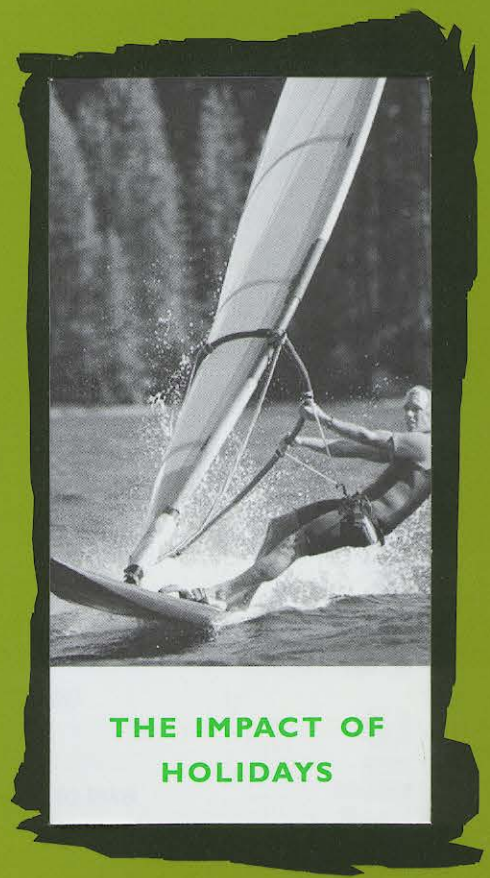


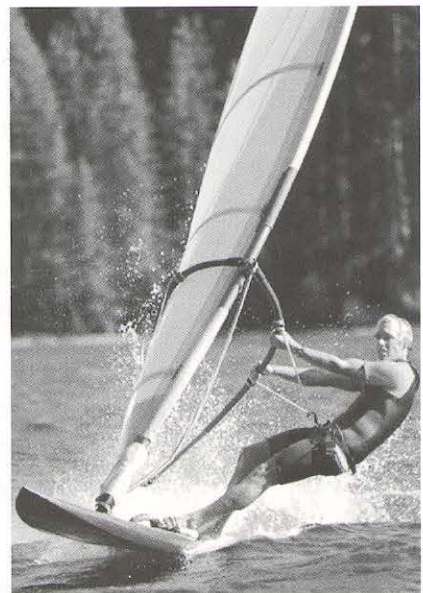
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QUARTERLY SMALL BUSINESS
MANAGEMENT REPORT

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The Impact of Holidays



**THE IMPACT OF
HOLIDAYS**

QUARTERLY SMALL BUSINESS
MANAGEMENT REPORT

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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.

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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 The London 2012 Olympic And Paralympic Games..... April 2008
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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-fifth in 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 **The Impact of Holidays**. The principal findings were as follows:

- **Annual shutdown** – Whilst 20% of firms amongst the manufacturers operated an annual holiday shut-down, this figure dropped to only 5% amongst those in the retail/distribution sector and just 2% in business services.
- **Mixing business and leisure** – As firms get larger (in workforce size), owner-managers appear less likely to combine personal holidays with business trips.
- **Impact of millennium holiday break** – Most of the small firm respondents (82%) have a 'go with the flow' approach towards the millennium break. Though this could result in only 2 working days between 25th December 1999 and 4th January 2000, only 15% were contemplating an extended blanket closure at this stage.
- **Reason for millennium holiday break** – The main reason for this was staff wanting leave rather than staff costs. The importance of 'staff leave' as a factor increased with workforce size.
- **Longest continuous holiday leave in 1998** – Excluding weekends and statutory holidays, 25% of respondents took only 1-5 consecutive working days, and 36%, 6-10 days.
- **Holiday leave within sectors** – Industry sector, more than any other factor, appeared to explain such differences as only 28% of respondents from manufacturing managed more than 10 days continuous break, compared with 43% from retail/distribution and 48% from business services.
- **Expected holiday leave for 1999** – Despite a modest cooling of the economy, a majority (around three out of every four of the respondents) expected to be taking the same amount of leave as in 1998.
- **Sector variations for 1999** – **Manufacturing** respondents intending to take **more** holiday than last year were closely matched by those intending **less**. However, for **business services**, the more-to-less ratio was around **3:1**, compared with almost the reverse in the **retail/distribution** sector.
- **Personal holiday constraints** – Nearly half of all respondents (45%) felt there were no constraints of any great magnitude and that they were able to take the holidays they wished.

continued ...

- **Personal holiday constraints on smaller firms** – 61% of respondents in firms of 20-49 employee size band said they were able to take as much holiday as they wished, compared with only 41% in the 0-4 size band. Only 22% of respondents in the larger firms said that 'lack of suitable staff' limited their freedom to take holidays, compared with 33% of respondents in the smallest size band.
- **Personal holiday constraints within sectors** – 'Current economic climate', as a factor limiting freedom to take holidays, was strongest in the **manufacturing sector** and weakest in the **business services**.
- **Business anxieties during absence** – 40% of respondents claimed to experience no undue concerns whilst they were away on holiday, though 27% admitted to being worried on account of their staff being able to cope. There were sector variations with anxieties being greatest in the retail/distribution sector and weakest in the business services sector.

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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 TSB 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 TSB.

Report Author – Professor John Stanworth (University of Westminster)

Series Editor – David Purdy

Lloyds TSB

The 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 TSB/Small Business Research Trust Management Report addresses one or more highly topical small business management issues. In this survey we focus on ***The Impact of Holidays***.

PAST SURVEYS

1993 (Vol.1)

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

1994 (Vol.2)

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- 1 ***Entrepreneurship***
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- 4 ***Small Firms & The Environment***

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. In any given survey, typically over half of the participating firms employ fewer than 10 people.

RESULTS

The questionnaire completed by sample firms appears at the end of this report as an appendix. This survey was carried out during April-May 1999.

HOLIDAYS - LIFE-LINE OR MENACE ?

Few of us, on our death beds, are likely to say we wished we had spent more time at the office. Yet the most obvious act of distancing ourselves from the office - that of taking holidays - seems so often problematic.

With this in mind, plus the forthcoming issue of an extended Christmas/millennium/ New Year break and its effects on business, we decided to make the topic of 'holidays' our issue for the current questionnaire.

This questionnaire (Appendix 2) met with a relatively high response rate from our panel members, thus indicating high levels of relevance and interest.

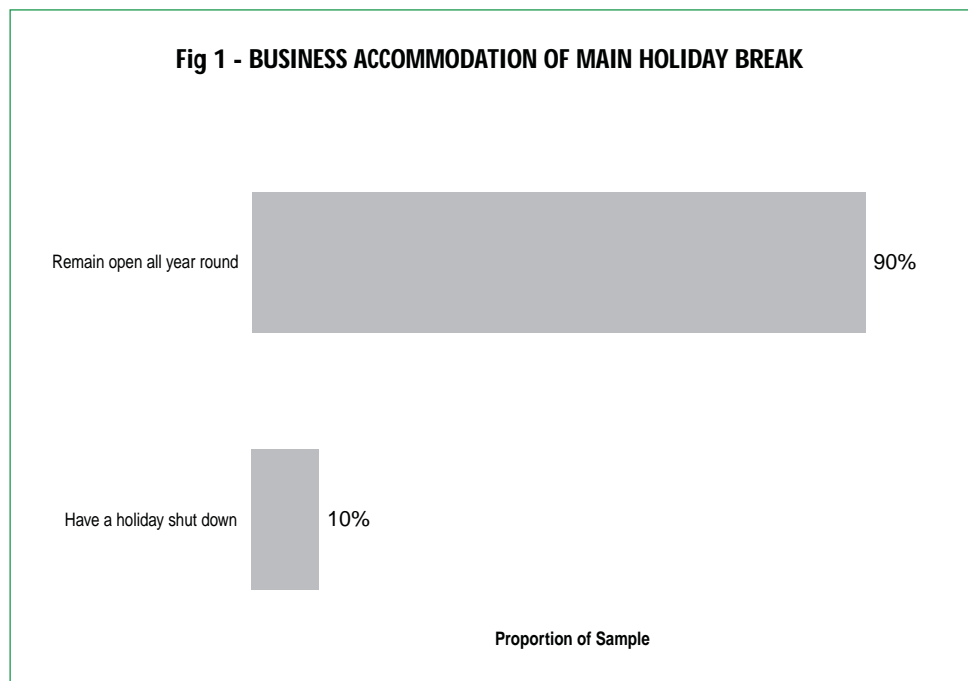
HOLIDAY SHUT-DOWNS

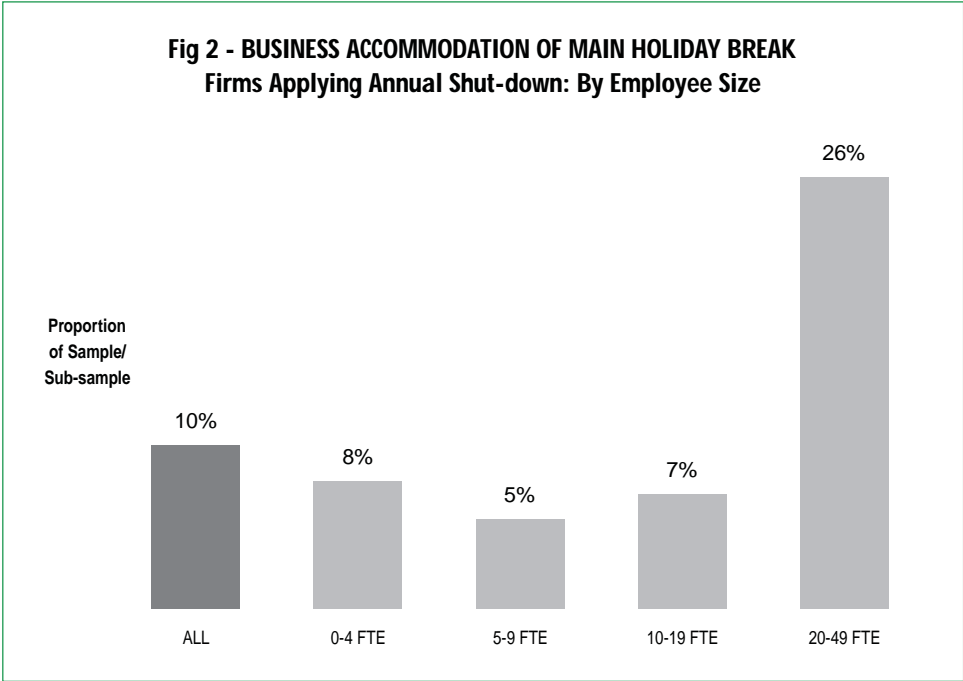
Some firms shut down completely for their main holiday breaks. Here, the entire staff of a firm, in effect, take their main holiday at the same time, almost invariably during the Summer. Others, however, stagger holidays and remain open all year round, apart usually from Christmas and statutory holidays.

Figure 1 demonstrates that only 10% of the respondent firms operated a holiday shut down period. When we looked to see if this correlated with size of firm (**Figure 2**), we found responses to be very consistent across the various size bands, until we reached our largest size-band of 20-49 staff (or full-time equivalents) when the proportion operating a holiday shut-down period leapt to 26%. We suspected that this observation might well be explained if we looked at sector breakdowns since the manufacturing firms in our sample tend to be larger on average than their counterparts from business services and retail/distribution. In **Figure 3** we see that the differences are indeed explained by sector differences with manufacturing firms being 10 times more likely to take shut down holiday breaks than those in business services and 4 times more likely than those in retail/distribution.

PERSONAL HOLIDAYS AND BUSINESS TRIPS

In **Figure 4** we show answers to the question of whether respondents manage to combine personal holidays with business trips. We had expected that our 'yes' answers might increase with size of firm



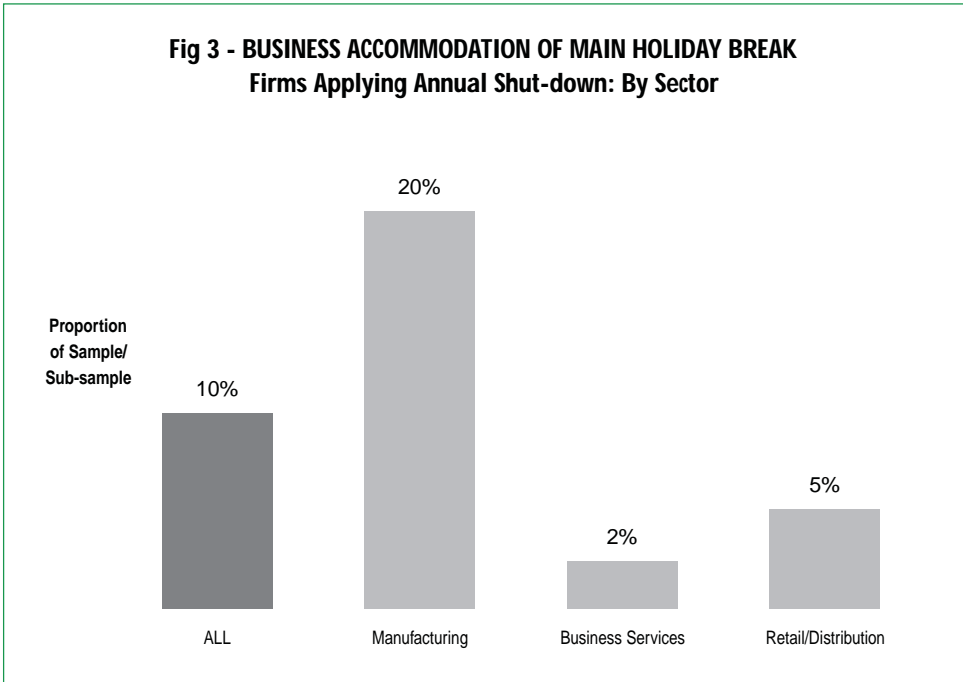


but, in fact, found quite the opposite. Responses here ranged from 23% giving a 'yes' response amongst the 0-4 employee size group and fell progressively to just 4% amongst respondents from the largest of our size groups, that is 20-49 those with staff. Reasons for this are not immediately clear, though it is possible that, rather than a foreign business trips constituting a perk, they are often seen in fact as just another personal sacrifice when they impinge on holidays. Pursuing this line of logic then

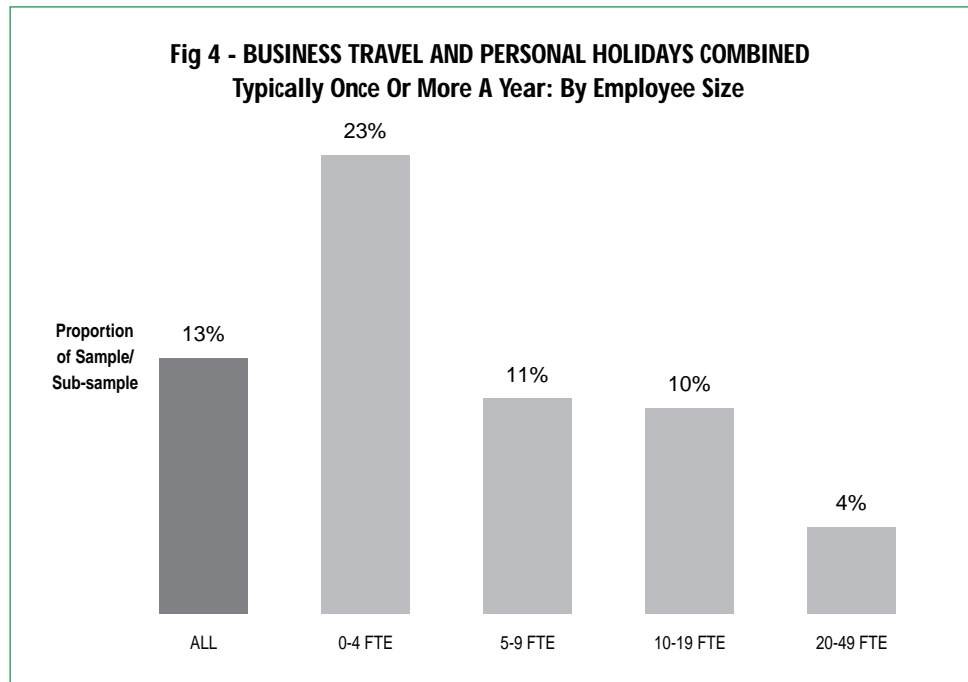
sees owner-managers as increasingly able to enjoy the luxury of work-free holidays as their firms become larger.

MILLENNIUM CELEBRATIONS

Obviously, there is no-one still living who can recall the last millennium celebrations, if indeed there were any. Also, there would have been few, if any, businesses resembling those that exist today. Thus, the events of next December 1999/January



Respondents in manufacturing are more likely to shut down annually



2000 are difficult to predict. However, Christmas Day, Boxing Day and New Year's Day all fall on weekends and so will be compensated by weekdays off, added to which Friday 31st December will be an additional Bank Holiday. Tuesday 4th January is also a Bank Holiday in Scotland. Thus, there will be just 2 working days between December 25th and January 4th. There are also predictions that many staff will take 24th December off as an additional 'hoarding' day.

A recent survey of adults, by the Institute of Personnel and Development (*Millennium Eve: Just another quiet night in ?*, IPD, May 1999), reports:

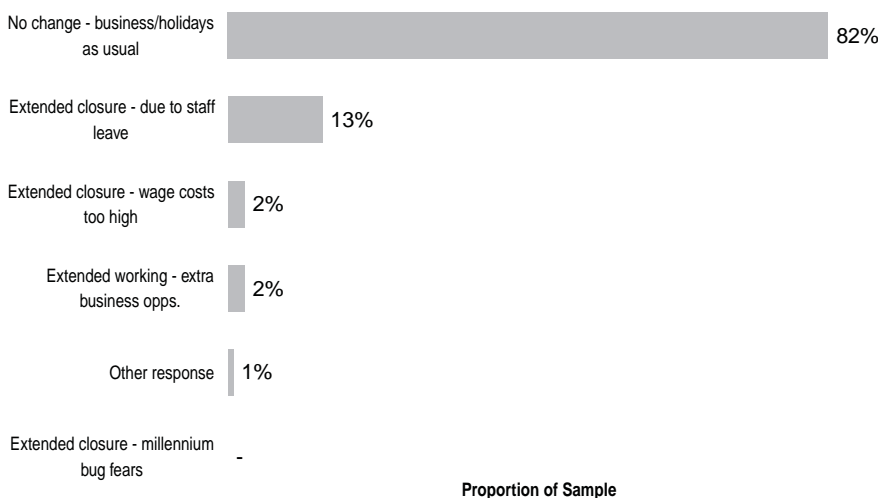
*"Among those workers who do not expect to work on Millennium Eve, most plan to take official holiday entitlement over the Millennium (67%). One in ten will be taking unpaid leave and 4% will be taking flexi-time or making up the time during previous or subsequent weeks. Only 1% admit that they plan to take sick leave. Ten percent have some other form of time off arranged and the rest are unsure about how they will take time off. **Holiday breaks of up to one week are the***

***norm (51%). Just over a quarter (27%) plan to take one to two weeks off. Only 3% expect to take longer than this."** (IPD report, May 1999)*

It is widely expected then, that, apart from the licensed trade, elements of retailing, plus the emergency and health services, there could be an 11-12 day close down period for a sizeable proportion of industry and commerce in Great Britain.

Figures 5, 6 and 7 address the issue of respondents' intentions here. **Figure 5**, for instance, shows that only 3% intend to do anything other than 'go with the flow'. Issues such as those of exploiting 'extra business opportunities' and the problems of meeting the premium 'wage costs' associated with trying to get staff to work, hardly came into the reckoning. We are assuming here that 'business/holidays as usual' responses mean respondents 'going with the flow', i.e., observing statutory holidays yet working Wednesday/Thursday December 29/30th as usual, subject to this being a realistic possibility. It seems likely that key staff at least will attend their firms if only to respond to emergencies and ensure security, etc. The IPD survey also speculated that: "An element of pre-

Fig 5 - IMPACT OF MILLENNIUM CELEBRATIONS 1st JANUARY 2000



Xmas holidays 'as usual' for many small firms in 1999 ?

millennial tension may also be creeping in over the prospect of Millennium bug mayhem”, although there was no evidence of this in our survey in either the formal responses or the open comments.

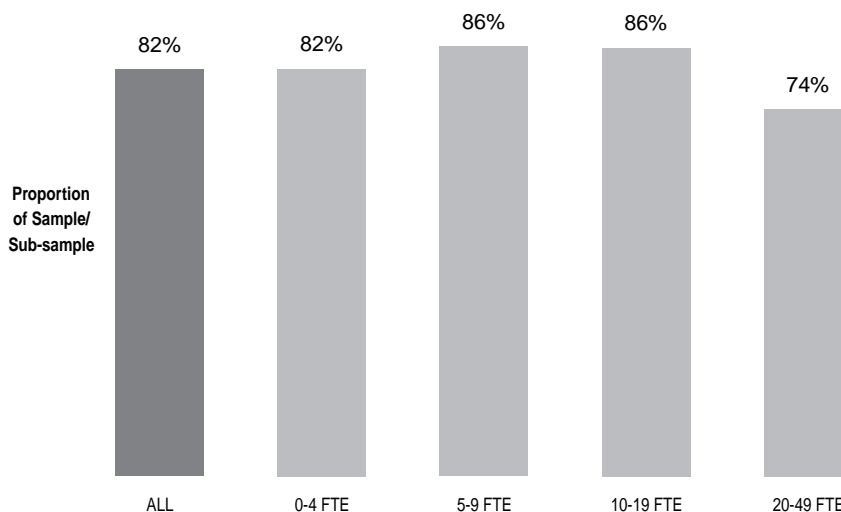
their most intense.

Figures 6 and 7 show relatively few differences between the various size-bands, save for the 20-49 workforce size-group, where employees make up the greatest proportion of the workforce overall and thus pressures for 'staff leave' are at

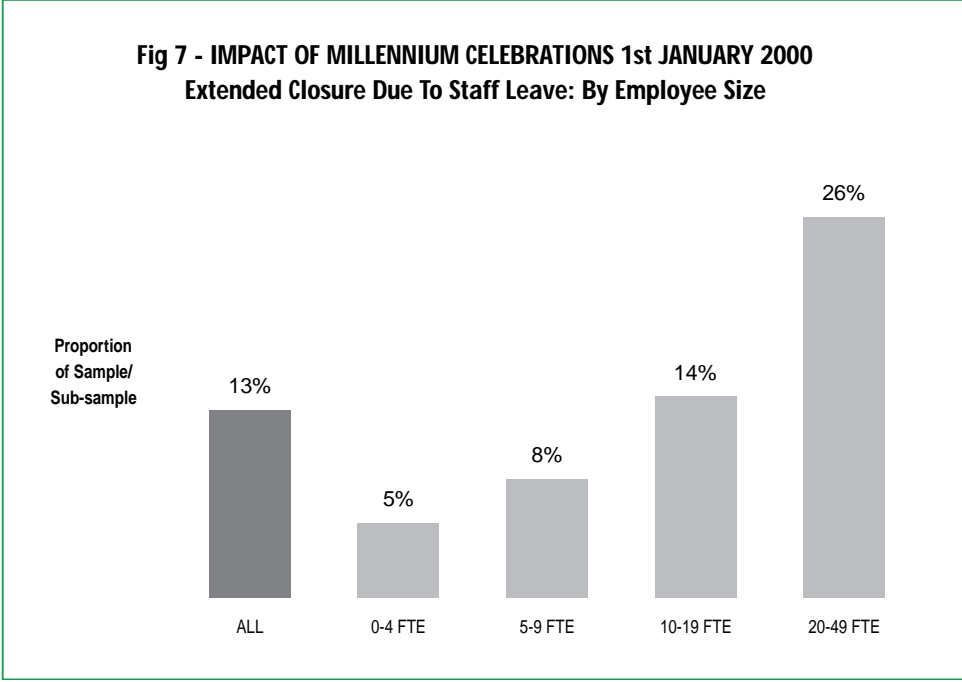
Comments from respondents included:

“Government blithely announce a new holiday - like 31st December for the new millennium. It is easy for politicians to spend other peoples money - totally ignoring the economic damage.” (Publisher)

Fig 6 - IMPACT OF MILLENNIUM CELEBRATIONS 1st JANUARY 2000 Business/Holidays 'As Usual': By Employee Size



Nearly 40% managed a break of longer than a fortnight last year

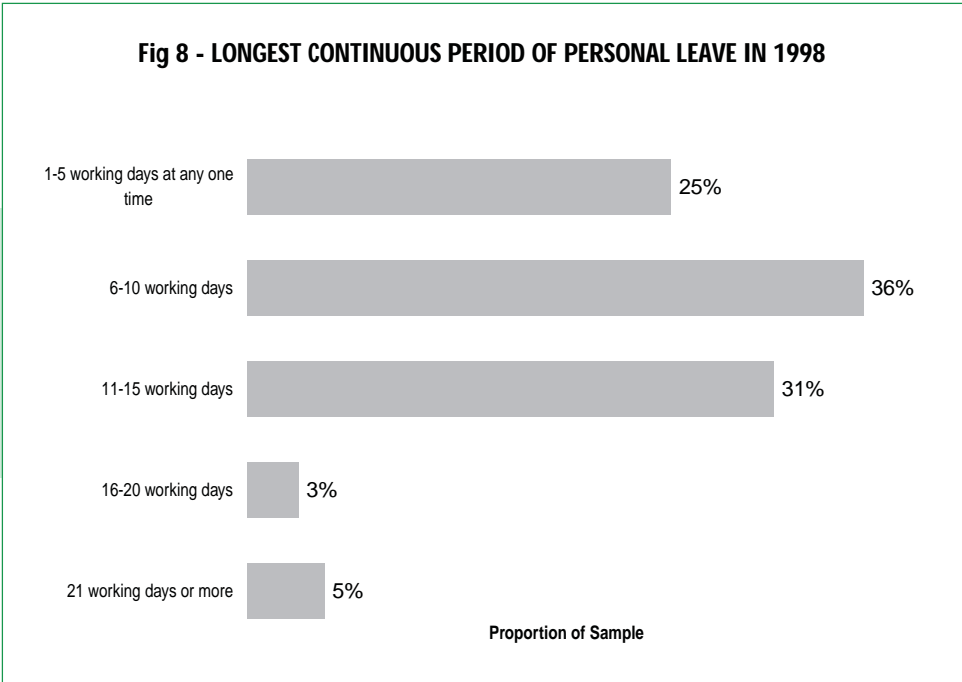


PERSONAL LEAVE

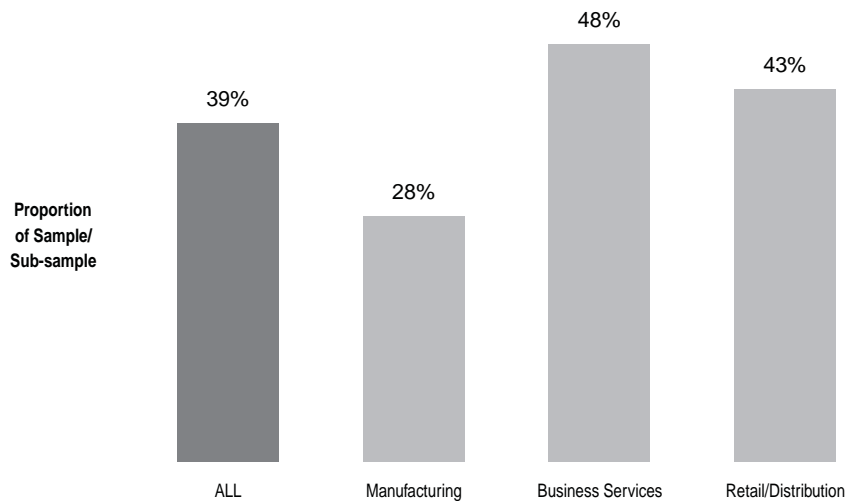
We asked respondents to identify their longest continuous period of holiday taken last year, excluding weekends and statutory holidays. **Figure 8** demonstrates quite a considerable spread here with 25% claiming to have taken only 1-5 consecutive working days, 36% claiming 6-10 days and 31% claiming 11-15 days. Only 8% claimed to have taken a longer break. Interestingly, there were few differences apparent when

we came to look at age of respondent or size of firm. Business sector, more than any other factor, appeared to explain such differences as we found here (**Figure 9**) with only 28% of respondents from manufacturing managing more than 10 days continuous break, compared with 43% from retail/distribution and 48% from business services.

Comments from respondents included:



**Fig 9 - LONGEST CONTINUOUS PERIOD OF PERSONAL LEAVE IN 1998
11 Or More Working Days: By Sector**



"The responsibilities of the self-employed usually prevent holidays being taken for more than 2 weeks." (Printer)

"Holidays are very important for re-charging the batteries. Myself and other people here are encouraged to take all their holiday allowance of 4 weeks." (Cosmetics Manufacturer)

"It is essential that adequate holidays are taken by senior staff so they are rested and refreshed - especially in a creative environment." (Publisher)

"Holidays are an important factor in the relief of stress and its associated conditions which make us work less efficiently." (Corporate Film Producers)

"Holidays are one of the things that people look forward to most of all in the year." (Door Manufacturer)

"I take no Bank Holidays, have 2 weeks away if I'm lucky and work 6 days a week. I get very envious of my friends and neighbours who are not self-employed and seem to be

taking endless holiday periods." (Fireplace Manufacturer)

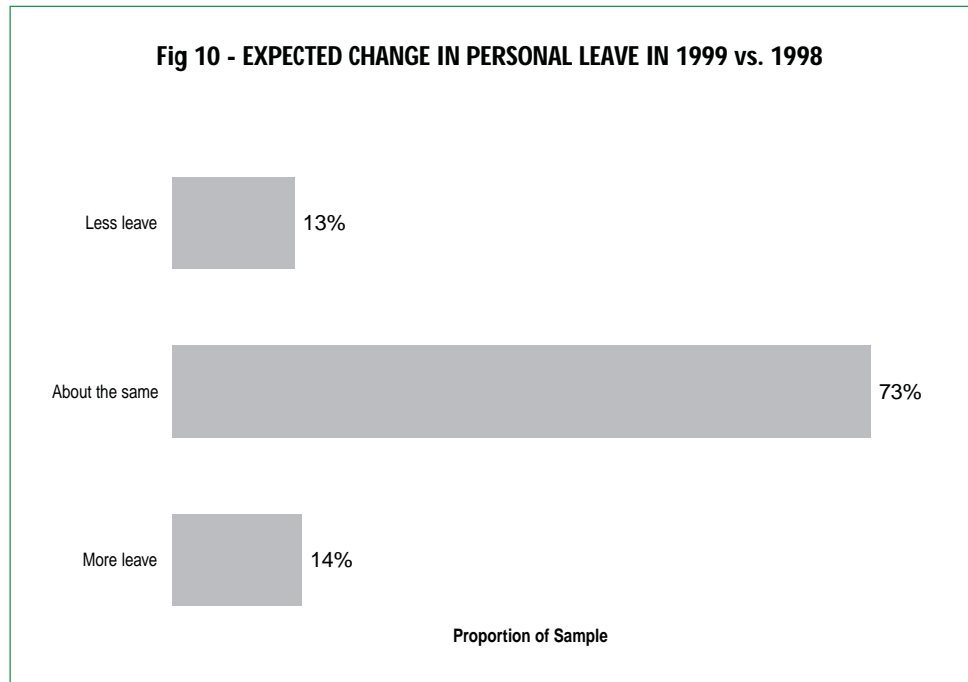
A number of respondents referred to issues of having to fit their holidays around those of other staff:

"As the owner, my short break holidays are taken out of normal holiday periods, i.e., July and August, as staff have children at school." (Telephone Sales Business)

"Holidays are a major problem. The proprietor is usually faced with having to fit in with others' requirements." (Tax and Management Consultant)

TRENDS

We asked respondents whether they felt they would be taking more, less, or about the same amount of holiday leave in 1999 as they had in 1998. **Figure 10** (overleaf) shows little if any change here, despite at least a modest cooling of the economy. Approximately three out of every four of our respondents will be repeating their holiday patterns of last year with the balance equally split between 'more' and 'less' leave.



If we look at sector differences here, there are some interesting differences which emerge. Manufacturing responses replicate almost exactly those given for the sample overall in Figure 10 but those for business services and retail/distribution vary. Whilst, for both these sectors, 3 out of 4 claimed no change in holiday intentions compared to last year, of those who did, there was an almost 3:1 ratio predicting 'more' holidays in business services and a 2:1 ratio predicting 'less' holidays in the retail/distribution sector. Presumably, this is a reflection of business pressures currently experienced in these different sectors.

Statements made by respondents from the retail/distribution sector include:

*"In any small retail concern holidays are always a logistical nightmare."
(Hardware & Pet Store)*

*"(The) Holiday entitlement expected is too costly for small firms. Holidays cause undue pressure for the remaining staff."
(Forklift Truck Distributor)*

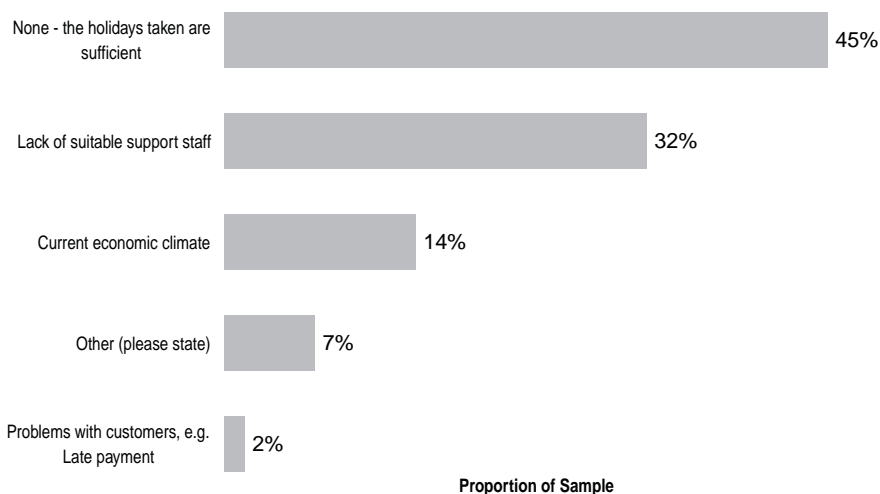
*"My wife and I have had only 4 days holiday in 9 years."
(Newsagent/Grocer)*

FACTORS LIMITING HOLIDAYS

Next, we asked respondents to identify constraints on their freedom to take holidays away from their businesses.

Figure 11 shows that nearly half of our respondents (45%) felt that there were no constraints of any great magnitude bearing down on them and that they were able to take the holidays they wished.

Figures 12 and 13 analyse the same issue but for different size tranches. **Figure 12** show the responses from firms in the 0-4 employee size band whilst **Figure 13** shows those for firms in the 20-49 size band. The differences here are quite stark. For instance, 61% of respondents in the larger firms said that they were able to take as much holiday as they wished, compared with 41% in the smaller size category. Only 22% of respondents in the larger firms said that 'lack of suitable staff' limited their freedom to take holidays and this compared with 33% of respondents in the 0-4 employee size band. Finally, no respondents in the larger (20-49) size band were constrained in holiday taking by problems with customers, compared with 5% of their counterparts in the smaller size category. Perhaps it should be remembered here that respondents were selecting only

Fig 11 - MAIN CONSTRAINT ON PERSONAL LEAVE

Nearly a third of respondents were constrained by lack of suitable staff

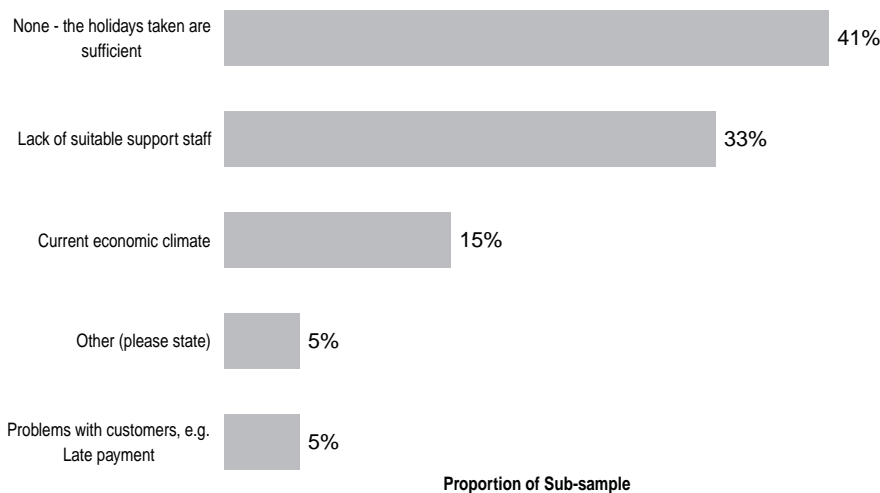
'main' factors influencing their freedom to take holidays, rather than 'all' factors.

It is interesting that, if we look at the importance of 'Current economic climate' as a factor limiting freedom to take holidays, this was strongest in the manufacturing sector and weakest in the business service sector.

Quotes from our respondents, particularly relating to the issue of size and holidays

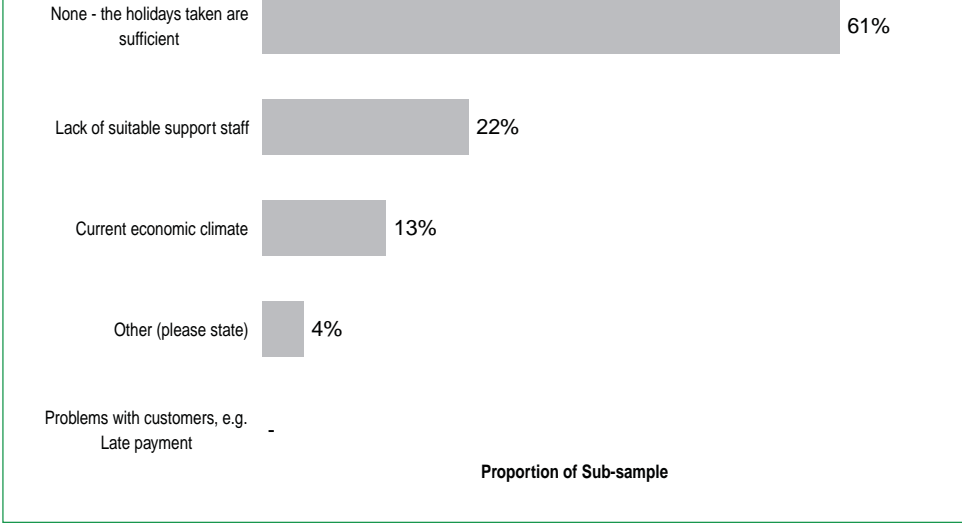
included the following:

"I never used to take holidays in the early days. For the last 2 years I have had quite a few. Having good staff helps. The business is still there when you get back. What is the point of having your own business if you cannot achieve any benefit?"
(Plumbing & Heating Services)

**Fig 12 - MAIN CONSTRAINT ON PERSONAL LEAVE
0-4 FTE Employee Size Band**

60% are concerned whilst away, appearing to suffer from skills shortages

**Fig 13 - MAIN CONSTRAINT ON PERSONAL LEAVE
20-49 FTE Employee Size Band**



“For very small companies the penalties of meeting deadlines can constrain the Managing Director from taking holidays. We are large enough (now) to have passed this problem by.” (Manufacturer)

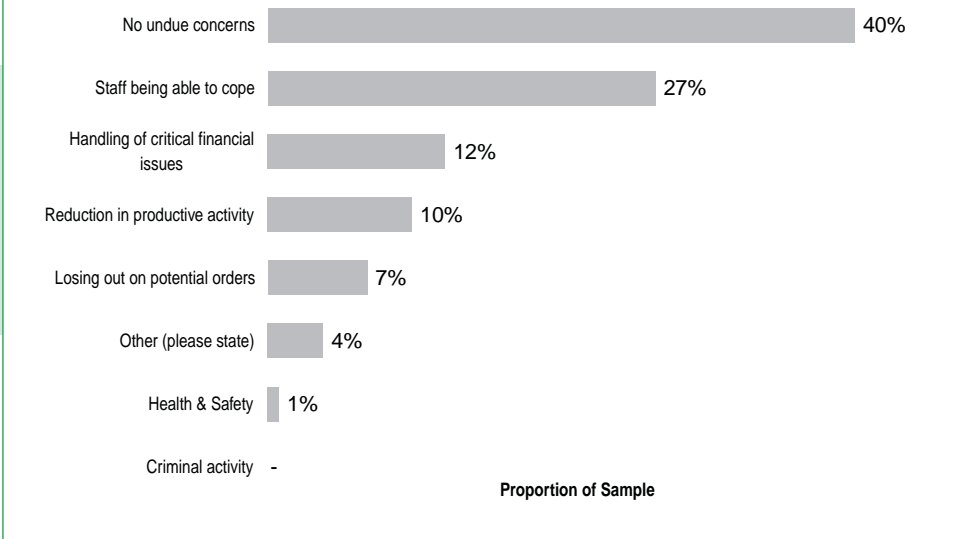
holiday, though 27% admitted to being worried on account of their staff being able to cope (Figure 14). Interestingly, on this staff dimension, there were sector variations (Figure 15) with anxieties being greatest in the retail/distribution sector and weakest in the business services sector. Issues at stake here may well include delegation, training and/or recruitment of suitable staff.

ANXIETIES DURING ABSENCE

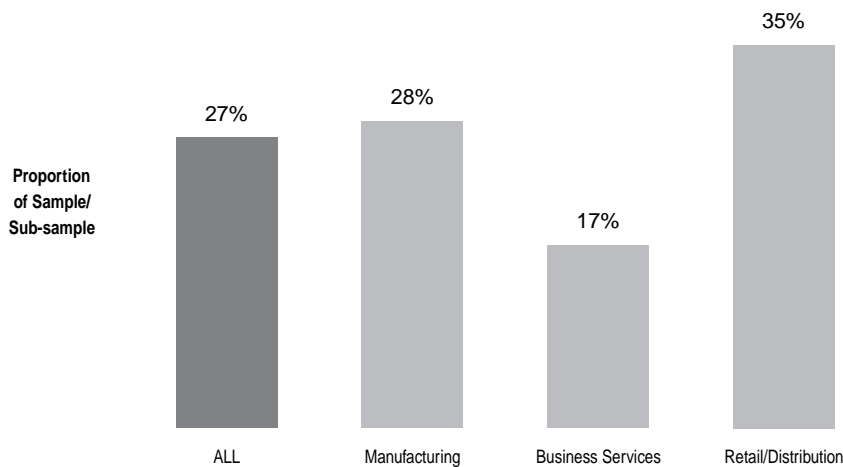
Forty per cent of respondents claimed to experience no undue concerns concerning their businesses whilst they were away on

Quotes from our respondents include:

Fig 14 - MAIN BUSINESS ANXIETY DURING ABSENCE



**Fig 15 - MAIN BUSINESS ANXIETY DURING ABSENCE
Staff Being Able To Cope: By Sector**



"I always have my mobile (phone) with me when on holiday - if they need me they can always call me - or vice versa." (Stationery Manufacturer)

"I can take holidays with confidence as long as there is planning and delegation. However, I still go away with reservation and trepidation." (Telephone Marketing & Sales Company)

"I would be able to relax more if the men I employ could be trusted to do a full day's work and not talk most of the day - production definitely falls off when I am away." (Manufacturer)

RESPONDENTS' COMMENTS

These are shown on the following pages.

REFERENCES: HOLIDAY ISSUES

The references below are offered as an aid to readers interested in seeking further information, much of which is readily available via the Internet (WWW). The coverage is not intended to be definitive, and inclusion here should not necessarily imply either agreement or disagreement with the views expressed via these sources. N.B. Some pages may contain links to other WWW pages offering related material.

- **Extra Bank Holiday To Greet Year 2000**
Department For Culture, Media And Sport Press Release, 3 June 1998 (DCMS 119/98) via archive:
<http://www.coi.gov.uk/coi/depts/GHE/GHE.html>
- **Bumper bank holiday for Millennium 'likely'**
BBC News Story, April 17, 1998
<http://news2.thdo.bbc.co.uk/hi/english/uk/newsid%5F79000/79307.stm>
- **Millennium Eve: Just another quiet night in ?**
Report summarising the key findings of IPD (Institute of Personnel and Development) research into

employment issues surrounding the Millennium (May 1999)
<http://www.ipd.co.uk/download/surveymill.pdf>

- **Institute of Personnel and Development (IPD)**
WWW Home page
<http://www.ipd.co.uk/1/TopLevel/page756.asp>
- **Greenwich 2000**
Millennium information, "The millennium officially starts on 1 January 2001 (there was no year 0), (The computers crash and millennium year celebrations begin 1 January 2000)"
<http://greenwich2000.com/millennium/home.htm>
- **Year 2000 Information Center - 'Millennium Bug'**
"For many computer and software systems, the year 2000 will bring a host of problems related to software programs that record the year using only the last two digits. The Year 2000 Information Center^(™) provides a forum for disseminating information about the year 2000 problem, also called the Millennium Bug, and for the discussion of possible solutions"
<http://www.year2000.com/>
- **Mind The Gap**
How to fill the skills gap and improve your recruiting - a guide for small businesses from the DFEE (Department for Education and Employment), topics include: 'The Job and selection', 'Pay and conditions', 'Keeping good people', and, 'Thinking Ahead'
<http://www.dfes.gov.uk/recruit/index.htm>

MANUFACTURING

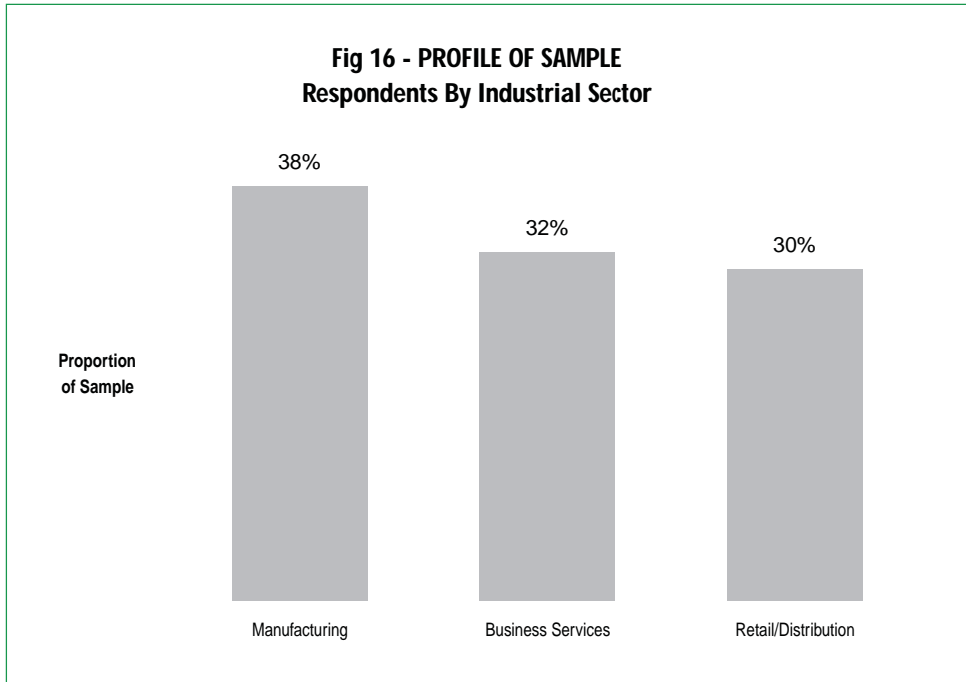
(Manufacturing)	<i>"As an employer, paid holidays (so many) is a drain on struggling business like mine (call me Scrooge!)."</i>
Cash Register Ribbons and Stationery	<i>"I always have my mobile [phone] with me when on holiday - if they need me they can call me - or vice versa."</i>
Colour Cosmetic Products Manufacturer and Retailer	<i>"Holidays are very important for 'recharging the batteries'. Myself and the other people here are encouraged to take all the holiday allowance - four weeks."</i>
Conservation of Antique Clocks	<i>"I'd rather be flying or/and learning hang-gliding."</i>
Designer & Mfr. of Helmets & Masks	<i>"[The] Time and duration of taking a holiday is very much dependent on business climate, i.e. more orders, less closure."</i>
Fabrication, Welding, Machining, Special Purpose Machines	<i>"For very small companies the penalties of meeting deadlines can constrain when the MD can take holidays. We are large enough to have passed this problem by."</i>
Fireplace Manufacture & Gas Fire Sales	<i>"I take no Bank Holidays, have two weeks away if I'm lucky, and work six days a week. I get very envious of my friends and neighbours who are not self-employed and seem to be taking endless holiday periods."</i>
Manufacture of Hinged Metal Doors	<i>"Holidays are one of the things people look forward to most of all in the year."</i>
Manufacturing	<i>"I would be able to relax more if the men employed could be trusted to do a full week's work and not talk most of the day; production definitely falls when I am away from the factory."</i>
Printing	<i>"Everyone else has too many holidays!"</i>
Printing, Graphic Design, Copy Service	<i>"Responsibilities of self-employed/owners usually prevent holidays to be taken for more than 2 weeks - Employees can afford it!"</i>
Publishing	<i>"Government blithely announce a new holiday - like 31st December for the new millennium - I think that is correct. This costs every business 'X' x £s to pay for this to staff already on very good holidays. It is so easy for politicians to spend 'other peoples' money' - totally ignoring the economic damage."</i>
Publishing. Trade and Leisure magazines	<i>"It is essential that adequate holidays are taken by senior staff so they are rested and fresh - especially in a creative environment."</i>
Sub-contract Engineers	<i>"For those in business, holidays are a luxury we can ill-afford. They have to be fitted in with the workload - and sometimes cancelled because of the workload."</i>

BUSINESS SERVICES

Accountancy, Audit, Tax & Management Consultancy	<i>"Holidays are a major problem. Apart from staff, the proprietor is usually faced with having to 'fit in with others' requirements' and at the same time try to be relaxed with the lack of personal attention to all aspects of the business whilst away."</i>
Architect	<i>"[It's] Often difficult to take full holiday allocation. Partners and staff have always had equal holiday period."</i>
Broadcast & Corporate TV Production & Provision of Technical Facilities	<i>"Holidays are an important factor in the relief of stress and its associated conditions which make us work less efficiently."</i>
Chartered Accountants	<i>"Any increase in the number of statutory holidays to fall into line with EU countries will be yet another cost blow to industry."</i>
Plumbing & Heating Services	<p><i>"1) I never used to take holidays in the early days. For the last 2 years I have had quite a few. Having good staff helps. The business is still there when you get back. What is the point of having your own business if you cannot achieve any benefit ?</i></p> <p><i>2) Most of our workforce used to be sub-contract. About 2 years ago all that changed as the majority went PAYE due to the changes. We are paying now for holidays which has increased the costs. When a sub-contractor took time off he would not get paid."</i></p>
Public Relations	<i>"Those of us in a service industry need to provide those services on the clients' terms, i.e. we need to be there to serve when they need us, if we take our role seriously."</i>
Storage and Management of Business Records	<i>"As a small firm, we have made a point of instigating systems in order that no one person is 'indispensible'. Therefore while holidays do impact slightly on production this is not a problem. We also feel it is important to provide employees of small firms with the same benefits as working for a large company. Our minimum holiday entitlement is 25 days p.a. excluding Bank Holidays."</i>
Telephone Marketing and Telephone Sales Company	<i>"As the owner, my short break holidays are taken out of normal holiday periods, i.e. July and August, as staff have children at school. I can take holidays with confidence as long as there is planning and delegation. However, I still go away with reservation and trepidation."</i>
Textile Marketing	<i>"Staffing levels are reduced to a minimum, holiday entitlement has increased along with other out of work benefits, result: serious dislocation to our complex negotiations between manufacturer and retailer. The cost to the supply chain must be considerable in lost time and inefficiency."</i>
Training and Education	<i>"As the parent of a handicapped child the respite care is non-existent."</i>

RETAIL AND DISTRIBUTION

Forklift Trucks	<i>"[The] Holiday entitlement expected is too costly for small firms. [It] Causes undue pressures in small firms for the remaining staff. [A] Spread of holidays through the year causes these pressures to become stressful for those remaining."</i>
Hardware and Pet Store	<i>"In any small retail concern holidays are always a logistical nightmare. It entails working twice as hard prior to and thrice as hard after. Holiday price is always doubled because of paying staff more for longer hours and responsibility, but honest, trustworthy staff deserve the rewards. However, my business is such that not only do I feel that every day is a holiday, but I can also watch pigs fly by ! Dream on."</i>
Hospitality and Catering	<i>"Holidays are as beneficial to the job as work time."</i>
Preparing and Serving of Food & Soft Drinks	<i>"I am a sole trader. I feel that the Government does not help or support sole traders in any respect."</i>
Retail Newsagent, Groceries	<i>"My wife and I have only had 4 days' holiday in 9 years; we also do not get a single day off in any one week."</i>
Tank Container Haulage	<i>"Government and financial sector: most think if you are self-employed you can go away whenever you want, but if required by them be available instantly."</i>



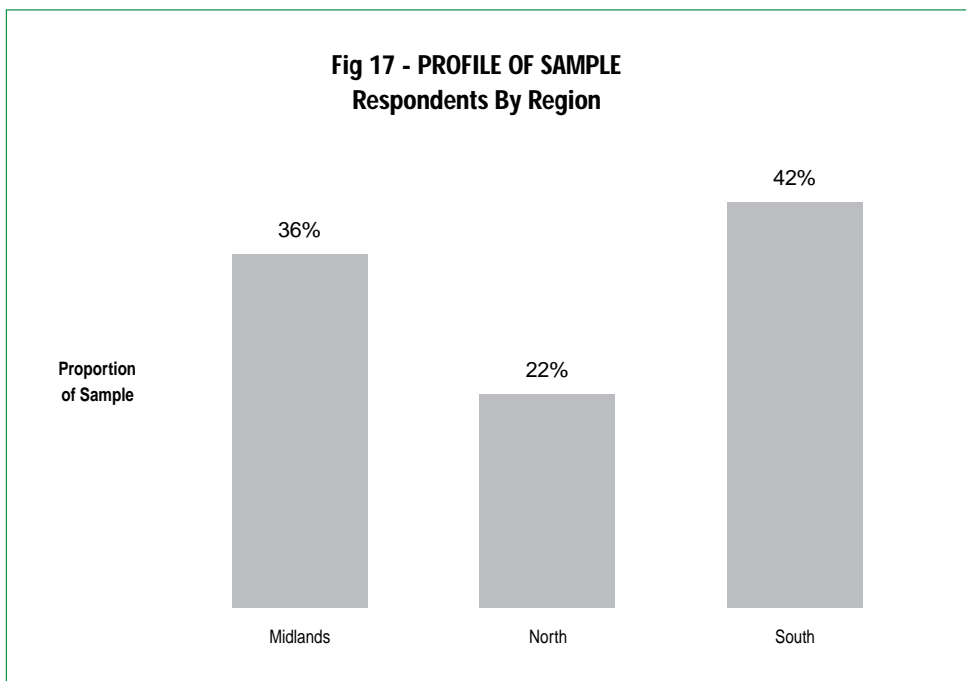
APPENDIX 1 - ADDITIONAL INFORMATION

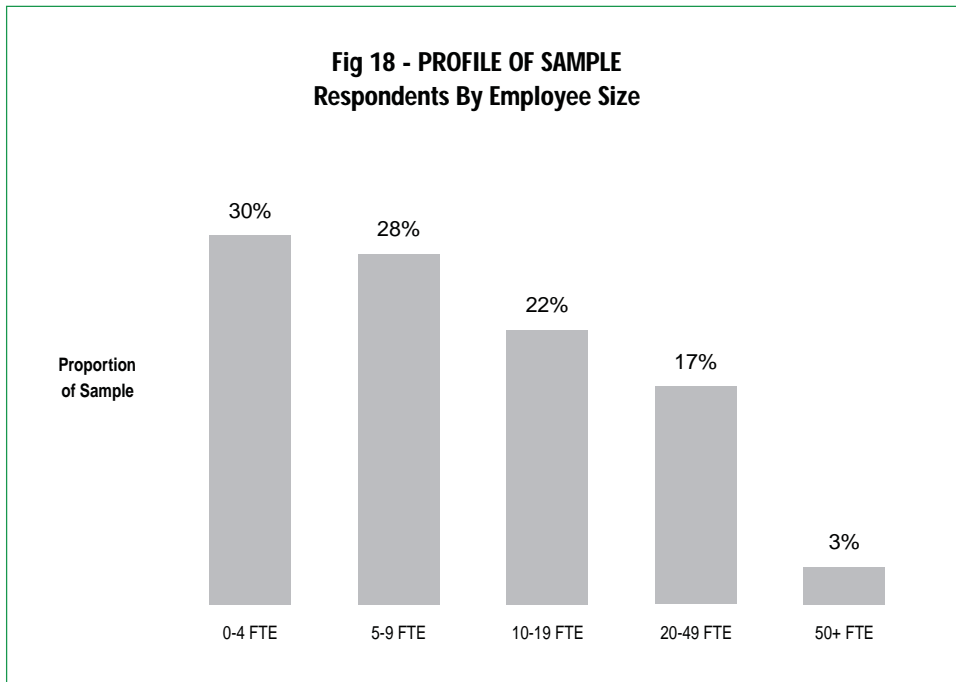
As an aid to the interpretation of the various figures (histograms), we have included some further information about the firms responding to this survey.

The analyses involve key variables, and **industry sector** and **employee size** are those most frequently used as they are reasonably reliable indicators and less

prone to misinterpretation. Other variables have also included **region**, **sales growth**, **respondent age** and **sex**.

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.

Figure axes/scales (histograms) - each figure uses a linear scale, with reference to a common zero axis, e.g. running horizontally across the bottom of each column, as in the figure above.

Distribution of firms

The highest proportion is in manufacturing (38%), followed by business services (32%, see **Figure 16**). Previously, the samples have contained the largest proportion of firms in business services, but the composition has shifted slightly due to the introduction of additional respondents to the sample late 1998.

In this survey, the Southern region is the largest, with 42% 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**).

As on previous occasions, the sample is predominantly male (80%).

Lloyds TSB

The Small Business Research Trust



Lloyds Bank/Small Business Research Trust
**Quarterly Small Business
 Management Report - No.25**

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: The Impact of Holidays

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** Holiday period breaks – Other than for Christmas and statutory holidays, does your firm:
- Just ONE ✓ only*
- Basically remain open all year round A
- OR** Have a holiday shut down period B
- 3** Business travel and holidays – Do you try to combine your personal holidays with business trips ?
- Just ONE ✓ only*
- Yes – typically twice a year or more..... A
- OR** Yes – typically once a year B
- OR** No – in spite of having the opportunity..... C
- OR** Not applicable – e.g. no real opportunity D
- 4** Impact of millennium celebrations (1st January 2000) – Which one of the following circumstances best describes your firm’s expected situation then:
- Just ONE ✓ only*
- Extended closure – due to staff leave/holidays..... A
- OR** Extended closure – because staff wage costs will be too high to justifying being open B
- OR** Extended closure – because of computer ‘millennium bug’ fears (occurring anywhere) C
- OR** No change – business or holidays as usual..... D
- OR** Extended working/opening – to take advantage of extra business opportunities E

5 **Personal leave – What is the longest period of holiday that you took at any one time last year (excluding weekends and statutory holidays) ?** *Just ONE ✓ only*

OR 1-5 working days at any one time A

OR 6-10 working days B

OR 11-15 working days C

OR 16-20 working days D

OR 21 working days or more E

6 **Change in your personal leave for this calendar year (1999) – Compared to last year, do expect to be taking:** *Just ONE ✓ only*

OR Less leave overall than last year A

OR About the same leave as last year B

OR More leave overall than last year C

7 **Holiday constraints – Which one of the following options best describes the main reason for limiting your personal leave away from the business:** *Just ONE ✓ only*

OR Current economic climate A

OR Lack of suitable support staff B

OR Problems with customers, e.g. late payment C

OR None – the holidays I take are sufficient D

OR Other (please state): _____ E

8 **Anxieties during absence – Which one of the following business issues causes you the greatest concern whilst you are away from the firm:** *Just ONE ✓ only*

OR Staff generally being able to cope adequately A

OR Losing out on potential orders B

OR Reduction in productive activity C

OR Handling of critical financial issues D

OR Health & Safety – risk of injury to staff or others E

OR Criminal activity – theft, damage to property, etc. ... F

OR None – I do not let anything concern me unduly G

OR Other (please state): _____ H

9 **'Holidays' – 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**



Lloyds TSB

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