

# TRANSFORMING VACATION CULTURE IN THE WORKPLACE

**American workers (96%) and senior business leaders (95%) universally recognize the importance of using paid time off, but a majority (54%) do not use all their time off.**

For decades, Americans took an average of 20.3 days of vacation, but in 2000, usage fell below the long-term average and has yet to recover. The latest data shows the trendline moving in a positive direction, back up to 16.8 days used in 2016, after losing almost a week of vacation time.

The growing stockpile of unused paid leave is contributing to worker burnout and even larger balance sheet liabilities that directly affect a company's bottom line. **There is \$272 billion in accumulated vacation time sitting on the balance sheets of American corporations.** This liability accrues annually when employees roll over unused paid time off, and it does not include sick or personal leave. Beyond the business implications, the intrinsic costs of unused vacation are equally important. When employees don't use their time off, research shows it affects their happiness, health, and performance and productivity at work, all of which can undermine company success.

**The culture of silence and work martyrdom that has contributed to our vacation decline must change.** A cultural shift in America's workplaces will be essential to win back America's Lost Week of vacation. To achieve this shift, organizations may not need to change their current time off policies. Change could be as simple as communicating current policy and underscoring the importance of time off to your organization.

Below are actions senior business leaders should consider to gain an understanding of their organization's vacation culture and to create change around time off.

## Evaluate Time Off Culture and Usage

**It is vital to understand your employees' use of and attitudes toward paid time off. Consider what you know about time off policy and how it is communicated to employees:**

- Total accrued days off annually and average per employee (if your company allows employees to bank or roll over unused days)
- The size of the organization's vacation liability (if your company allows employees to bank or roll over unused days, this is based on days of accrued leave and employee compensation)
- Unused time off against performance, employee turnover, and job satisfaction by department or division to determine any correlations
- What messages are sent during recruiting, onboarding, and performance evaluations?
- What messages are included in internal communications during the year?
- Do company executives encourage employees to take time off?
- Do managers highlight the benefits of time off with their employees, including emphasizing the importance of time off for their own performance and effectiveness?
- Total unused days off annually and average unused days per employee, by title, tenure with company, and department or division

With this information, you can benchmark your leave policies, employee practices, and liability against national averages to see how your organization ranks and where you need to improve.



## Chart a Path Forward

**Leadership is a crucial element to the success of any strategic endeavor. It is no different when it comes to building an organizational culture that motivates employees to use their hard-earned time off—delivering benefits to business productivity, employee retention, engagement, and morale.**

Equipped with an understanding of your organization's vacation culture, identify key stakeholders, from executive leadership, finance, human resources, and communications, who can work together to define a goal and plan for implementing change.

The goal will not be the same for every organization. Goals to consider:



Increase number of employees who plan their time off by X percent.



Cross-train staff to ensure coverage for time off.



Reduce average unused days off by X per employee annually.



Reduce vacation liability by X percent annually.

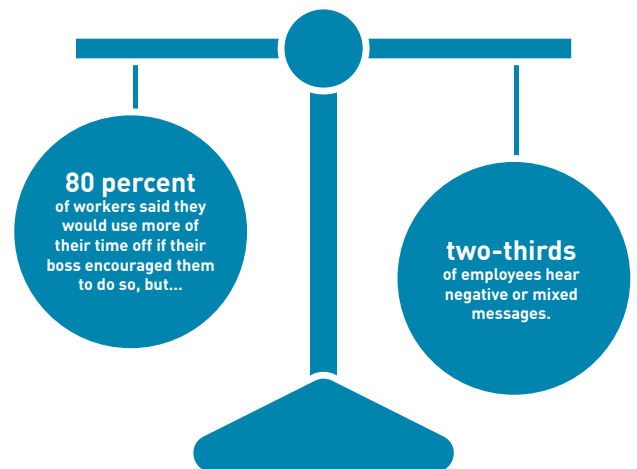
Gaining buy-in across levels, departments, and functions will be essential to achieving your organizational goals and ultimately creating change.

## Examine New Ways to Communicate

**At the heart of high-performing organizations is strong, effective employee communications. This goes for vacation culture as well; an organization's time off policy is only worth the paper it is printed on if a company does not communicate about it.**

Ensuring the entire organization understands the corporate value placed on using paid time off is paramount to driving employees to act. According to Project: Time Off research, 80 percent of workers said they would use more of their time off if their boss encouraged them to do so, but nearly two-thirds (66%) of employees hear negative or mixed messages—and, most frequently, nothing at all—about using vacation time.

Communications efforts will look different for every organization, but **consistent and regular communications are essential**. Consider the following tactics:



Develop a broader campaign to motivate behavioral change.



Activate your CEO or appropriate senior leader to serve as a spokesperson on the topic.



Add reminders and messaging to existing internal communications (e.g., newsletters, e-mails, social media staff meetings).



Update your time off policy to include messaging around the benefits of time off and importance your organization places on employees taking vacation.

**When it comes to your employees and business, time off is as important as time on. And to realize the benefits of time off, it requires a shift from a culture of silence to a culture of encouragement.**