MEDIA RELEASE

Are New Zealand small business employees overworked?
A culture of ‘being busy’ is impacting the efficiency of Kiwi small businesses

January — Xero, the global small business platform, released new independent research today showing a third of New Zealand’s small business owners don’t believe Kiwis receive enough annual leave, prompting calls for a revision of our work culture.

Craig Hudson, Managing Director of New Zealand and the Pacific Islands at Xero, says a lack of sufficient holiday plans and poor processes around how the business runs when key people are on leave contributes to a culture of overworking, resulting in poorer productivity results overall.

“We’ve found that approximately a third of full-time staff in small business across the country are regularly working more than 40 hours a week. But business owners are reporting just over half of this time is spent on work-related tasks.

“Despite people slogging long hours, this doesn’t correlate with being efficient and quality work. In fact, it can be detrimental. There’s a disconnect here where businesses are using people’s time inefficiently - and this is starting to cost them in the long term.”

A quarter of small business owners considered their part-time staff to be more efficient than their full-time employees.

“Giving people the flexibility to have days where they can split up their working week, relax, take care of errands and generally live their life outside of work has a huge impact on productivity and overall happiness,” says Hudson.

“It begs the question of if we’d be more productive if we had the opportunity to take more time off. Whatever the cause, we need to start to take notice of our work behaviours, so we can action together.”

Additionally, the research shows the bigger the company, the more hours both owners and employees put in, but with less time spent on work tasks.

“We’re spending a lot of extra time at work, but not because we’re doing work. For most, a quarter of their time is spent doing things that have nothing to do with their job while they’re in the office, and overall we’re slowing down as a nation,” says Hudson.

And it’s not just employees feeling the crunch. Ten percent of small business owners with more than five employees reported regularly working between 51 and 55 hours a week.
“It can be hard for business owners to take annual leave. The pressure of stepping back and trusting the ongoing operation of the business to their employees can make it hard to ‘switch off’ on leave,” said Hudson.

The research was undertaken by independent New Zealand research company Perceptive. The survey targeted a representative audience of 1,003 small business decision-makers (less than 50 full-time employees) across the country.

Key outtakes include:

- 32 percent of business owners consider the current legal annual leave not enough
- Business owners say that 35 percent of full-time staff are working more than 40 hours a week
- 31 percent of owners are regularly working over 40 hours a week
- Business owners say that only 57 percent of full-time staff are spending at least three-quarters on work tasks
- Only 63 percent of small business owners say that they spend at least three-quarters on work tasks

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About Xero
Born in the cloud, Xero is a beautiful, easy-to-use platform for small businesses and their advisors around the world. Xero provides its 2+ million subscribers with connections to a thriving ecosystem of 800+ third-party apps and 200+ connections to banks and financial service providers. On the inaugural 2018 Financial Times FT1000 High-Growth Companies Asia Pacific list, Xero was the fastest growing tech company in the $200+ million segment. Xero won ‘Accountancy Software Provider of the Year’ at the British Business Awards in 2019, and was rated by Canstar Blue as the best accounting software in Australia from 2015-2018 and in New Zealand in 2019.