

UDK: 331.102.12:005.9

Paper received: 26.10.2021.

Paper accepted: 18.11.2021.

Journal of Entrepreneurship
and Business Resilience
Year IV • Vol 4, No 2.
pp. 30-36

ORIGINAL SCIENTIFIC PAPER

RESILIENCE FOR FREELANCERS AND SELF-EMPLOYED

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ABSTRACT

Resilience helps us to accept and respond quickly and flexibly, tailoring our actions to business situation. The aim of this paper is to investigate benefits that self-employment and freelancers bring to employees. Moreover, we explored both subjective and objective dimensions of job quality, such as job satisfaction, motivation, changes in working hours, along with issues related to physical and mental health and work-life balance. The research is based on two hypotheses, which we tried to prove. We used qualitative and quantitative methods in our research. In the paper is concluded that working from home is a general trend in the world that will continue in the future, as more and more people are leaving “corporate life” and replacing it with business, which they do in a much more relaxed environment of their home and family.

Keywords: *Resilience, technology, self-employment, freelancing, home offices*

JEL classification: *L24, M51*

INTRODUCTION

To begin our deliberations, it is necessary to define the terms. Accordingly, a clear distinction should be made between self-employment and freelancing, i.e., it is necessary to answer whether the employment of a freelancer is the same as self-employment? Many put an equal sign between these two terms. By legal standards, freelancers and the self-employed are about the same thing, so why are there two concepts? However, there are differences that need to be pointed out.

In the past, individuals believed in the importance of maintaining a long career as an employee of a company and therefore never applied for freelance jobs.

Freelance work, which was well paid, was also not available to professionals who wanted to leave the corporate world. However, times are changing, which has been reflected in a large increase in the number of freelancers in the world.

Unlike people who are self-employed and often run their own business and can employ other people, a freelancer is a self-employed person who has no employees.

In previous research, the entrepreneurial role of freelancers has been neglected, given that mostly the research conducted on freelancers was motivated by other areas of the labour market, and not by the essential interest in these self-employed workers. In the entrepreneurial literature, freelancers are often categorized as a version of an entrepreneur or manager [1]. They work under contract for various projects for various companies, selling them their services. Kitching and Smallbone [2], proposed a broad definition of freelancers, which includes all self-employed workers and directors of companies without employees. It is significant that the amount of a freelancer's salary depends on the company he is working on the project for. Even on the same project, different companies will have different levels of earnings.

The freelancer can choose the clients he will work for. But once he does, he loses control of the project he will work on and has no influence on the deadline to complete the work. The self-employed enjoy a high level of control because no one puts pressure on them. They can plan the deadlines for the completion of the work themselves.

Self-employment has a much broader meaning than being a freelancer. As a self-employed person, you can do business with other employees or use freelancers [3]. Therefore, while freelancers are self-employed, a self-employed person may not be a freelancer. This is where the confusion arises. To solve it, it is enough to say that a freelancer is just a type of self-employed worker.

In many countries, freelancers may choose to pay or not pay taxes. Their sole responsibility is to comply with the country's tax rules. No one will follow them in particular because of taxes because they would mostly work from home. It is therefore up to the freelancer to check with the tax regulator for any of the different types of taxes he must meet. On the other hand, people who call themselves self-employed must pay local and state taxes provided by law. The

self-employed will even have to spend part of the income on the payment of employees' salaries in case they have them.

LITERATURE OVERVIEW

Imposing new economic and business patterns will create an entirely new set of consequences and decisions. These decisions will be focused on an optimal use of resources and will provide the greatest advantages to the most developed countries of the world [14]. Recent trends show that starting and running a home-based business will become a trend of the future [4]. Today we can be absolutely sure to say that any crisis phenomena lead to the development of new management models and the formation of new economies or the reorganization of the old ones. It is a kind of reset for the economy, which allows building more efficient businesses, reviewing the conditions of operation and interaction with competitors, suppliers and customers [13].

On that occasion, scientists have launched several researches, in order to give an explanation of what motivates individuals to decide to start and run a home-based business. Based on these studies, they drew the following conclusions [5].

1. The rapid development of new technologies, especially the advent of the Internet, have greatly provided many opportunities for doing business at home and contributed to its expansion in recent years. The information society is a force that has changed the way we live, work, learn, inform and have fun today [16]. The fact is that digitized companies and new concepts of organizational functioning are creating our new reality [15].
2. People around the world are increasingly opting to start a business at home, so that they can create and control their lives more freely. Profit is not always the primary goal when launching them. For many, it is first of all the need to spend more time with their family, then to better harmonize obligations and the like. There are not a small number of those who want to be their own bosses and thus gain complete control over all affairs.
3. For many home offices, they have become places that are the main source of income and where the owners live full time.
4. A number of business owners at home in this way provide additional income for their family.
5. Many start their business cautiously in part-time work and gradually build it, thus developing it over time into a very profitable business.
6. This type of business is especially attractive for the female part of the population, which in this way tries to reconcile their family and private life more easily. In other words, at the same time as raising children, they can also contribute to increasing the family budget.
7. Most often, in addition to women, home businesses are also founded by those who want to turn their hobby into a lucrative business, then

retirees, and very young people (students and pupils), in order to supplement their income or increase their pocket money.

The previous statements indicate that the combination of social, economic, and technological circumstances in combination with many benefits provided by doing business at home, have contributed to this type of business becoming one of the most popular forms of self-employment. We will focus on its benefits, which provide very a wide space for reconciling professionals with family responsibilities and thus enable a more balanced lifestyle, which is what the largest number of employed people in the world strive for.

An older study done by scientists Golden and Veiga [6] stated, “whether individuals can fully benefit from teleworking is likely to be influenced by the way in which they must perform their work activities”.

A recent survey conducted in Australia, Canada, France, Germany, the Netherlands, Scandinavia, Spain, the UK and USA, found that 89% respondents think that flexible working should become normal, and 54% would move jobs to obtain a better work/life balance [7]. Recent research has shown that as many as 77% of people feel more productive when working from home compared to working in an office premises outside [8]. Another similar research has been done by Ishay [9]. Thus, Ishay’s research showed that almost 65% of employees are more productive in their office at home than in a traditional workplace.

Although Serbia has over 100,000 freelancers, the law does not recognize them [5]. For some freelancers, this is the main job, and for some it represents extra income. However, among them there are a lot of those who are not registered, and do not pay taxes, which damages the budget of Serbia.

Given that the “gig economy” is growing rapidly, it is necessary to create a policy of optimal use of this growing phenomenon that offers numerous opportunities but also weaknesses [11]. First of all, weaknesses can affect workers’ rights. Therefore, there are more and more calls for a legislative response at the European and national level in the domain of this form of business [10].

RESEARCH METHOD

The research was based on qualitative and quantitative methods. It was conducted from February to October 2020 on a sample of 393 respondents in Serbia. All the respondents in the sample stated that they used at least one digital device (computer, laptop, tablet, smartphone) in their usual work activity in the situation before COVID-19. Our survey included two questionnaires out of a total of 30 questions, with basic information on company characteristics (including company size and industry), questions on the current response to the COVID-19 crisis and beliefs about the future course of the crisis. The second questionnaire aimed to examine how the crisis affected freelancers and other employees working from home.

Our research is based on testing two set hypotheses:

H1 Employees from home find the greatest benefit of working from home in the balance of private and business activities.

H2. Working from home carries a high health risk.

KEY FINDINGS

Giving the answer to the question “What are the advantages of working from home”? Freelancers and other employees from home were harmonized. Namely, they put “more time spent with the family” in the first place, while “permanent earnings” and “control over personal life” were of equal importance for the respondents, which confirmed the hypothesis H1. By balancing work with family responsibilities, they become much more resistant to stress. However, the higher educated are more difficult to establish a balance between business and all other life activities than the less educated. At the time of the.

On the other side, Covid pandemic makes a significant risk to human health.

During the Covid pandemic, quarantine, social isolation, fear of infection, frustration, inadequate information, financial loss and stigma are significant sources of stress for residents. The transition to this way of working, in many cases was not accompanied by adequate changes in the system of safety and health at work and the ability of employees to separate business from family life and responsibilities, a large number of companies and institutions did not have the necessary knowledge and experience in implementing preventive measures.

Accordingly, our second hypothesis H2 is also confirmed.

CONCLUSION

Our research showed the main advantages of doing business at home are usually the following features:

- a) Material savings – one of the biggest advantages of doing business at home is considered to be material savings, which are realized on that occasion. It is primarily reflected in large savings and elimination of costs of renting office space or buying an office, which is considered the main cost of most small businesses. In addition, this eliminates the cost of transportation to the workplace and some other similar costs.
- b) Flexibility and freedom – In this way, entrepreneurs have full freedom in structuring their working and free time, which allows them to fully create their own lifestyle. Of inestimable importance are precisely flexible working hours, which should contribute to a good balance of work obligations with time set aside for rest and personal satisfaction. If we keep in mind that the quality of life in the time ahead will be measured not by the type of work that is done, but by the way in which free time is organized and what contents are given to it, then doing work at home

will gain even more significance. Namely, taking into account the mentioned advantages, especially many women in the world are increasingly opting for starting a business at home, which is reflected in the constant trend of its growth in the overall structure of all other businesses that women start and do. For example, 47% of women in Australia already own and do business at home. This tendency will continue in the future, given that economic restructuring in most countries of the world will change the structure of large organizations, as well as the conditions and types of work [10]. In addition, there are more and more changes in the model of work under the influence of modern technology, which is likely to greatly reflect a significant increase in the number of business activities in home directing. Also, the economic crisis in many countries is causing more and more women to start thinking and exploring opportunities to start a home-based business that should bring them extra income, given that only one source of income has become insufficient for an average family. Many women thus open up profitable jobs and achieve business success, while others, in addition to profits, also achieve job satisfaction, which they have never experienced before. Thus, they achieve their professional optimum because they have a job that brings them satisfaction in every sense [12].

- c) Adaptability – The advantage of a small business done at home is reflected in the fact that it can more easily and quickly adapt to market trends and changes, given that it is not burdened with huge bureaucratic decision-making procedures, which is usually a feature of large companies.
- d) Part time options – This type of business provides great opportunities for additional employment of workforce, which can be employed part-time and which along with increasing the volume of work and expanding the activities of the company can grow into full-time business engagement.

For Western Balkans countries, this way of employment has become particularly attractive due to lower wages and high unemployment rates.

Working from home is a general trend in the world that will continue in the future, as more and more people are leaving “corporate life” and replacing it with business, which they do in a much more relaxed environment of their home and family.

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