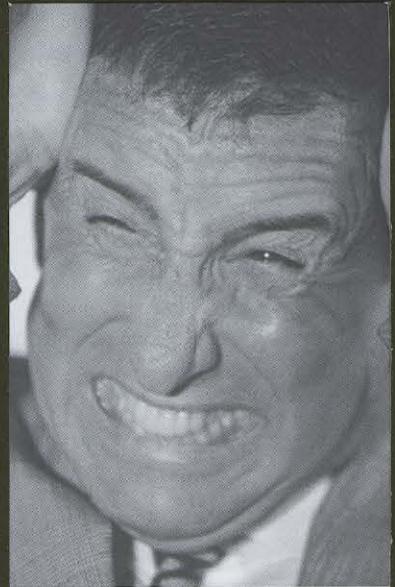


LLOYDS BANK
SMALL BUSINESS RESEARCH TRUST



WORK AND STRESS

QUARTERLY SMALL BUSINESS
MANAGEMENT REPORT

Issue number 2 • Volume 6 1998

CONTENTS

This issue features a special double issue of small business management reports based on research in a range of small business sectors including manufacturing, retail distribution and services sectors. The focus of this section is Work and Stress. The principal findings include:

● Work-related stress in British small business managers: respondents found the job of running their business 'harder' overall, whether 40% found it 'very hard'.

● Healthier stress management: There is a positive link between health and stress management skills.

● Stressors in business: The principal causes of stress amongst senior managers were: financial problems with customers, staff, technology, uncertainty of the future and the future of the business.

● Working practices with customers: 'as a source of stress'.

● The strength of management: 'a source of stress'.

● Stress management: 'a source of stress'.

Work and Stress

... stress management skills were up to date and that managers were more likely to use stress management techniques.

... employees were more likely to report stress.

... employees were more likely to report stress.

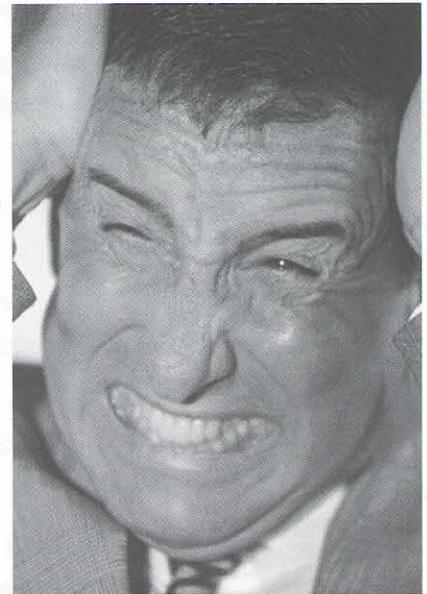
... employees think that running a small business is worth the trouble.

... employees are not really appreciated by employers.

... stress relief from a health care provider and improved management.

... employees are more likely to report stress.

LLOYDS BANK SMALL BUSINESS RESEARCH TRUST



WORK AND STRESS

QUARTERLY SMALL BUSINESS MANAGEMENT REPORT

SMALL BUSINESS RESEARCH TRUST
based at
OPEN UNIVERSITY BUSINESS SCHOOL
WALTON HALL, MILTON KEYNES, MK7 6AA
TELEPHONE: 0190 865 5831
E-MAIL: b.porter-blake@open.ac.uk

WEB VERSION: INTRODUCTION

The Lloyds Bank/TSB-sponsored series of small business management reports commenced in 1992, and concluded in 2009. In total, 53 reports were published over a period of 17 years.

Our target audience comprised the owner-managers of independent small businesses, typically employing fewer than 50, and based in mainland UK.

The series originated from a longitudinal study of small business management, undertaken by the Polytechnic of Central London (now University of Westminster), and culminating in: *The Management of Success in 'Growth Corridor' Small Firms*, (Stanworth, Purdy & Kirby, Small Business Research Trust, 1992).

THEMES

The themes were wide-ranging – including such as entrepreneurship, work & stress, employment strategies, and the environment – a full list is shown overleaf.

INSIGHT

In addition to asking questions and supplying the respondents with a range of answer options, the corresponding questionnaire was included as an appendix to each report so that readers would know exactly what questions had been put to respondents.

We also sought qualitative information – in the form of verbatim comments about the key theme – to help elaborate on whatever related challenges respondents felt they were facing at the time.

Finally, the findings are primarily intended to be indicative rather than definitive – partly due to the sample size, which is, on average, 111 for the 2003-09 reports.

PUBLISHING FORMAT

The reports were published in hard copy form, obtainable via subscription. Initially

by the Small Business Research Trust, and from 2003, by the Small Enterprise Research Team (SERTeam), both research charities based at the Open University.

Regrettably, SERTeam ceased operating in 2009, and so in 2010 the authors felt that the more recent reports would find wider interest if they were made freely available in Acrobat format via the Internet – especially with the UK economy set for a protracted journey out of recession, and with the government in turn refocusing on smaller businesses to aid the recovery.

It is worth mentioning that the series commenced as the UK economy emerged from the early 1990s recession.

In 2015, the earlier reports were also converted (1993 to 2003), with the full series made available at Kingston University: <http://business.kingston.ac.uk/sbrc>

SUPPORTING INFORMATION (WWW)

In later years – as the world-wide-web developed and an increasing number of sources of information became more readily available – suggestions for online sources of related material were included.

N.B. For reports 2003 onwards - where successfully validated, the web links (URLs) were enabled in 2009. And in the case of many invalid web links, an alternative was offered, but not where the organisation appeared defunct and an obvious replacement was not traced.

**John Stanworth, Emeritus Professor,
University of Westminster**
<http://www.westminster.ac.uk/schools/business>

**David Purdy, Visiting Fellow,
Kingston University**
<http://business.kingston.ac.uk/sbrc>

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Quarterly Small Business Management Report
ISSN 0968-6444

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- 1 Surviving The RecessionFebruary 1993
- 2 Using Your TimeJune 1993
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- 4 Tax ComplianceDecember 1996

1997/8 (Vol.5)

- 1 'Europe' & Small Businesses ... March 1997
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2002 (Vol.10)

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Small Business Management Report
ISSN 1478-7679

- 3 Crime Against Small Firms June 2003

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- 2 Pensions February 2004
- 3 Work-Life Balance..... July 2004

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- 2 Made in Britain February 2005
- 3 Management & Gender Differences..... July 2005

2006 (Vol.3)

- 1 Local or Global ?.....January 2006
- 2 Managing IT May 2006
- 3 Networking in Business September 2006

2006-07 (Vol.4)

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- 2 The Ageing Workforce..... April 2007
- 3 Travel & Transportation..... August 2007

2008-09 (Vol.5)

- 1 The London 2012 Olympic And Paralympic Games..... April 2008
- 2 Competition: Small Firms Under Pressure.....January 2009

WEB VERSION PUBLISHING

<http://business.kingston.ac.uk/sbrc>

Certain content needed to be re-set, e.g., the figures in the earlier editions, but the report body content is intended to be identical to that in the printed original. This web version - an Acrobat document - is derived from the original DTP text and will permit searching.

LIABILITY DISCLAIMER

The information and analysis in each report is offered in good faith. However, neither the publishers, the project sponsors, nor the authors, accept any liability for losses or damages which could arise for those who choose to act upon the information or analysis contained herein. Readers tracing web references are advised to ensure they are adequately protected against virus threats.

HIGHLIGHTS

This is the twenty-second of a series of small business management reports based on surveys of a panel of small firms, mainly in manufacturing, retail/distribution and business services. The focus of this survey was on **Work and Stress**. The principal findings were as follows:

- **Incidence of stress** – 19% of our owner-manager respondents found the job of running their business 'continually' stressful. A further 42% found it 'often' stressful.
- **Falling sales and stress** – These figures rose to 33% and 56% respectively for businesses with falling sales.
- **Causes of stress** – The principal causes of stress amongst owner-managers were: 'Payment problems with customer/clients', 'Bureaucracy', 'Central/local Government Red Tape', 'Economic conditions' and 'Employee problems'.
- **Payment problems with customers/clients** – as a source of stress, this varied with the strength of respondents' order-books. It ranged from 78% for those with falling sales to only 18% for those with a very strong order book.
- **Manufacturing** – 'Payment problems with customers/clients' was a particular problem with manufacturing respondents.
- **Bureaucracy/Red Tape worse for smallest firms** – Problems with 'Bureaucracy' and 'Central/local Government Red Tape' as stress sources, fell in magnitude as firms became larger.
- **Employee problems worse for larger firms** – These increased as a stress source as firms became larger.
- **Older owner-managers less stressed by employee problems** – Older respondents were less likely to encounter 'Employee problems' as a stress source than was the case for their younger counterparts.
- **A majority think that running a small business is worth the trouble** – 53% of respondents felt that the positive aspects of owning a business outweigh the problems. This feeling was far weaker in manufacturing than in the business services and retail/distribution sectors.
- **Management pressures not widely appreciated by employees** – Relatively few respondents (20%) felt that their employees had a good appreciation of the pressures associated with running a business.
- **Stress relief from a stable economic climate and improved management skills** – The single factor which owner-managers felt would do most to relieve their stress levels was the achievement of a 'Stable economic climate'. Another important factor was 'Improved management skills' on their part and this grew in importance from 17% amongst firms with 0-4 employees to 38% amongst those firms with 20-49 employees.

Lloyds Bank Plc Small Business Research Trust

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ACKNOWLEDGEMENTS

The Small Business Research Trust wishes to thank all responding firms for their time and effort involved in participation in the production of this Management Report. The Trust acknowledges the help provided by David Purdy, The Open University, and The University of Westminster, in designing the survey, processing data and analysing the results.

The Small Business Research Trust is particularly pleased to acknowledge the generous support provided by Lloyds Bank plc in sponsoring the research, analysis and presentation of this report. However, it is important to note that any opinions expressed in this publication are not necessarily those of Lloyds Bank plc.

Report Author – Professor John Stanworth (University of Westminster)

Series Editor – David Purdy

Lloyds Bank Plc Small Business Research Trust

MANAGEMENT ISSUES

The emphasis of our Quarterly Management Reports is on monitoring the key management problems and practices of smaller business, with an emphasis on survival and success. Accordingly, each issue of the Lloyds Bank/Small Business Research Trust Management Report addresses one or more highly topical small business management issues. In this survey we focus on **Work and Stress**.

PAST SURVEYS

1993 (Vol.1)

- No.1 *Surviving The Recession***
- 2 *Using Your Time***
- 3 *Management Style***
- 4 *Financial Management***

1994 (Vol.2)

- 1 *Purchasing***
- 2 *Quality Standards & BS 5750***
- 3 *Management Succession***
- 4 *Customers & Competitors***

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- 1 *'Europe' & Small Businesses***
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- 3 *Information Technology***
- 4 *Business Support Agencies***

1998/9 (Vol.6)

- 1 *Entrepreneurship***

THE SAMPLE

This report is based on responses received from a panel of some 350 small businesses situated in the Northern, Midland and Southern regions of Britain. Respondents are predominantly small firms with fewer than 50 employees, drawn mainly from the manufacturing, business services, and retail/distribution sectors of the economy. Over half of the participating firms employ fewer than 10 people and over one-third of the firms are less than 5 years old.

RESULTS

The questionnaire completed by sample firms appears at the end of this report as an appendix. This survey was carried out mainly during June-August 1998.

WORK AND STRESS

Stress is a term which is used in a very general sense in our language and is usually seen as being synonymous with experiences of pressure, frustration and disappointment. Endless surveys cite stress as a major cost to British industry due to its illness-related manifestations. For instance, common **physical** manifestations of stress certainly include the following:

- blood pressure
- high cholesterol levels
- smoking and drinking
- cancer
- cardiovascular heart disease

Added to these are the now familiar **mental** manifestations of stress, such as:

- tension
- tiredness and fatigue
- loss of sleep
- low self-esteem
- job dissatisfaction
- low motivation

Common consequences of stress, are:

- falling efficiency
- staff absenteeism
- staff turnover

THE PERSONAL ELEMENT

Terms used both in work, and also in more everyday areas of activity, hint at varying levels of stress tolerance as indicated by the following quotations:

"He/she thrives on stress"

"He/she is an adrenalin addict"

"He/she prefers needs to know exactly where they stand"

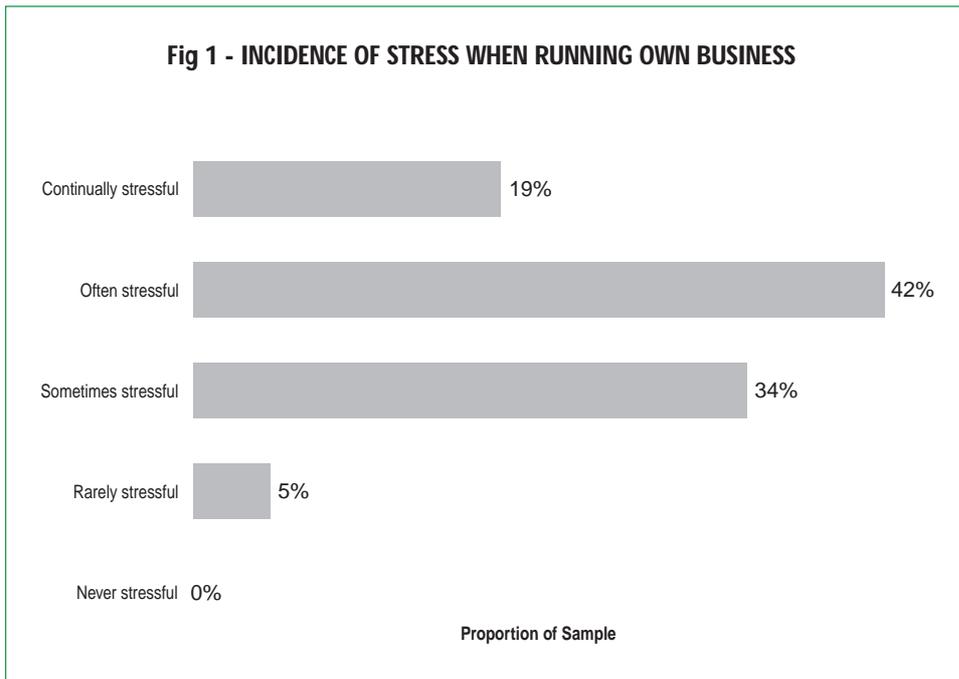
Writers and researchers on stress certainly tend towards the view that different individuals have different propensities for

absorbing stress. Further, they frequently claim that excitement and stress are closely-related concepts. Thus, much of what may appear stressful may well appear simply stimulating if present in smaller and more manageable doses. After all, stimulation often has elements of stress associated with it. Big events are almost invariably tinged with excitement, uncertainty, tension, raised pulse-rate, adrenalin flow and, later, feelings of either an excitement 'high' or exhaustion – possibly both in quick succession.

Many kinds of work situation involve a mix of fairly highly structured situations which are usually not mentally demanding or stressful but are often associated with repetition, monotony and boredom. Against that, jobs associated with greater levels of flexibility, autonomy and discretionary decision-making may be just the opposite. The content of these jobs may well be varied and intrinsically interesting but the sheer level of variety and change can be exhausting. Most people prefer a mixture of the two, but what kind of mix precisely? How much excitement and how much structure?

Professor Elizabeth Chell, in her book *The Psychology of Behaviour in Organisations*, points to research which indicates the existence of two very different personality types – Type A and Type B.

So-called "Type A" people are usually very competitive, single-minded and aggressive. They are often seen as episodic (sporadic/irregular) rather than adaptive, are constantly engaged in struggles to achieve ever more in ever less time, may be impatient and sometimes explosive and have high control needs. Terms used to describe such people include terms such as "driven", "workaholic", "obsessive" or "control freaks". Such people may achieve great things but are often exhausting to work closely with and may lay great demands on their own health and well-being.



“Type B” people, by way of contrast, tend to be more relaxed and set themselves more modest goals. They are more modest achievers and may need external stimulation to increase their sense of involvement and interest. Terms used to describe such people may include “laid back”, “relaxed”, “chilled out” or simply, “calm”.

Obviously, most of us do not approximate totally with either extreme – Type A or Type B. In the world or work, Type A personalities appear quite common amongst organisational high-fliers whilst Type B people are often to be found in much calmer walks of life. Most of us, however, will be somewhere in between Types A and B. Many of us yearn for a combination of both the energy and productivity associated with Type A behaviour and also the greater calmness and tranquillity of Type B.

THIS SURVEY

Given that the work of the small business owner is, at one and the same time, envied by many for its independence, yet a demanding situation which many feel they would be hard-pressed to cope with, we have used the topic of stress on this

occasion to attempt to learn more about the world of the small business owner.

Some of our respondents clearly felt that experience of stress is very much a personal thing:

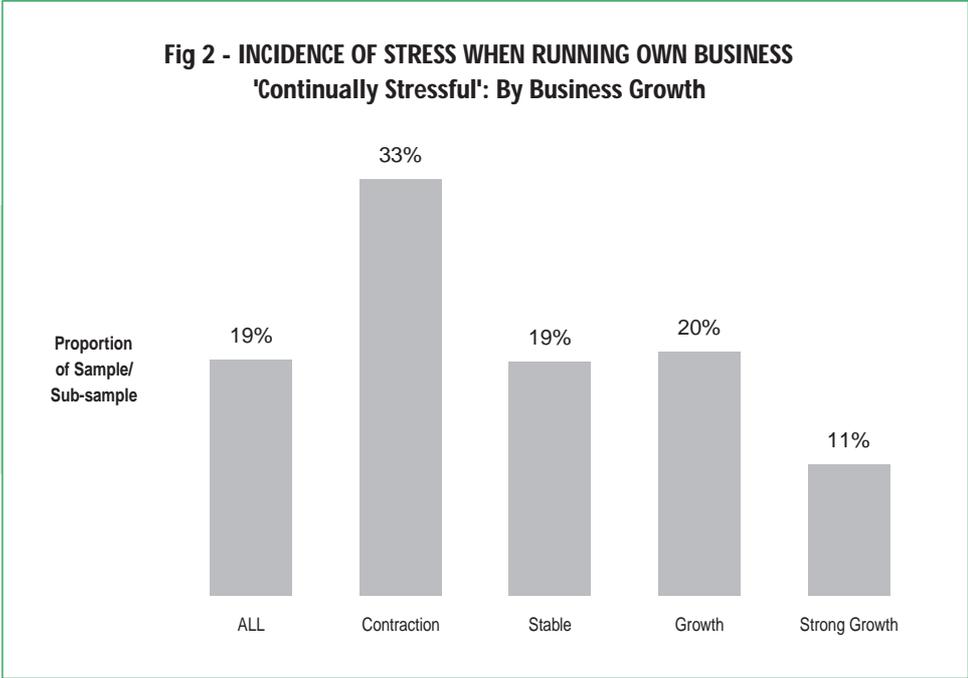
“Some people become stressed over matters which other people cope with easily. A person’s personality is the key factor in coping with stress.”

“Stress is relative. I think it is most often overstated that ‘big’ problems are more stressful than ‘small’ ones. Most people experience similar levels of stress but have different thresholds.”

FREQUENCY OF STRESS

Figure 1 looks at responses to the question of how personally stressful respondents find the task of running their small businesses. As can be seen, 19% find their work ‘continually stressful’ whilst 42% found it often stressful’ and a further 34% find it ‘sometimes stressful’. Only 5% find it ‘rarely’ or ‘never’ stressful.

Continual stress appears to decline with increasing sales growth



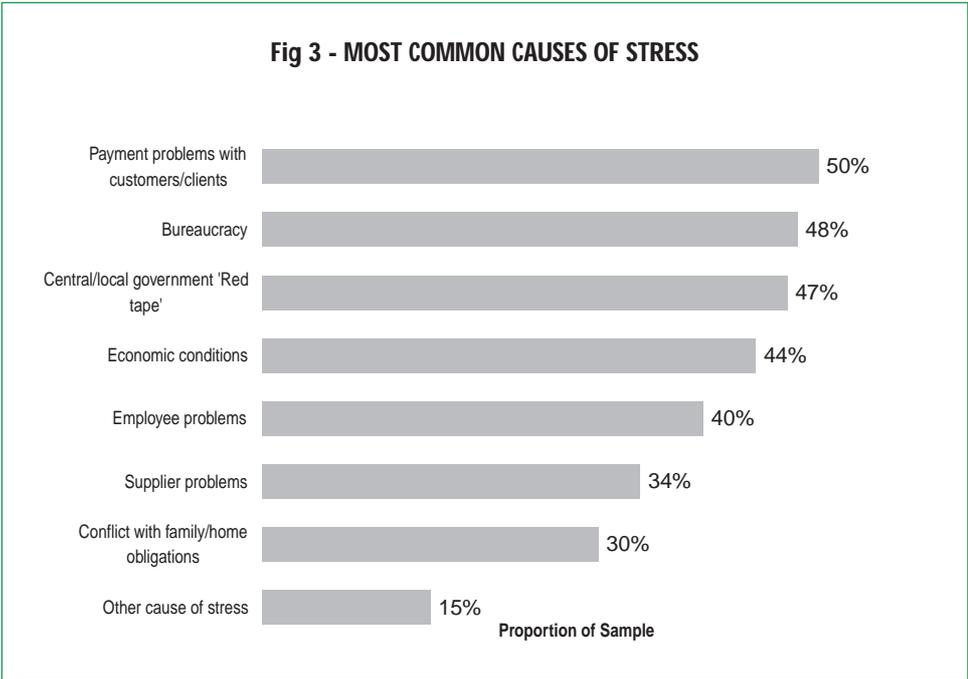
SALES LEVEL AND STRESS

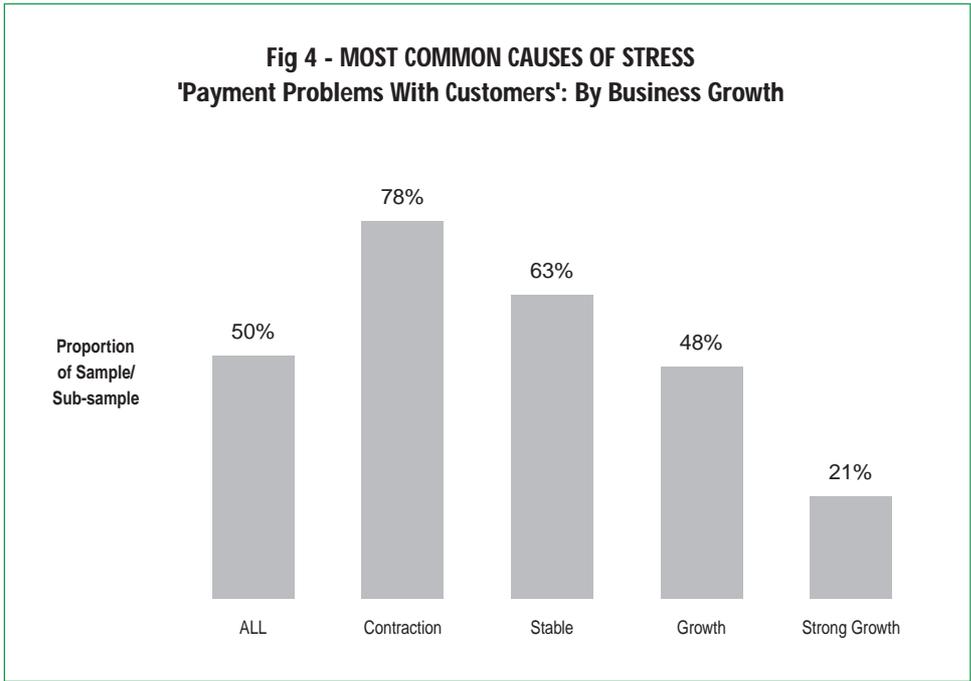
Figure 2 looks at the effects of current business growth or contraction on stress levels and the relationship here is quite marked. For instance, 33% of owner-managers with contracting sales turnovers (defined as a 5% or greater decrease in the last year) found their situation 'continually stressful' compared with only around 20% of those with more stable levels of sales. As few as 11% of those with strong sales

growth (defined as greater than 20% increase in the past year) experienced 'continual' stress. Hence, perhaps not surprisingly, we see the stress levels experienced by small business owner-managers to be quite closely linked with the fortunes of their businesses.

MAIN CAUSES OF STRESS

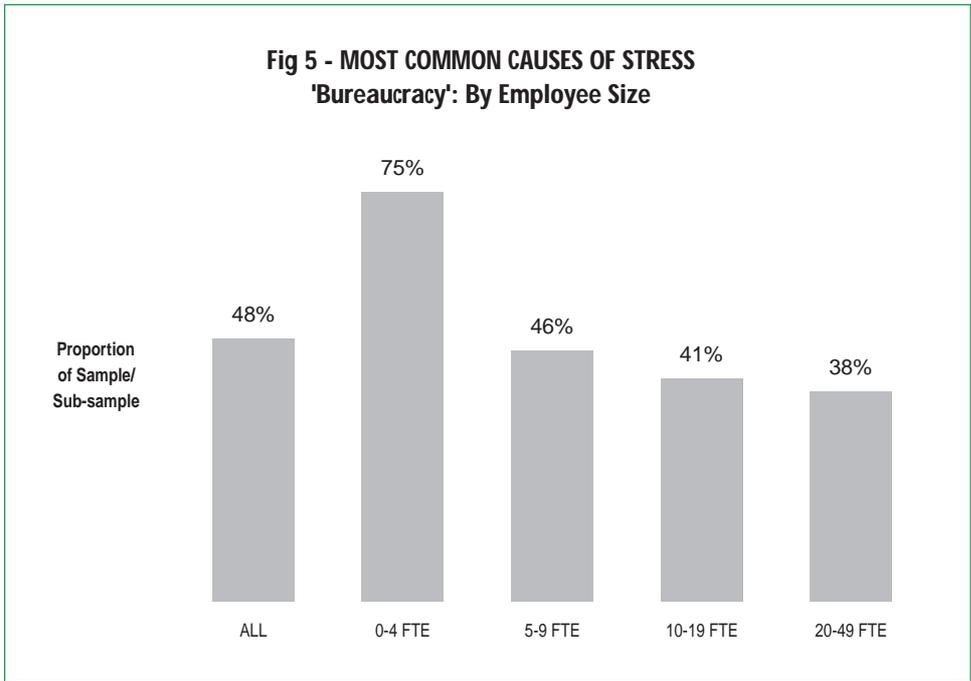
Figure 3 ranks the most common sources of stress experienced by respondents. What





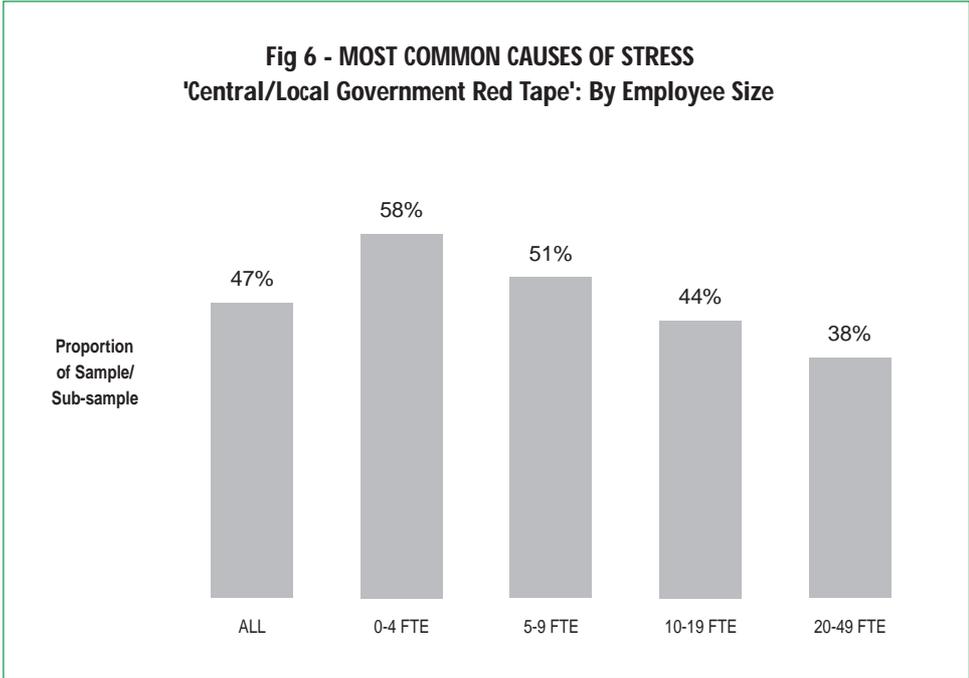
is perhaps most noticeable here is that a range of factors are closely bunched. In fact, the first five: 'Payment problems with customers/clients', 'Bureaucracy', 'Central/local government Red Tape', 'Economic conditions' and 'Employee problems', were separated by only 10 percentage points in total. When we broke these replies down, as we had done above, in terms of links with sales turnover, we once again found dramatic variations.

For instance, in **Figure 4**, we see a clear relationship between the importance of 'Payment problems with customers/clients' and the growth or decline in sales turnover levels. Only 21% of strong growers considered this a common cause of stress compared with 78% of owners whose firms were experiencing a contraction in sales turnover. The highest single figure to emerge from this whole area of investigation was 89%, relating to firms with contracting sales who mentioned 'Economic



Smallest firms suffer most from 'Bureaucracy'

Sales growth may relieve stress but a growing workforce could do the opposite



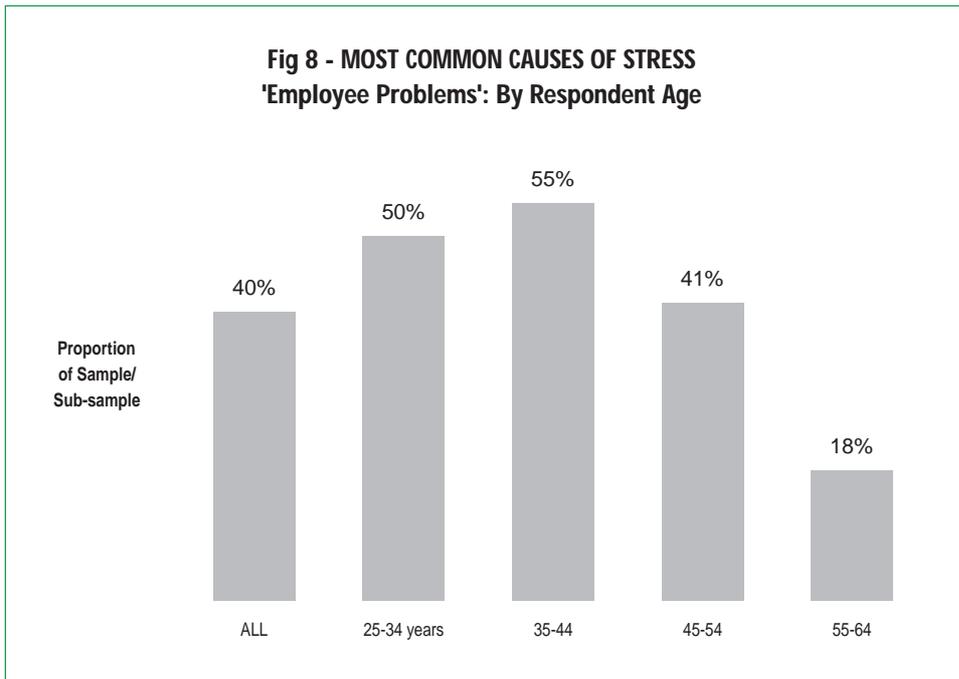
conditions' as a cause of stress. The importance of 'Economic conditions' was rated higher amongst manufacturing firms than amongst their business services and retail/distribution counterparts.

Continuing on with the issue of examining the main common causes of stress experienced by our respondents, **Figures 5, 6 and 7** show trends correlated with increasing size of firm, though not always moving in the same direction. For instance,

Figures 5 and 6, show that stresses associated with general 'Bureaucracy' as declining with growth in workforce size. This same trend was also noted as occurring in the case of 'Central/local Government 'Red Tape'. By way of contrast, however, **Figure 7** shows the reverse trend as the proportions experiencing stress related to 'Employee problems' grew from 13% to 54% with increase in size.

Comments made on issues concerning





Age and experience can be helpful

employees were often expressed quite strongly:

“Staff recruitment should be given more attention by agencies.”

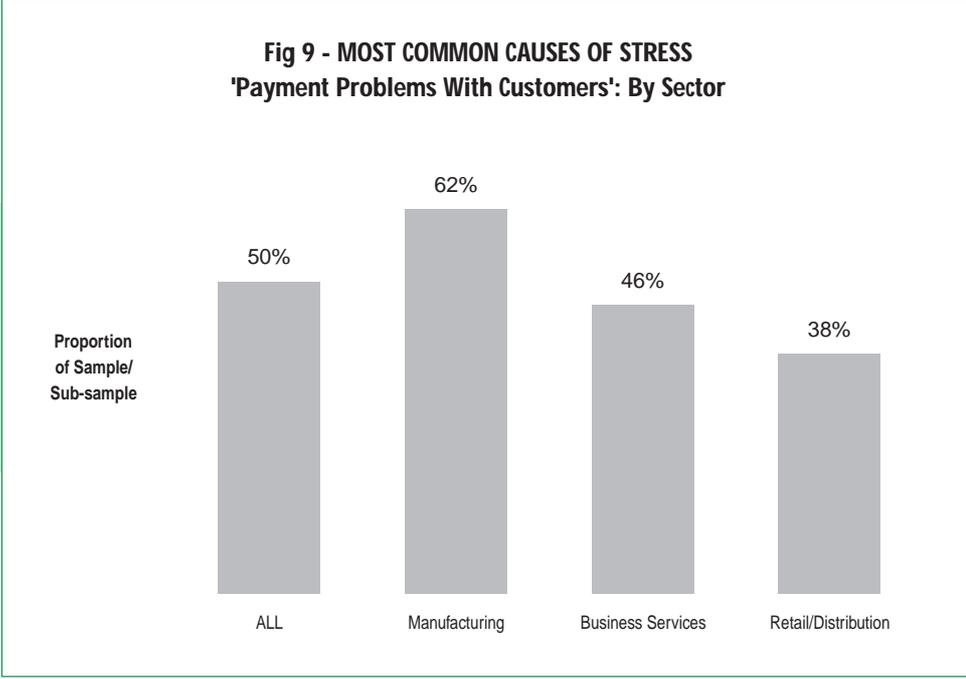
“With a staff of 12 people each on 20 working days holiday, it means that every working day, on average, you are paying for someone to be on holiday. Employment legislation is totally slanted against employers.”

“The management of stress is [about] having to be an ‘expert’ in all

fields because we cannot afford specialist assistance due to lack of continuity i.e., having to adapt to the type of work available.”

Interestingly, **Figure 8** shows that ‘Employee problems’ as a cause of stress decrease quite markedly with increasing age of respondent – coming down from 50% for 25-34 year-old respondents to just 18% for their 55-64 year-old counterparts. Possible reasons for this could include the greater experience in employment relations which comes with age or, simply, respect for age on the part of employees.

Manufacturers suffered most from payment problems with customers



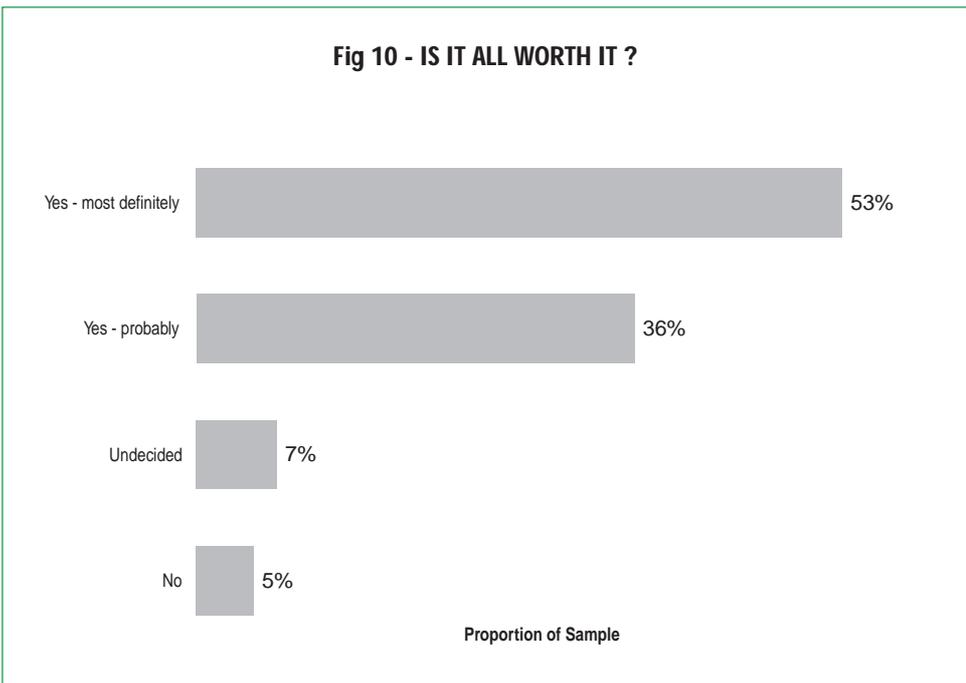
INDUSTRIAL SECTOR EFFECTS

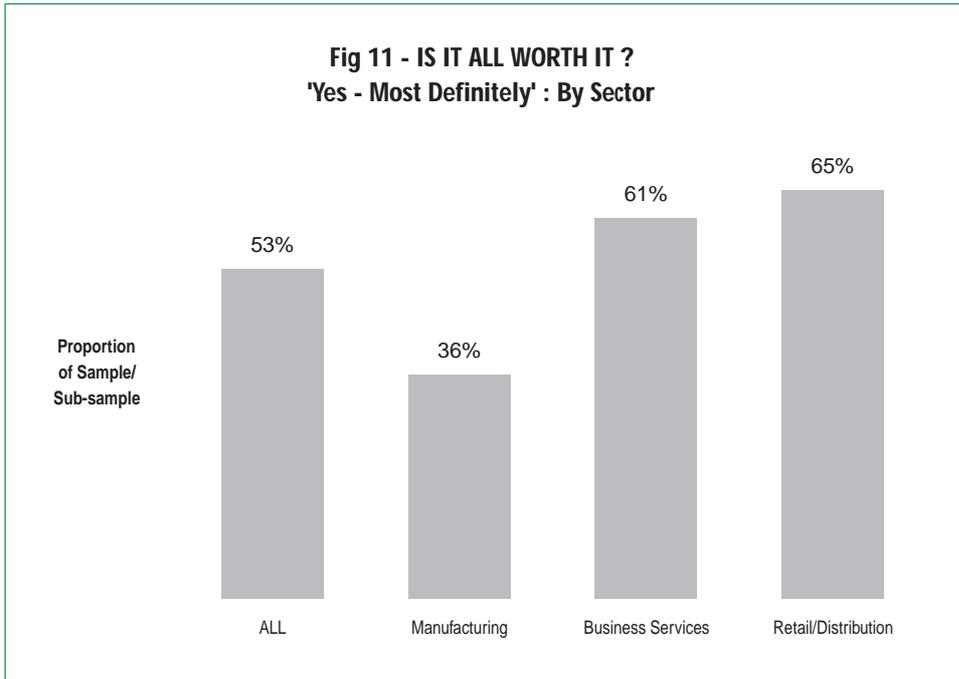
Figure 9 shows how the seriousness of payments problems varies with business sector. As can be seen, 62% of manufacturers mentioned this as a stress source compared with 46% of business services sector firms and, finally, just 38% from retail/distribution.

despite the stress involved, the positive effects of owning a business outweigh the problems. Over all, 53% replied 'most definitely' with another 36% replying 'probably'. Looking in more depth at those replying 'most definitely' (**Figure 11**), the figures were almost twice as high in retail/distribution and business services, compared to manufacturing. One of our respondents made the comment:

Figure 10 shows strong sector differences in response to the question of whether,

"Running your own business is a 24-





hour, 7 days a week thing. The hardest thing is to turn off. In saying that, I would not give it up, just as long as the rewards are there."

PERSONAL FACTORS AFFECTING STRESS

Although our results so far show that business sector factors and sales turnover levels can have quite profound effects on stress levels in small businesses, a number of our respondents pointed to factors which influence all firms and which are likely to affect stress levels. For instance, once respondent said:

"If we were to train people in good communications, to be polite and courteous, considerate and co-operative, much of the stress would be eliminated at a stroke."

Another of our respondents said:

"Stress is like manure – the further you spread it, the thinner it becomes – so delegate!"

The issue of delegation came through on a number of occasions. However, not everyone finds it easy. As another respondent said:

"The main problem of this company has always been finding a competent and trustworthy number two (deputy). This would have dramatically reduced my stress level over the last 12 years."

When asked whether or not respondents felt that other people in their firm really appreciated the pressures associated with being an owner-manager running a business, only 20% replied "yes – they have a good appreciation". A similar proportion (16%) felt 'no – they haven't got a clue' whilst the remaining 61% felt the situation was somewhere in the middle – that employees had just a partial appreciation.

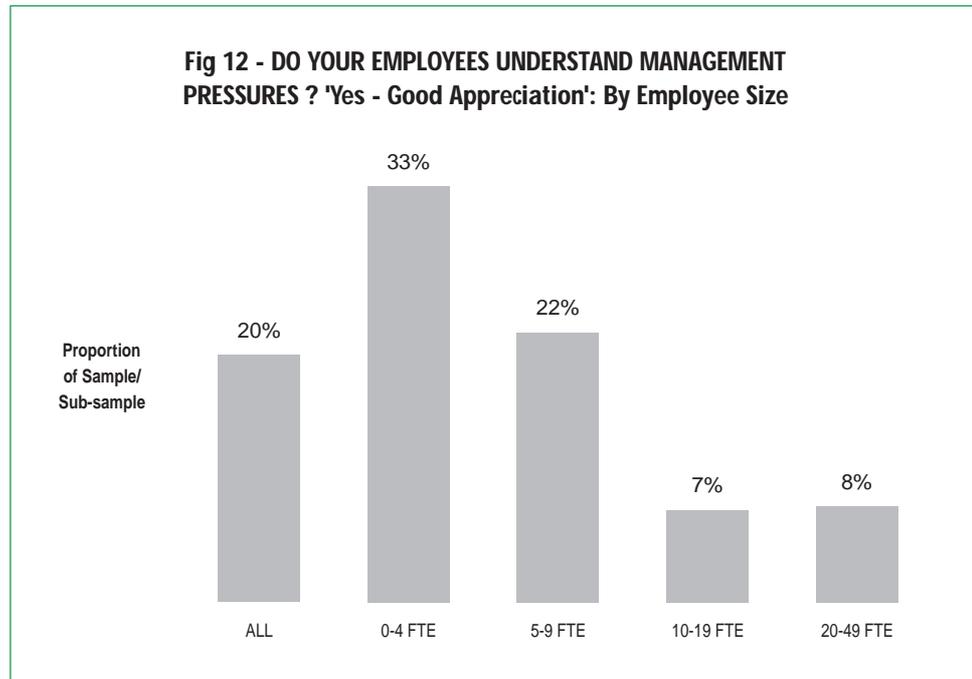
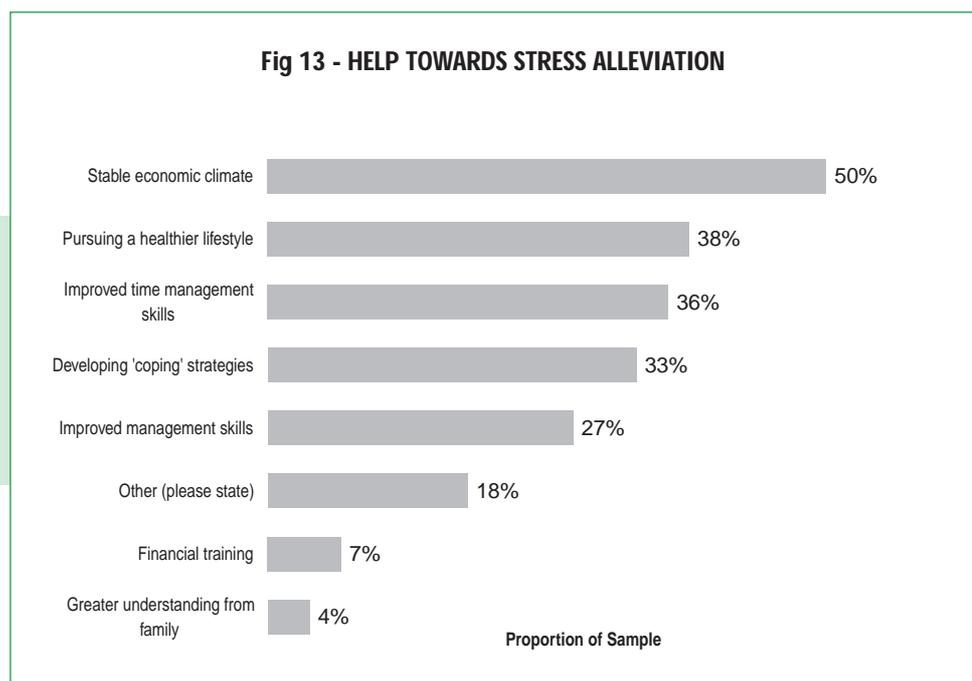


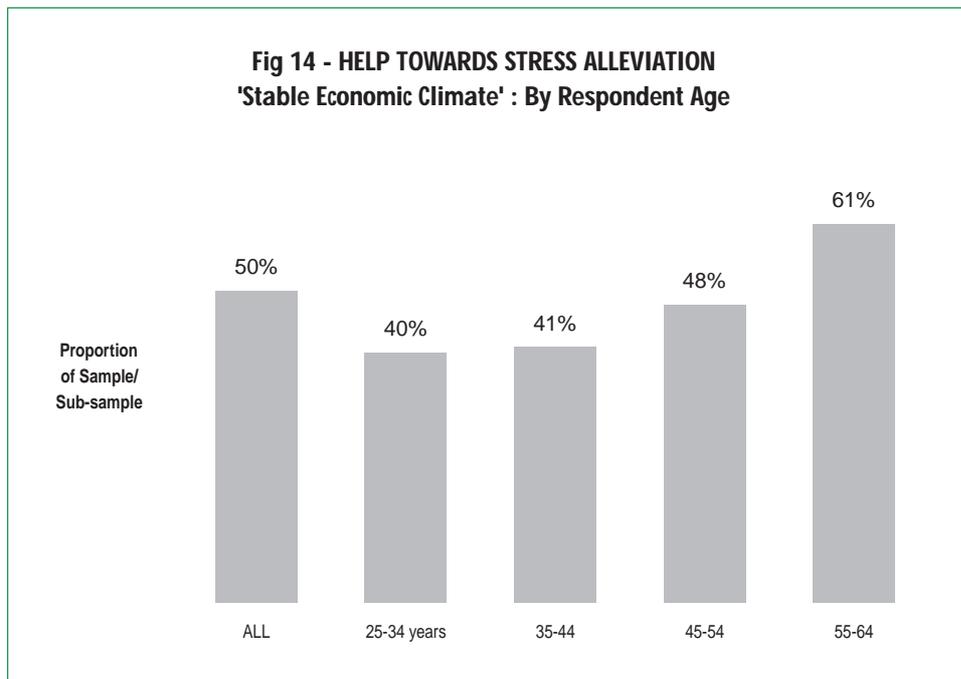
Figure 12 shows how the proportion of employees considered to have a good appreciation of the pressures of managing a business fell quite dramatically once firms reached a workforce size of 10 employees and over. It is likely that, as firms grow, individual employees get to view a smaller and smaller proportion of the firm's overall activities. Thus, the owner-manager, who may be expected to have a fairly complete overview him/her-self, will expect knowledge and understanding to be

increasingly fragmented with fewer and fewer people having a complete view.

However, the issue of employees appreciating levels of stress encountered by their bosses is not simply a matter of the completeness of their knowledge of the firm. It is also a matter of them appreciating the pressures which accompany overall responsibility and also the complex background reasons which may make sense of what might otherwise look like

A stable economic climate might help most of all





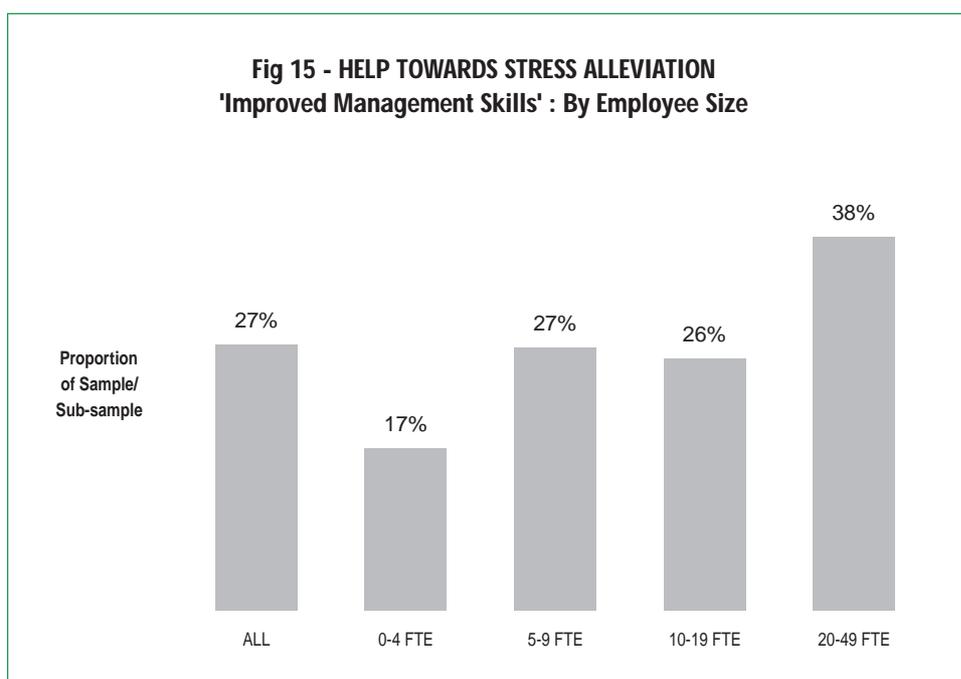
Older respondents are more likely to welcome economic stability

unusual decisions or strategies.

COPING WITH STRESS

Respondents were asked to rank a list of factors which they felt could realistically help in alleviating stress (**Figure 13**). Interestingly, 'Stable economic climate' came top, followed by factors including the pursuit of a healthier lifestyle, improved time management skills and improved management skills generally.

Looking specifically at respondents who felt that the establishment of economic stability was a realistic goal for stress alleviation, the response rate increased with age (**Figure 14**), moving from 40% for the 25-24 year-old age group up to 61% for the 55-64 year-old age group. It is to be assumed that respondents were putting the onus on politicians here and that, with increasing age, they felt that economic stability was an achievable economic goal.



Whilst still on the same issue, i.e. that of stress alleviation, another trend to emerge from our data is the shown in **(Figure 15)**. This relates to feelings concerning the need for 'Improved management skills'. Whilst only 17% in the 0-4 workforce size group felt that better management skills would render their work lives less stressful, this figure rose to nearly 40% for the largest group analysed in our sample – the 20-49 workforce size group.

RESPONDENTS' COMMENTS

Respondents' comments are shown on the following pages.

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(Reporting on employees in small firms, where the greatest hazard across all industrial sectors and all regions was found to be stress and overwork),
General web site: <http://www.tuc.org.uk/>
- **The Psychology of Behaviour in Organisations**, Elizabeth Chell (1993), pub. Macmillan Press, ISBN: 0333570014

MANUFACTURING

Cash Register Ribbons and Stationery	<i>"Stress is like manure - the further you spread it, the thinner it becomes - so delegate !"</i>
Data Communications Products	<i>"[The] Main problem of this company has always been finding a competent and trustworthy number 2 [a deputy]. This would have dramatically reduced my stress level over the last 12 years."</i>
Designer & Mfr. of Helmets & Masks	<i>"Composition of management stress: - 60% from institutions (bank and government) - 30% from clients and suppliers - 10% from in house."</i>
Equipment Maintenance. Garage Equipment Supply and Maintenance	<i>"Staff recruitment should be given more attention by agencies."</i>
Fabrication, Welding, Machining, Special Purpose Machines	<i>"Business growth and determining how best to restructure and adapt to growth and changing conditions. [sic]"</i>
Fireplace Manufacture & Gas Fire Sales	<i>"Government help agencies are of little help. It's usually government actions affecting the economy which create the most stress."</i>
Hand-printed Goods. Design and Print Service	<i>"Running a small business is a day-to-day risk. We (at our company) raise £30,000 per annum in various taxes etc. and keep records at our expense and we get no thanks from anyone. I could go on at length about this."</i>
Kitchen & Furniture Manufacturers	<i>"I think a pre-tax profit of 22% by a certain bank is excessively high relative to the amount of profit most small companies can expect or achieve. If some of this was shared by the business community there would be a better understanding between banks and commerce. [It] can be achieved by lowering charges !"</i>
Manufacturing	<i>"Various employment rules and regulations currently in force; it makes it very difficult for the small businessman to make decisions without worrying of comeback from certain government sections."</i>
Manufacturing Broom Clamps and Holders, Yard Scrapers	<i>"This country is full of people who pontificate, totally unaware of the damage they inflict on small business."</i>
Mechanical Installation and Maintenance Service	<i>"Main pressure [is] due to VAT, Inland Revenue, local government. None are interested in cash flow - maybe there is an area for them to realise and understand companies' problems."</i>
Office Screen Systems	<i>"My stress alleviation strategy: only work 5 days a week whatever hours are needed. Saturday and Sunday is family time. Being in the office all week - pursue a hobby that takes me outdoors for at least half a day."</i>
Publishing. Trade and Leisure magazines	<i>"Stress is relative. I think it is often overstated that 'big' problems are more stressful than 'small' ones. Most people experience similar levels of stress but have different thresholds."</i>

MANUFACTURING continued

Publishing

"Someone, somewhere has got to realise that 'micro' small firms are the engine room of our economy (in job creating terms - for they are the only net job creators). Stress in running a business comes from the following main places.

i) Staff - Especially in this dreaded litigating age you have always got to be watching your back for staff today tend to:

- want everything going*
- give far too little loyalty*
- will litigate (take you to an Industrial Tribunal) at the drop of a hat*
- in some cases will actually work to set you up for an Industrial Tribunal [personal example cited]*
- will skive at every opportunity*

*With a staff of 12 (each on 20 working days holiday) it means that even working day, on average, you are paying for someone to be on holiday. Employment legislation is totally slanted **against** employers.*

ii) Safety & Health - At times it almost seems that these people are out to put a small business out of business - some of their demands can actually do this to a firm on the edge.

*iii) Minimum Wage - How the powers that be cannot see that this will close down many small firms I just cannot see. It is totally 'anti-job' legislation. Whilst it will affect my firm very little it doesn't take a genius to see the job losses it will cause. **Yet who really speaks out against it ???***

*iv) Government support agencies - Many of these purport to support small firms, many awash with government money, **yet they will seek to earn from small firms continually.** E.g. Business Link - virtually everything they do they charge you for, or direct you to other agencies who will charge you. To get a grant or loan you will be offered help, even 50% grant, but the support could cost you £100 -£200 a day, from 'one of the boys' in the game, to do say a Business Plan (and it is a 'rip off' for they have arranged it so that you cannot get the help you want without the expensive support from their pals). Yet Business Links are awash with money, live in wonderful accommodation and in far too many cases are useless to a really small firm ... go to any corporate event and you'll see the Business Links and TEC's 'living it up at our expense'.*

v) Soft Loans - Just try, as a small business to get a soft loan, or even a loan at the same as or slightly better than 'base rate'...

These are just some of the top of the head stress factors in running a small business."

Sub-contract Engineering & Light Fabrication

"Lack of planning by larger companies creates most of stress for companies such as ours."

BUSINESS SERVICES

Accountancy, Audit, Tax & Management Consultancy	<i>"Management is stressful. Those who are unable to cope with it usually fail, however those who learn to cope with it can often achieve better results and job satisfaction."</i>
Analytical and Consulting Chemists (Industrial)	<i>"Too many people [are] being encouraged to start up and compete using either grants or as part of a large organisation who has a bit of spare capacity in our field which would normally be used to serve only that industry !"</i>
Chartered Accountants	<i>"Growth of bureaucratic and regulatory measures by government has stifled small/medium business and is 80% responsible for stress and wish[es] for early retirement of businessmen across a whole range of industries. [?]"</i>
Consultancy & Training	<i>"Stress is not difficult to manage - it is only when it becomes distress that problems occur."</i>
Consultant Naval Architects & Marine Engineers	<i>"If you don't like the heat get out of the kitchen because it's not doing you or the company any good - decisions will become emotional not clinical."</i>
Implementation & Audit of Quality Standards	<i>"Government to introduce a law covering late payment for small companies. Large companies and government use late payment as a financial planning tool."</i>
International Freight Forwarding Services	<i>"It is part and parcel of our business. You learn to live with it or you get out - it is that simple !"</i>
Management Development Courses/Consultancy	<i>"[Management stress] Is largely illusory and the making of the person in control !"</i>
Microfilming Bureau Service	<i>"Those imposed upon one's self [self-induced stress/pressures]: 1) To hit personal target, 2) To pray machines don't go down, 3) To hope that no one is off sick on Mondays."</i>
Motor Factors	<i>"There seems to be a lack of sensibly-priced business advice around - most 'experts' charge exorbitant rates."</i>
Office Space Planning and Supply of Furniture	<i>"No effort, no stress; no stress, no success. How unfulfilled would I feel without success or is it stress ?"</i>
Plumbing & Heating Services	<i>"Running your own business is a 24 hour, 7 day a week thing ! The hardest thing is to switch off. In saying that, I would not give it up, just as long as the rewards are still there."</i>
Provision of Contract & Temporary Labour	<i>"Stress is basically fear of failure in one respect or another and there aren't many second chances or safety cells for the small businessman."</i>
Public Relations	<i>"For me the bank has been the greatest source of stress - no understanding of the nature of my business and no attempt to generate that understanding."</i>

BUSINESS SERVICES continued

Survey & Design for Construction

“Management of stress is having to be an ‘expert’ in all fields because we cannot afford specialist assistance due to lack of continuity, i.e. having to adapt to type of work available.”

Telephone Marketing and Telephone Sales Company

*“Every owner is an individual and copes in different ways. When dealing with Government Agencies and bureaucracy, the difficulty is an understanding of the owner’s commitment and requirements. They **do not** support and thus cause frustration and then stress.”*

Textile Marketing

“Stress is an inevitable and inextricable part of the buzz of running your own business and can have positive benefits as well as the usual association with agro. These areas create an extremely stressful backdrop to my business life currently.

- Retailers are currently too desperate and greedy for margin, yet are unprepared to seriously work as a team for the benefit of all parties in a genuine partnership.

- Our customer and supplier bases are becoming so focused and narrow, creating major pressures for manufacturers who find themselves with fewer customers but larger orders. This makes manoeuvrability so much more difficult and heightens the risk factors very considerably.

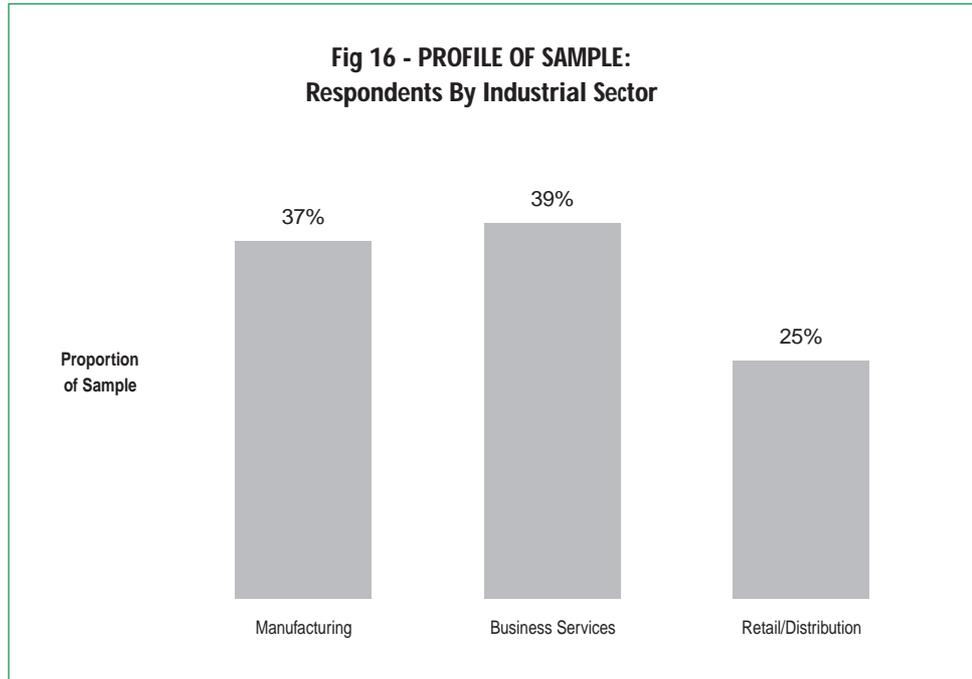
- We provide the vital link in the supply chain from fabric manufacturer to retailers and their contractors, attempting to provide a smooth transition of goods. Everyone seems to live in their own bubble with little understanding of the processes and needs of the other parties. They are frequently rude, aggressive, over-demanding, inconsiderate, and inexperienced to boot !

- We are remunerated on a quarterly basis on settled invoices, an historic method of paying agents that has little place in today’s sophisticated business environment. Juggling the cashflow when you cannot accurately predict your income which will come nine months after you have completed the work (if you are lucky) is a nightmare. There is scope for a radical re-think here, but there is no desire for the paymasters to make changes) the system is too advantageous to them. We also need higher tax thresholds to allow for the ebb and flow of income, ideally to the value of a quarter’s income. Frighteningly stressful at times, and a supportive bank is a necessity - thank you Lloyds !

You suggest in your questionnaire ways of countering stress by counselling etc. If we were to train people better in good communications, to be polite and courteous, considerate and co-operative, much of the stress would be eliminated at a stroke.”

RETAIL AND DISTRIBUTION

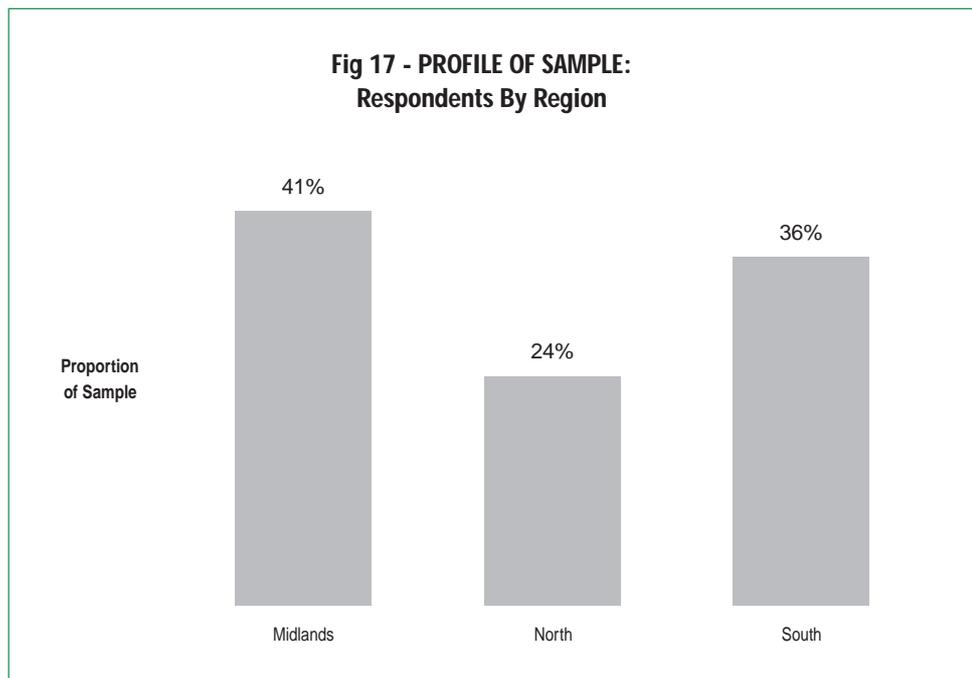
Foundry Products	<i>"Some people become stressed over matters which other people cope with easily. A person's personality is the key factor in coping with stress."</i>
Hardware and Pet Store	<i>"Stress is part of the modern 'Blame someone else' syndrome. Substitute the word 'challenge' for the word 'stress' and it gives us a more honest view. Without stress there would be no forward movement or inventions in a business large or small. Hate it or love it we need stress to progress."</i>
Holiday Park	<i>"It is only since the word 'stress' became more commonly used that all of a sudden we are suffering from it. Less 'Do-gooders' in the world would eliminate so many government aspects that frustrate us small businesses. 'Europe' is bad news in many ways."</i>
Newspapers, Magazines, and Delivery	<i>"Government does not do enough to help the independent small retailer."</i>
Photographic Products and Services	<i>"The current British disease of the 'the cost of everything, the quality of nothing' does not enhance the business climate and therefore stress levels."</i>
Selling and Support of Computer Hardware and Software	<i>"It helps to have cash in the bank and bills payable and receivable paid on time ! [Noted against Q3: We are very lucky with [having] a small number of loyal customers who pay !]"</i>
Small Village Stores, Newsagent, Off-Licence, Post Office	<i>"I shall be retiring at the end of next month !! Perhaps the stress will be passed to someone else !!"</i>
Specialist Suppliers of Computer Systems to the Security Industry	<i>"The responsibility of having to be abreast of all legislation - tax, NI, VAT, employment, company law - is vast and impossible to accomplish to any standard along with running the day-to-day affairs of the company."</i>
Tool Plant & Equipment Hire, Sales & Repair Service	<i>"My supplier's terms [are] 30 days. Same as my company. My customers pay 60-90-120 days - if they are paid in 30 days - no overdraft. No cash flow problems. Less stress. Anyway - who else would employ me at 57 - best stay as I am !"</i>

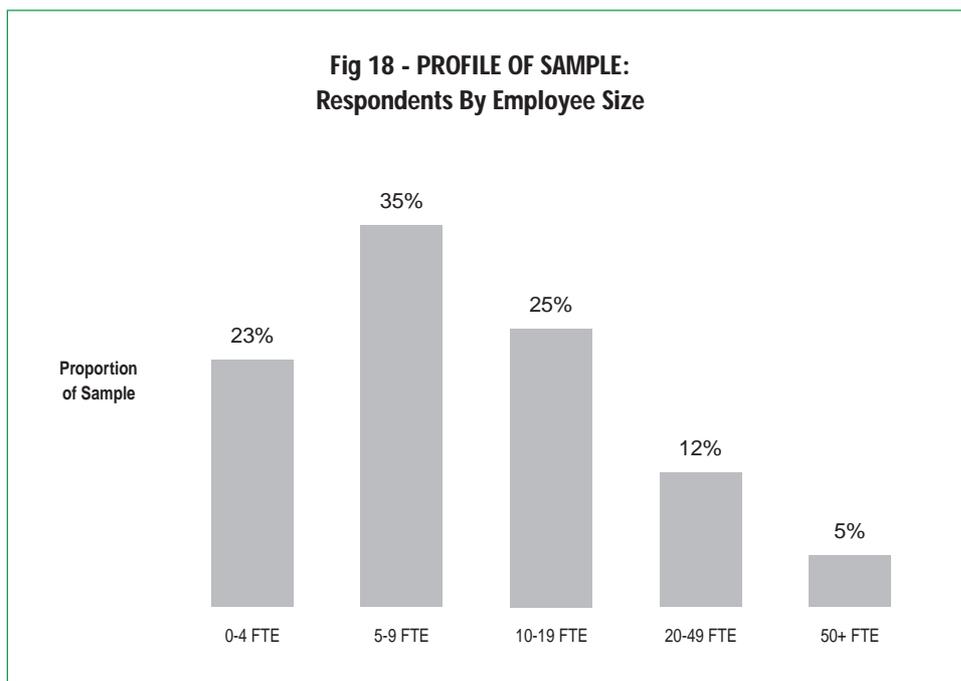


APPENDIX 1 - ADDITIONAL INFORMATION

As an aid to the interpretation of the various figures (histograms), we have included some further information about the firms responding to this survey. The analyses involve key variables, and **industry sector**, **region** and **employee size** are those most frequently used as they are reasonably reliable indicators and less prone to misinterpretation.

Industrial sectors - based on the descriptions supplied by respondents, each firm is coded according to the Standard Industrial Classification (SIC 1980). Firms are then grouped into manufacturing, business services, retail/distribution. From 1996 onwards, firms falling outside these 3 bands - previously classified as 'other' - are now allocated to the foregoing sector which offers the closest match.





Regions - firms are also classified according to their physical location, namely, North, Midlands and the South.

Employee size - finally, firms are placed in bands according to the number of employees. Each part-time employee is assumed to be equivalent to 40 per cent of a full-time employee ('FTE' = full-time equivalent). All of the surveys to date have received only a small number of responses from firms with 50 or more FTE employees. These responses have been included in the breakdowns for the sectoral and regional analyses, but have been excluded as a '50+FTE' band in the employee-size analyses (the 'All' band in each histogram includes all usable responses regardless). This is because a percentage breakdown band based on just two or three firms may not be representative of this size of business.

Distribution of firms

The highest concentration is in business services (39%), followed by manufacturing, see **Figure 16**.

In this survey, the Midlands region is the largest, with 41% of the sample's respondents (see **Figure 17**).

Historically, the manufacturing and business services firms in the samples have tended to be larger, in terms of employees, whereas the firms in retailing/distribution have had fewer full-time equivalent employees. Overall, the sample is biased towards smaller businesses. (**Figure 18**).

Lloyds Bank Plc Small Business Research Trust



Lloyds Bank/Small Business Research Trust
**Quarterly Small Business
 Management Report - No.22**

This questionnaire will take approximately 5-10 minutes to complete - most answers require only a single tick. All information received will be treated in complete confidence. PLEASE DESPATCH AS SOON AS POSSIBLE.

MANAGEMENT ISSUE: Work & Stress

Small Business Research Trust, based at the Open University Business School CONFIDENTIAL

1 a) Please indicate the number of people working in your business (including yourself):

Full-time : _____ A

Part-time (16 hours/wk or less) : _____ B

b) Your age last birthday:

16-24 years A

25-34 B

35-44 C

45-54 D

55-64 E

65 or over F

c) Your gender:

Male M

Female F

2 Incidence of stress - Based on personal experience, do you feel that running your own business is:

Just ONE ✓ only

Continually stressful A

Often stressful B

Sometimes stressful C

Rarely stressful D

Never stressful E

3 Causes of stress - For you, a) which are the most common causes of stress in business, and, b) which of those you have noted are BEYOND your control:

✓ Against each applicable cause, but only a ✓ at its right-hand side if the noted cause is BEYOND your control

	<i>Cause of Stress?</i>	<i>And Beyond Your Control?</i>	
Bureaucracy - perceived inefficiencies outside your business	<input type="checkbox"/>	<input type="checkbox"/>	A
Central/local government 'Red tape' - undue burdens, such as taxation systems	<input type="checkbox"/>	<input type="checkbox"/>	B
Conflict with family/home obligations	<input type="checkbox"/>	<input type="checkbox"/>	C
Economic conditions	<input type="checkbox"/>	<input type="checkbox"/>	D
Employee problems	<input type="checkbox"/>	<input type="checkbox"/>	E
Payment problems with customers/clients	<input type="checkbox"/>	<input type="checkbox"/>	F
Supplier problems	<input type="checkbox"/>	<input type="checkbox"/>	G
Other (please state):	<input type="checkbox"/>	<input type="checkbox"/>	H

1 2

4 Stress alleviation - Which of the following do you feel, in your circumstances, would be both helpful AND realistically achievable:

✓ *Against all which apply*

- Developing 'coping' strategies A
- Financial training B
- Greater understanding from family..... C
- Improved management skills D
- Improved time management skills..... E
- Pursuing a healthier lifestyle (diet, exercise etc.).... F
- Stable economic climate G
- Other (please state): _____ H

5 Management responsibility - Generally speaking, do you feel that your employees appreciate the pressures of managing a business:

Just ONE ✓ only

- Yes - they have a good appreciation..... A
- Possibly - they appreciate some of the problems ... B
- No - they haven't got a clue C
- Don't know D

6 Personal health - For your age, would you describe your general health as:

Just ONE ✓ only

- Very good..... A
- Good B
- Fairly good C
- Not very good..... D
- Poor..... E

7 Business growth - Please indicate the change in annual sales turnover for your business over the past 12 months:

Just ONE ✓ only

- Good growth: greater than 20% **increase** A
- Reasonable growth: 5 to 20% **increase** B
- Stable: within ± 5% change..... C
- Contraction: 5% or greater **decrease** D

8 Is it all worth it ? On balance, do you feel that the positive aspects of owning and managing a business outweigh the problems:

Just ONE ✓ only

- Yes - most definitely..... A
- Yes - probably..... B
- Undecided..... C
- No..... D

9 'Management stress' - If you have any strong views about the topic, especially if you feel that any aspect is not fully appreciated by important sections of the business community (such as the government help agencies or the financial services sector), then please comment



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