

How Christmas cheer impacts on business

December 9 2015, by Julia Harris



Christmas is a time for merry-making and family get-togethers - and festive celebrations are an integral part of UK working life in December - a busy and stressful period of time on both a personal and professional level. With Christmas being an increased time of consumption and consumer spending, it is often thought that the festive period brings a bonanza of unbridled profits to businesses. However, research into the Christmas habits of UK businesses and workers shows that they too can feel the strain around the festive period.

Research shows company downtime, corporate gifts and the (infamous Christmas party can all be large sources of spending for businesses and have impacts on employee motivation. The key point is that a lack of planning is a large source of these increased costs. For example:

- Small to medium sized enterprises lose £11,500 annually due to downtime, ranked as their biggest source of spending at Christmas, but only 62 per cent actually plan for downtime.
- In terms of gifts, 55 per cent of employees said they would like to receive a gift from their workplace, but only 22 per cent actually got one.
- The majority of businesses spend an average of £183.40 per head on the Christmas party, just £33.40 too much to qualify for HMRC's annual party cost exemption.
- Not only do all employees need to be invited to the 'works do' and firms have a consistently applied policy, but absent mindedness going over the limit, even by just £1, would cost the company 90 per cent more for each employee paying 40 per cent tax.
- In terms of the office Christmas party, nearly two-thirds (62 per cent) of firms had not held a party in recent years and 34 per cent of employees thought too little was spent on it, 18 per cent too much and 34 per cent thought it a waste of money.

And research shows that festive entertaining and employee stress over Christmas preparations, cost UK plc £8 billion in 2005 or nearly £11 billion in today's money in December alone through reduced worker productivity. From 18 December, with five full working days to go, nearly half the workforce hits "Festive Fizzleout" which leaves them spending more time worried about Christmas festivities rather than work, with a marked effect on productivity.

Workers reported varying degrees of productivity loss. Over two-thirds (68 per cent) were less productive throughout the entire month of December compared to other months, with nearly one-half admitting they did 10-20 per cent less work and 1 in 6 produced 20-30 per cent less. The reasons for this output reduction included a combination of exhaustion, lack of motivation and hangovers. In detail:

- Sixty per cent were less productive because they over-indulged and ate and drank the wrong things.
- Ninety per cent expected to attend at least 4 'gut-busting' Christmas lunches, which, at an average 2,000 calories per meal with all the trimmings, account for 80 per cent of the full day's recommended calorific intake for men and the full allowance for women.
- Nearly a third (27 per cent) drank more than 1 bottle of wine with each work related Christmas lunch.
- Ten per cent blamed hangovers for reduced output, with women being nearly twice as likely to be more hungover in December than at any other time of the year compared to men.
- One-third felt physically exhausted at the end of the year with energy reserves too depleted to work as well as play.
- Ten per cent had been ill over the Christmas break as a result of pre-Christmas over-indulgence.
- "Festive fizzle-out" hits women harder than men, with nearly twice as many women more concerned by Christmas compared to men.
- As a result of stressful December and Christmas entertaining, over one-half did not expect to feel rested on returning in the New Year, with women feeling less rested than men.
- It is easy to gain as much as 2kg over Christmas, especially since we commonly munch through 6,000 calories just on Christmas day.
- This is equivalent to eating 4.8kg of egg-fried rice, or 42 bananas, or 23 and a half hamburgers. Or you could think of it as eating three 300g chicken korma curries, three 300g chicken tikka curries, three naan breads and 24 onion bhaji.

Amount of exercise needed to work off those Christmas treats:

- 1 portion (100g) Christmas pudding (500cal) = 2½ hours

- walking
- 1 mince pie (250cal) = ½ hour
- running²
- glasses red wine (160cal) = ½ hour
- tennis
- 1 glass champagne (100cal) = 20 mins
- dancing
- 1 bite-size speciality chocolate (80cal) = 10 mins
- aerobics
- 1 mini sausage roll (180cal) = 25 mins
- swimming

Provided by City University London

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