



Lloyds TSB
Business

LLOYDS TSB
SMALL BUSINESS RESEARCH TRUST



QUARTERLY SMALL BUSINESS
MANAGEMENT REPORT



SMALL
BUSINESS
RESEARCH
TRUST

Issue number 3 • Volume 9 2002

Health Issues

LLOYDS TSB

SMALL BUSINESS RESEARCH TRUST



**HEALTH
ISSUES**

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

www.sbirt.co.uk

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>

© co-authors John Stanworth & David Purdy 2015 (and Graham Bannock for reports 1-19, 1993-97). Creative Commons Attribution-NonCommercial 4.0 International
<http://creativecommons.org/licenses/by-nc/4.0/>

Lloyds Bank/TSB & SBRT
Quarterly Small Business Management Report
ISSN 0968-6444

1993 (Vol.1)

- 1 Surviving The RecessionFebruary 1993
- 2 Using Your TimeJune 1993
- 3 Management Style September 1993
- 4 Financial ManagementDecember 1993

1994 (Vol.2)

- 1 Purchasing March 1994
- 2 Quality Standards & BS 5750June 1994
- 3 Management Succession.....August 1994
- 4 Customers & Competitors . November 1994

1995 (Vol.3)

- 1 Information Technology..... March 1995
- 2 Holidays.....June 1995
- 3 Company Vehicles.....August 1995
- 4 Pricing Policies..... November 1995

1996 (Vol.4)

- 1 Training March 1996
- 2 A Day In The LifeJune 1996
- 3 Financial Management September 1996
- 4 Tax ComplianceDecember 1996

1997/8 (Vol.5)

- 1 'Europe' & Small Businesses ... March 1997
- 2 Employee Recruitment.....July 1997
- 3 Information Technology..... October 1997
- 4 Business Support Agencies.. January 1998

1998/9 (Vol.6)

- 1 Entrepreneurship..... May 1998
- 2 Work & Stress September 1998
- 3 Employment Strategies.....December 1998
- 4 Small Firms & The Environment .. Mar 1999

1999/2000 (Vol.7)

- 1 The Impact of HolidaysJune 1999
- 2 Late Payment September 1999
- 3 Management Development .December 1999
- 4 Exit Routes..... March 2000

2000/01 (Vol.8)

- 1 E-commerceJune 2000
- 2 Sources of Finance September 2000
- 3 Transport & GovernmentDecember 2000
- 4 Government & RegulationsApril 2001

2001/02 (Vol.9)

- 1 Marketing & Sales.....July 2001
- 2 The Human Side of Enterprise Oct 2001
- 3 Health Issues January 2002
- 4 Premises.....April 2002

2002 (Vol.10)

- 1 Networking in BusinessAugust 2002
- 2 The EuroDecember 2002

Lloyds TSB & Research Team
Small Business Management Report
ISSN 1478-7679

- 3 Crime Against Small Firms June 2003

Lloyds TSB & SERTeam
Small Enterprise Research Report
ISSN 1742-9773 No.2 (Vol.1) onwards

2003-04 (Vol.1)

- 1 Small Firms And PoliticsOctober 2003
- 2 Pensions February 2004
- 3 Work-Life Balance..... July 2004

2004-05 (Vol.2)

- 1 Education & EnterpriseOctober 2004
- 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)

- 1 Owner-Manager Flexible Working..... December 2006
- 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 thirty-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 **Health Issues**. The principal findings were as follows:

- **Greatest threats to business survival** – **‘Economic downturn’** ranked highest, but featured more predominantly amongst the **male respondents**, and likewise amongst the **manufacturing** and **retail/distribution** sectors.
- **Greatest threats to business survival** – **‘Business disruption due to unexpected management loss’** (such as **ill-health**) featured strongly for the **female sample**, with 50% selecting this option, against just 27% for their male counterparts. Although the typically smaller size of the female-owned businesses may possibly have influenced this outcome.
- **Greatest threats to business survival** – **‘Failure of a key customer’** varied markedly with sector. For **manufacturing**, 43% registered this particular threat, possibly influenced by a significant dependency upon a small number of customers in some cases, followed by 35% for business services and just 15% for retail/distribution.
- **Perceptions of indispensability to the smooth running of respondents’ businesses** – This fell markedly amongst the larger businesses. Whereas 81% of the owner-manager respondents considered themselves indispensable in the smallest firms (0-4 full-time equivalent staff), this fell to just 30% for those in the 20-49 employee size-band.
- **Limited gender differences in perceptions of indispensability** – Women respondents were more likely than their male counterparts to see themselves as indispensable **but the difference amounted to only a few percentage points** (63%, and 56% for males).
- **Work-life imbalance** – Allowing **insufficient time for holidays as in investment in health** came out top for both sexes as a failure to achieve a work-life balance (64% overall).
- **Work-life imbalance greater for women on several fronts** – **Insufficient time for holidays** registered wider support amongst women (81%) than men (61%). And in two further areas – allowing insufficient time to tend to **personal illnesses** and to **family commitments** – **female owner-managers** also appeared at a disadvantage to their male counterparts.

continued ...

- **Private medical insurance (PMI) and marked gender differences – Male respondents were more than twice as likely than women to already have private medical insurance** (29%, but just 13% for women). Men were more likely to consider the possibility of their firms adopting it (34%, and 19% for women). 56% of women (25% for men) said they would definitely not be willing to consider private health insurance.
- **Private medical insurance (PMI) and sector variations – Respondents from the business services sector were more than twice as likely (44%) to already be investing in PMI** as their counterparts in manufacturing (20%) or retail/distribution (18%). Resistance to considering such an investment dropped rapidly as the size of firm increased.
- **Absence of PMI and sector variations – Retail/distribution firms were the most likely to be without PMI cover** (62%), compared to manufacturing (53%) and business services (32%), and were also the most likely (38%) to say that **unexpected management loss would pose a survival threat** (business services, 32%, and manufacturing, 22%).
- **Reservations about PMI value or private health care generally – Across all sectors, typically one-third of respondents (33% overall) were either of the view that the small print involved in private health insurance contracts would undermine their value or disagreed with private health care in principle.**
- **Reservations about PMI value or private health care generally and gender variations – Women in the sample were distinctly more likely to disagree with the whole notion of private health care** (31% of women compared with just 12% of men). The male sample were more likely to consider that private health care made good business sense but, at the same time, were more likely (23%) than their female counterparts (13%) to be wary of the 'small print'.
- **Business before health – Two thirds (69%) of the respondents thought small and medium-sized business managers were apt to put the interests of their business before those of their personal health.**
- **Business before health and respondent age variations – The proportions of respondents feeling that small business owners put business before their health increased with respondent age, ranging from around two-thirds in the 35-44 age group (64%) up to four-fifths for the 55-64 age group (79%).**
- **Health care shortcomings and impact on business – Thirty-eight per cent** thought that shortcomings in health care provision resulted in a loss of output in the United Kingdom. However, only 9% thought ill-health was one of the main causes of business failure, and **only one respondent in every 20 said they would prefer to go abroad for treatment.**
- **Health care shortcomings and sectoral perceptions – the view that health care shortcomings had an adverse business impact received greatest support amongst manufacturers (45%), followed by business services with 38% and then those in retail/distribution with 26%.**

TABLE OF CONTENTS

Highlights 1

Past Surveys 5

Figure 1 Greatest Threats To The Survival Of Respondents' Businesses: By Gender 6

Figure 2 Greatest Threats: Respondents Selecting 'Failure Of A Key Customer': By Sector 7

Figure 3 Is Respondent Indispensable To Smooth Running Of The Business?: By Emp. Size 7

Figure 4 Tendencies To Allow Insufficient Time Off Work: By Gender 8

Figure 5 Support For/Against Private Medical Insurance: By Gender 8

Figure 6 Firms Already Having Private Medical Insurance (PMI) Cover: By Sector 9

Figure 7 Firms Not Prepared To Consider PMI Cover: By Employee Size 9

Figure 8 Respondents Sceptical About Health Insurance Or Anti-Private Health Care: Sectors.. 10

Figure 9 Attitudes Towards Private Medical Insurance: By Gender 10

Figure 10 Attitudes Towards Health Care 11

Figure 11 Attitudes Towards Health Care: By Respondent Age 11

Figure 12 Attitudes Towards Health Care: By Sector 12

References Sources Of Further Information (WWW) 13

Comments By Respondents 16

Appendix 1 Additional Information About Sample 19

Figure 13 Profile Of Sample Respondents By Industrial Sector 19

Figure 14 Profile Of Sample Respondents By Region 19

Figure 15 Profile Of Sample Respondents By Employee Size 20

Appendix 2 Survey Questionnaire 21

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 **Health Issues**.

THE SAMPLE

This report is based on responses received from a panel of over 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. The precise distribution of firms varies from survey to survey, but typically over half of the participants 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 November-December 2001.

SMALL BUSINESS RESEARCH TRUST

The Small Business Research Trust (SBRT), founded in 1983, is an educational research charity, aiming to advance the education of the public in relation to small and medium-sized enterprises in the United Kingdom and Europe. Further details may be found at www.sbrt.co.uk

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***

1995 (Vol.3)

- 1 *Information Technology***
- 2 *Holidays***
- 3 *Company Vehicles***
- 4 *Pricing Policies***

1996 (Vol.4)

- 1 *Training***
- 2 *A Day in the Life***
- 3 *Financial Management***
- 4 *Tax Compliance***

1997/8 (Vol.5)

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

1998/9 (Vol.6)

- 1 *Entrepreneurship***
- 2 *Work & Stress***
- 3 *Employment Strategies***
- 4 *Small Firms & The Environment***

1999/2000 (Vol.7)

- 1 *The Impact of Holidays***
- 2 *Late Payment***
- 3 *Management Development***
- 4 *Exit Routes***

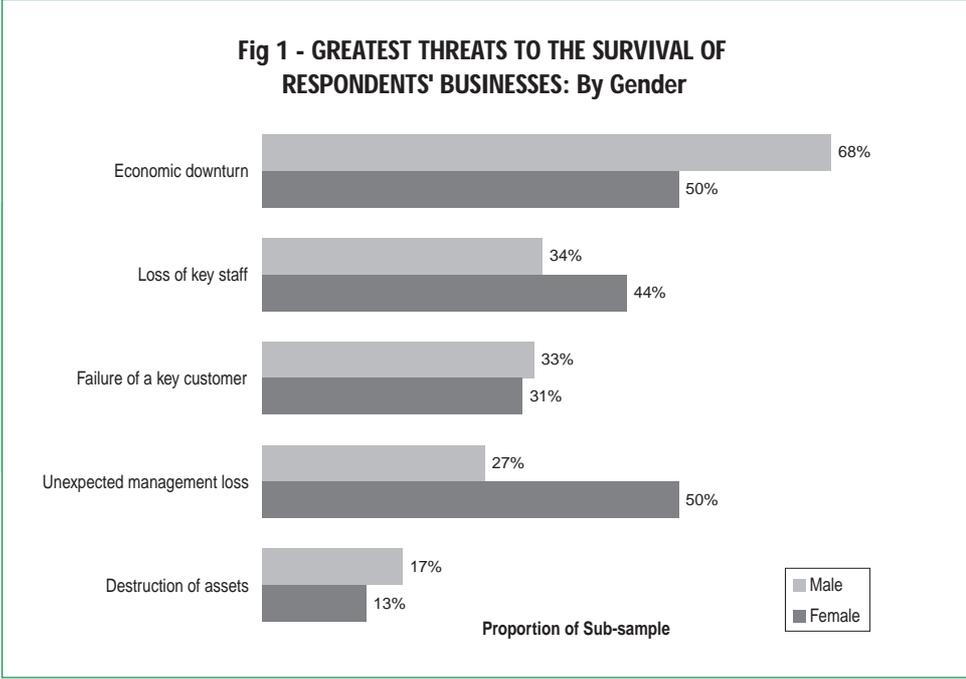
2000/01 (Vol.8)

- 1 *E-commerce***
- 2 *Sources of Finance***
- 3 *Transport & Government***
- 4 *Government & Regulations***

2001/02 (Vol.9)

- 1 *Marketing & Sales***
- 2 *The Human Side of Enterprise***

Female-run businesses are smaller and may be more susceptible to 'management loss'



HEALTH ISSUES

In a firm employing 100 staff, each person constitutes only 1% of the firm's human resources. In a firm of 50 people, this becomes 2%. And in a firm of 5 people, each person makes up 20%, but in a firm of just 1 person, when the boss is ill, the whole firm is ill. So, just how do small firms think about the issue of illness ?

respondents, and likewise with respondents generally from the manufacturing and retail/distribution sectors. For the female sample, 'Business disruption due to unexpected management loss' featured strongly, with 50% selecting the option, against just 27% for their male counterparts. However, the typically smaller size of the female-owned businesses may possibly have influenced this outcome.

Greatest Threats to Survival

Respondents were asked to identify the two greatest threats facing the survival of their firms, choosing from:

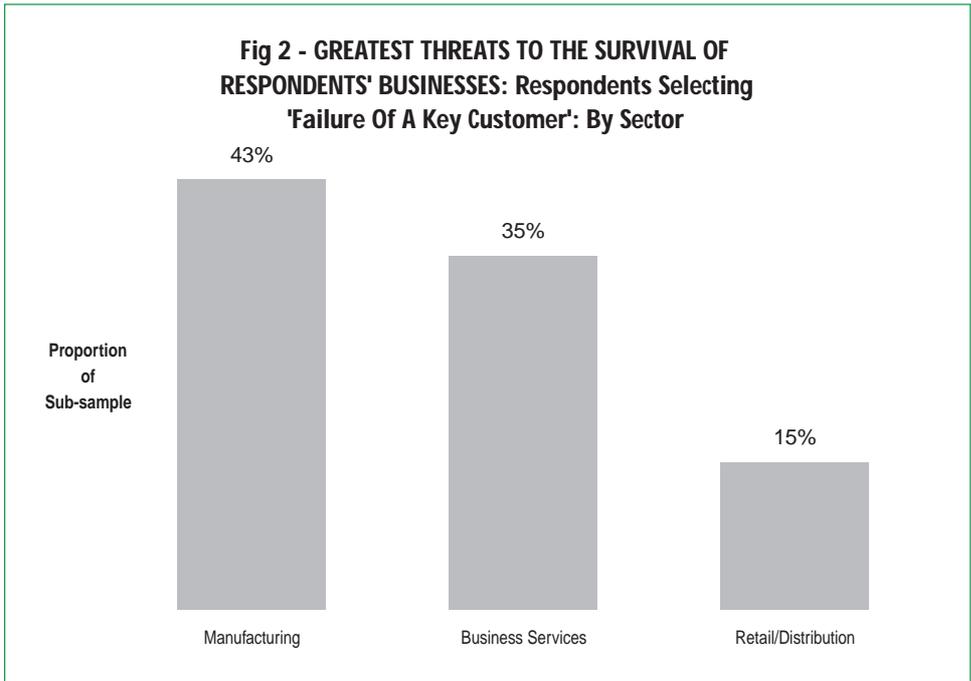
- Economic downturn
- Failure of a key customer
- Loss of key staff
- Destruction of business assets (e.g. fire)
- Business disruption due to unexpected management loss (e.g. ill-health)

Figure 2 shows the importance of 'Failure of a key customer' varying quite sharply with sector. For the manufacturing sector where a single major customer can, quite easily, be responsible for one-third of total turnover, the figure was 43%, subsiding to 35% for the business services sector, and just 15% for those in retail/distribution.

Figure 1 illustrates the overall selections broken down by respondent gender, displaying largely the same ranked order of threats, with 'Economic downturn' predominant for both male and female respondents. Interestingly, however, this factor weighed more heavily with male

Indispensability

The respondents were next asked just how indispensable they felt they were to the running of their businesses. Not surprisingly, as becomes clear in **Figure 3**, the size of firm was a major factor structuring the results here. Whereas 81% considered themselves indispensable in firms with workforce sizes of 0-4 full-time equivalent staff, this fell to just 30% by the

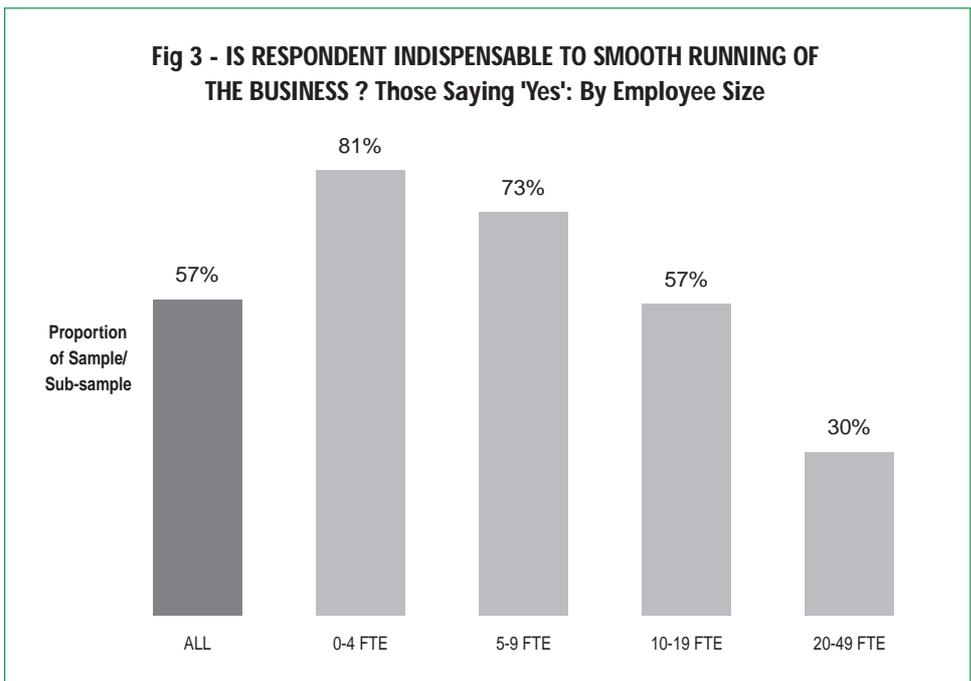


time workforce size reached 20-49. The larger the workforce size, the greater, it appeared, was the pool of talent available to the firm and, with that, came increased flexibility.

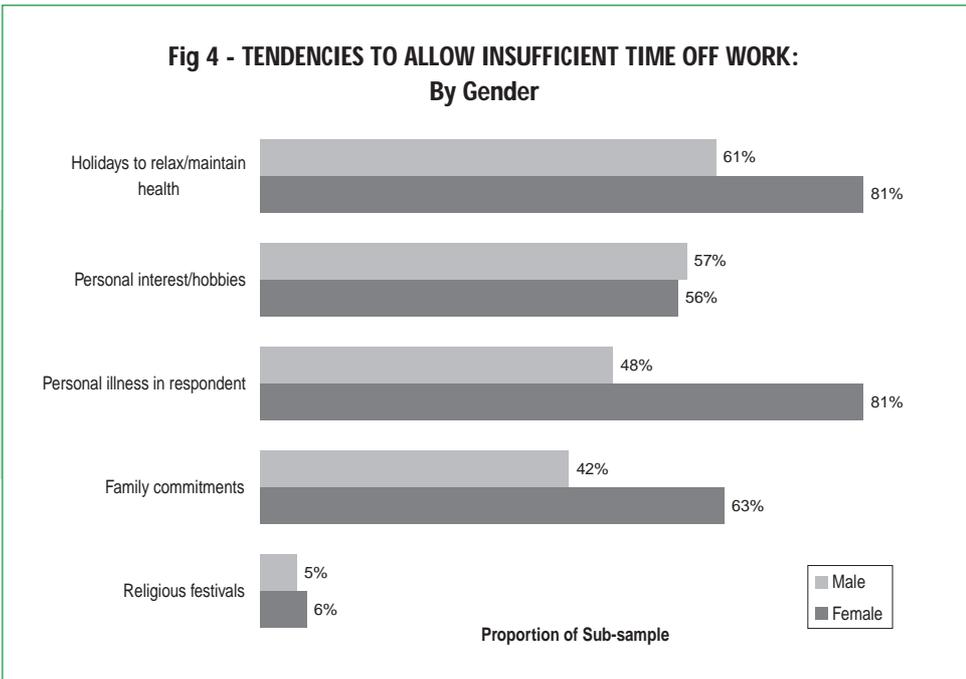
Women, it appeared, were more likely than their male counterparts to see themselves as indispensable, but the difference amounted to only a few percentage points (63%, against 56% for males).

Work-Life Imbalance

In these days of increasing 'work intensification', 'stress' and 'burnout', there is increasing discussion (if not action) of the notion of 'work-life balance'. **Figure 4** demonstrates that allowing insufficient time for holidays as an investment in health came out top as a problem for both sexes, but received wider support from women than men (81% as against 61%). In the



"A man can never leave his business. He ought to think of it by day and dream of it by night"
Henry Ford

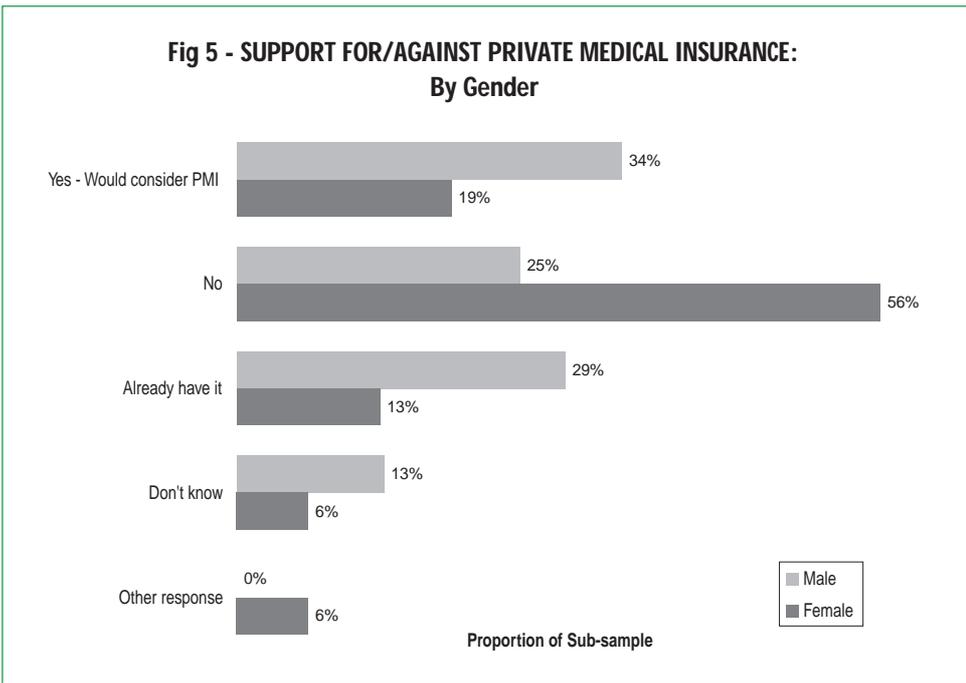


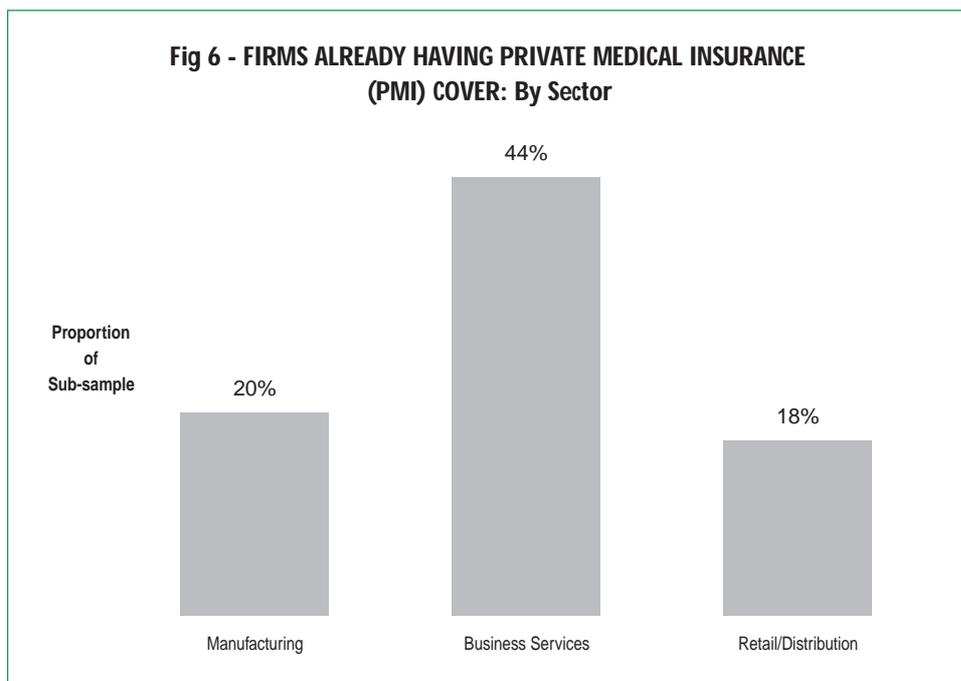
case of two further factors, women may feel under greater pressure than men - these involved allowing insufficient time to tend to personal illnesses and family commitments, due to perceived business commitments.

Private Medical Insurance (PMI)

We nearly all, according to public opinion polls, want to see more money spent on health care, yet politicians are cautious. The conventional wisdom is that good health

care may be on many people’s ‘wish lists’ but that they won’t vote for it to hit their pockets. So, what did the respondents think about investing in private medical insurance ? The statistics in **Figure 5** show that men were more likely than women to already have private medical insurance (29% for men as against just 13% for women) and were more likely to consider the possibility of their firms adopting it (34% for men as against just 19% for women). In fact, 56% of women (as against just 25%





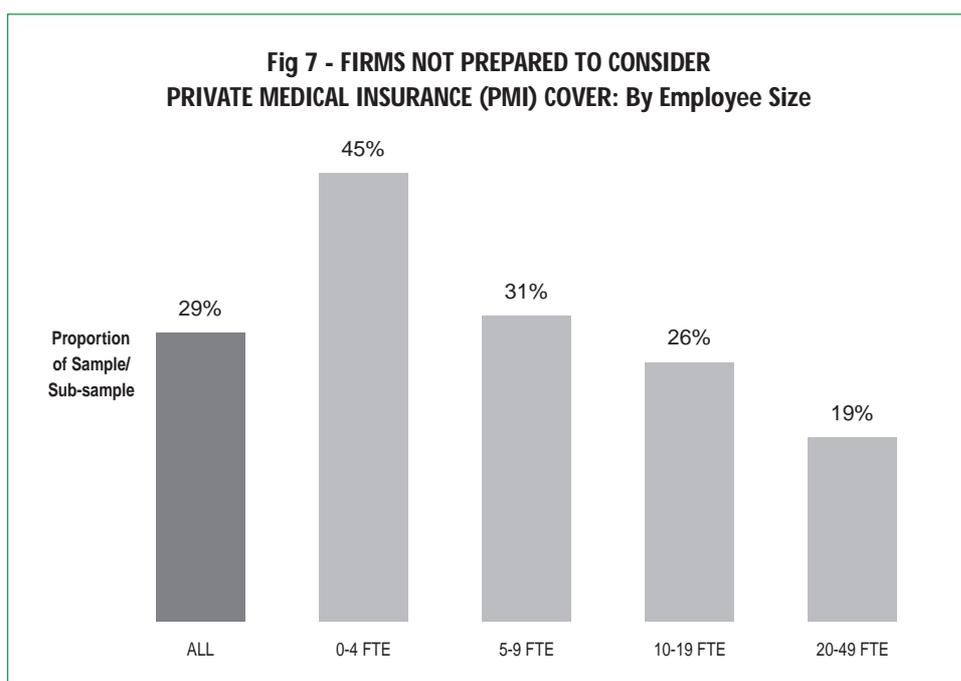
Business services firms appear to be ahead of the field

for men) said they would definitely not be willing to consider private health insurance. Figures 6 and 7 reveal some interesting differences with regards to private medical insurance. For instance, **Figure 6** shows that respondents from the business services sector were more than twice as likely as their counterparts in manufacturing or retail/distribution to be already investing in private medical insurance. Whereas **Figure 7** shows that resistance to considering such an investment drops

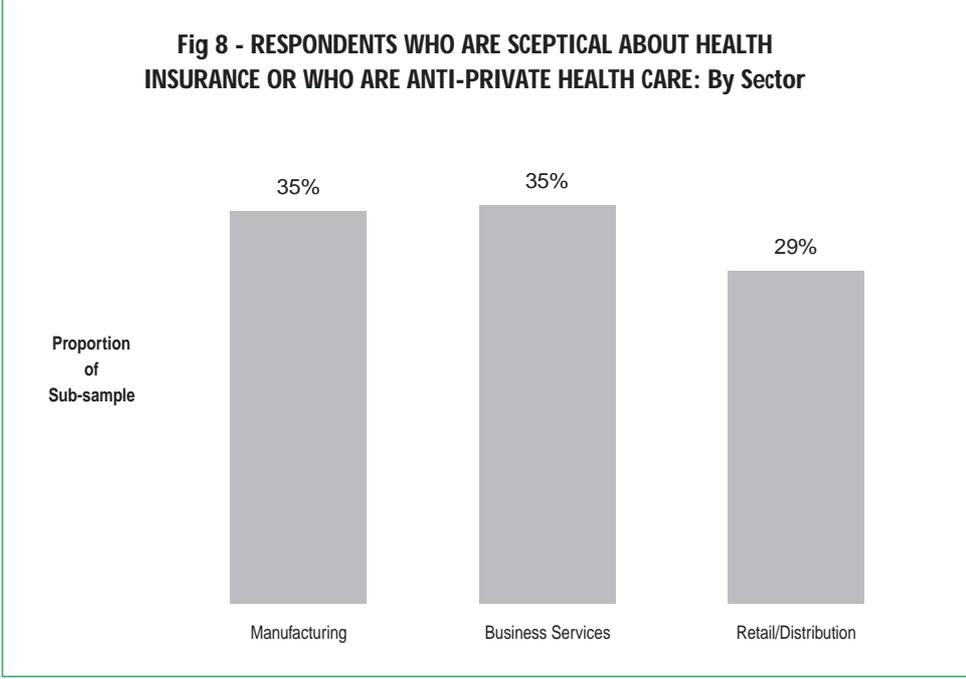
rapidly as the size of firm increases (falling from 45% with 0-4 workforce to just 19% in firms with 20-49 workforce).

Small Print Makes Private Health Insurance A 'Dodgy Bet' ?

Around one-third of respondents were either of the view that the 'small print' involved in private insurance contracts would undermine their value or, alternatively, disagreed with private health



NHS finds wider support amongst female respondents



care altogether (**Figure 8**). **Figure 9** demonstrates gender differences in attitudes towards private health insurance. Women in the sample were distinctly more likely to disagree with the whole notion of private health care (31% of women compared with just 12% of men). The male sample were more likely to consider that private health care made good business sense but, at the same time, were more likely than their female counterparts to be wary of the 'small print'.

Business Before Health

Figure 10 illustrates that 69% of the respondents thought small and medium-sized business managers were apt to put the interests of their business before those of their personal health. Thirty-eight per cent thought that shortcomings in health care provision resulted in loss of output in the United Kingdom. Only 9% thought ill health was one of the main causes of

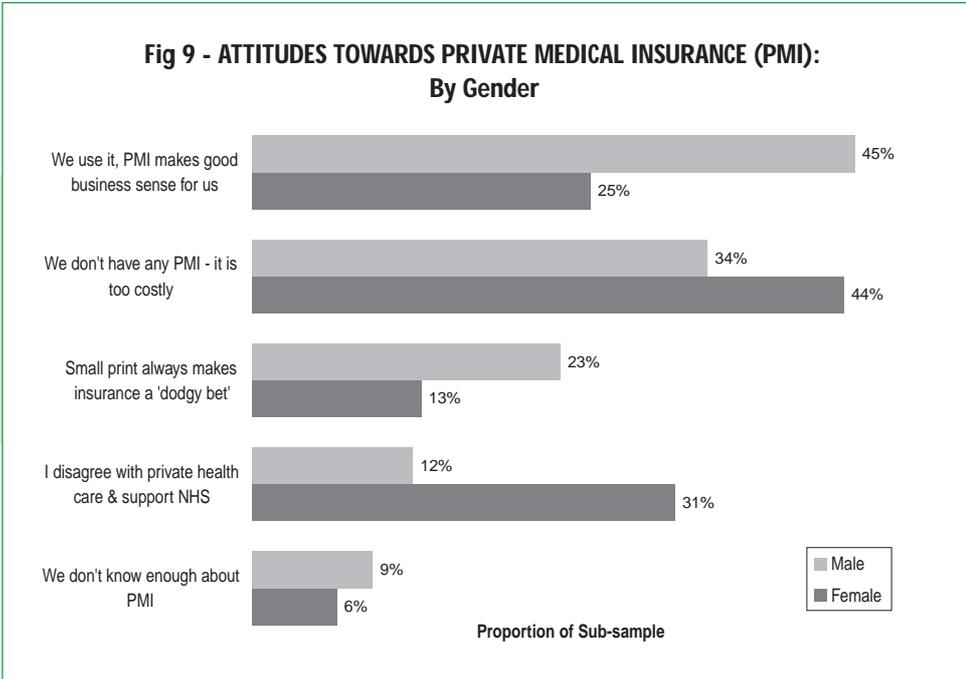
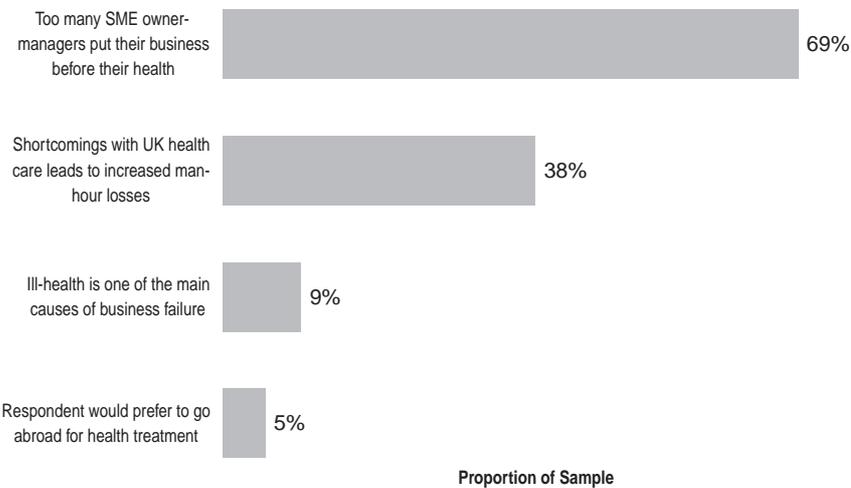


Fig 10 - ATTITUDES TOWARDS HEALTH CARE

Should more SME owner-managers put their health first ?

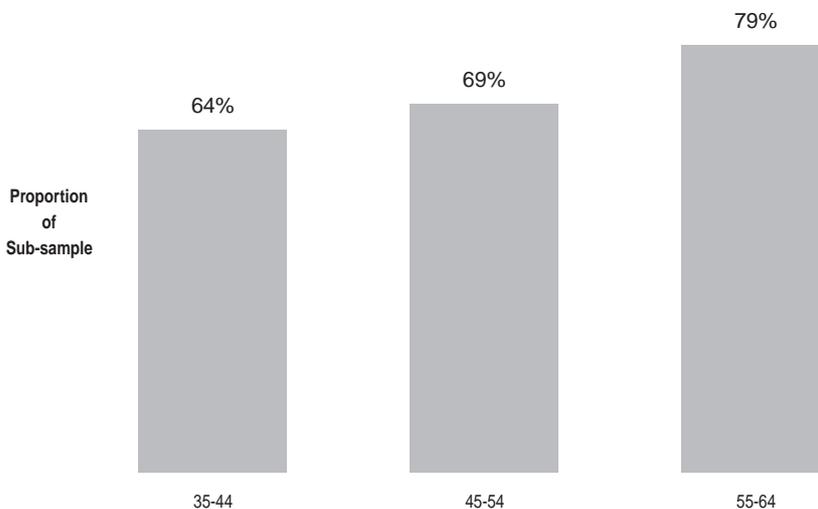
business failure and only 1 respondent in every 20 said they would prefer to go abroad for medical treatment.

Figure 11 suggests that the proportions of respondents feeling that small business owners put business before health increased with the age group concerned, ranging from around two-thirds in the 35-44 age group up to four-fifths for the 55-64 age group.

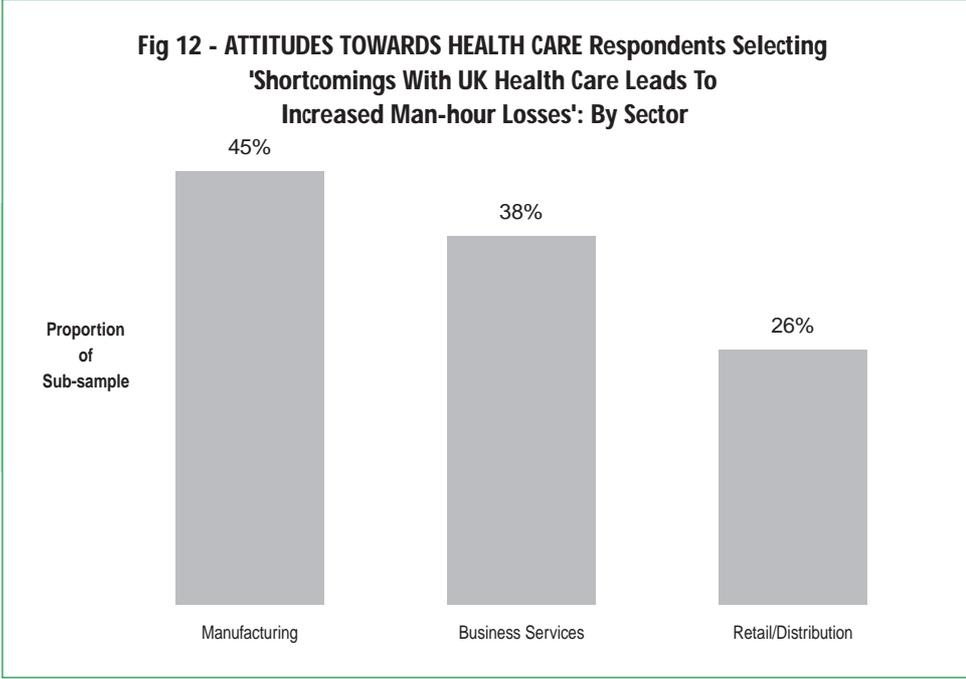
Finally, turning to **Figure 12**, sector differences are evident with the view that health care shortcomings in the United Kingdom lead to losses in efficiency. Here, manufacturing led with 45% followed by business services with 38% and then retail/distribution with 26%.

Noteworthy comments supplied by respondents on the issue of staff ill-health and health care benefits included the following:

Fig 11 - ATTITUDES TOWARDS HEALTH CARE Respondents Selecting 'Too Many SME Owner-managers Put Their Business Before Their Health': By Respondent Age



Are the manufacturing responses based on first-hand experience ?



"We have been frustrated by non-productive time when staff have been off sick waiting for treatment/operations. This can't be good for our economic health."

"I find the better the terms and conditions you offer staff, the fewer absences [you suffer]."

"I do not want employees to stay with my business just because it has a good health plan ... I prefer to offer good salaries plus good working conditions and jobs suited to employees' talents."

"We can't afford to consider health issues at this stage of the company's development, as the margin is simply not there."

"Management has the amount of illness it permits."

Concerning ill-health in SME owner-managers themselves:

"Good health in a small business is vital. If ill health strikes you – hard luck. You chose to start your own business. You should have worked

for an employer that has health insurance. You only realise this as you get older !"

"I haven't had a holiday or even a day off sick this year. If I do feel 'under the weather', I still come to work. My employees can't be trusted to work without supervision. I can't afford to be ill."

"Modern business people are more aware of stress but there are still too many who are not able to management it properly. A client once said that he did not realise how much stress he had been under until it was lifted from him after his bankruptcy. The moral is 'don't let it become a way of life'."

And on a perceived responsibility for government to do more to encourage better health provision:

"The Government should encourage more PMI by way of tax breaks to ease the burden on the NHS for resources."

"Small businesses are essential for the UK economy. So is the health of

their employees. Why can't we have tax concessions to ease the cost of private health?"

"Hospital waiting times are no good for small businesses."

Government also came in for criticism regarding the burdens it was placing on SMEs:

"Stress on owner-managers is horrendous – mainly due to Government failure to control legislation."

"Let us focus on key issues – reduce the stress by cutting the crap [coming] from Government departments."

However, private health care was not necessarily viewed as a total panacea:

"Personal Medical Insurance (PMI) is very good for planned medical treatment. However, it is the short-term 'broken limbs'/'flu' that can cause the real problems - the 2, 3, 4 week absences that cannot be planned for."

"There are too many 'opt-out' clauses in PMI, e.g., high blood pressure excludes you from all attention except broken limbs it would appear."

And one respondent appeared to chide management in larger organisations, whilst praising attitudes in SMEs:

"Key personnel in SMEs have a more responsible attitude to sickness (than) their brethren in large private sector companies, and especially the public sector, where it is common knowledge that some people take their quota of sick days as a matter of right, not necessity."

RESPONDENTS' COMMENTS

These commence in verbatim form on p.16

REFERENCES: HEALTH ISSUES

The following references are offered as an aid to readers interested in seeking further information via the world-wide-web. 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. Some web sites have appeared before, but there is usually a section noted with interests relevant to the theme of this report.

Special care should also be taken with material obtained from **outside** the UK, for example, the USA, where different legal issues may apply. N.B. Some pages may contain links to other WWW pages offering related material. Tip: The WWW links were functional at the time of going to print, but the world wide web is in a state of constant change. So if later problems arise with a link, edit the link back to the home page – e.g. reduce <http://www.bized.ac.uk/fme/xyz.htm> to <http://www.bized.ac.uk/> – and look for a similar topic heading there.

● Ask Your Pharmacist

The National Pharmaceutical Association: general information about medicines; directory of pharmacies; useful links.

www.askyourpharmacist.co.uk

● BackCare

A "UK Charity which helps people manage and prevent back pain by providing advice, promoting self help, encouraging debate and funding scientific research into better back care. BackCare's self management programme, called Think-Back, has helped many people with long term back pain. ... On this website, we have provided details about BackCare and what we can offer, as well as facts,

information and tips for your back and specialist resources.”

www.backpain.org

- **BBC Health**

“Health, fitness and nutrition information and advice for women, men and children”. Specific links on men’s and women’s health, travel health, mental health, health at 50+, nutrition, and fitness. With guides to addictions, allergies, arthritis, asthma, back pain, cancer, diabetes, epilepsy, heart disease, immune system, strokes, and weight control. Weekly BBC Health Newsletter available via e-mail.

www.bbc.co.uk/health

- **Department of Health**

“The aim of the Department of Health is to improve the health and well-being of people in England. This site gives you the latest news and information about the Department and our work. It also offers you easy access to the wide range of publications, policy and guidance we produce.”

www.doh.gov.uk

- **Doctor Patient Partnership (DPP)**

“The DPP is a UK charity, with a finger constantly on the pulse of a modernising NHS. Our health education campaigns and initiatives consistently promote positive and balanced messages to the public and health professionals. We aim to: encourage better communication between patients and healthcare professionals; promote the responsible use of NHS services; offer practical advice on self-medication.” Campaigns have included: Managing short-term sickness (for employers); Sick Notes; When is an emergency not an emergency ? Links to a variety of national organisations.

www.doctorpatient.org.uk

- **Employers Forum on Disability**

“The Employers’ Forum on Disability is the national employers’ organisation focused on disability in the UK. Funded and managed by our members, we make it easier to recruit and retain disabled employees and to serve disabled customers.” The guest area includes information about membership, publications, events.

www.employers-forum.co.uk

- **Health and Safety Executive (HSE)**

The HSE ensures “... that risks to people’s health and safety from work activities are properly controlled. ...The law says: employers have to look after the health and safety of their employees; employees and the self-employed have to look after their own health and safety; and all have to take care of the health and safety of others, for example, members of the public who may be affected by their work activity. Our job is to see that everyone does this.” Small businesses “...need to develop good working practices and prevent accidents and work-related ill health from happening. This page brings together information particularly relevant and of interest to new small businesses. HSE can provide you with information and advice on improving health and safety in your business.” Provides access to research statistics, new publications, information sources, free leaflets.

www.hse.gov.uk

- **Independent Healthcare Association (IHA)**

“The IHA is the UK’s leading representative of the independent health and social care sector with over 80,000 beds in membership. Our members include charitable and private providers of: Nursing and residential care; Acute elective surgery; Psychiatric and substance misuse services; Pathology laboratories rehabilitation services; Day surgeries.

www.ih.org.uk

- **International Stress Management Association UK**

“A registered charity with a multi-disciplinary professional membership. It exists to promote sound knowledge and best practice in the prevention and reduction of human stress. It sets professional standards for the benefit of individuals and organisations using the services of its members.” Links: articles from Stress News; Useful books & publications; Other useful sites.
www.isma.org.uk

- **Managing Absence**

Provides “... employers with comprehensive information on cost-effective approaches to managing short-term sickness absenteeism”. A multi-agency partnership, “developed in collaboration with Government, employers’ representatives, employee representatives, health and other professionals representatives and patient groups. ... The most common causes of sickness absence are minor complaints such as colds or headaches, which can be treated most effectively with self-medication. GPs are not obliged to provide their patients with sick certification for illnesses of seven days or less. The use of GPs services to manage short-term sickness absence is a waste of NHS resources, problematic for employees and may have cost and efficiency implications for employers.” Links to information and statistics on the costs of short-term sickness absence; information about benchmarking levels of absenteeism; a list of essential websites offering information and advice on best practice in managing and preventing short-term sickness absenteeism; information about the implications of the Disability Discrimination Act for all employers; information about Statutory Sick Pay regulations.
www.managingabsence.org.uk

- **NHS Direct**

“NHS Direct is a 24-hour nurse advice and health information service, providing confidential information on: What to do if you or your family are feeling ill; Particular health conditions; Local healthcare services, such as doctors, dentists or late night opening pharmacies; Self help and support organisations.”
www.nhsdirect.nhs.uk

- **NHS Plus**

“NHS Plus is a network of occupational health services based in NHS hospitals. The network provides an occupational health service to NHS Staff, and also sells services to the private sector. NHS Plus services work to agreed standards to guarantee provision of a high quality, professional service. Why isn't NHS Plus free?: Occupational health services are not part of free statutory NHS provision. However, as an employer, the NHS does have to provide occupational health services to its own staff. Some of the NHS occupational health departments are very large, and the wealth of experience they have gained makes them an obvious source of advice and help for companies who are looking for an occupational health service. They have to charge for the occupational health services that they provide to non NHS employers, but any surplus they make is reinvested in NHS services, particularly in improved occupational health services for NHS staff. Occupational health services are available for small to medium sized businesses through NHS Plus.”
www.nhsplus.nhs.uk

- **Patient UK**

“Patient UK is a directory of UK health, disease and related websites. It is edited by two GPs.”
www.patient.co.uk

MANUFACTURING

Commercial Printing	<i>"Better worry about getting the next profitable order or sourcing competitively."</i>
Design and Manufacture of Data Loggers	<i>"We have been frustrated by non-productive time of staff off sick waiting for treatment / operations - can't be good for economic health !"</i>
Fabrication, Welding, Machining, Special Purpose Machines	<i>"Senior management stress is probably more significant than is recognised. Whether PMI or NHS can influence this is unclear to me."</i>
Furniture Restoration	<i>"It is quicker for BT to fix [your] phone line than to see your GP ! National Insurance is for what ?"</i>
Graphic Design & Printing	<i>"The government should encourage more PMI by way of tax breaks to ease the burden on the NHS for resources."</i>
Kitchen and Bedroom Manufacturers	<i>"Key personnel in SMEs have a much more responsible attitude to sickness - if they are off work they are sick ! Unlike their brethren in larger private sector companies, and especially the public sector, where it is common knowledge some people take their quota of sick days as a matter of right, not necessity. The six-month full-pay and six-month half-pay system which operates extensively in this country should be scrapped and everybody in employment treated equally."</i>
Manufacturer of Transformers & Coils	<i>"Private health care should not be necessary if NHS operated as it should."</i>
Manufacturing	<i>"I haven't had a holiday or even a day off sick this year - if I do feel 'under the weather', I still come to work. My employees can't be trusted to work without supervision. I can't afford to be ill."</i>
Pneumatic Connectors/Valves	<i>"Self-certification can lead to abuse by its very nature - absence of personnel in an SME enterprise can be extremely damaging due to lack of resources to provide effective cover, particularly where key skills are essential."</i>
Printing	<i>"We cannot afford to consider health issues at this stage of the company's development, as the margin is simply not there."</i>
Publishing	<i>"Stress on owner-managers is horrendous - mainly due to government failure to control: - over legislation - over regulation - too much red tape - employment law now totally slanted against owner-managers. Note - 'without employers, there are no employees !' There are too many ex-trade unionists and lawyers in government; [they] always favour staff to detriment of employers - hence job losses getting worse and worse."</i>

MANUFACTURING continued

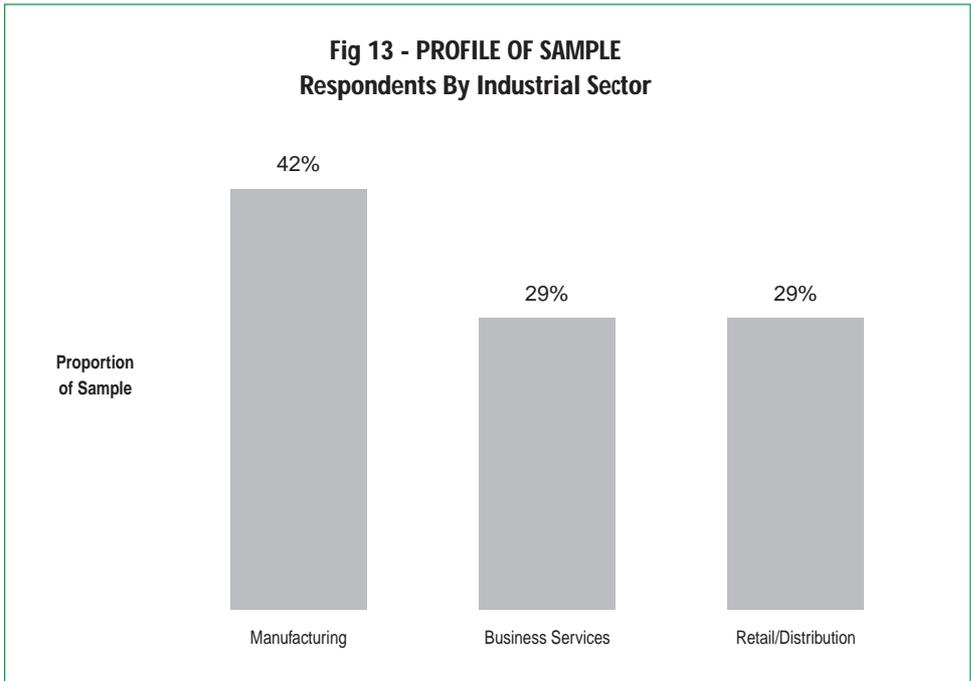
Staircase Manufacturer	<i>"PMI is still very expensive. Reduced rates would encourage new subscribers."</i>
Water Boilers	<i>"I find that the better terms and conditions you give staff, the fewer absences."</i>

BUSINESS SERVICES

Accountancy, Audit, Tax & Management Consultancy	<i>"Good health and regular attendance at work is essential at both key employee and management level in order for a business to survive in today's difficult economic climate."</i>
Architects & Designers	<i>"PMI is very good for planned medical treatment. However it is the short-term 'broken limbs / flu' etc. that can cause real functional problems - the 2, 3 or 4 week absence that cannot be planned for."</i>
Chartered Accountants	<i>"Modern business people are more aware of stress but there are still too many who are not able to manage it properly. A client once said that he did not realise how much stress he had been under until it was lifted from after his bankruptcy. The moral is don't let it become a way of life."</i>
Commercial Cleaning	<i>"If people are working too many hours they need a 'business coach'."</i>
International Freight Forwarding Services	<i>"Small businesses are essential for the UK economy - so is the health of their employees. Why cannot we have tax concessions to ease the cost of private health ?"</i>
Management Training Courses	<i>"Let us focus on key business issues, not on duplicating information to every government department - 'reduce stress by cutting the c**p'."</i>
Motor Factors	<i>"[There are] Too many 'opt-out' clauses in PMI, e.g. high blood pressure excludes all attention except broken limbs it would appear !"</i>
Recruitment - Contract & Permanent	<i>"No help generally available to cover stress management !"</i>
Serviced Offices & Secretarial Support	<i>"Private health care should not be taxed - benefit in kind."</i>
Software House	<i>"Good mental health guards against other forms of ill health. This is maintained by engendering positive attitudes - which must be integral to all management actions."</i>

RETAIL AND DISTRIBUTION

Computer Software	<i>"Management has the amount of illness it permits / encourages. All real illness requires more sympathy than rule-driven firms allow."</i>
Hardware and Pet Store	<i>"Biggest danger is poor health combined with old age ! With the exception of accidents, it appears that illness affects those who can afford it more than those who can't. 'Loss of earnings' insurance is probably the only safety net of any use to a very small business (2 or 3 persons)."</i>
Importing of Speciality Foods	<i>"As most governments seem to be unable to grasp the concept that 'prevention is better than cure', it's unlikely that any of them are likely to provide a real incentive for maintaining good health in the workplace. I suppose tax relief for a comprehensive PMI scheme for business is out of the question !! Private medicine reduces the burden to the NHS, so why not get more people to take up PMI - company or privately-funded - for a reduction in taxation."</i>
Motor Car Dealerships	<i>"PMI should be seen as essential for staff and therefore untaxed."</i>
Retail House Furnishers	<i>"Hospital waiting times are no good for small businesses, i.e. staff off work too long."</i>
Specialised Accessory Equipment to Process Industries	<i>"I do not want employees to stay with my business because it has a good health plan. We offer PHI and pension (contribution 3%). I prefer to offer good salaries plus good working conditions and a job suited to employees' talents."</i>
Tool Plant & Equipment Hire, Sales & Repair Service	<i>"Good health in a small business is vital. If ill health strikes you - hard luck. You chose to start your own business. You should have worked for an employer that has health insurance. You only realise this as you get older !"</i>



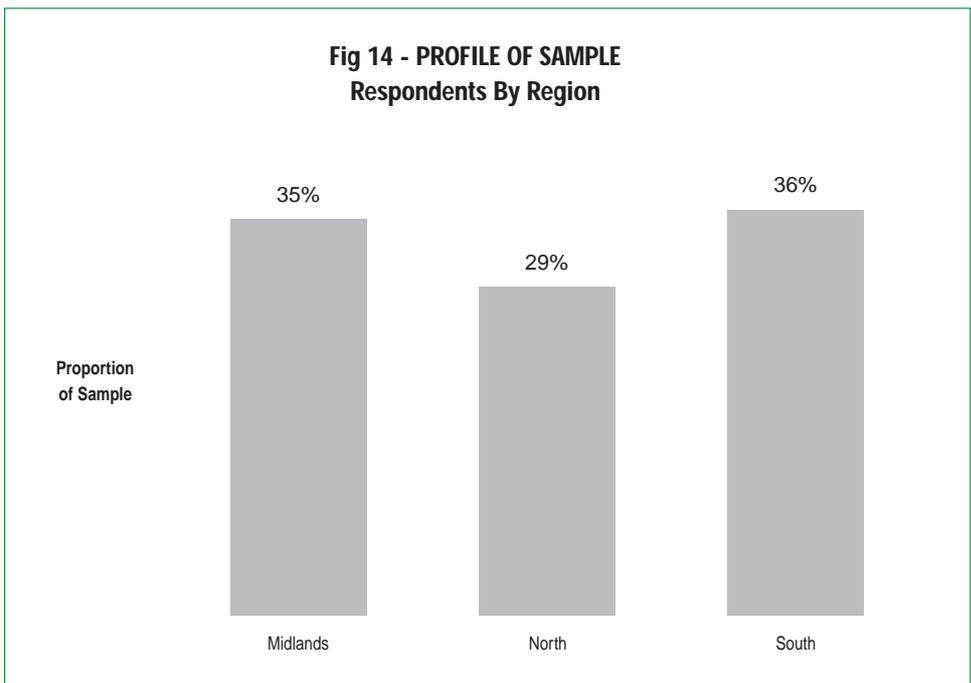
APPENDIX 1 - ADDITIONAL INFORMATION

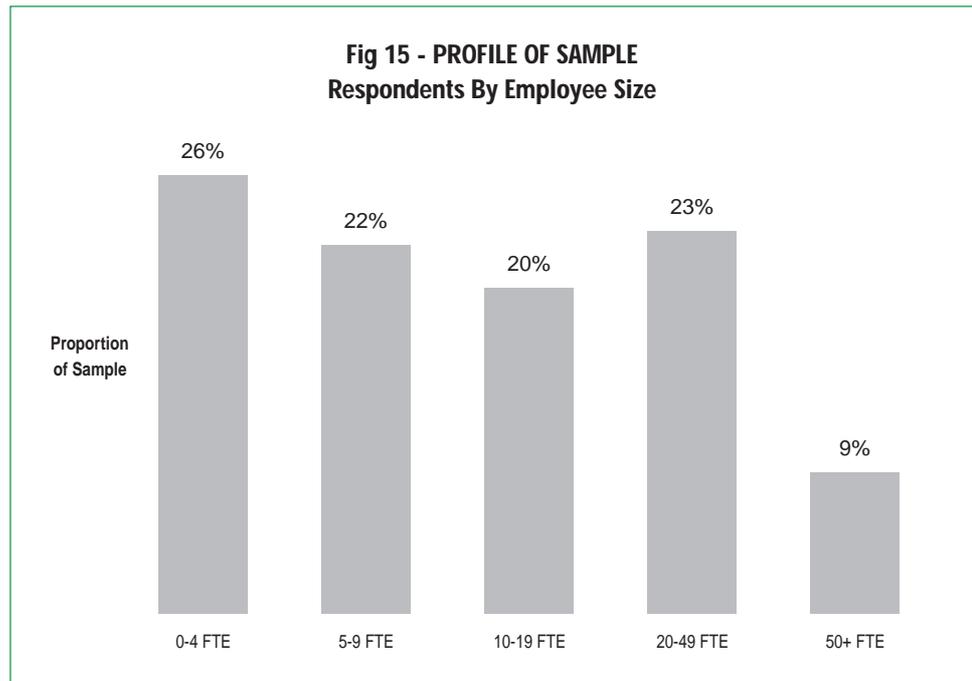
As an aid to the interpretation of the various figures (histograms), we have included some further information about the firms responding to this survey.

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.

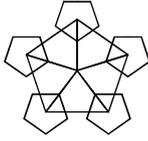
Distribution of firms

The highest proportion of respondents is in manufacturing (42%, previously 41%, see **Figure 13**). 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, and again, mid-1999.

In this survey, the Southern region has the largest representation, with 36% of the sample's respondents (previously it was the Midlands region, at 41%, see also **Figure 14**).

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. Likewise, the sample has been biased towards the smaller businesses, but since 1999 there has been an increase in the 20-49 FTE firms (**Figure 15**).

As on previous occasions, the sample is predominantly male (86%).



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: Health Issues

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 Greatest threat to survival – Which two of the following do you see as posing the greatest threat to the survival of your business ? ✓ Against 2 options Economic downturn A Failure of a key customer B Loss of key staff..... C Destruction of business assets (e.g. fire)..... D Business disruption due to unexpected management loss (e.g. ill-health) E

3 Indispensability – Generally speaking, do you feel that you are indispensable to the smooth running of your business ? Just ONE ✓ only Yes..... A No B

4 Work-life balance – Please identify where you tend to allow yourself insufficient time off work when the following arise: ✓ Against all which apply Family commitments..... A Personal illness in yourself B Holidays to relax/maintain health C Personal interest/hobbies D Religious festivals E

5 **Private medical insurance – If you could be convinced that it reduced staff absences sufficiently and built loyalty, would you consider it for your firm ?** *Just ONE ✓ only*

Yes..... A

No B

We already have it C

Don't know D

6 **Extent of private medical insurance cover – To what extent, if any, does your business provide health cover for its staff ?** *Just ONE ✓ only*

No cover at all..... A

Cover for owner-manager/s B

Cover for owner-manager/s plus senior management..... C

Cover for all staff..... D

Other (please state) _____ E

7 **Attitudes towards private medical insurance (PMI) – Please identify which of the following views you generally agree with:** *✓ Against all which apply*

We don't know enough about PMI A

We don't have any - it is too costly B

We use it, PMI makes good business sense for us C

Small print always makes insurance a 'dodgy bet' . D

I disagree in principle with private treatment and support the NHS E

8 **Attitudes towards health care – Please identify which of the following views you generally agree with:** *✓ Against all which apply*

Too many SME owner-managers put their business before their health..... A

Ill-health is one of the main causes of business failure B

Shortcomings with health care provisions in the UK, leads to an increased loss of man hours/ absenteeism due to ill health C

I would prefer to go abroad for health treatment..... D

9 **'The importance of good health in small businesses' – If you have any strong views, 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
Business



**SMALL
BUSINESS
RESEARCH
TRUST**

**ISSN 0968 - 6444
SB/0102**

Cover Design by Long Blue Cat

Printed by City Print