

Frayed Around The Edges - Report Finds Britain's SME Employees Feeling Burnt Out And Unproductive

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Chris Biggs, of Theta Financial Reporting
Theta Financial Reporting

Small and medium-sized companies are frequently described as the backbone of the U.K. economy, but what are they like to work for?

Well, according to research commissioned by professional services company Theta Financial Reporting - significant numbers of SME employees are working long, and possibly illegal, hours while not necessarily feeling particularly productive. Indeed, many

are feeling burnt out and decidedly grumpy.

Founded in 2016 by PWC alumnus, Chris Biggs, [Theta Financial Reporting](#) offers a range of accountancy, consultancy and staff resourcing solutions. And as Biggs explains, one of his objectives when leaving the orbit of the big four accountancy groups was to build a firm that could offer staff and partners a better deal on work/life balance. It was this interest in employee wellbeing that prompted him to commission research on the link between working practices and productivity, with a focus on smaller businesses.

According to Britain's [Federation of Small Business](#), SMEs account for three-fifths of U.K. jobs, and around half of total turnover. And as Britain's entrepreneurial culture continues to expand, policymakers see fast-growth SMEs, in particular, as a motor for national prosperity in the post-Brexit era.

Looked at through another prism, a great many of us, either by accident or design, find ourselves working for relatively small companies. And given the collective economic importance of small and medium-sized businesses, the morale of employees is likely to have a direct impact on not only on the productivity of individual businesses but also on the nation as a whole.

So what did Theta find out?

Long Hours Culture

The research suggests that working long hours is - if not the norm - certainly common. This is especially true of Britain's capital. A third of Londoners told the survey that they regularly exceeded in the European Union's working time limit, which currently stands at 48 hours per week.

You could read that as a positive. It's part of the mythos of small businesses - and again, this might be particularly true of entrepreneur-led ventures - that staff are prepared to roll up their sleeves and put in the time to make sure that what needs to be done is accomplished, even if it means contravening (or perhaps sidestepping through staff agreements) a pesky European directive.

But here's the question. Does spending more time in the office result in greater productivity? Not necessarily. When asked about pressure to be seen to be doing something, nearly half of Londoners (46 percent) said a culture of "presenteeism" in their offices means they are actually less productive. Yes, they're hanging around, but possibly they either have nothing to do or they are too burnt out to be working at anything close to peak efficiency. Across the country as a whole, the figure is 39%.

This is a scenario that Theta's Chris Biggs recognises from his previous life. He recalls working for a major accountancy employer. "I always liked to get into the office early," he says. "But when it came to the end of the day, leaving before other people - who had started later - was awkward. There was pressure to hang around though I had already worked long hours."

Meanwhile - and this is a familiar story - staff feel new technology is adding to the pressure. Half of all Britons (the survey says) feel that smartphones and laptops mean they can't switch off. In addition, long commutes are leaving many people exhausted, even before they start the day.

A Good Moan?

So is this just a case of employees taking the opportunity to have a good moan when offered a chance by a polling company that is paid to listen?

Possibly. But Britain does have a productivity problem. Britons tend to work longer hours than, say, the French while being less productive. And according to figures released by the Office for National Statistics this week, labour productivity grew by just 0.3 percent year-on-year in the fourth quarter of 2019 while output per worker, measured by the hour, was flat.

Against this backdrop, you could argue that if employers are seeking productivity gains from their staff, it would be a good idea to avoid making them work long hours and avoid a culture where people have to be "present" and pretend to look busy. Or to put it another way, the focus should be on efficiency, rather than relying on employee willingness to work late. It might even be smart for managers to stop emailing members of their teams as late as 9.00 at night with some matter that needs attending to.

Cultural Change

Better management would result - ultimately - in more motivated teams. So why not change the culture? Biggs speculates that employers might not see any upside in bringing about cultural change.

"It's not that businesses set out to take a short-term view of staff wellbeing or to ignore issues of burn out," he says. "But with things like quarterly reporting, there is pressure to hit short term goals." This may be particularly true in the entrepreneurial sector, where the pressure to achieve scale rapidly before the VC money runs out is intense. "There is also the fact that the workforce is very mobile. People move on after two or three years, so that means an employer won't necessarily see the results of burn out," Biggs adds,

Out Of Touch

But arguably there is a more immediate issue. With 51 percent of British workers saying managers and owners are out of touch with the day-to-day realities of their jobs and quarter saying they haven't been properly trained, you could take the view that, regardless of any burn out issues, Britain's small businesses aren't as productive as they should be.

And with productivity growth across the economy slowing that does represent a problem.