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## **Self-employment as a last resort – A Narrative Approach on reflections**

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### **INTRODUCTION**

The growth in the proportion of non-standard employment relations (temporary, contract or *self-employed*) has raised a wide discussion among scholars all over the world. Traditionally, it has been seen that these alternative arrangements offer some individuals possibilities to more flexible working schedule and, possibly, more creativity. Although alternative employment options do benefit some, these days it is more often the only option to avoid unemployment. In recent years the amount of involuntary temporary workers has grown significantly due to changes in economic situation: once secure jobs in the public and private sectors are only a memory (e.g. Kalleberg et al. 2000; Nollen, 1996).

In response several sociological studies have raised the question of the involuntary temporary workers coping and wellbeing (e.g. Wooden and Warren, 2004). Even though many sociological studies define the self-employed as belonging to a group of non standard employed (e.g. Feldman, 2005; Kalleberg et al. 2000), a special focus on the self-employed has been missing. Although involuntary self-employment has gained a lot of attention in the media and in political debates, the subject has been almost totally ignored both in field of sociology of work and entrepreneurship research. Concern of the consequences of starting up in business out of necessity has mainly reached interest at macro level. The involuntary self-employed have been claimed to seldom create jobs and they have a higher propensity to lead to business failure (e.g. Arenius et al., 2004). However, most studies have neglected to address the issues relating to the individual and the possible consequences on the individual level.

This study focuses on this above described lack of study by concentrating on the individual level of the involuntary self-employment. Few studies that have touched upon this topic on the individual level have claimed that the involuntary self-employed are less satisfied and more stressed with their work (Filion, 2004). In addition, a common feature for these few studies has been their positivist point of view. This study takes a qualitative approach to this topic and examines a story of an involuntary self-employed from a narrative point of view. The story is based on a personal narrative of the self-employed, who started his business in a situation where no other options were available. With reference to the aforementioned lack of research, including applied methods, this study examines *how involuntary start-up is reflected in individual experiences?*

The aim of the study is to understand the phenomenon of involuntary self-employment and highlight the individual level experiences. A secondary purpose is to make suggestions for the future studies around the topic of involuntary self-employment. The structure of the study is as follows: first chapter situates the study of involuntary self-employment within the broader framework of entrepreneurship research and second chapter introduces how this topic is approached from narrative point of view and presents the data in a form of a story. The third chapter consists of analysis of the findings and the study is concluded with conclusions and discussion part.

## **INVOLUNTARY SELF-EMPLOYED**

Discussion around involuntary self-employment or necessity entrepreneurship has its roots in wider push and pull debate: whether an individual is motivated to pursue an opportunity or because of an absence of employment opportunities (Arenius et al. 2004). It has been estimated that the amount of involuntary entrepreneurs range from 10 % to 30 % of all entrepreneurs depending on the definition of the involuntary self-employed (e.g. Block and Wagner, 2006; Kautonen et al. 2010; Filion, 2004). Studies have also suggested that share of former unemployed is higher among involuntary self-employed and in addition they work more often in low-income sectors (Block and Wagner, 2006). In this study the involuntary self-employed is defined as individuals who have started their business because of the lack of better possibilities and who would have rather worked as regular employees (see Block & Wagner, 2006).

Several studies have shown that pushed entrepreneurs have had lower incomes and been less satisfied with their jobs (e.g. Block and Wagner, 2006; Hughes, 2003; Kautonen and Palmroos, forthcoming; Nollen, 1996) and in addition their business survival probability is lower than others (Block and Wagner, 2006; Filion, 2004). However Hughes (2003) showed in her study that “forced” business owners were almost as happy with their work as opportunity entrepreneurs. Nevertheless, Block and Wagner (2006) point out that the involuntary self-employed accept lower incomes and are in general satisfied with less. It’s been also noticed that self-employment is often only a phase on the way to finding another job (Filion 2004). It is also possible that after starting a business out of necessity an individual becomes reluctant to return to work, despite a high level of dissatisfaction. Granger et al. (1995) calls this peculiar change of mind as “ideological pull” that may reflect of either former workplace or of new life they have created themselves. Although, Granger et al. (1995) also pointed out that involuntary start-up does not refer necessarily to lasting dissatisfaction with work, instead, it can evolve into a desirable alternative during the self-employment. Referring to this, Hughes (2003) suggests that more nuanced typology between involuntary and voluntary self-employed is needed.

## **NARRATIVE APPROACH AND DATA**

As shown above, the phenomenon of the involuntary self-employment is a complex topic and several even contradictory views have been presented about it. In addition there is a profound lack of empirical data to estimate how involuntary start-up affects the individual. Steyaert and Bouwen (1997) have suggested that the narrative approach can offer a greater awareness and provide an alternative explanation to entrepreneurial behavior. When considering subjective level studies and personal, a sensitive topic, such as involuntary entrepreneurship, narrative research has been seen to be able to capture the complexity of the phenomenon (e.g. Steyaert, 2006). Since the 1970’s, sociology has utilized the narrative approach studies, where as it has not been the case in entrepreneurship research until now. Previous studies among the field of entrepreneurship have concentrated on entrepreneurial identities (e.g. Jones et al. 2008), entrepreneurial experiences (Mallon & Cohen 2001) and learning and conceptualizing entrepreneurship (Johansson, 2004).

Narrative research is connected to the idea that the world is socially constructed by means of language (Polkinghorne, 1988). In this study, I follow Bruner’s constructivist approach in analyzing narratives. He describes that individuals have a basic need to construct life and see it as a coherent continuum. Like it is a function of our minds it is also continuing interpretation of our experiences rather than truth. Bruner (2004: 692) has stated this in other words “Narrative imitates life, life imitates narrative.” In this sense self-narratives are reflective and shaped by lived time and place, culture. I see an individual as multivoiced narrator – who reconstructs his past and at the same time ground for the future building on his own experience together with influences from time and place. Analysis is not following how narrator’s life was but how it was interpreted. Quoting Czarniawska (2004) I follow “What the texts say and what the text do?” Czarniawska (2004) calls this kind of analysis as semiotic reading where narrative and discourse are not differentiated from

each others. Czarniawska call this “interruptive interpretation” (2004: 92) as a narrative approach that examines the level of appearance and reality and their relation.

The following story is part of a larger study. The individuals were reached by announcement that was published in a magazine. Announcement was directed to for persons who have started or have been self-employed due to a necessity situation. In this study focus is on one single narrative (pseudonym John). In the interview John was encouraged to talk widely without being led by researcher about beginning his own business, being self-employed and the present time. After interview was transcribed, the flow of the speech was cleaned up and made it more readable. Finally the narrative was reconstructed to a “John’s story” and NVivo was used as a tool for interpretation.

## Story of John

John is a 38 years old man. Ten years ago he worked at a soft drink factory and after the company was closed and business was transferred to another company John was not anymore offered a full-time job. At the same time he was planning to buy a house, but without a full-time job he could not get loan from the bank. Three months contracts were not enough for him and when he was advised to start as a self-employed he decided to start a business. The decision to start as a subcontractor was fast because he felt there were no other options. Also most of the former co-workers who got to continue at the factory had to change to subcontractors.

John felt that working as a subcontractor/supplier felt the same as working as a menial. The soft drink factory had a field manager to whom John had to report on his work and holidays. John felt that even though he worked as an independent contractor field manager did not accept easily reported holidays. *-In this case that is more like employment relationship I have to report if I want to take a day off...but still...he sort of...acts pretty unwillingly*

As John worked for a while he noticed that the soft drink business was very seasonal and he had to find more work. *-during winter times there are only a few (working) hours...I had to scrape up some more.*

One morning he sat at the service station sipping coffee with his old colleague who noticed that company that sells entertainment electronics was looking for an area supplier. *-You should take this, I could take this work but I got so busy with coffee machines...This is just for you, just call there,* the friend encouraged. John started as a supplier, sold electronics and game machines mainly to restaurants and cafes. When comparing the beginning, 2001, to today, there are only a third of the restaurants left in the area. Over half of the restaurants and bars on the countryside have died. Change started after alcohol tax reduction. *-Actually right after when the tax reduction came, they just started to fall down like stones one after another. Now I am only responsible for less than a quarter...*As entertainment electronic business faded John felt he needed more work.

A former colleague from the factory, nowadays frozen food supplier, had been saying for years that he needed help in selling in the area. He needed to find a trustworthy guy who could raise the sale. *-Let’s raise the sale to double and you get the job (as a supplier), the friend said.-Well...let’s double it!, John agreed.* John managed to double the sale only just. Since that (3 years from now) John has taken care of the sales in the area.

John met his former colleague from the factory who had been working as a supplier of the service station since the factory finished his employment. The friend’s work included lot of driving and he eventually got tired of being on the road all the time. As an owner of real estate company was planning to move away from region, friend started to wonder if he should take the business and continue it. *-I’ve been thinking that what if I start the business... Would you go along? the friend said.-Well, I’ve always said yes...but let me think a while.* Last one and the half year John has also worked as a real estate agent.

John tells that only place he has ever applied is for the former factory, all the other places he has been asked for. Just from different directions. *-If it feels that this is not my thing, I leave right away, John says.* John also believes every employment has benefited him. *-I have seen that ones who have later returned to (salary) work they have managed to pass long queue because employers know that these are not the persons who uses the first opportunity to call the union when things are not going just the way they like.*

John describes that one of the challenges is scheduling all the businesses. John has also organized that he and his colleague has a one joint acquaintance who stands in if both have something going on or if the day just lacks hours. Though, John thinks that what if things were differently. *-If I look ten or eight years back...I would have never believed that this time would come. How easy it is... if you work from eight to five, have weekends free and summer vacations and all...-Now you work double, but your salary has not doubled. Although for example the real estate business is like that that you get reasonable compensation when you succeed. But nothing happens in year or two; you got to have long term plans...*

One of the reasons behind the scheduling challenges, John mentions, is his son. After divorce eight years ago John's son moved with his mother to another city (500km away). Now John uses every other Friday to travel to his son and fetch him to his hometown. John describes this also one the important reason why he stays in business. *-All the (employment) negotiations have gone to pot due to the fact that I need to be away every other Friday. In that sense I did not have choice...*

John considers that with small children this work situation would not be possible and too difficult. *- With children I would be forced to go back, because you never know when you get off from work and do you have time go fetch the children from daycare.* Nowadays John's wife has got used to the situation and does not ask anymore when John comes back.

It means a lot to John that he does not have to necessarily go to work every day, although he admits that he hardly ever uses the opportunity. He sees that the self-employed are not that free to take the day off as someone who works as salary worker. It is difficult to get replacement in short notice. *-If you have prearranged meeting you got to drag yourself there even though whatever your condition is.*

John mentions that valuable help has been his large network. If John has to do work in another city he has always opportunity to call colleagues who live there. Also one of his former colleagues, manager from factory, hires only suppliers who have been working for him earlier at the factory.

Entrepreneurship has also changed John. He describes that his astuteness has grown. *-When you have to sort of scratch everything from the beginning by yourself, the kind of astuteness that if work ends you always figure out some more. -I go through possibilities in my head all the time and try to find out way to get money with less working.* John describes himself as opposite to paid workers at the factories who work every single day same tasks and when they lost their jobs they just wait at home that someone offers them job. John has worked and seen different things so he is certain that he would come up with a solution if needed. He has also discovered work for others. *- So meone has complained that s/he does not have that and that and I have said that I got you one!* John believes that people use more their capacity if surviving is in their own hands. *-You have to have always a backup plan.*

John thinks that being an entrepreneur teaches individuals. It helps individuals to see how expensive everything is and after that "small feverish colds" don't bother anymore when no one pays them anymore. John tells an example of a young employee "junior" who had more sick leaves than any of the four other men in five years. *-It always started similarly: first he said he felt that he's getting flu and next day he was off.*

John mentions another employee related problem too. One young employee was the only working one in his friend circle. Others "played Nintendo days and nights and picked up benefits from social services". Sometimes the temptation to stay at home with friends got too big and he did not come

to work. The final point was when John was having a holiday in Ireland and the employee sent him a text message stating that he was out camping. John reacted strongly on this and sent him a text message back. *-If you don't drag yourself to work you don't have to come anymore!* John described that "steam was coming out of his ears". The employee decided to resign and John managed to get someone to stand in for him. Another case with a young employee had longer effects. Even though John had prepared well and carefully employee's contract with the union representative, the young employee in his twenties listed allegations toward firm after less than a year. John started immediately process, with labor union, which it is still going on. *-Well, those happenings do train you for the future. When you lose days and hours of expensive time...those are moments you'd rather skip.*

John mentions often his friends and colleagues. Many of the former colleagues had to leave their paid works as the factory faced the problems ten years ago. John also tells about truck driver friend who was threatened to get fired in case he would not continue as self-employed. Another former colleague faced also same the kind of situation and with three children and wife with a three-shift work his load of work got too heavy. *-He drove them 6 years to hobbies and then he burned out so badly that he had to rest 1, 5 years.* John points out that with too tight time schedule it would be difficult to survive.

John does not have to travel far away because of his work but instead he likes to travel on his leisure time. He describes his trips and vacations in Lapland. In addition he has an active little brother with whom he works voluntarily in car race and skiing events. *-Those are all kind of work parties. Totally something different!*

### ANALYSIS OF THE FINDINGS

In response to my research question regarding the reflections of involuntary start-up I found four generic discourse types John is using when interpreting his experiences, that is, inner circle, survival game, good me and bad others. Arguments are presented below.

*	John - Story of involuntary self-employed			
<i>What the story say?</i> appearance	"inner circle"	"survival game"	"good me"	"bad others"
<i>What the story do?</i> reality	expose the strong identification to group of involuntary self-employed	reveals constant battle, questions wellbeing	confrontation between me and others	

\*Formula adapted from Czarniawska 2004: 95

#### Inner circle

John talks a lot about his former co-workers. These colleagues represent to John soulmates that have similar background in the beginning of their businesses. Almost all friends that John mentions use to work at the same factory as John did. John brings up several cases of friends who were "forced" to leave their work and begin as self-employed. He refers to them as colleagues as many of them still work at the same area but also meaning that they do similar work nowadays, but more often he talks about friend from the soft drink factory.

This group of former colleagues appears to be also an important network: when time is short or new work opportunities are needed, the inner circle helps each other. Factory seems to still build a ground for everything that he does and thinks. Former colleagues represent him still work community to which he belongs to.

This inner circle offers a John a chance to mirror his own experiences and fears. As he tells about the friend who burned out he notices that he would not have been able to survive of the work hours in case he had had a family whose timetables to follow. The friends are at the same time representing as warning signs to John. Also, at the same time John's story is not all about his life, it is also a story of group of friends, who had to start new life after factory let them down. John strongly identifies himself based on his background of starting business and that way confirming his belonging to "inner circle". It is interesting how John situates himself into a certain entrepreneurial sub-group. He does not see himself as entrepreneur, but more or less as an entrepreneurial worker.

### **Survival game**

Self-employment appears as constant searching for opportunities for John. Although the searching appear as more based on necessity due to a bad fortune (changes in labor market and tax reduction) rather than opportunity seeking entrepreneurial activity.

Although John's path seems to be filled with unfortunate happenings, he does not describe himself as a victim or tired. He talks about himself as a wanted worker, who does not have to look for a job. He does not mention failures, but turns them into challenges. Even though he describes that he has to look for opportunities to survive, he presents every work chance like a game to him: he tells about bets and quick decisions. He creates a picture of an active adventurer rather than disappointed. He also reminds that he is not forced for the jobs and he is able to quit any job if he is not inspired anymore.

Although he tells openly about the sudden beginning of his business, he obviously has a need to highlight how self-employment is in the end his own choice and even opportunity to organize his parenthood flexibly. Still also disappointments come out in the way he uses words. When he tells about looking for new opportunities as old ones don't bring enough living, he talks about "...scrape up some more.." and "they (restaurants) just started to falling like stones on after another. Then I had to find some more..". He also adds that he could have never believed that "thistime would come...How easy it is, if you work from eight to five.."

### **Good me & Bad others**

Although John tells about the lack of time due to a demanding work he brings forward free time activities and several interests. He emphasize that he needs different environment and different kind of doing. As this represent a hideaway from work and daily work routines, it also refers to building up a picture of him as a very active and efficient person.

It is also noticeable that none of the friends that John brings up is a salary worker. They all are self-employed. One person that is not self-employed is the field manager who is portrayed more or less in negative way. He is strict and does not fully comprehend the independency of the self-employed but treats them as employees.

At the same time he separates himself of others by bringing forward several counterparts. He tells how others would be just waiting for job opportunities to come up, where as he is that kind of person, who looks for opportunities by himself. To the same group he defines employees who are on sick leave for smallest reasons. This way he builds up a picture of himself as a strong, responsible person whereas others are lazy and irresponsible. John also considers that self-employment can be a good asset in the future. On the one hand, he confirms his own belief that he is doing right, but on the other hand, he reveals that he is insecure about his position on the job market.

## CONCLUSIONS AND DISCUSSION

In this study involuntary self-employment was studied through an individual story and four general discourses were recognized: (1) inner circle, (2) survival game, (3) good me and (4) bad others.

First, there are discourses that expose how strongly individuals identify themselves into the group of the involuntary self-employed. The inner circle highlights the strong ties of the self-employed with the same kind of background and reveals how entrepreneurial subgroups differentiate themselves from each other. According to Filion (2004) involuntary self-employed are usually adjusted to share responsibilities and work in larger groups, whereas it is natural to them to identify themselves as part of the group of individuals with same kind of background. These findings raise some interesting questions for future studies. An interesting question would be how entrepreneurs evaluate other entrepreneurs based on their background? Is there a hidden ranking order due to a background? Why the inner circle does not include other entrepreneurs and successful ones that would widen the network? Is it possible that because of feeling solidarity and loyalty towards the group also might hold you back?

Second, there are discourses that reveal how the involuntary-based self-employment is seen as constant battle of searching for new opportunities. It also refers to the dependency on employer and fragmented job description, but also the need of showing others that he can manage without help. This is in line with Granger et al. (1995) who claimed that the involuntary self-employed have a tendency to defend their work even though they would not be satisfied. Eventually individuals may even become reluctant to return to salary work because of the 'ideological pull'. However, John's relationship with the researcher cannot be seen as neutral. He came to the interview encouraged by his wife who noticed that John's story reminded about the situation that I was describing in the magazine announcement. Before the interview he brings up the discussions in media and news articles he has read about involuntary self-employed. This raises question that was John in need of explaining things in more positive way because he still earns his living as self-employed? Maybe he is also afraid of the impression that he has not had a choice regarding this work. According to Polkinghorne (1996), positive storytelling can be also due to individuals need to be portrayed in a positive manner.

Together, the third and fourth discourse represent to John, the confrontation between the self-employed and others. On the one hand individual confirms his own self-confidence, when on the other hand others are seen as causing troubles. Dedication to the work is also time-consuming and tiring, but somehow self-employed seem to be driven by responsibility towards customers and staff, but also a family. Previous entrepreneurship studies have also noted that entrepreneurs often make confrontation between entrepreneurs and salaried workers (e.g. Jones et al. 2008), but this study showed in addition, that even entrepreneurial subgroups evaluate each other's within the group. The narrator also referred to the assets he is hoping to gain through the self-employment. In this sense, involuntary self-employment can be seen also as a stepping stone to a full-time job in the future (see Granger et al. 1995).

Overall these results shed further light on the study of the involuntary self-employed and raise some interesting questions of social capital of the involuntary self-employed and identification of the involuntary self-employed still with their former work communities. What could be done that necessity-based self-employed could assimilate better into new entrepreneurial community?

This study stresses the importance of individual level perspective and in addition encourages using the narrative study approach as a valuable method in future studies. It is seen to capture personal level experiences and reflect the world of the involuntary self-employed.

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