# THE RISE OF THE ZZP'ER (SELF-EMPLOYED PROFESSIONAL) IN THE DUTCH CONSTRUCTION INDUSTRY

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#### **Abstract**

55% of all carpenters are self-employed (zzp'er), 37% of plasterers and wall-/floor finishers is zzp'er, and 28% of the bricklayers and interpolators is zzp'er. Of all the work in the construction sector, zzp'ers now do 15%. Is there something special about these people or the construction industry and where do these characteristics originate in?

In this paper we will show a zzp'er is a hard working professional with a lower to secondary education, having an average age of 44: he is a former employee and has a desire to run his own small business. He wants to take his own decisions en he is proud of his craftsmanship. But, he lacks recognition of human needs in construction companies.

We will show you main differences in needs and thinking between zzp'ers and the construction companies. Zzp'ers look for freedom, autonomy, respect, and recognition. They are anti hierarchical, and prefer integration of thinking and doing, and collaboration based on friendship. Construction companies want to be in control, there structure is pyramidal, and the way they organize is based on a strict separation of thinking and doing; collaboration is forced. We think that (major) construction companies should ask themselves whether they want to continue their present policy with more all round professionals leaving or retain their people for which investments in a better place to work are required.

#### **Keywords**:

zzp'er=self-employed professional; labor relations; HRM policy

# THE RISE OF THE ZZP'ER (SELF-EMPLOYED PROFESSIONAL) IN THE CONSTRUCTION INDUSTRY

#### Introduction

55% of all carpenters are self-employed (zzp'er), 37% of plasterers and wall-/floor finishers is zzp'er, and 28% of the bricklayers and interpolators is zzp'er. Of all the work in the construction sector, zzp'ers now do 15%. (Berkhout en Kok, 2010) These figures reveal a real innovation in Dutch labor relations, where people – to the 90s - were used to life time employment.

Zzp'ers value freedom at work more than the certainty of being a payroll employee. This raises questions. Is there something special about these people or the construction industry and where do these characteristics originate in?

## **Background**

At the time we started the research on zzp'ers in construction in 2009, the number of zzp'ers was growing spectacular and the topic was frequently discussed at meetings and parties. Everyone noticed the increasing number of zzp'ers and everyone knew someone working as a zzp'er. People were speculating about the motives of becoming a zzp'er: was it trendy, did it earn more money, was it the status of independent worker, was it because people had lost their job and could not find a new regular position or was it a devious attempt by employers to reduce their risk by replacing full contracts by temporarily hiring zzp'ers? Or could it have been our society's individualistic culture? The absence of hard facts preserved a good discussion, but prevented an increase in knowledge.

Curiosity about the exact causes and the identity of the zzp'er lead to a first explorative study. This study quickly revealed that zzp'ers were not only largely represented in the construction industry, but also in other sectors, with as clear outlier the professional services sector. The CBS (Statistics Netherlands) presents the following data in 2009.

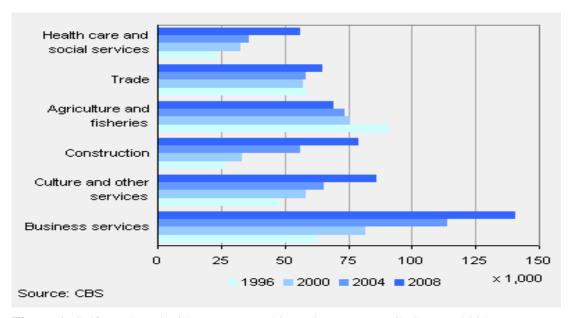


Figure 1: Self-employed without personnel in various sectors, CBS, sept. 2009

Remarkably the construction sector shows the highest growth rate in number of zzp'ers: a tripling since 1996. This growth rate is unknown to other branches and explains why the topic attracts this much attention in the construction industry.

Meanwhile a variety of studies on the zzp'er are published with telling titles such as *Van onbemind tot onmisbaar* (from unloved to indispensable) (EIM, 2007), and *De zzp'er lijkt ineens overal. Werken voor jezelf is ook een optie* (the zzp'er seems to be everywhere. Self-employment is an option, too) (CWI, 2008). In 2009, Arjan van den Born is the first in the Netherlands to get his PhD on the topic zzp: *the drivers of career success of the job hopping professional in the networked economy*.

At the end of December 2010 there are 704,000 zzp'ers in the Netherlands, an increase of 24,000 compared to the previous year (CBS, Dec. 2010). 704,000: that is around 10% of the labor force.

A certain aversion against working in large organizations, perceived as bureaucratic, seems to evolve (Van den Born, 2009). This is especially true for the younger generations, who think in terms of networks and cooperation without hierarchy (Boschma en Groen, 2007).

Everything points towards the zzp'er not as a passing phenomenon, but as the result of changing beliefs about organizing and labor relations.

## Methodology

We decide upon a detailed exploration of the zzp'er and his working environment in general and the zzp'er at the construction site in particular (the construction-zzp'er) with at stake a qualitative exploration of the zzp'er and the context of his rise.

We perform the general exploration by means of a literature review. We choose a social-organizational perspective with the search terms: zzp'er, Human Resources Management and Labor relations and we use the expert network of the HU-professorship Cultural Change in the Construction Sector which encompasses among others Bouwend Nederland (Dutch Construction and Infrastructure Federation) and FNV/Zelfstandigenbond voor Bouw en Hout (labour union for zzp'ers in construction and carpentry) (around 12,000 construction-zzp members), and HRM-directors

In-depth interviews are conducted with 6 bouw-zzp'ers, 3 employers, 1 project leader, 1 team leader and 1 works preparation engineer. All interviewees are randomly selected out of the region Mid/West Netherlands.

We follow-up the interviews with a small survey among zzp'ers associated with the FNV/Zelfstandigenbond. Finally, we link our sample to an EIB research encompassing around 1800 respondents, which allows for generalization of certain parts of our research.

# Literature research: Looking for the drivers behind the rise of the zzp'er

As to answer the questions who the construction zzp'ers are, what explains the increase of zzp'ers, and what in the construction industry makes that everybody seems to begin his own business, we start with looking of drivers on general societal level. Subsequently we focus on companies in the construction industry. As explained above we do will do this in a social organizational perspective.

## The end of traditional labor relations?

When studying the literature on the rise of the zzp'er, we silently assume that work is being done in organizations and owner/manager and employee agree upon a labor relation. Legislation and branch specific regulations (collective agreement) apply, core to which are the employer offering labor and the employee offering his services; as well as the employer paying a wage for performed labor and the employee acknowledging the employer's authority.

Kluytmans (2010) points out that the employee does not have a free choice of co-workers. He has to align with the design and direction of the organization. Finally, an individual labor agreement determining working hours, free time, company car and other secondary or tertiary fringe benefits is drawn up at the company level. This is the traditional labor structure in the Netherlands.

The rise of the zzp'er appears to disrupt this pattern. Zzp'ers do not choose a labor contract, but a project-based contract. Conditions are fixed in a contract to accept labor or offer services; traditional labor legislation does not apply. From this perspective the zzp'er is an entrepreneur. The interpretation of the word zzp'er is diffuse, as it is not legally established, which induced different definitions and views on the zzp'er. We have chosen the definition provided by CBS Statistics Netherlands:

Self-employed without personnel (zzp'ers) are individuals who carry out work on their own account and at their own risk in their own business or practice or work in an independent professional setting without personnel.

There are more indications that the traditional labor relationships are on its way back. In the late 90s Hamaker, 1998) predicted the rise of the 'werkondernemer' (a contraction of employee and entrepreneur, roughly translated as working entrepreneur. In English I will use the word "Employneur"). In his book 'de kunst van zinvol werken' (the art of working meaningfully) he outlines a return to the pre-industrial era, when it was common to work at home as a self-employed professional. Hamaker introduces this new word "employneur" to stress that we can neither speak of an entrepreneur nor an employee, but something in between. This is exactly what we nowadays call a zzp'er.

His prediction has turned into reality. Increasingly more people market their competencies and (have to) use them as a starting-point to find new projects. The upcoming phenomenon of looking for work yourself is illustrated in newly published books such as 'het merk ik' (me – the brand) (Van Zwieten and Van de Grift, 2009),

### The rise of ICT

Castells (2000, 2010) shows that the need for independency, and more broadly formulated the need for a new organization of labor and labor relationships, is strongly correlated with the rise of ICT. ICT allows labor to be time, place and distance independent. People can quickly exchange information online, worldwide and 24/7, which is why tasks can be performed at home, in train or car, in the office, anywhere abroad or wherever. There is no need for a place to go to every day on fixed times to perform your job.

In his PhD study Van den Born (2009) names ICT one of the structural drivers of the rise of the zzp'er. At first sight this development seems to be less relevant in the construction sector, but realizing how much administration and organization a zzp'er does with his mobile and

computer it is evident that even in industries largely relying on physical labor ICT influences its organization.

Cultural change: Individualization

Ever since the 60s of the 20<sup>th</sup> century Dutch people increasingly want to be seen and approached as an individual. The young baby-boomer growing up in the 60s wanted to realize himself, dismissing the background of the 'collective' 50s dominated by a 'rebuilding ideology'.

Development and self-realization, a humanistic psychology and new ideals such as equality, participation, having a say and democracy lay the foundations of an upcoming Ik-tijdperk (Me-era) (Van Galen, 1980). All supported by a strong economy and increasing welfare.

In the 80s a liberal range of thoughts replaced the dominant social thinking of the 60s/70s: the market as well as the free individual increasingly become the foundation of social and economic policy. The welfare state with its abundance of collective agreements is converted into a system of minimal facilities for the individual. Several studies by academic authors (Schnabel, 1999; Nagelkerke en De Nijs 2009, Mak, 2004, Felling, 2004) underline the big influence individualization has on many different aspects of life, such as ethics, religion, housing, working life, labour relations and trust.

Since the last decade we have been confronted with a new generation, grown up with the computer. They ask for new labor relations. Why go to the office, if you can do it at home? (Boschma en Groen, 2007)

The modern worker, employee or zzp'er, is critical. He uses social media for friendship and work, and organizes power on the internet. The network = power.

Today, managers in the office are confronted with many more workers, higher educated and they can rely less on authority as basis of power. They demand integrity, respect for their competence, co-creation, challenging tasks, and want to be part of a Hot Spot (Linda Gratton, 2010),

Meanwhile a variety of publications about 'new labor' and the 'new employee' appear.

### Economical developments

For the last decennia Dutch economy, with exception of a few setbacks, has been flourishing and growing for almost every year. Good and well-organized relations between government, employers and employees certainly contributed to this consistent strong performance of Dutch economy. Good labor relations contribute to economical health.

The government played an active and stimulating role in the rise of the zzp'ers. These were psychological (growing the status of entrepreneurs) interventions, but also financial contributions and supporting tax regulations. ZZP'ers have been exempted from many of the normal employer's obligations.

Both the strong economy and the support by the government created a positive environment to start as a zzp'er

Why do organizations work with zzp'ers? Flexibilization and indivualization of labor relations on the organizational level

Anno 2010 a lot of labor organizations stopped functioning as some kind of 'plant' with standard hours, fixed work spots and collective agreements. Without much fuzz employees and other participants have adjusted collective agreements to individual wishes. In a study on collectivism versus individualism in labor relations, De Leede and Looise (2004) talk about a pragmatic method of designing decentralized and individualized labor relations. The use of a

wide range of different contracts and relationships became common practice. De Korte (2009) mentions fading organizational boundaries and the variety of individuals he interacts with.

Organizations have a stake in individualization. Their environment has become more dynamic, complex and competitive since the 80s and they need the individualization in order to successfully compete in this new context. Competition is not only located around the corner, the whole world is now their playing field.

To adjust to these development organizations had to thoroughly reorient. Core questions: what businesses do we do, does this fit our core competencies; what do we want to do ourselves and what do we want to outsource? The idea that an organization should conduct all activities itself was released and the new motto became: do what you do best.

Organizations started to reinvent themselves. Structures were flattened, processes more client-focused, departments and organizational levels dismantled and responsibilities decentralized.

Changes in the way of organizing had a large impact on staffing. Lifetime employment disappeared. Both the job and the employee could suddenly be sold off or contracted out, and internal job security was permanently at stake.

Human Resource Management (HRM) had to be reinvented as well. Inspiration was amongst others provided by Atkinson's (1984) model of the flexible firm. This model distinguishes employees according to their relative importance to the organization: in the center the core group, around that 2 layers of easily replaceable personnel. The outside layer contains groups with temporary contracts due to their specific expertise or flexibility. This approach provides the organization with the flexibility to adjust to economic cycles.

Flexibility became a key competitive advantage and Atkinson's model provided two different types: quantitative and qualitative flexibility. Quantitative flexibility means an in- or decreasing number of people, whilst qualitative flexibility stands for people able to perform more different tasks. An example would be the shelf-stacker who mans the counter during peak hours.

Atkinson's model implicitly breaks the equality principle that used to be at the foundation of HRM. This first shock in the system of labor relations opens the way to further differentiate personnel. Among others Schoemaker (1998) elaborates on this by identifying different types of labor in relation to management. Blue, silver, white and gold workers were born. Additionally, HRM instruments were reviewed or newly designed based on the idea of an employee's own responsibility for his career, facilitated by his employer. Investing in the employee made him more employable in the organization, increased organizational flexibility and strengthened the individual's position on the labor market.

In summary we argue that labor relations between employer and employee have become more flexible and individual. This has been caused by economic, technological and cultural developments. The philosophy of employees being all equal has been replaced by differentiation. Job security at one employer disappeared; at stake is job security through personal development. Life time employment has been replaced by life time employability.

## Construction: a sector in change

The construction industry is changing significantly. This is not only caused by changes in society but also by the dynamics in the construction industry itself. In this context we can mention:

- 1) The need to conduct business in a transparent and integer way as a consequence of the findings of a Dutch Parliamentary Committee "Enquete commissie" especially installed to research fraud in the construction industry.
- 2) As criteria of sustainability have become more important in the Dutch society, also the construction industry will have to adjust into this direction.
- 3) Construction activities have more and more moved from the "meadows" to the inner cities. Where in the past 70% of construction work was taking place outside the cities nowadays 70% is being done in inner cities with significantly increasing complexity.
- 4) Renovation as percentage of all construction work is increasing and has already passed the 50% mark
- 5) Increasing and more complex legislation
- 6) The end user's demand to influence the product
- 7) On many construction sites productivity is below 50%
- 8) Cooperation both in the chain as well as on company level can improve significantly also by taking back fragmentation
- 9) Main construction companies are moving from "offering Capacity" to "offering products and concepts".

From this list possibly point number 8 is the most interesting for our research. Very significant division of labor anchored in a structure with contractors, sub-contractors and zzp'ers characterizes the construction industry. The leading business concept is that maximum division of labor is the most profitable. Profitability is measured on the level of execution in numbers of meters... Taylor's Scientific Management is still well alive here.

This drastically division of labor has many negative consequences both on organizational as well as a human level although this seems not be known or to be dealt with in the industry. This is quite remarkable as a huge complain in the construction industry is that employees on the construction site are not involved. Also costs of failures are very high. There is not a common definition of cost of failure, but there is a general agreement that these costs include costs caused by failure in work coordination. It is also in the "genes" of the construction industry. Pries (2008) mentions the construction paradigm characterized by a typical engineer's philosophy; ration, analytical, control oriented, and 'what cannot be measured does not exist'.

In this culture people only exist as labor, which is a necessary means to deliver a product. In Taylor's thinking as well as in the construction paradigm mentioned above it is an advantage that people can be replaced easily. This decrease vulnerability in case of illness. However, this thinking also creates a self-fulfilling prophecy; As the human being is not important, he will not emotionally connect and because he does not do this, it is better not to count on him. The increased complexity and the very large fragmentation require the construction industry to renewal.. However, the construction industry's patterns and paradigms remain. They want change, but do not know how. (Pries, 2010)

It is in this context that the number of zzp'ers have been growing from 30'000 to 79'000 (2009) and a share in employment rate of 15%. The European Institute for the Construction Industry expects the speed of growth in number of zzp'ers to slow-down, but can continue to a level of 125'000 zzp'ers (Berkhout and Kok, 2010)

## Research: What does the construction-zzp'er think himself?

Information out of the interviews

When we commenced our research in 2009 there was little hard data available on construction-zzp'ers. The goal of our interviews was gaining a clear picture of the zzp'er: core questions encompassed: what characterizes him as a person, including social context, what inspires him and how is it being a zzp'er?

The first step in our research was talking to the zzp'ers. Through a local soccer club we got in touch with six zzp'ers in the region mid-west Netherlands. Their occupations were painter, carpenter, tiler, handyman and bricklayer. We had a 2-hour conversation with each of them in their respective home situation. This lead, roughly categorized, to the following overview:

Name	MvE	RvdrH	SdJ	PvM	MO	AR
Age	36	42	37	38	47	31
Sex	M	M	M	M	M	M
Education	Mavo	LTS	LTS	LTS	Mavo D	Mavo/MBO
			(geen			
			dipl)			
Profession	Bricklayer	Painter	Tiler	Handyman	Painter	Carpenter
Zzp since	2006	2006	1996	2002	2002	2006
Marital	Married,	Married,	Married,	Married,. 2	Married,	Married,. 5
stage	child 9, 13	child 12,	child	kids	2 kids	kids
_		16	rond 7			

Figure 2: personal data interviewees

The overall picture is: the zzp'er is a married, male professional with a working wife and children attending school, aged about 40 with a low to average education. He started as zzp'er between the age of 30 and 40. Although no interviewee gets warm feelings for IT, they all make extensive use of their mobile/smart phone. Furthermore they are and have to be entrepreneurial, but do not want their own business. They deliberately have chosen to be a zzp'er.

Motives: why becoming a zzp'er?

MvE	They said he had the competences for teamleader, but he didn't get the job. It's not because of you, they said. But still it is a disappointment  It characterizes M. he gave his career another direction. He decided – with full agreement of his wife – to start as a zzp'er
RvdrH	Together – R & wife - they made up their minds. My wife has a stable income, and I am able to run my own business. I start as zzp'er Just like his friends always advised him. Now I can combine work and private life better.
SdJ	My father died when I was 24. My mother, brother and I took over the business. We divided the tasks; working as a tiler was the best for me.
PvM	The work became boring monotonuous, and as a zzp'er there is more alignment between work and private life
МО	The pressure to work faster grew and grew. And the qualitiy of work lowered and lowered .On top of that I hardly spoke my boss. For him I was a figure. He was always on the run, or just giving orders. I didn't want to work that way any longer. I wanted to give the customer a better quality, and to work in a more rewarding environment.
AR	It's a boys dream. I didn't want to speak it out loud, but there was always the hope to run my own business.

Figure 3: motives

All interviewees started their career as an employee. They mastered their profession at one or more employers, but somewhere between the age of 30 and 40 they could not realize their full (growth) potential at their respective employers.

A second important motive seems to be the inability to combine a full-time contract with their family life, where wife and kids increasingly require more flexibility.

What inspires the zzp'er, gives him satisfaction?

MvE	The most important is the project; getting things done. Maybe that's the main difference with an employee. An employee stops when the clocks strikes four.  M. is ambitious in a positive way. He wants to be more than just an employee, working for a boss,
	waiting for another day with the same job
RvdrH	The freedom. To manage your own life; to decide yourself when private or work things come first.  That;s the best of being a zzp'er.
	The acquiring of work is fun. (,) and it gives me a good feeling when I am asked to give an advice
SdJ	My satisfaction in being a zzp, er is most of all being my own boss, and being able to decide when and how I am doing my project.
PvM	He loved to work hard, and to learn on the job. So he had different professions and different employers in different branches. He learned by doing, he was a real self made
MO	To work in line with your needs, and to get recognition form your customers. That's most emportant
AR	() the variety in work() t the responisbiltyIt is my job, and if I do well, than it is by me. If it's wrong, it is because of me Freedom is important, although freedom is relative. You have to work, but as a zzp'er you can manage it yourself.

**Figure 4:** inspiration and satisfaction

The key answer to what inspires the interviewees circles around aspects such as attention, appreciation, recognition and development/growth. Zzp'ers get it from the private persons, Large construction projects lack these aspects and turn employees into numbers.

Money does not seem to be a driving factor and is only mentioned when asked.. It is appreciated to earn a nice salary, but the work is hard. Zzp'ers work 24/7, also on Saturdays; life has not become easier. However, being able to choose what projects to accept, and how and when to do them makes up for all of the disadvantages.

## How does the zzp'er acquire jobs?

There is unanimity among zzp'ers on how to get work: quality sells itself. It might take several additional hours of work, but it is still cheaper than advertising. Your name will be mentioned at birthday parties; mouth-to-mouth will do the work. Additionally zzp'ers work with flyers, which offer their services: one of the painters used this to gain publicity whenever he started working in a new neighborhood.

However, the general line of thought is that acquisition is not needed. Mouth-of-mouth advertisement will gain us new clients.

A few of the interviewees indicated they operate in a network of zzp'ers, passing work on. These networks consist of friends who exactly know each other's strengths and weaknesses and trust each other. Together a network can do larger projects, such as the renovation of an old farm. The competitive force of such a network is large and can be a threat to small construction firms due to their lack of overhead costs.

## Overall picture

The interviewed zzp'ers became all frustrated in their jobs and companies around the age of 30. A start as zzp'er offers a great solution because of the possibility (and necessity) to be entrepreneurial. On top of that, they get appreciation and recognition for their professional skills from private persons, who act as their new principals; and there is room for a personal opinion and creativity.

# Information out of the FNV/Zelfstandigenbond survey

The survey contained questions similar to the interviews conducted by ourselves. We used a large sample to generalize findings to construction and carpentry. As the overall response rate was too low, we also used EIB data (Berkhout and Kok, 2010) on zzp'ers in construction to ensure the representativeness of our data.

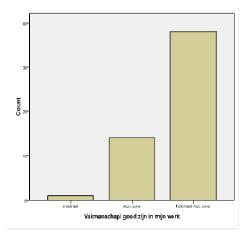
We first discuss the FNV/ZBO survey data to sharpen our picture of the zzp'er and will get back to the EIB research later.

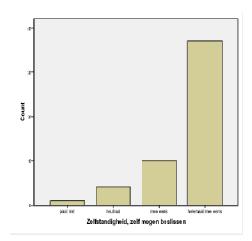
### Personal characteristics

Again we see the zzp'er is a man; his average age is 43, he has primary to secondary (professional) education, and his average tenure as a zzp'er is 5.5 year.

But what characterizes him further? Along the career anchors by Schein (1977) the respondents indicated to what extent the aspects entrepreneurship, security, craftsmanship, independence and leadership marks their personality.

Their answers show that security least represents their personality. Entrepreneurship, craftsmanship and independence characterize the true zzp'er.





**Figure 5:** Craftsmanship

Figure 6: independence

A large majority answers they agree or fully agree to the proposition: I prefer to work alone. This does not allow us to conclude that zzp'ers are soloists, but does allow to conclude that there is a large chance on solo behavior in their work. When asked who they prefer to cooperate with, over 80% indicates to prefer to work with other zzp'ers.

## Motives to become a zzp'er

The interview round taught us that money is only mentioned when asked for and is of secondary importance. Money is no decisive criterion, but who does not want to be better off? One does not become zzp'er to be worse off.

The survey indicates that more than half of the respondents mark the opportunity to earn more as a motive. Is this in line with the interview results? We do not see a fundamental difference. We do think we can add to our analysis that money is an important motive for zzp'ers in the age of 20-30.

	Respo	nses		
Motives to become a zzp'er	N	Percent	Percent c	
			cases	
I can earn more money	28	18.8%	52.8%	
I can align work and private life better	22	14.8%	41.5%	
I became unemployed	10	6.7%	18.9%	
I prefer to be my own boss	22	14.8%	41.5%	
I had not enough freedom in the organization	7	4.7%	13.2%	
I get more appraisal and recognition	27	18.1%	50.9%	
I needed the adventure	26	17.4%	49.1%	
Miscellaneous	7	4.7%	13.2%	
Total	149	100%	281.1%	

Figure 7: motives

Of all respondents, 50.9% mentions appreciation and recognition as zzp'er as a motive. This is in line with our interview round. Especially in large construction companies employees feel treated as a number in the organization. Contact is impersonal and whether A or B does the task is indifferent to the organization, as long as it is performed. Personal appreciation and recognition for the delivered achievement is missing.

Here, the interviews indicate that the customers of zzp'ers (private persons) score well. They show appreciation and recognition.

Finally, 49.1% says to seek adventure. An answer that suits entrepreneurship and independence and is confirmed by the fact that over 40% prefers not to serve under a boss.

#### Main concern

The last question in the survey considered the zzp'ers main concerns. The high response on maintaining sufficient work reflects the economic downturn, which greatly reduced employment in the construction sector.

Remarkable is also the high score on the ability to 'maintain physical health.

	Respo	Responses		
My main concern is	N	Percent	Percent	of
			cases	
Will there be work enough in future?	30	35.7%	65.2%	
How do I realise time for myself?	15	17.9%	32.6%	
Will my craftmanship meet future requirements?	5	6.0%	10.9%	
Will my physical condition stay steady in future?	25	29.8%	54.3%	
Does being a zzp'er fit with my personality?	1	1.2%	2.2%	

My administration	8	9.5%	17.4%
Total	84	100%	182.6%

Figure 8: Main concern

#### Additional data

Over 70% of the respondents work for private persons most of the time. Acquiring jobs: 65% is asked, nearly 30% actively searches and only 6% offers his services through mediating organizations.

## Information out of EIB research

The focus of our own research was largely on the identity of the zzp'er, his inspiration and realization of his goals, which is more specific than the EIB research. However, the similarity in the survey sample on hard aspects such as age and education allows us to exchange data between the two studies.

From the EIB/Kok and Berkhout research we take the information that the average bouw-zzp'er is a 44 year old male with an average gross annual income of  $\[ \le \]$ 42,000 (2007). He works a lot more (2175 hours per year) than his colleagues employed at a construction company. Over 80% of the zzp'ers followed primary to secondary (professional) education.

Zzp'ers are professional; at the average age of 35 they (83%) ended their payroll agreement and started as zzp'er. 80% works for private persons and for over 50% private persons are the most important principals. There they earn 1 euro per hour extra (compared to earnings at construction companies)

Kok en Berkhout indicate that experts in the construction industry cannot unanimously explain what caused the sudden growth in the number of zzp'ers. The main motive for the main contractors seems to be the increased flexibility. This limits the financial risks.

Summarized they conclude: the abolition of the 'Vestigingswet' combined with economic prosperity and greater flexibility at employers as the most important drivers of the rise of the bouw-zzp'er.

Derived from the EIB-study, we would like to mention a number of other drivers that are important in the context of this paper:

- Advancing IT offers opportunities for small sized companies.
- Not all employees value collective agreements and perceive these as obligations they do not have as zzp'ers.
- There is a need for modern labor relations with flexible working hours and part time jobs. Fixed hours are an obstruction and independence is a solution.
- People long for freedom: organizations with increasing bureaucracy and management layers create feelings of restriction.
- More skilled craftsmen can earn more as zzp'er than on payroll.

# The employer and the rise of the zzp'er

Bouwend Nederland, the employer's association in the construction sector, acknowledges the rise of the zzp'er and the need to create a vision on this phenomenon. The zzp'er is irreplaceable in the flexible layer organizations required for continuity of their business (Bouwend Nederland, framework 2011-2013).

A vision on how to deal with this phenomenon has not yet been developed.

To the contrary, one of the largest construction companies in the Netherlands does have a clear vision, represented in a recent interview: the zzp'er allows a company to align with the

state of the economy. There is no fear of problems in times of tight labor market. Technology can assist us and we can always make use of foreign employees. However, there is a discrepancy between Lean working, which largely requires commitment and brains and the use of zzp'ers who are more difficult to influence by the organization.

#### **Conclusions and discussion**

Starting point of this paper was the rise of the construction zzp'er. Leading questions were: who is the construction zzp'er, what are his motives and how does he realize these? We were also interested in finding out the motives of construction companies to work with zzp'ers. Finally we put the question why so many people in the construction industry choose to be a professional zzp'er.

## In general

The literature study shows that the rise of the zzp'er fits into the pattern of increasing individualization of Dutch society. Autonomy and freedom become more important Entrepreneurship is stimulated and ICT developments technically facilitate this process. From an organizational point of view zzp'ers limit financial risks caused by a decrease in demand. It also meets the desire for customization in labor relations.

# Zzp'er profile

A zzp'er is a hard working professional with a lower to secondary education, having an average age of 44, is a former employee and has a desire to run his own small business. It is important to him to be able to ake his own decisions en he is proud of his craftsmanship. He slightly prefers individual jobs and if necessary he prefers to collaborate with other zzp'ers. From the interviews we learn that his partner has an own income, which makes it easier to decide to change to zzp'er.

# Motives and satisfaction

People move to become a zzp'er on average at age 35. By that time he has developed himself, in the construction industry, as an all round professional. He has no opportunities to further develop professionally unless moving to leadership positions. As a zzp'er he creates significant personal growth opportunities.

The zzp'ers motives tell us a lot, directly and indirectly, about working at a construction company:

He lacks attention and recognitions as well as growth opportunities in construction companies He lacks independency

He lacks room for creativity and influence

From his choice to work for private persons it becomes clear that he believes that this is a better place to work, despite they make only 1 Euro more per hour.

## The construction company and zzp'ers

Construction companies basically work with zzp'ers to limit their financial risks. From literature and interviews with employers we learn that the human being is seen as cost, afterthought in the entire design process, labor.

The social psychological nature of human mankind is disregarded by the construction industry. This is characterized by the keywords: world of engineers, rational, analytical, hierarchical and control.

From the zzp'ers and literature studies we learn that construction business has far too little attention for the needs of human beings. The building business and zzp'ers think differently.

ZZP'ers Construction company

Freedom and autonomy control

Anti hierarchy/networking pyramidal organization

Thinking and doing together strict separation of thinking and doing

Collaboration based on friendship forced collaboration

(Major) construction companies should ask themselves whether they want present developments to continue with more all round professionals leaving or retain their people for which investments in a better place to work are required.

# Discussion:

It seems that companies break into networks, the zzp'er being the smallest element of the network. Working in projects is the favorite working method. But, is that a sustainable way of organizing? What are the drivers for collaboration, for friendship and teamwork?

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