



# Job satisfaction of entrepreneurs in Mexico, challenges and benefits

## *Satisfacción laboral de los emprendedores en México, retos y beneficios*

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Received April 22, 2019; accepted June 25, 2020  
Available online January 11, 2024

### Abstract

The objective of the research is to compare the levels of job satisfaction between entrepreneurs and employees. For the study, data from the Self-Reported Welfare Survey (Biare) of 2014 are used. An ordered logit model is estimated using as a dependent variable the level of job satisfaction. The study identified that entrepreneurs are 4.07% more likely to declare themselves very satisfied with their employment situation. The originality of the work lies in being a pioneer in the study of entrepreneurs and their subjective well-being in Mexico.

*JEL Code:* I31, J24, L26

*Keywords:* SMEs; subjective well-being; job satisfaction; entrepreneurship

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Peer Review under the responsibility of Universidad Nacional Autónoma de México.

<http://dx.doi.org/10.22201/fca.24488410e.2021.2524>

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## Resumen

El objetivo de la investigación es contrastar los niveles de satisfacción laboral entre emprendedores y empleados. Para el estudio se usan datos de la Encuesta de Bienestar Autorreportado (Biare) del 2014. Se estima un modelo logit ordenado utilizando como variable dependiente el nivel de satisfacción laboral. El estudio identificó que aquellas personas que emprenden tienen 4.07% más probabilidades de declararse muy satisfecho con su situación laboral. La originalidad del trabajo radica en ser pionero en el estudio de los emprendedores en referencia a su bienestar subjetivo en México.

*Código JEL:* I31, J24, L26

*Palabras clave:* pymes; bienestar subjetivo; satisfacción laboral; emprendedor

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## Introduction

The entrepreneur is a generator of economic growth, creates a company, assumes the financial risks, and dedicates time and effort to it (Freire Seoane & Teijeiro Álvarez, 2009). Entrepreneurial activity is key to job creation, competitiveness, and innovation (Moriano León, Palací Descals, & Morales Domínguez, 2006). New companies enable greater competition in the goods market, generate employment, and contribute to the growth of countries. Based on the above, governments promote the generation of new ventures as a key aspect of their development agenda (Block & Koellinger, 2009).

The present study starts from a theoretical framework of subjective well-being, i.e., it works with individuals' self-reporting. Most studies of subjective well-being at work have focused on the employed worker (Freeman, 1978; Ohtake, 2012; Winkelmann & Winkelmann, 1998). Nonetheless, the figure of the entrepreneur has increased in relevance in recent years (Binder & Coad, 2013; Bradley & Roberts, 2004), although most of the studies have been carried out in the United States and Europe (Blanchflower & Oswald, 1998; Block & Koellinger, 2009; Carree & Verheul, 2012).

Subjective well-being research enriches fields such as management, organizational development, marketing, and economics (Clark & Oswald, 1994; Naudé, Amorós, & Cristi, 2014). There are an increasing number of studies focused on subjective well-being in Mexico (Charles-Leija, Aboites, & Llamas, 2018; Temkin, 2016). Some have linked the topic of entrepreneurship with subjective well-being or happiness (Charles-Leija, Sánchez Rodríguez, Ramírez Jaramillo, & Aguirre Peña, 2019; Naudé et al., 2014).

The present study aims to identify whether there is greater personal job satisfaction in being an entrepreneur than in having a job as an employee. It is important to note that the data do not allow a distinction between personal job satisfaction and professional job satisfaction. The research is divided into five sections: the first one is an introduction; the second deals with the theoretical and empirical

background related to the subjective well-being of entrepreneurs; the third describes the data and methodology used in the research; the fourth presents the results; and finally, conclusions are presented.

## **Theoretical and empirical background**

Entrepreneurs are the workers with the most potential to adapt their processes to achieve an improved experience (Devotto & Wechsler, 2019; Yepes-Baldó, Romeo, Westerberg, & Nordin, 2018). Entrepreneurship can be particularly positive for outgoing, likable, and diligent individuals (Berglund, Johansson Sevä, & Strandh, 2016). Entrepreneurs have intrinsic motivations, such as leveraging their skills and generating employment in the community, and extrinsic motivations, such as purely pecuniary benefits (Deci & Ryan, 2000). When entrepreneurship has an intrinsic meaning, it can be associated with the eudaimonic and virtuous aspects pointed out by Aristotle (349 BC). The following describes the main challenges and satisfactions related to entrepreneurship that can significantly impact job satisfaction.

### *Challenges for entrepreneurs*

Entrepreneurship is very demanding work. Owning an SME represents long working hours and heavy and stressful workloads for the owners. Entrepreneurship can be a very demanding activity and detrimental to physical and psychological health, as the workload can be seen as challenging or threatening by the entrepreneur (Patel, Wolfe, & Williams, 2019). Thus, work uncertainty, instability, and potential income losses are detrimental to the entrepreneur's health (Patel et al., 2019). The above aspects are experienced to a lesser extent by those who work as employees. In the early stages of an SME, entrepreneurs may face unforeseen elements, which can lead to frustration due to work instability and the opportunity cost in terms of the paid work time they are losing, in addition to the capital investment.

A negative aspect of entrepreneurship is the risk that entrepreneurs will exploit themselves. Han (2014) suggests that in the 21st century, capitalism exploitation does not necessarily come from an employer but that individuals can voluntarily exert excessive pressure on themselves. This situation can be even more intense for entrepreneurs, who must overcome constant administrative challenges to keep their organizations afloat.

Financing problems are the primary challenge for most entrepreneurs. Previous studies have found that entrepreneurs are not aware of the financing options available (De León, García Pimentel, & Ramírez Jaramillo, 2018) and because they have inadequate control of the processes, they are less likely to be eligible for support from microfinance institutions (Raccanello & Saucedo Carranza, 2015).

It has been documented that since the beginning of the “war on drugs” at the end of 2006, different types of violence have increased in Mexico, such as murders, kidnappings, and extortion. Businessmen and entrepreneurs faced, to a greater extent, a type of extortion known in Mexico as “derecho de piso” (Muñiz & Ramírez, 2015), where the victim must make periodic payments to criminals in exchange for not suffering attacks. Violence associated with organized crime in Mexico was responsible for the migration of more than 250 000 people in the first five years of the drug war (Ríos, 2012). Extortion of microentrepreneurs has become a way for criminal organizations to obtain quick cash flows.

Entrepreneurs put their financial stability at risk in their companies. While a formal worker receives benefits from belonging to an established company—periodic monetary income such as bonuses, and food vouchers, among others—, an entrepreneur lacks them. The two benefits whose absence could affect entrepreneurs the most are health and retirement savings. An entrepreneur has overconfidence biases and usually does not adequately plan for retirement. It also makes it difficult for them to obtain social rights such as health insurance.

In Mexico, it has been documented that the retirement savings envisaged by its population are inadequate and insufficient, partly because workers are uninformed and uninterested in this regard (Villagómez, 2014). The benefit of retirement savings, available to salaried workers through formal mechanisms, arises from “forced savings” by the state. Self-employed workers are not forced to do the same and do not correctly plan the schemes they will follow to achieve a retirement with sufficient income to support themselves and their families (Villagómez, 2014).

A negative correlation has been identified between the average happiness of countries and the rate of people who own their own companies (Naudé et al., 2014), suggesting that a higher proportion of small businesses does not necessarily generate greater subjective well-being in individuals. The authors propose that some owners of small companies did not assume this role by choice but were guided by circumstances. One cause may be having low human capital and thus lower chances of earning a high income as a salaried person or facing unemployment.

### *Job satisfaction and entrepreneurship*

One immediate question that may arise is whether there is a relationship between job satisfaction and entrepreneurship. The entrepreneur is more involved and committed to the company than the regular employee. For the employee, there is a component of uncertainty in that the organization they work for will be able to continue, even if they are not there. For most entrepreneurs, the same situation does not apply. In the case of entrepreneurs, often they “are” the company themselves. The performance of the organization depends on the entrepreneur’s level of effort.

Entrepreneurship generates satisfaction. A person who starts an organization can apply their knowledge, skills, and competencies. Entrepreneurship gives people a feeling of autonomy that is key to personal satisfaction, which could explain why an entrepreneur has lower absenteeism rates, higher punctuality, better performance, and greater organizational commitment (Bradley & Roberts, 2004). Entrepreneurship can be seen as a mechanism that lessens the difficulties associated with the broker-agent problem. Among the elements that can contribute the most to the satisfaction generated by entrepreneurs for being self-employed are autonomy, flexibility, and working for oneself (Block & Koellinger, 2009).

Entrepreneurship can generate social recognition. In countries like the United States, the entrepreneur is an admired character (Bradley & Roberts, 2004). It can be associated with values highly respected by Americans, like those linked to social mobility through founding their own company. In Europe, entrepreneurs are seen as the “heroes” of the global economy (Berglund, Johansson Sevä, & Strandh, 2016). Entrepreneurship generates jobs and well-being for the community. This generates a positive status for the entrepreneur.

Entrepreneurship leads to conditions of flow. For entrepreneurs, the most important thing may not necessarily be the income obtained from their activity in the labor market. It can be considered that they enjoy both the outcome and the process (Benz & Frey, 2008; Block & Koellinger, 2009). In psychology, this process has been called a “flow” state (Csikszentmihalyi, 2008). Several studies have identified higher job satisfaction in entrepreneurs compared to regular employees (Berglund et al., 2016).

Entrepreneurs regularly have lower incomes than employees (Block & Koellinger, 2009). While traditional economics marks income as one of the main incentives for individuals, the economics of happiness proposes that many life domains matter for the decisions people make (Rojas, 2007). Individuals’ well-being depends not only on income but on many components such as the affective and emotional plane (Rojas, 2015). The intention to start a business has motivations beyond pecuniary aspects (Koellinger, Minniti, & Schade, 2007).

Women, in terms of entrepreneurship, face problems of time constraints. Socially it is expected that they direct their efforts to domestic work. It has been pointed out that women entrepreneurs tend to feel that by dedicating time to their entrepreneurship, they neglect their family and household responsibilities (Moriano León et al., 2006); in the same way, a greater propensity for entrepreneurship on the part of men has been documented (Koellinger et al., 2007). Another relevant fact is that the average number of women who have a signed contract in their employment is lower than that of men (30% vs. 44%, respectively) (Hernández García & Tomé González, 2016). This is an indicator of job insecurity for women workers.

Entrepreneurship instead of work represents an opportunity cost for people with higher educational attainment (Escamilla Salazar, Caldera González, & Cruz del Castillo, 2014). Given this fact,

it can be expected that those with a master's degree or doctorate will be more satisfied if they are in an employed activity. People with more human capital are often highly specialized in one subject and have difficulty carrying out an entrepreneur's different sets of responsibilities. It should be noted that professional training is relevant to achieve good performance in a company of one's own. A bachelor's degree should increase the chances of success of a microenterprise, especially if the entrepreneur is trained in management, accounting, marketing, or leadership. Entrepreneurship is negatively correlated with educational level, except in some rich countries where a positive correlation has been observed among postgraduates (Koellinger et al., 2007).

On the other hand, a bachelor's degree can contribute to the success of ventures (Davidsson & Honig, 2003). People with more academic training can form better strategic plans within the companies. Without enough academic training, entrepreneurship can be a stress factor. Previous studies have pointed out that to increase a business's chances of success, it is crucial to have a business plan (Charles-Leija, Sánchez, & Ramírez Jaramillo, 2020). For the venture to generate well-being in the owners, the entrepreneur must perceive high possibilities of success. Schooling is not only a means to grow individuals' productivity and civic behavior but also helps define labor relations (Varela Llamas, Ocegueda Hernández, Castillo Ponce, & Huber Bernal, 2016). Given the above, it is possible to assume that people with a bachelor's degree can achieve greater recognition from their employees regarding entrepreneurship.

Previous studies have shown that young university students are more likely to want to work as employees than to become entrepreneurs (Moriano León et al., 2006). On the other hand, it has been identified that older adults who start a new company report higher levels of life quality (Kautonen, Kibler, & Minniti, 2017). Such a situation may occur because, through entrepreneurship, retirees can stay active, take advantage of their knowledge developed through years of employment, and leverage the financial capital they may have achieved. In this way, the senior entrepreneur does not face the capital and experience constraints of young entrepreneurs.

In terms of company size, one expected indicator is that job satisfaction increases with the organization's size. A large company benefits from elements such as economy of scale, which allows for better salaries and stability for its employees. This rarely happens in the context of entrepreneurs, especially if they are novices. Self-employed people find it difficult to develop a large company in one generation. For entrepreneurs, the mere survival of the SME is a major challenge. The entrepreneur is expected to obtain a subjective personal benefit from getting their company born, grow, and develop. For an entrepreneur, satisfaction can come from integrating the "adventure" of entrepreneurship (Wiklund, Nikolaev, Shir, Foo, & Bradley, 2019).

As several authors have pointed out, the entrepreneur's satisfaction can come from the autonomy of exercising a rewarding activity or from the opportunity to take advantage of skills and knowledge in an establishment. Another crucial aspect may be that the entrepreneur is bridging a situation of underemployment, a problem that is increasingly growing in Mexico (Yamada & Oviedo, 2016). Below is an outline describing the variables of interest in this study.

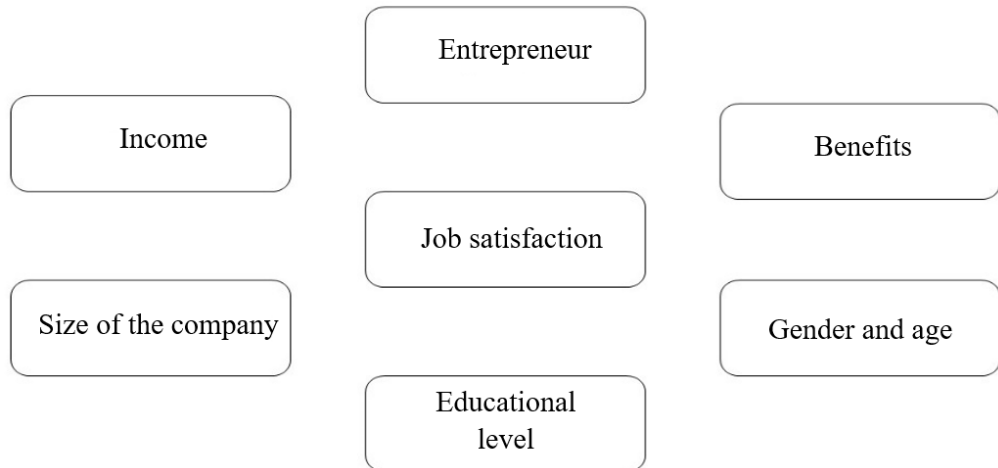


Figure 1. Variables affecting job satisfaction  
 Source: created by the authors

## Data and methodology

### Data

In this research, “entrepreneur” is the survey respondent who indicates that they are self-employed, while the “employee” is one who indicated that they are a subordinate worker. The Self-Reported Well-Being Survey (BIARE) (Spanish: Bienestar Autorreportado) conducted by the National Institute of Statistics and Geography (INEGI, 2014) (Spanish: Instituto Nacional de Estadística y Geografía), within the Household Income and Expenditure Survey (ENIGH) (Spanish: Encuesta de Ingreso y Gasto de los Hogares), was used for the study. The sample, representative for Mexico, is of 24 440 workers, of which 18 325 are subordinates and 6 115 entrepreneurs. Previous studies have used ENIGH to estimate labor aspects such as wage income (Varela Llamas et al., 2016) and job search (Charles-Leija, Torres, & Castro, 2018).

Table 1 shows the average values of the variables of interest in the study. It can be seen that in the labor market, there is a higher percentage of men than women, with a slightly greater difference in the field of entrepreneurship. Another difference of interest is the age of the two groups; the average age of self-employed workers is higher, which may be related to the fact that this population group continues to work even at advanced ages. Related to age is marital status, where the percentages of married entrepreneurs are higher than those who are single.

Table 1  
Descriptive statistics of demographic variables of the study

	Entrepreneur	Employee
Variable	Average	Average
Woman	0.45	0.41
Age	47.78	37.78
Single	0.12	0.24
Married	0.52	0.42
Separated	0.09	0.09
Divorced	0.03	0.03
Widowed	0.08	0.03
Common-law relationship	0.17	0.19
N	6 115	18 325

Source: created by the authors with data from BIARE 2014

The central item of the study, which is used as an independent variable, is “How satisfied are you with your main activity?” The range of answers that individuals can give goes from zero to 10. Being employed by others allows the worker to achieve greater specialization in a specific operation. Therefore, those who focus their efforts exclusively on their professional development as subordinates are more likely to earn a high income for their competencies as employees. This suggests that people with a higher level of education may be better suited to a subordinate status since they can better take advantage of their specialization.

A relevant aspect of entrepreneurs in Mexico is the difficulties they face when they want to retire. For an employee with benefits, a pension is highly possible at the end of their working life. For micro-entrepreneurs, this possibility is almost nonexistent. Figure 2 shows the histograms of the populations of entrepreneurs and subordinates according to their age. It shows that entrepreneurs do not have a sufficiently ingrained savings habit, which makes it difficult for them to retire from the labor market at an age similar to that of employees.



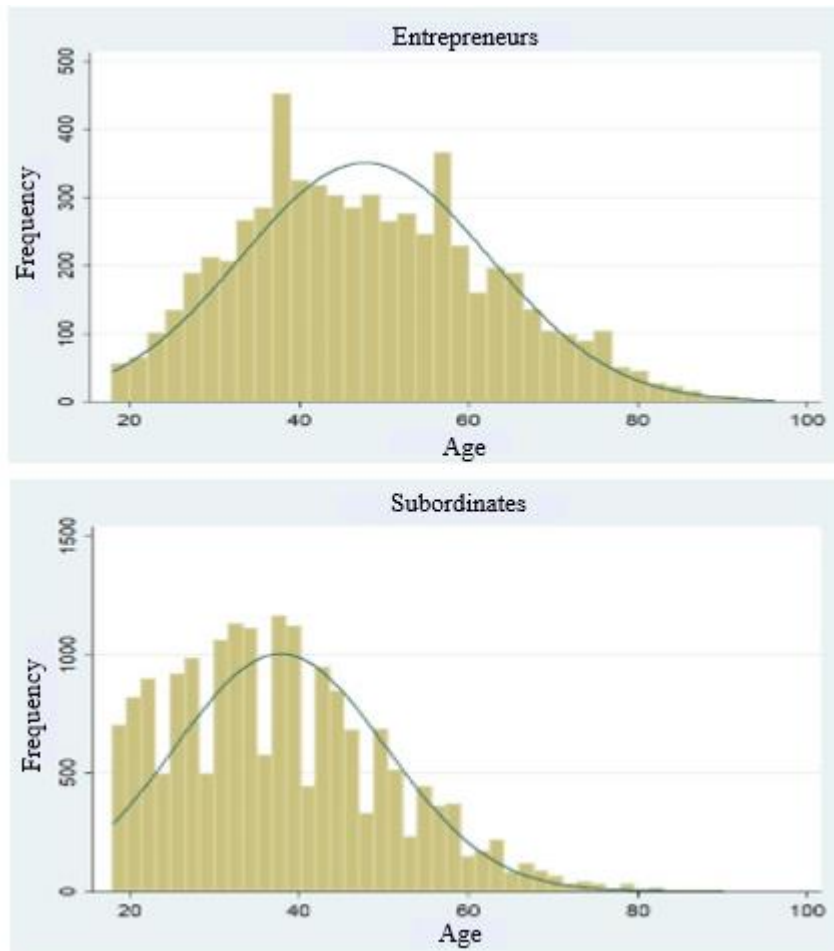


Figure 2. Frequency of working ages of entrepreneurs and subordinates, Mexico 2014  
 Source: created by the authors with data from BIARE 2014

Both entrepreneurs and employees have an average age of 37 years, and Figure 2 shows that those with their own businesses are still working even when they are over 60 years old. The need to remain economically active is to the detriment of several aspects of people's quality of life. Thus, it is observed that an important characteristic of subordinate employment is that it can offer the possibility of retirement from the labor market at an earlier age. This situation is more complicated for entrepreneurs. Another

aspect to note is the number of benefits available to entrepreneurs and employees. Entrepreneurs surveyed have, on average, 0.03 benefits, while employees report 4.8 benefits<sup>1</sup>.

Table 2 presents the average educational level of entrepreneurs and salaried workers. It shows that about 47% of the people in charge of an SME have not finished junior high school. This would mean that a high percentage of entrepreneurs do not have sufficient technical competencies and managerial skills to make their establishments prosper. It can be seen that a significant segment of people who do not have an education are engaged in paid employment. This is explained by the fact that their level of qualification limits their possibilities of earning a significant income as employees of an organization.

Table 2  
Frequency and percentage of different educational levels for employees and subordinates, Mexico 2014

Completed educational level	Subordinate		Entrepreneur	
	Frequency	Percentage	Frequency	Percentage
None	488	2.66	531	8.68
Pre-school	12	0.07	14	0.23
Elementary school	3 891	21.23	2 362	38.63
Junior High School	5 248	28.64	1 491	24.38
High School	3 622	19.77	739	12.09
Teaching-training college	220	1.2	31	0.51
Technical or commercial studies	883	4.82	269	4.4
Bachelor's degree	3 534	19.29	613	10.02
Master's Degree	349	1.9	51	0.83
PhD	78	0.43	14	0.23

Source: created by the authors based on BIARE, 2014

Table 3 shows that SMEs have a greater presence in rural environments. In fact, 52% of the entrepreneurs live in towns with populations below 15 000 inhabitants, while only 33% of the subordinates live in towns with that number of inhabitants.

Table 3  
Frequency and percentage of different location sizes for employees and subordinates, Mexico 2014

Location size	Subordinate		Entrepreneur	
	Frequency	Percentage	Frequency	Percentage
More than 100 000 inhab.	9 275	50.61	2 001	32.72
Between 15 000 and 99 999 inhab.	2 934	16.01	910	14.88
Between 2 500 and 14 999 inhab.	2 797	15.26	1 074	17.56
Less than 2 500 inhab.	3 319	18.11	2 130	34.83

Source: created by the authors based on BIARE, 2014

<sup>1</sup>The benefits considered in the survey are 19: disability, Christmas bonus, vacations, profit sharing, housing credit, day care centers, maternity care, SAR or AFORE, life insurance, loans, vacation premium, educational support, canteen service, Fonacot credit, grocery assistance, assistance in the payment of utilities, pension in case of permanent disability, pension in case of death, others.

## Methodology and hypothesis

Whereas the original question asked by INEGI regarding the level of satisfaction asks individuals to choose a value between zero and 10, to simplify the analysis in the present study, different answers were grouped together to formulate four categories of satisfaction among individuals. Those who answered between zero and four were considered “dissatisfied” with their work, those who answered between five and six were classified as “not very satisfied,” those who answered between seven and eight were classified as “satisfied,” and finally, those who answered nine or ten were classified as “very satisfied.” This research will focus on the elements that influence workers (both entrepreneurs and subordinates) to reach the highest level of satisfaction. It is important to note that one limitation of the study is the survey used. Due to budgetary issues, collecting nationally representative first-hand information was not possible. An ordinal model was estimated for the present study since the dependent variable has an established hierarchy over the responses (Cameron & Trivedi, 2005). Ordered models consider a latent variable

$$y_i^* = x_i' \beta + u_i \quad (1)$$

$y_i^*$  increases from unknown thresholds according to the ranking of the alternatives. It can be defined as follows:

$$y_i = j \text{ si } \alpha_{j-1} < y_i^* \leq \alpha_j \quad (2)$$

For a model with  $m$  alternatives  $\alpha_0 = -\infty$  and  $\alpha_m = \infty$ , then

$$\begin{aligned} \Pr[y_i] &= \Pr[\alpha_{j-1} < y_i^* < \alpha_j] \\ &= \Pr[\alpha_{j-1} < x_i' \beta + u_i < \alpha_j] \\ &= \Pr[\alpha_{j-1} - x_i' \beta < u_i < \alpha_j - x_i' \beta] \\ &= F(\alpha_j - x_i' \beta) - F(\alpha_{j-1} - x_i' \beta) \end{aligned} \quad (3)$$

$F$  is a cumulative distribution function (cdf) of  $u_i$ . The  $\beta$  are obtained through maximum likelihood, and their sign identifies the direction of impact. The following equation is used to quantify the marginal effects:

$$\frac{\partial Pr[y_i = j]}{\partial x_i} = \{F'(\alpha_{j-1} - x_i'\beta) - F'(\alpha_j - x_i'\beta)\}\beta \quad (4)$$

The fifth equation is tested using an ordered logit model (ologit) because it offers advantages when interpreting the results.

$$Work\ satisfaction = f(\text{entrepreneur, control variables}) \quad (5)$$

As control variables for the job satisfaction regressions, the following were used: entrepreneurial or subordinate status, marital status (d\_single, d\_free, d\_married, d\_separated and d\_divorced), educational level (d\_to\_sec, d\_prof and d\_posg), gender, company size (com\_size), income as an entrepreneur and as an employee (l\_incwork), age and age squared (age2), sector of economic activity and total employment benefits (t\_benef). The hypothesis of the study is that entrepreneurs will have a higher level of job satisfaction than employees.

## Results

Table 4 shows the marginal effects of the job satisfaction of entrepreneurs and subordinates. When all workers are considered, it can be seen that being an entrepreneur represents a 4.07% greater possibility of declaring oneself very satisfied with one's work situation. This can be explained by a perception of self-fulfillment and freedom to make decisions within the organization, among others.

As expected, a higher income, whether employed or self-employed, positively impacts job satisfaction. Considering all workers, it can be seen that each new level of schooling achieved represents greater job satisfaction. In this case, basic education (secondary level or lower) was taken as the reference variable to avoid multicollinearity. Thus, those with a postgraduate degree are 9% more likely to say they are very satisfied with their job than those with only a high school or elementary school education. It is observed that having benefits is a statistically significant element for those employed.

The study also shows that there is no statistically relevant higher job satisfaction for those with a postgraduate degree and who are entrepreneurs; this result may be related to the fact that having dedicated many years to professional training implies a higher opportunity cost for those who try to be their own boss. This would suggest that being a subordinate generates greater job satisfaction among people with a master's or doctoral degree. In the case of professionals, there is a premium in terms of satisfaction if they enter the labor market through entrepreneurship. In this regard, economic theory

confirms that the opportunity cost of entrepreneurship prevents a positive impact on job satisfaction for postgraduate entrepreneurs.

Table 4  
 Marginal effects of job satisfaction, Mexico 2014

Variable	All employees	Entrepreneurs	Subordinates
entrepreneur (d)	0.047***		
gender (d)	0.026***	-0.012	0.037***
ln_incwork	0.007***	0.003	0.017***
age	0.003**	0.002	0.002
age2	0.000	0.000	0.000
d_free (d)	0.004	-0.011	0.006
d_married (d)	0.021*	0.012	0.021*
d_separated (d)	-0.041*	-0.043	-0.039*
d_divorced (d)	-0.009	0.017	-0.015
d_bach (d)	0.024**	0.015	0.023**
d_prof (d)	0.045***	0.084***	0.032**
d_posg (d)	0.099***	0.096	0.089***
sector	0.000*	0.000	0.001**
com_size	0.000	0.020*	0.000
t_benef	0.008***	0.000	0.008***

Source: created by the authors based on BIARE, 2014

The results of the previous table highlight that the only educational level that generates a significant effect on the job satisfaction of entrepreneurs is having a bachelor's degree. Such a situation is understandable, as having a lower level of education limits the administrative skills of entrepreneurs. In the same way, having a higher level of education impacts the opportunity cost of entrepreneurship.

Another element to highlight is the size of the company. Although for an employee this variable does not represent a significant change in their well-being, it does in the case of an entrepreneur. There may be several explanations for this. One is that each new employee represents the personal satisfaction of one more job generated. When new jobs are created, a very positive contribution is made to society. A new worker is a significant triumph for the entrepreneur transitioning to a businessperson. Unfortunately, when an SME starts to grow in Mexico, its employees do not necessarily get the benefits they would get in a large company. Smaller companies often fail to provide their workers with the minimum benefits required by law.

When distinguishing by gender, it is observed that there is no difference in the case of entrepreneurs, but there is a difference in the case of employees. The positive sign associated with the variable indicates greater job satisfaction for men than for women among those employed. This can be associated with the employment advantages that men have over women. One is the so-called "glass

ceiling,” which describes the barriers women face to grow professionally (Silva, Dal Magro, Gorla, & Silva, 2018).

## *Discussion*

When an individual undertakes an entrepreneurial venture, they do so based on high expectations. They are interested in generating jobs, taking advantage of their skills, and not taking orders from a boss. When individuals are successful in these goals, they feel satisfied. Nevertheless, many factors can lead to the failure of a company: the lack of adequate organization, insecurity, and negative economic cycles, among others.

Since 2006, crime has diversified its criminal business and extortion of business people and entrepreneurs has become increasingly frequent in Mexico (Ríos, 2012). Studies on news content of aggressions against business people and entrepreneurs showed that newscasts showed greater coverage of aggressions against business people and entrepreneurs than against their companies (Muñiz & Ramírez, 2015). This result shows that entrepreneurs are more exposed to news that refer to the damage they may receive as individuals, which increases their fear and dissatisfaction regarding their situation.

More than creators of jobs, entrepreneurs in Mexico are creators of self-employment. Various conditions limit them from growing their organizations. The death rates of Mexican SMEs are high, and their informal nature makes it difficult for them to be a source of tax revenue for the state. Thus, self-employment-entrepreneurship occasionally becomes a strategy to avoid unemployment in a context where a high percentage of the Mexican population does not have savings to survive periods without a source of labor income.

Regarding retirement savings, entrepreneurs can be victims of financial ignorance about their ability to save for retirement. The possibility of retiring is affected by the level of retirement savings and by the level of wealth achieved by workers (Villagómez, 2014). Considering the above, if entrepreneurs did not have the opportunity to save for the future and did not achieve a significant level of wealth, they will need to keep working to survive. Concerning retirement savings, it could also be reflected that the self-employed may want to continue working in their company because of their “appreciation” for it. This is explained by their gratification with maintaining the operation of an establishment they own.

While some authors have looked at entrepreneurship from the profit perspective (Shane & Venkataraman, 2000), the happiness economics perspective is more comprehensive. Based on the theoretical framework of subjective well-being, it can be observed that entrepreneurs who start a business do not do so solely for pecuniary reasons. There are elements of self-realization, flow states, and intrinsic gratification. A crucial element to recognize when entrepreneurship can be a source of satisfaction is to

undertake it for intrinsic purposes, that is, seeking gratification from the activity performed. When entrepreneurship is undertaken primarily to pursue high income, it is more complicated for the entrepreneur to be satisfied (Sherman, Randall, & Kauanui, 2016).

The low educational quality of some universities can generate an abundance of people with bachelor's degrees who do not necessarily have the required competencies (Yamada & Oviedo, 2016). Such people reduce salaries for professionals and generate in some professionals the need for entrepreneurship to overcome possible underemployment. In this way, a graduate who in the labor market might be over-educated, can use their skills and knowledge in their own company. It is in these cases where the greatest satisfaction in entrepreneurship can be found.

## **Conclusions**

The present study compared entrepreneurs and subordinate workers, pointing out the differences in job satisfaction. The research was based on the question "Is there greater job satisfaction in being an entrepreneur than in being an employee? The results showed that being an entrepreneur generated a 4.07% greater probability of declaring oneself very satisfied with one's main activity. It was also observed that, of the elements evaluated, the two that have a positive effect on the satisfaction of entrepreneurs are having a bachelor's degree and having a large company.

A relevant finding of the study was the benefit-related aspect. It was observed that, for salaried employees, having benefits is an aspect that makes a positive and significant contribution to their job satisfaction. Accordingly, it can be seen that the people who decide to become entrepreneurs are those who attach less importance to this aspect, since 95% of the entrepreneurs do not have any benefits.

The study also found that people with postgraduate degrees report greater job satisfaction as employees. The result is understandable from the opportunity cost principle. People with a postgraduate degree have invested much time in a field of knowledge and aspire to higher salaries than those with a lower academic level. Thus, in the event of finding a job that offers remuneration commensurate with their level of education, the most qualified feel greater satisfaction working as employees. In addition to the above, entrepreneurs in most cases must have varied skills to meet the organization's requirements, whereas people with more academic education have a smaller variety of knowledge and are more focused on a single aspect of knowledge.

One limitation of the work is the survey used. Due to budgetary issues, it was not possible to carry out a nationally representative survey as offered by INEGI. Because of this, this study did not have the opportunity to propose items for the respondent satisfaction assessment instrument. Some aspects to be studied in future analyses are the number of previous ventures (or jobs) of the respondents and the

number of entrepreneurial friends or relatives. This may be a sign of greater understanding of the entrepreneurial phenomenon and its relationship to subjective well-being. Another area of future study could be to investigate the subjective well-being of the entrepreneur before starting their company and to monitor it over time or focus the analysis on women entrepreneurs. Further research may focus on the type of company and sector as a mediator of entrepreneurial well-being, and to identify the elements contained in microenterprises that provide the greatest satisfaction for the entrepreneur. While the role of a freelancer is to run an organization and this entails certain workloads and stress, there may be a type of company that provides greater satisfaction to entrepreneurs.

Regarding public policy, the study contributes to the research on retirement for the self-employed. Entrepreneurs sometimes choose informality to pay less taxes when starting their company; however, this can entail different effects on their level of benefits. From the public policy standpoint, it is crucial to address the problems faced by entrepreneurs in terms of access to health services and an adequate pension system. The problem can become a serious public health issue if not properly addressed.

In a business context, this article contributes to the field of management by providing guidelines on some key aspects of worker productivity. Individuals who report higher job satisfaction are more productive, have lower turnover rates, and have a better organizational environment. Elements such as social benefits can be key components that guide employees to greater job satisfaction and better performance.

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