A consilience framework: Revealing hidden features of the independent contractor

Tui McKeown

Abstract

This paper presents the results of a consilience framework developed and tested to reconcile the varying definitions, methodologies and purposes of the data collected on independent contracting within Australia. The result is a multilayered profile of the self-employed contractor which draws together official labour market statistics, taxation office liabilities and marketing-based consumer data sources. The framework sees independent contractors emerge as a dynamic, entrepreneurial and complex group who defy many of the age, gender and industry stereotypes that law and policy makers confine them to. While these initial results are limited to Australia, the challenge independent contractors present to established systems of legal, social and government regulation are embedded within the wider contexts of self-employment and small business. These contexts are universal and the sooner these challenges are answered, the sooner the opportunities they also present can be realised.

Keywords: Australia, small- and medium-sized enterprises (SMEs), small business, mixed methods, independent contractors

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INTRODUCTION

This paper is concerned with self-employed individuals who do not fit easily or comfortably into traditional notions of employment. They cannot easily be subsumed under the headings of small business or even entrepreneur, as they rarely employ others – but they just as clearly, are not employees either. They are variously described as 'self-employed', 'sole traders', 'own account workers', 'freelancers' and 'independent contractors' - or more accurately, as independent professionals (IPros). In their provision of services and skills to a range of clients they have much in common with small businesses. While many have attributes and may even consider themselves entrepreneurs and businesses, many others do not and instead, ally themselves professionally and culturally with professional groups (Leighton & Brown, 2013). The notion of professions also adds an extra dimension. Some are regulated by law as to their qualifications and professional standards; others are not. It is a group which captures a wide range of occupations - from information technology (IT) contractors, engineers, medical and other researchers, freelancers in publishing, management consultants, accountants, lawyers, translators through to various craft and artistic occupations (Dent & Whitehead, 2013). While the group is diverse, what is central to this paper is that their numbers are growing rapidly around the world and this is why they are attracting increasing attention from organisations as well as law and policy makers.

Department of Management, Monash University, Clayton, Melbourne, VIC, Australia Corresponding author: tui.mckeown@monash.edu

With this focus in mind, the first section of the paper will contextualise independent and self-employed professionals within the wider literature on self-employment and entrepreneurism. This section acknowledges the fundamental problems of definition and that a narrowly focussed perspective has produced a view of contracting which is often not only extremely limited but often contradictory (see e.g., Casale & Perulli, 2014; International Labour Organisation [ILO], 2015; Organisation for Economic Cooperation and Development [OECD], 2015). This international context establishes the basis for the methodology outlined in the second section. Drawing on the work of researchers from within the small business and entrepreneurism space (particularly Carsrud et al., 2009; Carsrud & Brannback, 2011), this section proposes a consilience framework as a way to overcome the tensions and disparities identified. The consilience framework is tested in the third section. Here, three disparate Australian data sources are synthesised to produce enhanced new insights into the role, lifestyle and challenges faced by the independent contractor workforce. The paper concludes with recommendations for future research as well as implications for policy makers, practitioners and educators.

INDEPENDENT CONTRACTORS

This paper is set within the context of a larger world of work and significant global trends towards a restructuring of the employment relationship, where increasing numbers of organisations are moving away from providing 'standard' or ongoing employment relationships. This has seen views on self-employment change and it is now recognised as a major part of the dynamic and changing world of work within developed economies (see e.g., Robu, 2013; World Economic Forum, 2014; Leighton & McKeown, 2015; Employment and Social Developments in Europe (ESDE), 2016). For instance, although there are significant variations, overall about 15% of the European Union's labour market is self-employed and the percentages for the United States, Australia, China and several emerging economies are far higher and growing (Australian Bureau of Statistics [ABS], 2014; European Commission (EC), 2015; ILO, 2015; OECD, 2015; Eurofound, 2016). While often heralded as an indicator of economic vitality and creativity, the reality is that the self-employed represent a challenge to prevailing orthodoxies because they fall through regulatory and conceptual gaps created by systems based on the notion of traditional employment. The self-employed are individuals who bridge the divide between employee and employer, and consumer and businesses, in a way that both of these dichotomies find hard to comprehend. As a consequence, the self-employed provide a challenge to the traditional regulatory and administrative processes covering areas such as taxation, work safety and labour laws and even, according to some, to the social order (Casale & Perulli, 2014). These challenges are reflected in issues with definition and data collection and each will be examined in more detail below.

The legal challenge of definition

This challenge has seen the discourse surrounding self-employment dominated by a preoccupation with perceived problems such as weeding out 'sham', 'pseudo', or 'disguised' employment, which some argue, leads to vulnerability and denial of access to employment and other protective rights for many (Blanpain & Nakakubo, 2010; Casale, 2011). Courts around the world have struggled to find coherent and compelling tests to differentiate the employee from the self-employed and this situation is compounded by the increasing complexity and diversity within employment relationships themselves (Leighton & Wynn, 2011; Wynn, 2015). The legal debate revolves around identifying the difference between who and what an employee is when compared with who and what a self-employed person is.

The most authoritative global identifier comes from the ILO which, in June 2003, passed a resolution separating the three concepts of employee, worker and self-employment:

The term 'employee' is a legal term which refers to a person who is a party to what is normally called an employment relationship. The term 'worker' has broader implications and can be applied to any worker, regardless of whether or not she or he is an employee. Self-employment and independent work based on commercial and civil contractual arrangements are by definition beyond the scope of the employment relationship (Hussmanns, 2003: 52). Further work by the ILO (2006) provided evidence of the commonality in legal processes and definitions used to determine employment and self-employment across the globe. The practical implication is that a self-employed person is someone who earns his or her income through the commercial or civil contract and not the employment contract. This is where the reality of the disparate terms covered under the umbrella 'self-employed' coalesces into the notion of the commercial contract. This is not to say that debates over definition have ceased, but the arguments are now more clearly focussed on concerns about 'the opportunity for 'disguising' the dependent (employment) work relationships as self-employment to avoid the regulatory, social and fiscal costs associated with subordinate work relationships' (Countouris in Casale, 2011: 35).

The challenge of numbers

A key factor in the challenge of the self-employed now appears to be the changing profile of who, what and where they are – with the increased reliance upon individuals working in contractual arrangements identified as leading the need for establishing the numbers in such work (Smith & Neuwirth, 2009; European Working Conditions Survey (EWCS), 2010; World Economic Forum, 2014; ESDE, 2016). Once seen as very much the domain of manual occupations, the growing organisational practice of engaging contractors in professional and managerial positions, sees the impact of changing working relationships impacting across all levels within an organisation (Parker, 2010; Kitching & Smallbone, 2012). Within the European Union alone, it has been an estimated that there was a 45% growth in independent contracting in the last decade (Leighton & Brown, 2014). As noted above, contracting fundamentally changes the traditional relationship of employment to one where labour becomes a 'variable' rather than a 'fixed' operating cost and allows organisations to hire and discharge workers on the basis of which skills best match current staffing needs, with little attention to concerns such as seniority or tenure (Tucker, Fudge, & Vosko, 2011). There is also suggestion that contracting growth represents a concerted response to national labour laws which limit the employer's ability to terminate traditional employment contracts (Deakin, 2001; McKeown & Hanley, 2009; EWCS, 2010).

To complicate matters further, this growth has also been accompanied by a growing complexity in employment forms. For instance, many IPros work through employment agencies, umbrella companies and other structures often designed to maximise fiscal benefits and enhance income. Such 'multilateral' relationships intensify the problems with both definition and classification referred and have also led to 'cat and mouse' activities by enforcement authorities as well as generally obfuscating further the nature of self-employment (Leighton & Wynn, 2011). While employer needs are often driving the global change agenda, there is just as clearly the opportunity for coalescence with individual entrepreneurial aspirations (McKeown & Phillips, 2014; Meyermans, 2016; Osimo, 2016).

The vexed issue of definition complicates the associated problem of data collection. What is known about contractors at a global level reveals much commonality in aspiration, work experience, etc. – but it also reveals stark contrasts in terms of the actual definition let alone incidence and accuracy of data gathering. The term 'self-employment' appears to be the only common term but also one which varies across countries and states, even ones quite similar economically, as well as in terms of regulatory responses to them (Casale & Perulli, 2014; ILO, 2015; OECD, 2015). Focussing on professionals also identifies them as a workforce where the premium attached to specialised skills they provide also sees

them as one of the most articulate, entrepreneurial and innovative groups within self-employment (McKeown, 2015; OECD, 2015). Broadly characterised as individuals who sell their own services or skills, they are often championed as a positive development representing increasing entrepreneurism (see e.g., the 'futurologist' writers of the 1990 s Rifkin, Handy and Bridges). They are generally highly skilled, well paid and mobile, rather than the 'sham' arrangements that colour much of the literature from social scientists (Leighton & Wynn, 2011). These characteristics accord with recent work on IPros in Finland and Germany by Bögenhold et al. (2013) and more specifically, align IPros with the more widely used term of freelancing – where there has been a relative surge in studies in America (Horowitz, 2010; Osnowitz, 2010); Germany (Dullroy & Cashman, 2013; Witlivet & Brantz, 2013) and the United Kingdom (Kitching & Smallbone, 2012; Storey, 2012; Mould et al., 2013). An important aspect of these studies is the common theme that IPros/freelancers are an under-researched group, 'neglected by researchers as a form of small business activity' (Kitching & Smallbone, 2012; 74).

Overall, the problems and tensions in both defining and accurately counting the number of contractors, let alone those operating at the professional end of the spectrum in any consistent and coherent way, raises serious concerns about the ability to research this increasingly important workforce. It is exactly these concerns that make the placement of this research study within Australia of value. The next section provides an explanation of this context.

CONTRACTING IN AUSTRALIA

The Australian context of this study is not simply the result of a parochial bias. Data on independent contractors in Australia have been available at a national level since 2008 as a result of passing of the federal Independent Contractors Act (2006). What this means is that effective March 2007, the Independent Contractors Act 2006 (Cth) changed the situation where previously many Australian state and territory employment laws applied to genuine independent contractors as if they were employees. Aligned with the ILO (2006) recommendations and while still very much a work in progress, Australia appears to now be at the forefront of developing institutional understandings of self-employed people and how to work with them, even if it is a work in progress. The Act makes it clear that the definition of an independent contractor is that applying under common law. Its primary intent is to ensure that independent contractors are subject to commercial law and not industrial relations law. Today, independent contracting arrangements in Australia are, for the most part, regulated as 'business people' (Riley 2007), by the law of commercial contracts and not employment law. The Act also created measures for protecting independent contractors from unfair contracts. Finally, parallel legislation made illegal the practice of sham contracting - that is, treating employees as if they were independent contractors. These appear to be world firsts and have not yet been replicated elsewhere. The fact that IPros reside within a legal framework in Australia means that research here can provide a basis from which to draw on this wider freelancer research.

More importantly for this paper, a key outcome is that the ABS now collects specific data on individual contractors. Thus, this paper can accurately embed itself within the definitions provided by the ABS for independent contractors – overcoming a common complaint about 'the distinct lack of empirical data' which is then 'explains the lack of government support' (Kitching & Smallbone, 2012; Mould, Voley, & Liu, 2013: 8). In Australia, we actually know that independent contractors make up nearly 10% of the total workforce, accounting for 13% of employed males and 6% of employed females (ABS, 2013). Further, as will be shown below, examining these data with the definition of professionals allows us to isolate the nearly 30% of individuals within this population who make up the Australian IPro workforce. According to the ABS (2006), professionals are mainly engaged in providing professional, scientific and technical services, they specialise in particular areas

and sell their expertise and knowledge. The activities undertaken generally require a high level of expertise and training and formal (usually tertiary level) qualifications. The services they provide typically include scientific research, architecture, engineering, computer systems design, law, accountancy, advertising, market research, management and other consultancy, veterinary science and professional photography. Put succinctly, IPros are engaged by, rather than work for, organisations and this means they may more directly benefit from their actions and decisions – but also suffer the negative consequences (McKeown, 2015).

While the commencement of official data gathering will be explained in more detail in the following section, what is crucial at this stage is the fact that official data gathering by the ABS has provided the anchor for a wider investigation of the professional sector of the self-employed within Australia.

THE CONSILIENCE FRAMEWORK

While the section above noted the benefits that official data collection brings, it must also be acknowledged that such data is often very limited in terms of providing insight into questions such as the motivations, the challenges and even the sustainability of such work. The basis for the investigation detailed in this paper is the assumption that taking a more generous view and expanding the search into the language of the micro business owner or the self-employed sector may provide an enhanced view — with the recognition that the data available has probably been collected from a variety of perspectives and reasons with the intended use providing both constraints and opportunities. The ability of these potential data sources to 'talk to each other' becomes an issue and this is where the notion of the consilience framework suggested by Elfving, Brannback, and Carsrud (2009) for work on entrepreneurship in particular, provides a means for aligning and acknowledging views from across and between disciplines. Building upon the 1998 work, 'The Unity of Knowledge', by the biologist Wilson, consilience refers to the principle that evidence from independent, unrelated sources can bring about a 'a jumping together' of knowledge whereby linking of facts and fact-based theory across disciplines to can lead to a 'common groundwork of explanation' (Wilson, 1998: 8).

The notion of consilience suggests that multiple sources of evidence can be investigated to see if there is agreement and, if the conclusions this combined view provides is strong – even when none of the individual sources of evidence are very strong on their own, we can use this synthesis to produce new insight. As Gropel and Steel (2008) note, the implications of unification are immense as consilience allows different disciplines to effectively share results. This overcomes what Wilson (1998) saw as an increasing fragmentation and specialisation of knowledge. Wilson's notion of consilience has been expanded to critique long-running debates such as whether management is an art or a science (Peroff, 1999) or whether rigour is more important than relevance (Gulati, 2007). It has been used to produce enhanced research methodologies (Bechara & Van de Ven, 2011; Book & Phillips, 2013) and research questions (Carsrud & Brannback, 2009, 2011).

The task of consilience is thus to provide a framework for shared understandings. In terms of comparing the potential for databases, the task in terms of IPros is to begin with context and to identify the intended purpose and intent (audience) for data gathering. The issue is whether each set of data can be reconciled to ensure, despite the terminology, that it is all focussed on the same population. This second issue, which may well underlie the first, is to keep in mind the reasons that the data under investigation was gathered in the first place. The definition as to the target population under investigation therefore provides the basis for either accepting that the data reported corresponds with the group called independent contractors – so are the numbers, features and findings of interest? The hope is that this consilience approach allows us to develop a multilayered

view of the independent contractor/micro business owner/self-employed person important in terms of them as

- 1. Workers: who work for a living but are not employees.
- 2. Businesses: in that they engage in business, but are qualitatively as well as quantitatively different to a large or even medium-sized business.
- 3. Consumers: in that they buy, use and consumer products and services but they are different to other consumers in that they also produce products/services.

The consilience framework developed for this research is illustrated in Table 1. The common factors for research – such as the intent or purpose (the audience it is intended for), the specific focus (what it sets out to do) as well as the parameters of definition and numbers surveyed to produce the results presented form the basic structure of the framework. These factors provide a visual comparison which then also guides the readers understanding of the key features and findings from each source. Where there is a match between sources which allows us to clearly establish that like is being compared with like, these latter two columns may then allow deeper insight into the arrangement of independent contracting to be synthesised.

THE DATA SOURCES

The framework will draw together three of the largest databases available in Australia from 2008 which dealt with the population known either directly or indirectly as independent contractors. The first data sources are from the ABS, which identifies people who work as independent contractors. The second view is from four specialist reports into micro business from the Australian Taxation Office (ATO) while the third perspective comes from Roy Morgan Research, Australia's best known and longest established market research company (with offices in New Zealand, United States, United Kingdom, Indonesia and throughout Australia).

All of the three sources draw on data and/or information gathered in the year 2008. This year is used for consistency purposes and was the first time ABS produced information on independent contracting and 2008 also appears to have been a prolific year for the ATO as far as research publications either directly on or associated with this workforce. Unlike the government focus provided by ABS and ATO, the Roy Morgan databases are commercial and market research oriented. Comments as to the presentation as well as accessibility of each data source will also be made and, where possible, presented exactly as it was. This allows the reader to understand in greater depth the value of a consilience

TABLE 1. THE CONSILIENCE FRAMEWORK

ATO	Roy Morgan research

Note. ABO = Australian Bureau of Statistics; ATO = Australian Taxation Office.

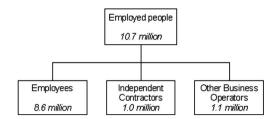


FIGURE 1. AUSTRALIAN BUREAU OF STATISTICS CONCEPTUAL FRAMEWORK SOURCE. ABS (2009a: 19).

framework for translating and synthesising what appears to be quite disparate data into coherent information.

The ABS view

Drawing on the 2008 Forms of Employment Survey (ABS, 2009b), the first ABS report on independent contracting in an Australian to actually use the terminology of independent contracting, the 2009 Australia Labour Market survey which defines independent contractors as

those who operate their own business and who contract to perform services for others without having the legal status of an employee, that is, they are engaged by a client under a commercial contract, rather than as an employee under an employment contract. Thus, independent contractors have the same rights as their clients under common law to control the terms of the contract (ABS, 2009a: 19).

While the language here is of 'business', the Australia Labour Market survey macro view of the data presented in Figure 1 reveals a curious mix of business and workers. The 2008 Australian workforce was made up of 2.1 million 'independent contractors' and 'other business people' and accounted for 19% of total workforce and 28% of private sector workforce.

No further comment as to the positioning of contractors within employment or business is made in the report. Examining the ABS data in more detail reveals some surprises. Presented in very plain black and white line tables and charts (which are often hard to accurately read at glance), the first is shown in Table 2 reveals domination by the 35+ age group, contradicting the common view of independent contracting as a young person's option. Table 2 also shows that there were proportionally more men than women across all age groups.

Another view of contracting it that it has typically been associated with the blue collar area but Figure 2 shows the dominance of professionals followed by technical and trades workers.

While technical and trades and professional occupations account for 55% of male independent contractors, clerical and admin as well as professional occupations account for 55% of females. The ABS (2009a: 20) notes that the rate of 32% for female professionals in contracting exceeds the 24% found in this occupation amongst female employees. The importance of the construction industry also emerges in Figure 3 and also reveals that male independent contractors were most likely to be found operating in construction, with 41% working in that industry (Figure 3).

The highest proportion of female independent contractors were in the professional, scientific and technical services (23%) industries. It is important to note the caution the ABS (2009a) observes that the term industry reflects the industry of the independent contractors' business rather than the industry of their client.

As noted earlier in this paper, self-employment in general and in particular has historically been assessed in the legal arena through reference to the concept of genuinely being in the market for

TABLE 2. INDEPENDENT CONTRACTORS, PROPORTION WITHIN EACH AGE GROUP - BY SEX

Age	Males		Females		Persons	
	′000	%	′000	%	′000	%
15–24	41.1	4.4	11.4	1.3	52.5	2.9
25-34	143.3	10.3	36.6	3.6	170.9	7.3
35-44	180.2	13.3	75.2	6.7	255.3	10.3
45-54	185.7	14.7	63.8	5.8	249.5	10.6
55-64	141.8	27.5	43.1	7.2	184.9	13.1
65 and over	44.0	24.3	10.0°	11.7	54.0	20.3
Total	727.0	12.4	240.1	5.0	967.1	9.1

Note.

^aEstimate is subject to sampling variability too high for most practical purposes. *Source.* ABS (2009a: 20).

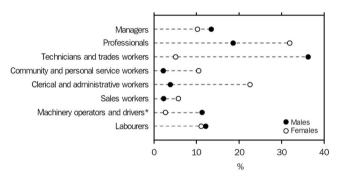


FIGURE 2. INDEPENDENT CONTRACTORS BY OCCUPATION SOURCE. ABS (2009a: 21).

business and a common way of demonstrating this has been to demonstrate multiple clients. On this issue, the ABS data revealed that 73% of independent contractors were able to work for multiple clients – but this was tempered by the next statistic which shows that only 46% of independent contractors had more than one active contract in the reference week. ABS suggests 'that for many independent contractors, working on one contract at a time may be preferable or provides sufficient income' (2009a: 24). The notions of control and genuine marketplace activity combine to add the further dimension of the ability to subcontract their work and here ABS data shows that the majority, 65% of independent contractors, were able to subcontract their own work and, of those who could not, the 'Nature of the work' was the main reason (62%) while 'Part of contract/conditions' accounted for a further 23% (ABS, 2001a: 25, 26).

Overall, the contribution of this first official report into independent contracting in Australia was to show independent contractors as part of the workforce, the view which emerged most strongly was that they are very much a mix between worker and small business. They sit alongside 'other business operators' yet many of the measures in the reports are those generally applied to the workforce. What this does do is confirm that previously held assumptions of a strong match between the profile of the independent contractor and its true foundations as the heart of small business are supported. What is not clear is any real detail about how these people are operating as a business, what challenges they face

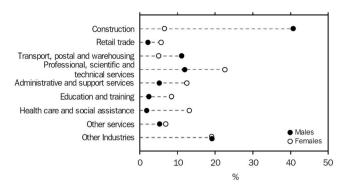


FIGURE 3. INDEPENDENT CONTRACTORS BY INDUSTRY SOURCE. ABS (2009A: 21).

and how they are actually function. These views are ones which emerge within the next data source examined.

The ATO view

As with the ABS data, the perspective from the ATO is a macro one, this time of the segment known as micro business. The ATO focus is on the individual as a client/taxpayer rather than as a form of employment, and the language of micro business rather than independent contractor is a clear move away from the lengthy, legal history of taxation and the vexed question as to who has the liability to pay. It is worth noting that in most Western nations it is the dual, and often related, areas of occupational health and safety and taxation that generate the largest academic and practitioner literatures on independent contracting. Some of the importance of micro business to the Australian economy is seen in the fact that it is responsible for around 11% of all tax and employs nearly 22% of the workforce. However, the main focus is compliance issues which arise due to 'their responsibilities as employers – managing PAYG withholding, superannuation guarantee and FBT obligations' and the fact that 'micro business continues to account for two-thirds of outstanding collectable debt ... at any point in time' (ATO, 2009b: 26).

There were four major commissioned ATO reports over the 2008 time period. These were 'Understanding the characteristics of micro business tax debtors' (ATO, 2008b), Profiling the micro business segment communication and information needs November 2008 by GfK Bluemoon (ATO, 2008a), 2008–09 Compliance program (ATO, 2009b) and Understanding preventative, facilitative and punitive payment measures for micro businesses July 2009 by GfK Bluemoon (ATO, 2009a).

An important starting point for the consilience framework with the ATO data was that finding a definition of micro business on the ATO website or within their publications was not easy. ATO (2008: 33) cites the ABS (2004: 36) (Characteristics of Small business June 2004, 8127.0) to define micro businesses 'as those with less than 20 employees'. This is clearly a lot larger than the independent contractor sector identified by the ABS but there was recognition that the vast majority of these business was at the very small, business of one end of the micro business spectrum. The changing attitude of the ATO to the micro business/independent contractor sector is reflected in the strong methodological blend of qualitative and quantitative research in their reports. While each report was between 30 and 120 pages in length, the essential elements of each of the four in terms of the smallest of the business sectors is summarised briefly below.

- 1. *Debt*: Micro business debtors were not comfortable with any form of debt but especially tax debt. This finding has relevance for those dealing with micro business as a client and indicates that such dealings will be positive. New businesses, those in operation for under a year, overrepresented among debtors
- 2. Business life cycle and behaviours not static: The potential to change in perceptions as well as the actual behaviour of micro business owners is an important contribution to understanding them. The quantitative results from one of the ATO reports found consistent differences amongst micro business within the six industry segments and often apparently linked to life cycle stages with more established businesses 'generally more likely to have a current or recent debt'. This contrasts with the results of the quantitative study which found new businesses, those in operation for under a year, overrepresented among debtors (ATO, 2008b: 70).
- 3. Business competency: The finding that most micro businesses (79%) reported having an accountant working for their business and that many (43%) also had a bookkeeper. ATO (2008a: 46) is generally indicative of a high level of professional support. This accords with the view of micro business being quite well organised found in the ABS results above and is further advanced in the ATO findings that only 14% of micro businesses had no software. Further to this was the very clear willingness of most micro businesses to conform and do what is 'right' as far as tax issues. Overall, there is marked ATO understanding of the need to move to focus on 'the relationship between tax competency and the business owner as opposed to the business itself'.
- 4. Large Organisations dealing with micro business people: The results from all four reports is that a 'one size fits all' approach will not create either competency or attitude change. A defining factor of micro business is the fact that it is run by individuals who expect to be treated as such but may not necessarily understand ATO concerns and communications

The view which emerges from this ATO reports adds to the ABS one of there being a group of individuals who operate at the nexus of employment and business. They operate as both individuals and as business. They want to do the right thing but they are inhibited in operating within the standard business environment because of the lack of specialised staff who could dedicate time to the issues ATO consider necessary for running a business. The need to see micro businesses as individuals was often noted but no directions as to what this could/should look like was made. This viewpoint is left to the third data source examined under the consilience framework.

The Roy Morgan view

Roy Morgan data provides a unique market research and consumer perspective. The sample population surveyed by Roy Morgan (2009) between June 2008 and June 2009 was 2,812 from a total population of what they estimate as 945,000 self-employed workers and derived from responses to the question 'Is your occupation – in the public service – in private industry – or self-employed?'. This data were generously given to the researcher free of charge as part of wider project undertaken for Independent Contractors Australia and the Commonwealth Bank. While the view this data provide is explicitly from a marketing context, taking the perspective of the self-employed as a consumer, the richness of the questions Roy Morgan asks provides the basis for a multidimensional perspective. The results indicated the value of this source is the ability to generate a much greater understanding and appreciation of the group they categorise as self-employed. The index chart presentation used by Roy Morgan uses a very different approach to both the ABS and ATO materials. Based on an averaging approach, the results centre on the 100 score of the *x* axis provides the score for the 'average person' so anything less is below this average and anything over is above. Once this is understood, these results are very easy to comprehend.

Figure 4 thus shows 'The self-employed as consumers' to reveal that they are at least 41% more likely to earn more than the average Australian for each of the income levels (the lowest of the scores on the right hand side of the 100 on the x axis).

Figure 5 examines self-employment by occupation and adds further credence to the ABS view that the professional/manager and skilled worker occupations (IPros) are not only a feature of this way of working but also further dismisses the common belief that self-employment as a low skill option.

The viewpoint provided by a consumer/market-oriented source is shown in Figure 6. Linked closely to socioeconomic status from the factors above is the notion of disposable or discretionary expenditure. The result that comes through strongly in Figure 6 is the fact that the self-employed dominate the Roy Morgan 'Big Spender' category.

Another aspect captured in the marketing focus of Roy Morgan data is seen in the table Life Cycle and Number of Children of the Self-Employed – which reveals the social context of the self-employed (refer Figure 7). This view adds to that we already have from the ATO data of self-employed generally and IPros in particular being aged 35+, in midlife cycle and often with children.

The Roy Morgan data also adds insight, suggesting that the reduced working hours of females in self-employment relate to their primary care-giving duties – an issue widely offered the academic literature. Reasons for females moving into contracting may therefore be seen as quite distinct and strongly motivated by childcare and caring for dependent. The view which emerges from Roy Morgan is that the independent contractor/micro business/self-employed are largely a highly self-determined group of people who look to themselves first and tend to be mistrustful of authority. This is confirmed in Figure 8 and the Roy Morgan Value segments where self-employed demonstrate a very distinct profile of a need for visible achievement, social awareness and then conservatism and a belief in conventional family life characterise this population.

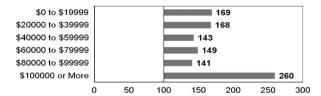


FIGURE 4. INCOME BY INDEX CHART

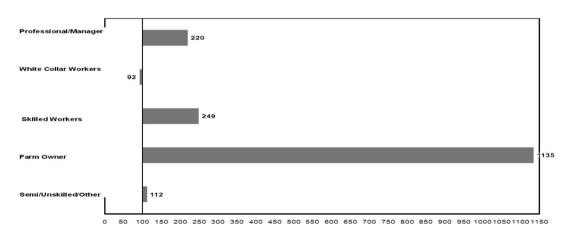


FIGURE 5. OCCUPATION BY INDEX CHART

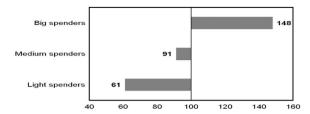


FIGURE 6. DISCRETIONARY EXPENDITURE BY PIE CHART, TABLE AND INDEX CHART

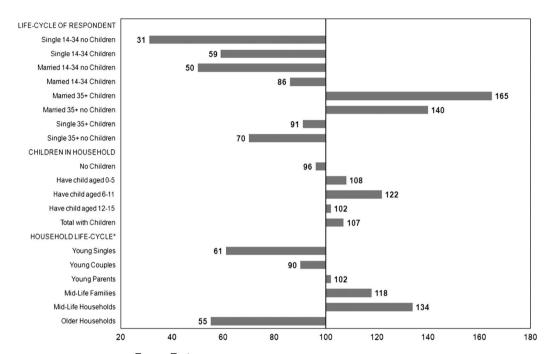


FIGURE 7. LIFE CYCLE AND NUMBER OF CHILDREN BY INDEX CHART

Overall, notions of these individual as being self-driven, pursuing new experiences and with a desire information, experience to draw on and anchored in notions of the family resonates with the data from ABS and ATO.

Discussion

This paper set out to undertake a consilience approach to drawing together a view of the independent contractors in the belief that they are an important group in the market and society who are uniquely defined by their 'micro business' owner status, and a plethora of values, choices, needs and expectations that go along with that. To this end, as Table 3 reveals the framework approach has reconciled three distinctively oriented sets of research and databases – namely the ABS view of the contractors as workers; the ATO view of micro businesses as businesses and Roy Morgan Research into the self-employed as consumers (Table 3).

While the language and terminology of each of the three source organisations has been different, the individuals they focus on are essentially the same. The common interest is the focus on the smallest of

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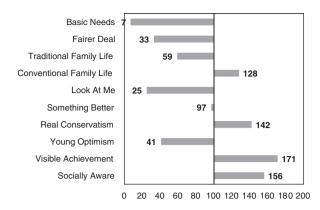


FIGURE 8. THE SELF-EMPLOYED AND ROY MORGAN VALUE SEGMENTS

TABLE 3. THE CONSILIENCE FRAMEWORK SUMMARY

Perspective	Worker	Business	Consumer
Data source	Australian Bureau of Statistics (ABS)	Australian Taxation Office (ATO)	Roy Morgan research
Purpose/ intent	Labour Force Surveys	Business tax compliance	Consumer profiles
Focus Definition	Independent contractors 'Those who operate their own business and who contract to perform services for others without having the legal status of an employee, that is, they are engaged by a client under a commercial contract, rather than as an employee under an employment contract. Thus, independent contractors have the same rights as their clients under common law to control the terms of the contract' (ABS,	Micro business 'Those with less than 20 employees' (ABS, 2004: 36)	Self-employed Response to question: 'Is your occupation – in the public service – in private industry – or self-employed?'
Numbers	2009a: 19) 1.2 million	2.5 million of which 1 million are sole traders, contractors and consultants (ATO, 2009: 21)	945,000
Key Features	The first official data on independent contracting in Australia	Integrates both quantitative and qualitative data	Presents multiple perspectives from robust longitudinal data
Key Findings	Confirms assumptions of a strong match between the profile of the independent contractor and its true foundations as the heart of micro business	A 'whole of client' view – 'micro business is run by individuals who expect to be treated as such but may not necessarily understand ATO concerns and communications'	Extends ABS and ATO analysis to provide detailed profiles

small businesses – that is, the people who genuinely work for themselves as self-employed persons. So, although the international debate and argument amongst academics, lawyers and statisticians over who comprises the group and how many people are in it, we have been able to actually show that the terms 'micro business', 'self-employed', 'independent contractors' and 'nonemployees' can be reconciled so that they are largely interchangeable and are collectively and individually appropriate terms to describe the sector. The defining essence of their work life is that their individuality is their business. The essential attribute of entrepreneurship, of risking themselves is at the heart of what they do. When these groups (individuals/partnerships/companies/trusts) are brought within the definition, the ABS statistics indicate that the sector constitutes around 20% of the Australian workforce – that is, some 1.9 million people.

Further, in beginning this task of reconciling the views provided by the ABS, the ATO and Roy Morgan Research sources to profile individuals within this sector as a worker, business and consumer. While the constant crossovers in behaviours and attitudes between the categories was implicit in both the ABS and ATO data, as for instance in the intertwining of the ATO micro business numbers, they are made explicit in the Roy Morgan Research in which they sit as they are, simultaneously, businesses, family people and consumers. What has emerged is that their needs in each of these categories is constantly intermingled and that they impact one on the other in ways that do not occur with traditional employees or consumers, for example. As noted by Anderson, Dodd, and Jack (2009) 'the remarkable juxtapositioning of such negative and positive understanding' is part and parcel of self-employment, their lives involve perpetual trades-offs, compromises and priority resetting. Their behaviours and attitudes reflect this. The paradox of micro business is also reflected in the tension between government policy, large organisations and issues such as protection and vulnerability also emerge. These are familiar themes in small business research (see e.g., Griffiths, Kickul, & Carsrud, 2009; Robson, Wijbenga, & Parker, 2009). Our study has allowed key notions within these tensions, such as compliance, to be investigated from different perspectives. From the administrative focus of the ATO investigation results which resonate with the views of Nijsen, Hudson, Muller, Paridon, and Thurik (2009) and Mole, Hart, Roper, and Saal (2009); to the social focus of the Roy Morgan research - which finds commonality with studies such as Gartner (2010) and Anderson, Dodd, and Jack (2009).

Having substantiated the compatible nature of the three sources and the unique contribution each makes, we have a strong base to delve deeper into a more sophisticated analysis. The richness of the Roy Morgan data has only been skimmed and the Asteroid database provides fertile ground for more targeted work, informed by the data from the ABS and the ATO. Further, the qualitative research initiatives begun by ATO and the profiles developed also provide the potential for further research. These directions are supported by prior research - such as the gendered side of micro business investigated by Baines and Wheelock (1998), Patterson and Mavin (2009) or Thompson, Jones-Evans, and Kwong (2009) who add different perspectives to the notion that the gender divisions of labour are typically reproduced in traditional fashion. Baines and Wheelock suggest that female 'micro-business represents a return to traditional ways of organising business - by integrating business and household so that the traditional embedding of business and family of in-between pre-modern institutions is reinvented' (1998: 579). The heterogeneous nature of women in small business and the reasons behind their 'failure' to 'grow' their businesses is also in evidence and supports prior findings that the 'multiple trajectories that women follow in their businesses, the type of businesses that they operate and their relation to the stages of a woman's/ business life cycle' (Still & Timms, 2000: 272). The gendered nature of self-employment emerges strongly within all three databases we examined and is something to explore in more depth.

CONCLUSION

As noted in the Introduction section, legal definitions provide a fundamental basis around which regulation is created, the literature on those falling within the realms of self-employment clearly

identifies that an understanding of the behaviour, motivations and desires of these people is also needed (Carsrud & Brannback, 2009; Bridges, 2010). In common with the literature, the consilience model produces a view where the most commonly identified single motivation of the IPro appears to be a desire to have control of their own work and their career. Interestingly, the Roy Morgan data in particular also resonates with another way to view this motivation, noted by Shane who states, 'The most common reason why people start businesses is to avoid working for others' (2008: 7). Aligned again with a wider literature, IPros emerge as individuals who seek to be their own boss, working in and subject to their defined marketplace of consumers and clients. There are also common themes such as the value of the autonomous nature of their work and the sense of freedom – even if it is an illusion, that comes from being able to adapt their work to their lifestyle and vice versa. Many actively choose and may even take great risks to be a self-employed IPro. Put these things together and it is no wonder that self-employed people overall, and IPros in particular, consistently profile as being happier in both work and life than employees. Overall, the consensus seems that if you feel you have higher levels of control over your work, you are happier.

The consilience framework consistently presents individuals who display high levels of pride and confidence in their own abilities and the services they can supply; they are optimistic about the future – a view which again aligns with the more general literature on self-employment, freelancers and independent contracting. Again, the Roy Morgan data adds a great deal of value to this view, revealing that they are heavy networkers and active information-gatherers who see a strong need to be multitaskers and holistic in their approach to work, and are likely to believe it important to think outside the square and to be ready to 're-invent' themselves to adapt to changing market requirements.

When the legal and behavioural factors from the ABS, ATO and Roy Morgan data are combined and contextualised with the basic demographic elements which emerge as universals – such as the tendency to be home based, to be male, married and older, and to cover a heterogeneous group 'embracing high level professionals through to low-skilled manual workers' – it becomes possible to understand self-employed people in general and IPros in particular with greater clarity. This ability makes it easier first, to implement appropriate regulatory frameworks for the self-employed and second, to ensure the maximisation of their skills, creativity and innovation. The role of behavioural identifiers drawn from the Roy Morgan data is especially important here. It provides a focus on 'people management' and strategies for managing self-employment which, necessarily, have to be different from those for managing employees. The focal point is on the self-employed as individuals who earn their income via a commercial contract, who are the business and whose personal and business lives are intimately intertwined. They strive to create for themselves, an environment that enables them to flourish. Self-employed people benefit from their actions and decisions and also suffer the negative consequences. This is work at its most individual and basic level. Self-employment may not (yet) be a dominant means of work, but it is fundamentally changing the world of work.

In summary, the results of applying a consilience framework to three quite distinct databases has revealed strong evidence for the view that independent contractors are a dynamic, entrepreneurial and complex group that defy many of the age, gender and industry stereotypes that law and policy makers confine them to. The demographic and psychological profile we have found through applying a consilience framework reveals individuals who are highly skilled, self-reliant and likely to reject the notion of getting a 'proper job'. While our initial results are confined here to Australia, further research emerging internationally, supports the view that legal, fiscal and psychological tensions around 'self-employment' in general and the IPro in particular are world-wide challenge to established systems of legal, social and government regulation. Yet, the increasing global move to entrepreneurial activities also represents a future where individuals are increasingly confident and competent in organising their own employment. The consilience framework has provided one tool to enhance shared understandings between researchers, practitioners and policy makers. The self-employed contractor in general and

IPro in particular have emerged as a complex but identifiable mix of worker, business and consumer This reality allows us to move forward in understanding the moves behind this way of work ad to begin to examine what they really mean – it is a small start only and more challenges have also appeared. The hope is that similar application of the consilience framework to other databases will be of benefit and drive more in-depth research into the world of the IPro.

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