Why Are Employees Leaving Vacation Time Unused?

I'm David Weisenfeld for XpertHR.com, published by Reed Business Information and proudly partnered with LexisNexis.

On this podcast we'll examine a timely topic affecting employee productivity, namely vacation time. You would think that most people would be tripping over themselves to book vacations and take advantage of their time off. But a recent Project Time Off study shows that's anything but the case. Far from being overcome by a surging number of leave and time off requests, many employers are finding that a lot of their employees are leaving numerous vacation days on the table.

My XpertHR colleague, Robert Teachout, recently wrote a blog about this phenomenon, and he joins me now to discuss his findings. Formerly of Bloomberg DNA, Robert has covered a wide range of employment issues over the years, and we're glad to have him with us. Robert, welcome. [0:01:13.9]

Thank you very much for inviting me, David. I'm really thrilled to be doing this.

Well we're glad to have you here, Robert, and this is a fascinating topic to me because there's nothing I like more than going someplace fun for a week to decompress, especially when school is out, so why aren't others taking advantage of their vacation days? [0:01:33.8]

I know what you mean. It seems really unusual that that's happening. You'd think the problem for employers would be that, ‘So many people are taking time off, how do we schedule it, all that vacation time?’ Because June, July, August, September – those are the most favorite months for people to schedule vacations. But that's not the problem. The problem is employers generally do okay handling that. The issue is employees are not taking all of their vacations. Or they're checking in at work while they're supposed to be on vacation.

And a part of that is that a lot of employees, especially women, say they worry about how much work they're going to have to handle when they come back.
David Weisenfeld: Now are employees taking their cues from their bosses in not taking enough time off because of a fear that it might be frowned upon in some way, or is something else at work here? [0:02:24.1]

Robert Teachout: Well as far as the bosses, it’s yes and no. What’s interesting is that the higher level the employee, the more likely they are to use all of their vacation time. So the bosses know the value of taking time off. The problem is managers and executives think they communicate the value of taking time off to employees much more than employees are hearing that message.

But there’s also a persistent idea among some employees that it’s good to be a vacation martyr. In the Project Time Off study:

- 26% of employees said they worry taking time off might make them appear less dedicated at work;
- 23% said they fear being seen as replaceable; and
- 21% said they thought taking their vacation leave would mean they would be less likely to be considered for a raise or promotion.

Which is completely wrong. The opposite actually happens. Studies show employees who take their vacation get more raises and promotions.

David Weisenfeld: Now Robert, you’ve found that the irony in all of this is that those employees who regularly take all or most of their annual leave are generally more productive than their workaholic colleagues rather than less, as you just noted with the findings about the raises. So tell us a little bit more about that. [0:03:43.0]

Robert Teachout: That’s right, David. The Society for Human Resource Management found that more than 75-78% of HR managers think employees who take vacation are more productive and have greater job satisfaction. And that makes sense. By taking regular time off, employees come back more invigorated and with higher morale. And employees who take vacation are more rested, so they have fewer days’ absence due to illness. They have fewer accidents and work safer, so therefore you have that productivity benefit.

David Weisenfeld: There was an old joke in radio I remember that, ‘Never take vacation because they might find your replacement while you’re gone,’ but it sounds like some of these employees might have a similar fear. But perhaps that’s unfounded. [0:04:31.2]

Robert Teachout: It really is. It’s more like the country and western song that says, ‘How can I miss you if you never leave?’ So if you think about it, when you go on vacation and people are having to suddenly find other ways to make sure your work is done, you’re appreciated more. And this is my speculation.

So if you go on vacation, you come back, all of a sudden the boss remembers, ‘Hey, what a great job you actually do cause he had to do it for two weeks. You’re going to get that promotion and get that raise.'
David Weisenfeld: So let’s talk a little bit now about concrete tips. Is there anything employers can do to help reverse the trend here? Because from 1978 to 2000 you wrote that employees were taking a shade over 20 vacation days per year, but this study revealed that that number has dropped by a full three-and-a-half days since then. So what can employers do? [0:05:20.7]

Robert Teachout: Oh yeah, employers can definitely be upping their game on this. It not only benefits the employees but it also helps the organization. Employers who use best practices for leave can gain a reputation as an employer of choice. You know employees do talk, and they share their stories about their jobs and their workplaces, and nowadays websites like Glassdoor and Indeed.com make that even easier.

So an employer can be attracting more and better talent with good vacation practices. For instance, employers can start by creating the culture that not only encourages taking vacations but also does not discourage taking time off. Executives and managers should start setting the example by taking their own vacation and then talking about it. There’d be an explicit expectation that should be conveyed that employers will take regular time off and an explicit (not implicit – explicit) expectation that employees will take full advantage of all of their annual leave time.

David Weisenfeld: Again my guest is XpertHR Legal Editor Robert Teachout, and Robert it’s in any company’s interests, of course, to have more productive employees. Nobody wants their workers to be burned out. So we talked a little bit about employers. What about HR departments specifically? Is there anything they can do to make employees feel more comfortable in using their time? [0:06:49.1]

Robert Teachout: Well yeah. HR is in a great position to improve the situation. First, as they hire and onboard the employees they can make sure the vacation and holiday policies are clearly explained, and what the procedures are for using the benefits. The HR policy also needs to assign somebody in that workplace structure, in the chain of command, who’s responsible for making sure employees are taking their time off. And that’s usually the supervisor.

Another thing HR can do is to have in place a policy and a procedure for bringing in temporary outside help during extended vacations, and to help supervisors understand when and how to use it. That tells the employee that they won’t be coming back to a pile of work, and it keeps co-workers from being overburdened and getting resentful by having to pick up the slack.

So the whole message then is conveyed that your vacation time... you are valued, your vacation time is valued, your family life is valued.

David Weisenfeld: Now much has been made of how the US is lagging behind every other Western country in terms of family and medical leave. So could that be a factor at all in play here, that individuals are concerned they might need those extra days they’re not using in case of an extended family emergency? [0:08:05.5]

Robert Teachout: Well David, surprisingly that seems to have little impact on leave usage. I mean think about it. We’ve all known employees who have a
big event coming up. They're saving their leave for a major FMLA
health thing – the birth of a child or major scheduled surgery. But that
leave then does get used. It’s just not getting used for vacation.

And the increase in the employer’s use of paid time off policies, you’d
say, ‘Okay, ’cause you’ve got to use some of that leave for sick time,
so maybe people are holding it?’ Well studies have shown that’s just
really not the case. It’s had a very minimal effect on the amount of
leave time people are taking. So it’s counterintuitive but that’s really
not what’s happening. It’s more the other things that people have
talked about – a pile of work, afraid of lack of promotion – and frankly,
you’ve got to blame the bosses. They’re just not cutting it when it
comes to helping their employees take a vacation.

David Weisenfeld: Well in our final seconds, Robert, is there any last thought that you’d
like to leave with our listeners? [0:09:07.4]

Robert Teachout: Yeah, sure. Employees – take your vacation! And employers – help
them plan and take their vacation. When you do it, everybody’s better
off for it.

David Weisenfeld: Okay, we’ll let that be the last word. Robert Teachout is a Legal Editor
with XpertHR, and he’s written extensively in his career about
employee leave plus many other employment law topics. And you can
read his blog, “School’s Out, Beaches Are Open, Why Aren’t Workers
Taking Vacation?” on XpertHR.com. Robert, thanks so much for your
insights.

Robert Teachout: Well thank you for letting me come today. I’ve really enjoyed it.

David Weisenfeld: I’m David Weisenfeld. We hope you’ve enjoyed this podcast.
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