

# Perspectives on Travel & Expenses

## **“Bleisure” – a pleasure or a pain for your travel programme?**



*Allowing corporate travellers to add leisure time to their business trips makes good sense from an HR perspective but can create problems such as added costs and distorted data.*

The concept isn't new. The word to describe it is.

Business travellers have long been tempted to fit a day or two of personal time into trips they take for their company, but now this habit has acquired a name: “bleisure”. A study of 675 North American business travellers by the Global Business Travel Association and Hilton Hotels published in June 2017 showed that 37 per cent extended their work trip during 2016 with extra time for leisure.

Bleisure, the study found, is particularly popular among middle-ranking managers and is most likely to occur on long-haul trips either just before or just after a weekend. Some observers believe bleisure will become even more frequent among the “millennial” generation. For this demographic, who use always-on technology, there is far less distinction between professional and private time. They are more likely to take time out during a business trip, for example, but to make up for it by working at the weekend.

### **Reasons your company should allow bleisure**

Bleisure undoubtedly causes an extra headache for travel managers (see below), but there are some very good reasons for allowing it within your organisation.

#### ***Improve employee well-being***

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People who travel for business often live stressful lives. Allowing them to unwind with some leisure time at a destination can give employees a rare opportunity to slow down for a day or two and, potentially, overcome jetlag and acclimatise before important meetings. The GBTA study found that a significant number of bleisure travellers are joined by family members or friends. Finding time together can improve personal relationships, which in turn can smooth employees' working lives.

And if you believe that travel broadens the mind, then giving employees an opportunity to explore and understand the location they are visiting for work could make them better at their job.

## ***Improve employee recruitment/retention***

Allowing travellers a bleisure option is a low-cost way to demonstrate flexibility and command loyalty as an employer. It could make the difference in sectors where high-quality workers are at a premium. If your company bans bleisure but a competitor allows it, that could tip the balance in your rival's favour when attempting to attract the best talent.

## ***It can save money***

While it is also true that total cost might increase (see below), adding bleisure time can significantly reduce the airfare for a long-haul trip if it extends the time away over a Saturday night.

## ***Boost your deal volume***

According to the GBTA survey, 82 per cent of additional bleisure nights are taken in the same hotel as where the traveller is staying for business. That could mean a higher number of room nights booked with preferred suppliers, which helps to secure higher discounts in future. However, if the traveller is taking extra time at a weekend, the market rate is often cheaper than the preferred supplier negotiated rate.

## **The challenges for travel managers**

While travellers and employers alike might consider bleisure an excellent idea, and there are potential advantages for a managed travel programme, it is also true that added leisure time is fiddly to handle for the company's travel manager. "Travel managers are not the human resources department; it is their job to get employees from A to B as cheaply and simply as they can," says TravelpoolEurope managing director Søren Schødt. "Bleisure can make an already complex process even more complicated."

Before giving bleisure the green light, these are some of the challenges to think about.

## ***Insurance***

Are employees covered by their company's travel insurance during the leisure element of a trip? Experts have described this question as a "grey area". An insurer may argue travellers are not covered if, for example, they transfer to a different location during their time off.

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## ***Additional travel costs***

There are many ways in which bleisure can make a trip more expensive. Did the traveller book a bigger or better room because a partner was coming to join them? If so, how can these additional costs be calculated and allocated? There is no easy answer.

## ***Additional transaction costs***

Some companies allow bleisure but disallow any of it to be booked through the business's travel management company because of the additional transaction charges that would be incurred. There could be an increased cost in the administrative time for the accounts department too – for example if time is needed to separate business and personal expenses in expense reports or a VAT recovery claim.

## ***Confused data***

Booking through the managed corporate channel can also distort spend data – although this can work to the advantage of the company if it boosts preferred supplier volume (see above). However, some supplier agreements specifically exclude preferential rates being used for leisure purposes, so there could be a breach of contract. Watch out too for car rental agreements that allow leisure bookings but do not provide the same insurance cover.

## ***Tax issues***

There is potential for tax authorities to treat bleisure as a “benefit in kind”, especially if a spouse accompanies the employee. Once again, determining what is and is not allowable could be a time-consuming business.

## **How to manage bleisure**

### ***Create some relevant policy rules***

According to a report by BridgeStreet Global Hospitality, only 14 per cent of corporate travel policies address leisure travel added on to business trips. Examples of relevant business rules you could include are:

- Requiring travellers to obtain their own travel insurance.
- Clarifying whether additional elements such as spouse travel or extra room nights can be booked through the TMC.
- Clarifying whether travellers can have a day off in lieu at their destination if they travel over a weekend.

### ***Create a booking process for private travel***

Allow travellers to book through your TMC but require them to pay the transaction fee.

### ***Check your supplier contracts***

Understand whether preferred fares or rates can be used for private purposes.

### ***Consider duty of care implications***

Make sure bleisure does not leave you liable through duty of care. For example, letting travellers make their own air, rail or hotel arrangements at a destination means you won't be able to track them in an emergency. That's why they should be required to book through the same TMC but to flag any private expenditure in their expense reports.

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## **The TravelpoolEurope perspective – Find ways to manage the muddle**

There are some attractive reasons for allowing bleisure, but there is no doubt that it is also very messy to manage: the pain outweighs the gain. Even more importantly, we worry that allowing bleisure encourages employees to find a pretext for taking trips that are more in the interest of grabbing some free holiday time rather than making a journey that is truly necessary for the business. That's why we find many companies conclude the best option is to ban bleisure except in simple cases, such as allowing the traveller to fly to a long-haul destination a day early. Certainly, spouse travel should be resisted unless there is a compelling reason. If you do decide to allow bleisure, a few basic rules and processes will go a long way to avoiding major problems while showing more flexibility for employees.