sum to 100.
- vii. Note that as this is a subset of the wider survey sample this figure represents the views of 135 respondents.
- viii. CIPD (2017), Employee Outlook Spring 2017, available online: <https://www.cipd.co.uk/knowledge/fundamentals/relations/engagement/employee-outlook-reports>.
- ix. IPSE (2016), The Freelancer Confidence Index Q1 2017, available online: www.ipse.co.uk/research/freelancer-confidence-index.

About IPSE

IPSE is the largest association of independent professionals in the EU, representing over 67,000 freelancers, contractors and consultants from every sector of the economy. It's a not-for-profit organisation owned and run by its members.

We believe that flexibility in the labour market is crucial to Britain's economic success, and dedicate our work to improving the landscape for the freelance way of working through our active and influential voice in government and industry.

IPSE aims to be the principal and definitive source of knowledge about freelancing and self-employment in the UK. We work with leading academic institutions and research agencies to provide empirical evidence about evolving market trends. This research supports our work with government and industry and delivers key market intelligence to help our members with business planning.

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