

Introduction

Employees who take most or all of their vacation time each year perform better, are more productive and more satisfied in their jobs than those who do not, according to HR professionals. In a study conducted by the Society for Human Resources Management (SHRM) for Project: Time Off, talent managers and human resource (HR) professionals overwhelmingly agree that fully utilizing vacation leave drives higher employee performance and productivity, boosts organizational morale, contributes to employee wellness and results in higher employee retention.

However, despite employers' perception that vacation delivers clear benefits, employees are leaving time on the table. The findings make clear that encouraging employees to use their vacation days plays a vital role in contributing to the success of the entire organization.

Methodology

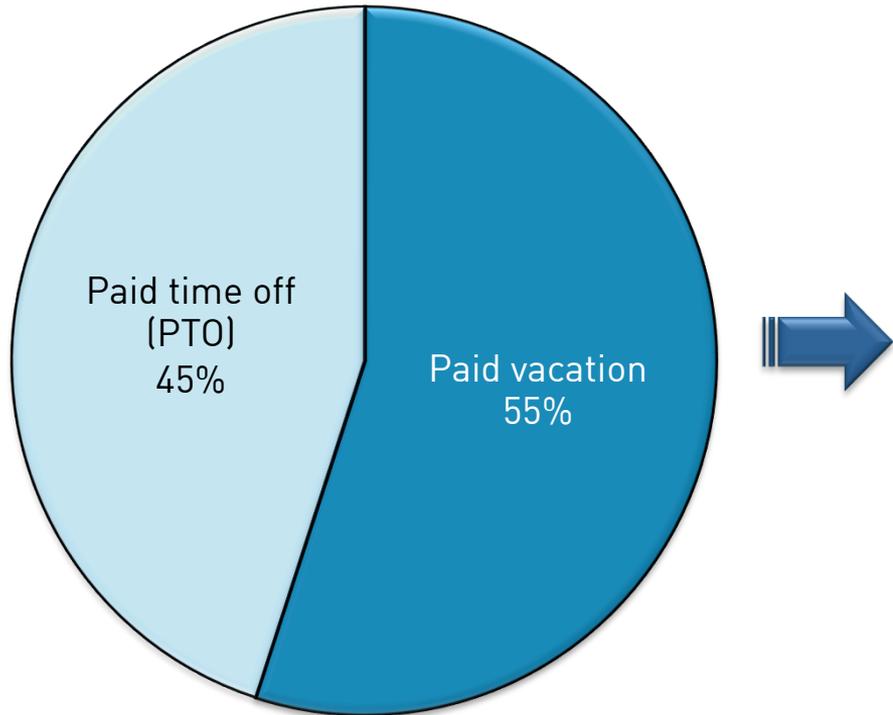
SHRM's report, "Vacation's Impact on the Workplace," surveyed 481 randomly selected, U.S.-based human resource professionals at the director level or above from among SHRM's membership. The survey was conducted between August 22 and September 5, 2013. SHRM is the world's largest association devoted to human resource management and represents more than 250,000 members in over 140 countries. This research allowed a margin of error of +/-5%.

Implications

- **Know the numbers.** HR professionals overwhelmingly agree that it is important for employees to take vacation for factors such as employee satisfaction, productivity, wellness, etc. Therefore, it would be valuable to know how many vacation days employees are using and whether they are neglecting to take vacation. If employees are not taking vacation days, what is the reason?
- **Take a lead.** HR professionals can help influence the organization's culture regarding vacation. Does your organization's vacation policy fit with your organization's culture? Is the vacation policy being communicated and applied accurately and fairly across the organization?
- **Understand your employees.** Many employers are doing more with less in the current economy. This could mean that your employees have greater workloads and are taking on more responsibility. Could your organization's employees be feeling overwhelmed? Do managers and leaders encourage employees to take vacation? Do employees feel comfortable requesting vacation time? Is there a stigma with taking too much vacation time?

Detailed Findings

Type of vacation benefits offered to full-time employees.



Because this study focuses on vacation benefits, the next slides in this section about the number of vacation days were only asked of those organizations with a paid vacation plan.

Note: n = 481. Organizations that do not offer vacation benefits were excluded from this analysis.

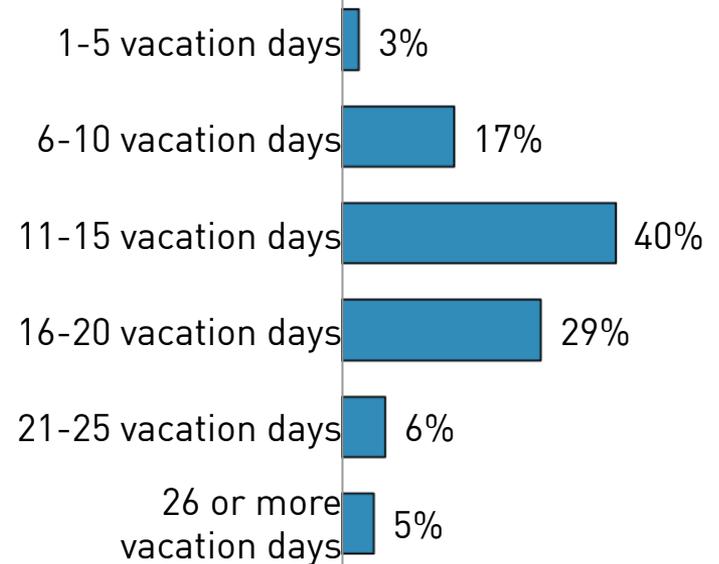
Paid vacation days offered to full-time employees.

New Employees: Number of vacation days for one year of service

	Vacation Days
Average	11
Minimum	5
Maximum	30

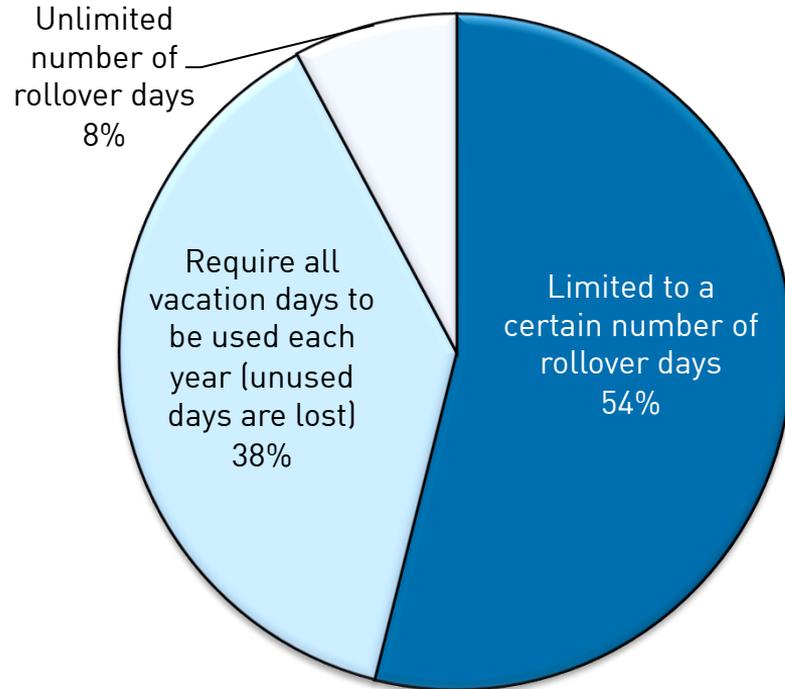
n = 261

All Employees: Average number of vacation days accrued annually



Note: n = 235. Respondents who answered "don't know" were excluded from this analysis.

Vacation rollover policy for full-time employees.



For organizations with limited rollover days, 56% allow 1-10 vacation days to be rolled over from one year to the next.

Note: n = 256. Only organizations with a paid vacation plan were asked this question. Organizations that offer unlimited vacation were excluded from this analyses.

Vacation rollover policy for full-time employees by organization sector.

Comparisons by organization sector

- Publicly and privately owned for-profit organizations are more likely than nonprofit organizations to **require all vacation days to be used each year.**

Comparisons by organization sector: No Rollover

Publicly owned for-profit (55%)
Privately owned for-profit (46%)

→

Nonprofit (25%)

- Nonprofit and government organizations are more likely than publicly-owned organizations; and nonprofit organizations are more likely than privately owned for-profit organizations to **allow a limited number of vacation days to be rolled over from one year to the next.**

Comparisons by organization sector: Limited Rollover

Nonprofit (70%)
Government (71%)

→

Publicly owned for-profit (33%)

Nonprofit (70%)

→

Privately owned for-profit (49%)

- Government organizations are more likely than privately owned for-profit and nonprofit organizations to **allow an unlimited number of vacation days to be rolled over from one year to the next.**

Comparisons by organization sector: Unlimited Rollover

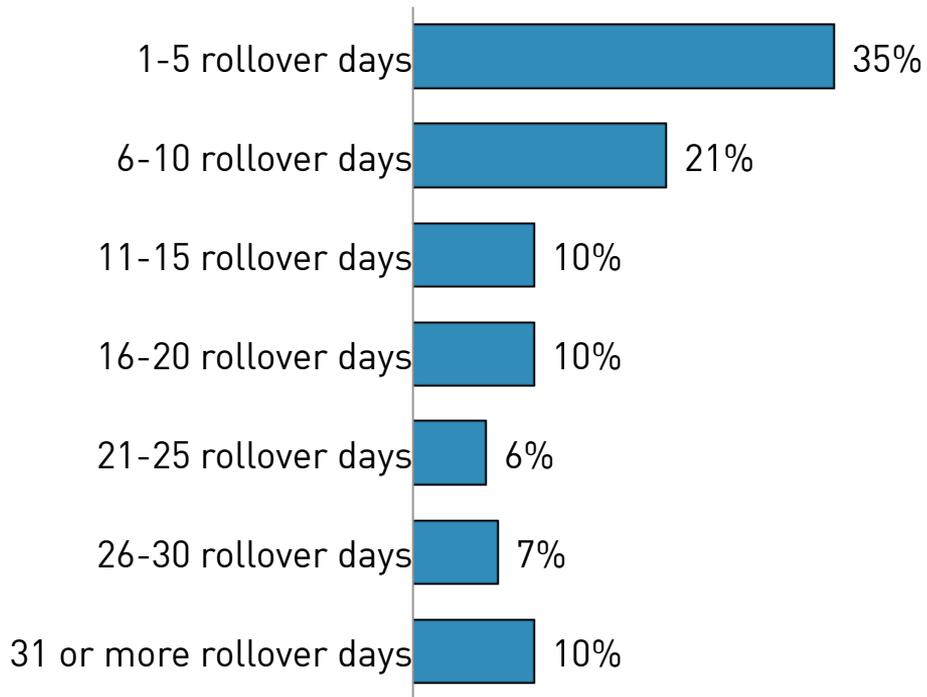
Government (29%)

→

Privately owned for-profit (5%)
Nonprofit (5%)

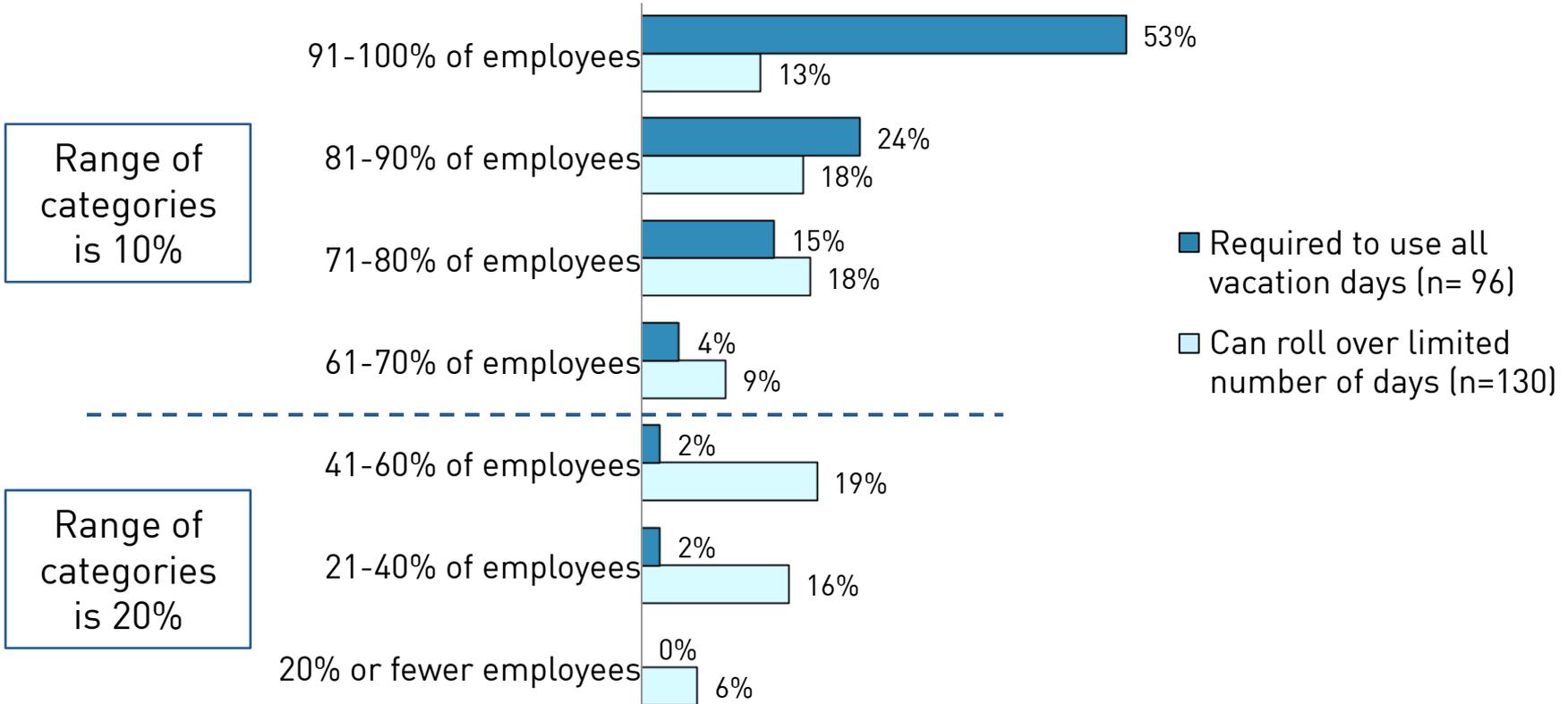
Note: Only statistically significant differences are shown.

Number of vacation rollover days for full-time employees at organizations with a limited rollover policy.



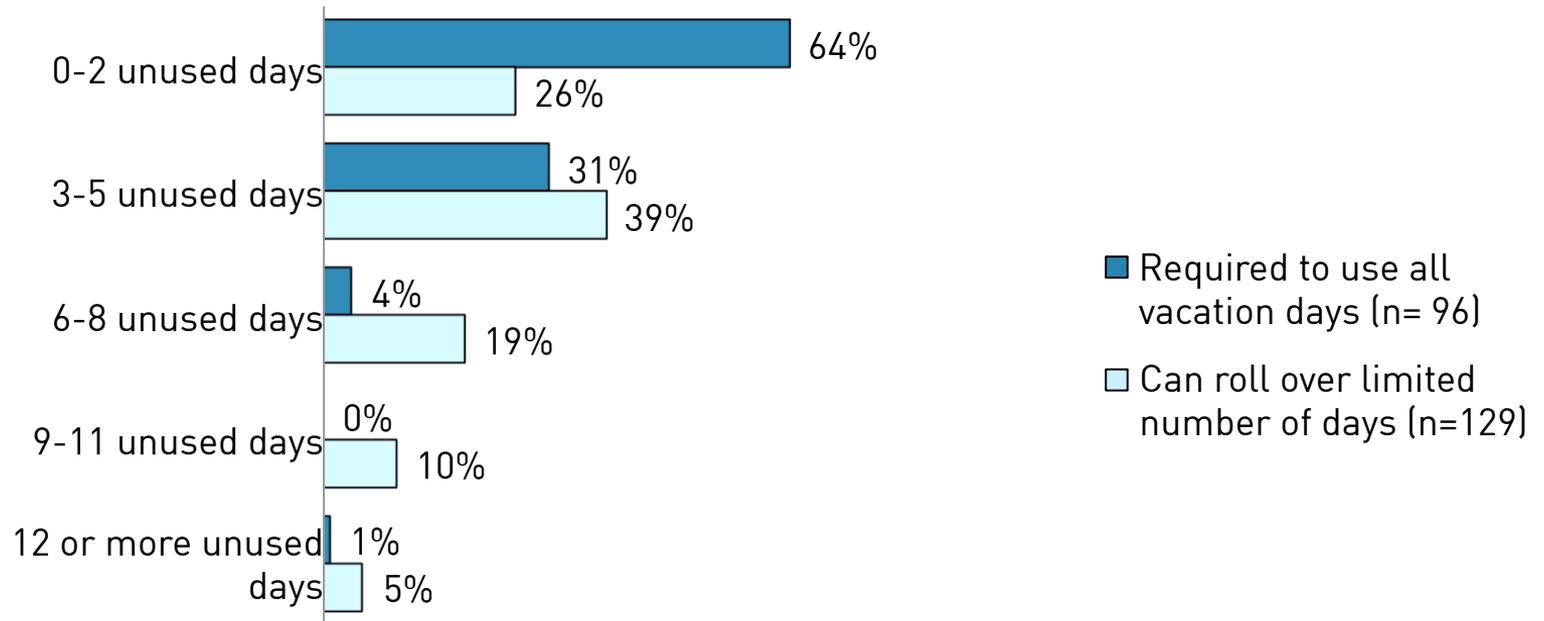
Note: n = 134. Only organizations with a paid vacation plan that allows a limited number of rollover days were asked this question. Percentages do not equal 100% due to rounding.

Percentage of organizations' full-time employees that fully utilize all of their accrued paid vacation days each year.



Note: Only organizations with a paid vacation plan were asked this question. Percentages may not equal 100% due to rounding. Organizations that offer unlimited vacation were excluded from this analyses.

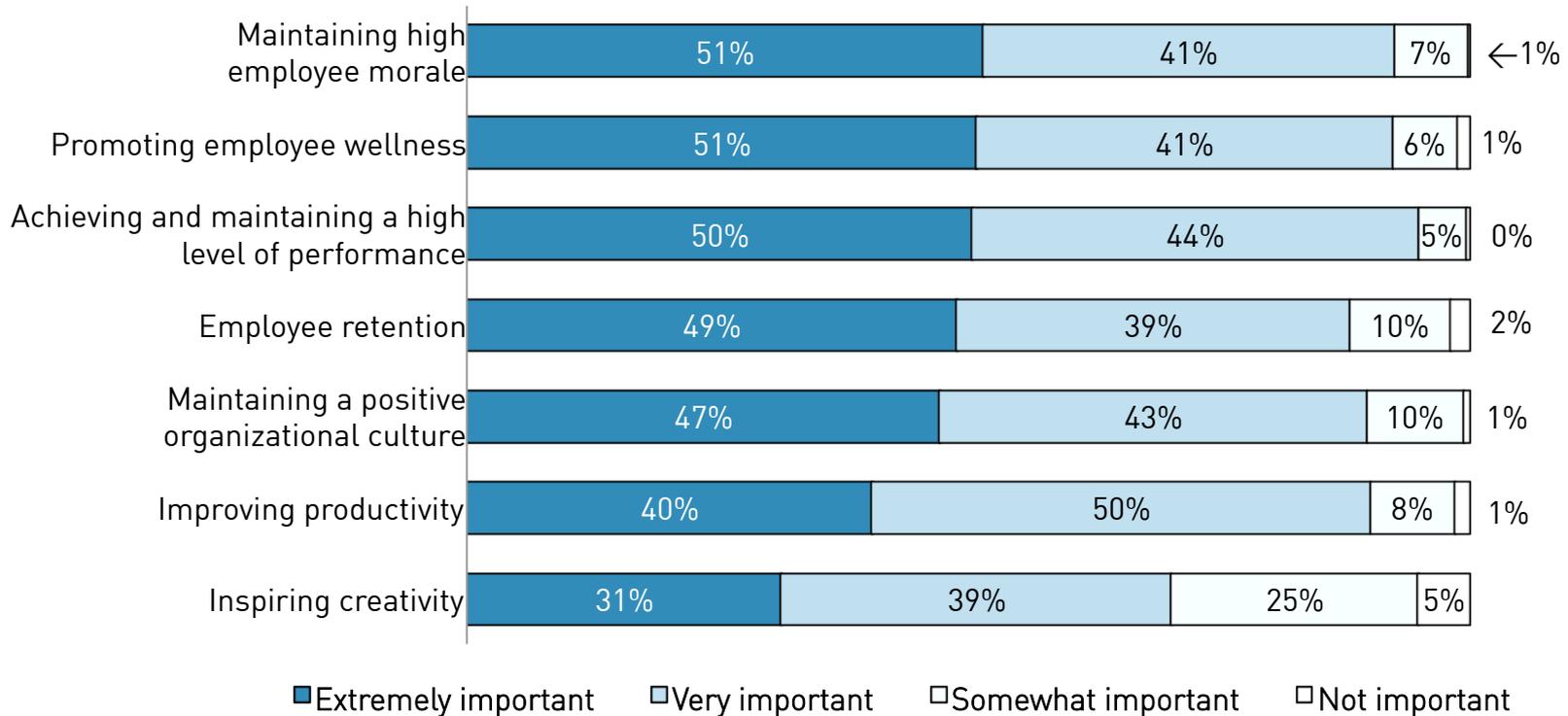
Average number of unused vacation days for full-time employees.



Note: Only organizations with a paid vacation plan were asked this question. Percentages do not equal 100% due to rounding. Organizations that offer unlimited vacation were excluded from this analyses.

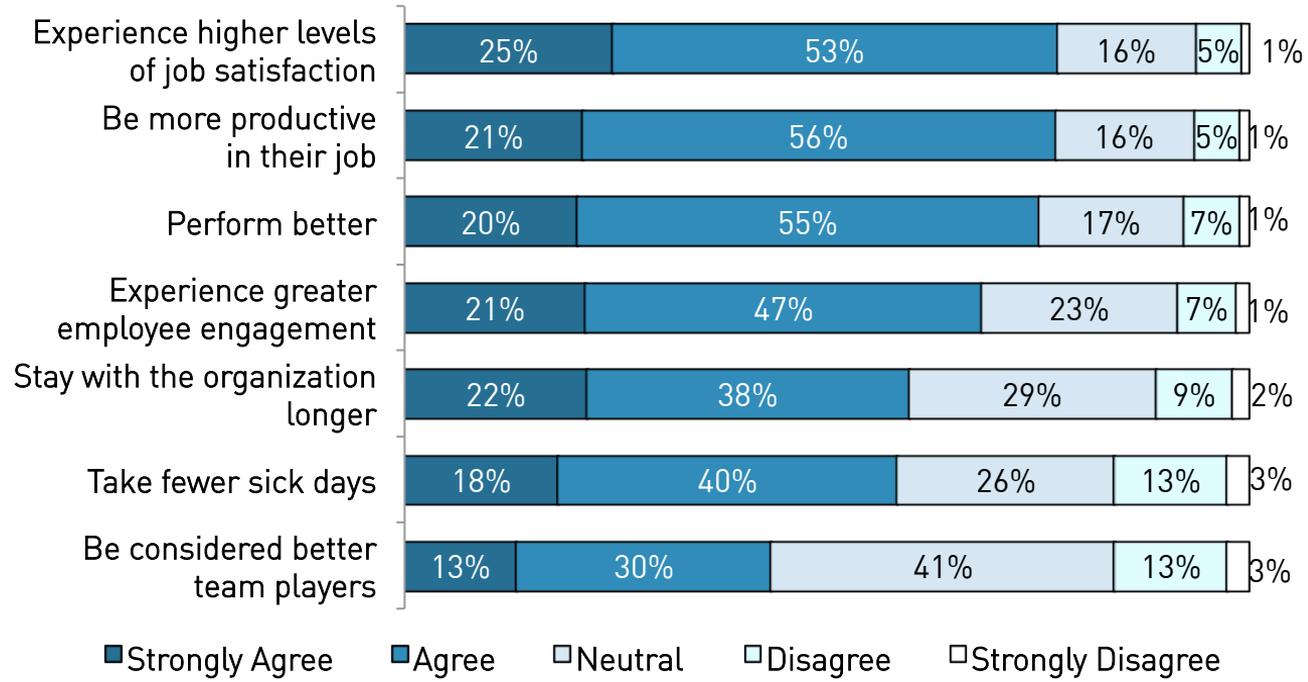
The Importance of Taking Vacation

HR professionals' opinion about the importance of taking vacation for:



Note: n = 468-480. Respondents who answered "don't know" were excluded from this analysis. Percentages may not equal 100% due to rounding. The "not important" category is a combination of "not very important" and "not important at all" responses.

HR professionals' agreement/disagreement: "Employees who take most or all of their vacation each year are more likely than employees who do not to..."



Note: n = 461-475. Respondents who answered "don't know" were excluded from this analysis. Percentages may not equal 100% due to rounding. Questions are sorted in descending order by the sum of "strongly agree" and "agree" responses.

HR professionals' agreement/disagreement: "Employees who take most or all of their vacation each year are more likely than employees who do not to..."

Comparisons by rollover policy

- HR professionals at organizations that require employees to use all vacation days are more likely than HR professionals at organizations that allow employees to roll over a limited number of vacation days to **agree** that employees who take most or all of their vacation days each year will **stay with the organization longer** compared with employees who take less vacation.

Comparisons by rollover policy: <u>Agree</u> that employees who take most or all of their vacation will stay with the organization longer		
Required to use all vacation days (70%)	→	Can roll over limited number of days (55%)

- HR professionals at organizations that require employees to use all vacation days are more likely than HR professionals at organizations that allow employees to roll over a limited number of vacation days to **agree** that employees who take most or all of their vacation days each year will **be more productive in their job** compared with employees who take less vacation.

Comparisons by rollover policy: <u>Agree</u> that employees who take most or all of their vacation will be more productive in their job		
Required to use all vacation days (85%)	→	Can roll over limited number of days (69%)

Note: Only statistically significant differences are shown. The "agree" category for this analysis is a combination of "strongly agree" and "agree" response options.

HR professionals' agreement: "Employees who take most or all of their vacation each year are more likely than employees who do not to..."

Comparisons by organization sector

- HR professionals at privately owned for-profit organizations are more likely than HR professionals at government organizations to **agree** that employees who take most or all of their vacation are more likely to be **productive in their job** compared with employees who take less vacation.

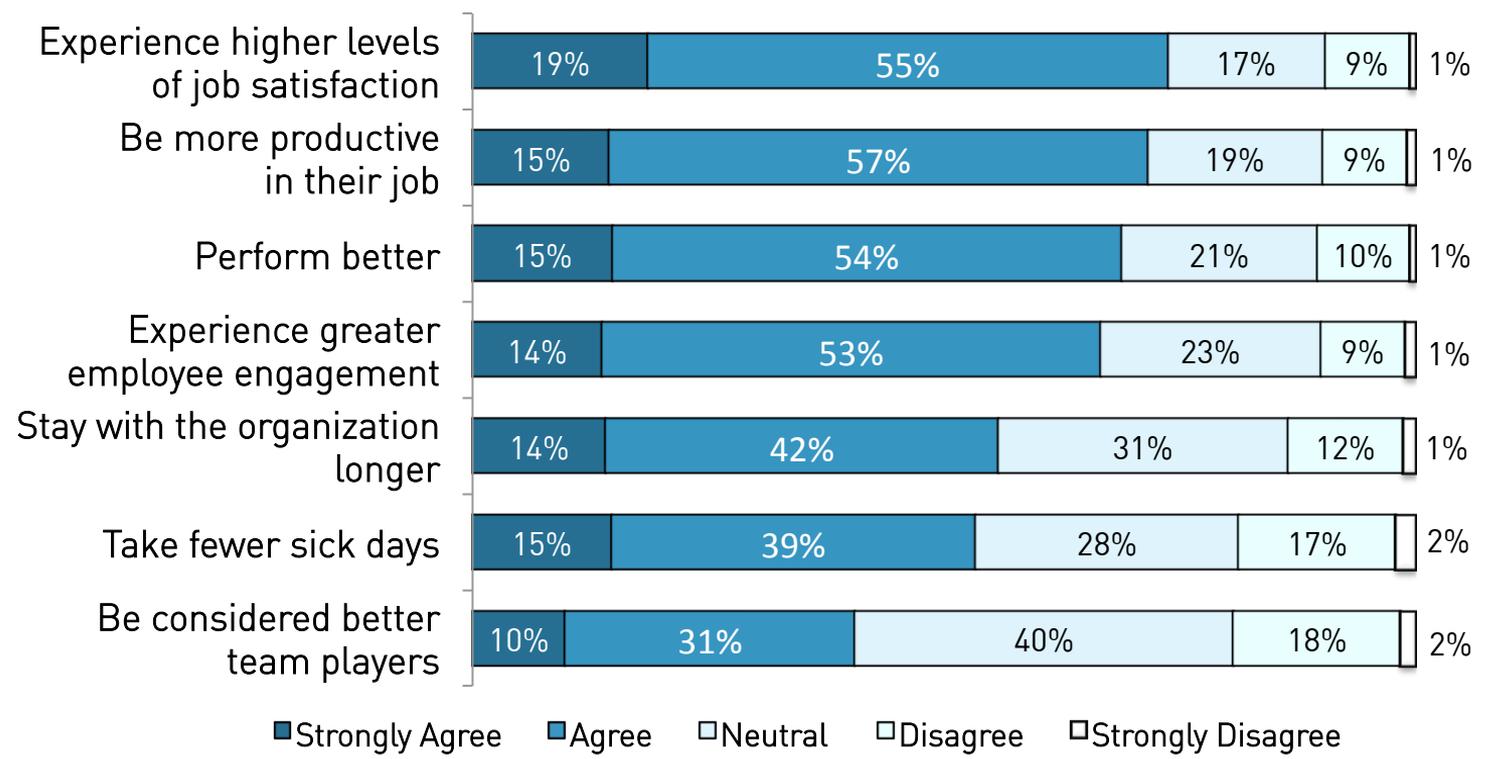
Comparisons by organization sector: <u>Agree</u> that employees who take most or all of their vacation are more likely to be more productive in their job		
Privately owned for-profit (79%)	→	Government (57%)

- HR professionals at publicly owned for-profit organizations are more likely than HR professionals at nonprofit and government organizations to **agree** that employees who take most or all of their vacation are more likely to **experience higher levels of job satisfaction** compared with employees who take less vacation.

Comparisons by organization sector: <u>Agree</u> that employees who take most or all of their vacation experience higher levels of job satisfaction		
Publicly owned for-profit (89%)	→	Nonprofit (71%) Government (63%)

Note: Only statistically significant differences are shown. The "agree" category for this analysis is a combination of "strongly agree" and "agree" response options.

HR professionals' agreement/disagreement: "If employees who were taking less vacation started taking more of their available paid vacation days each year, they would be more likely to..."



17 Note: Only organizations with a paid vacation plan were asked this question. Percentages do not equal 100% due to rounding. Organizations that offer unlimited vacation were excluded from this analyses.

HR professionals' agreement/disagreement: "If employees who were taking less vacation started taking more of their available paid vacation days each year, they would be more likely to..."

Comparisons by organization sector

- HR professionals at publicly and privately owned for-profit organizations are more likely than HR professionals at nonprofit organizations to **agree** that if employees who were taking less vacation started taking more vacation, they would **experience greater employee engagement**.

Comparisons by organization sector: <u>Agree</u> that if employees started taking more vacation they would experience greater employee engagement		
Publicly owned for-profit (74%) Privately owned for-profit (70%)	→	Nonprofit (51%)

Note: Only statistically significant differences are shown. The "agree" category for this analysis is a combination of "strongly agree" and "agree" response options.

Demographics

Demographics: Organization Industry

	Percentage
Professional, Scientific and Technical Services	25%
Health Care and Social Assistance	18%
Finance and Insurance	13%
Manufacturing	13%
Government Agencies	9%
Educational Services	8%
Religious, Grant-making, Civic, Professional and Similar Organizations	5%
Retail Trade	5%
Accommodation and food services	4%
Construction	4%
Information	4%

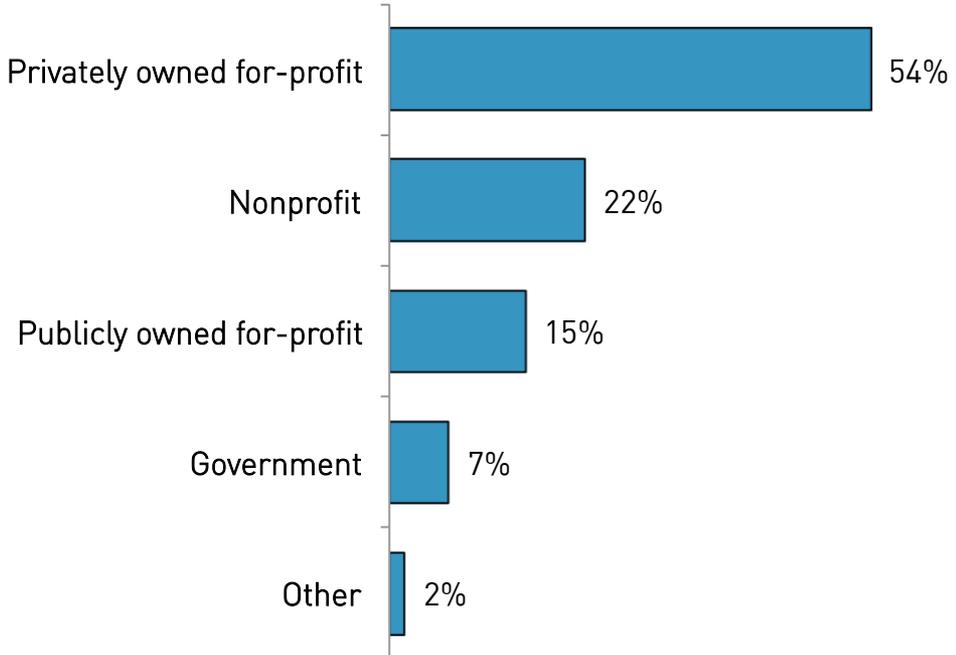
Note: N= 464. Percentages do not equal 100% due to multiple response options.

Demographics: Organization Industry (continued)

	Percentage
Transportation and Warehousing	4%
Wholesale Trade	4%
Utilities	3%
Administrative and Support and Waste Management and Remediation Services	2%
Arts, Entertainment, and Recreation	2%
Mining, Quarrying, and Oil and Gas Extraction	2%
Real Estate and Rental and Leasing	2%
Repair and Maintenance	2%
Agriculture, Forestry, Fishing and Hunting	1%
Personal and Laundry Services	←1%
Other Industry	3%

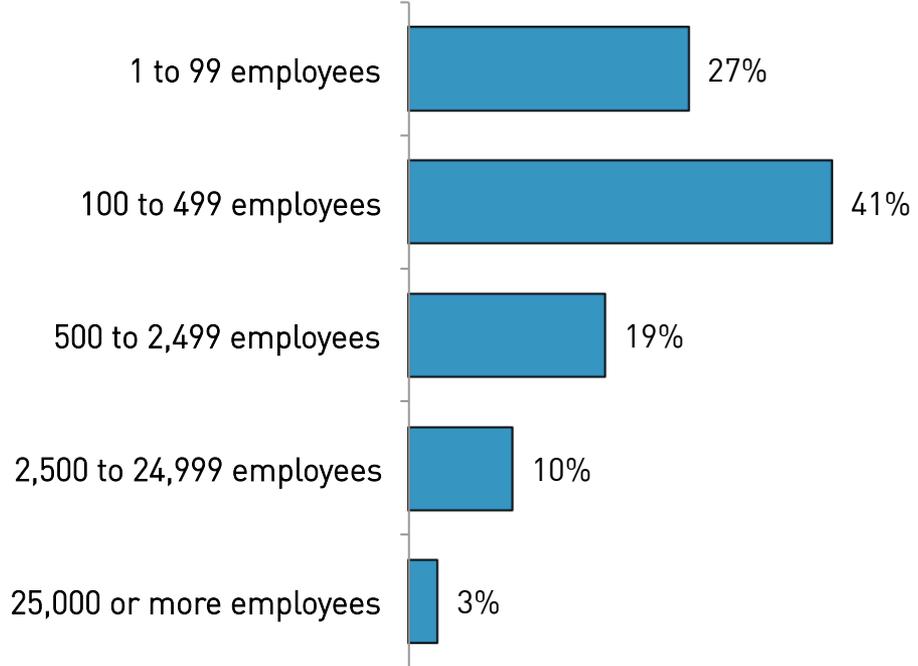
Note: N= 464. Percentages do not equal 100% due to multiple response options.

Demographics: Organization Sector



n= 463

Demographics: Organization Staff Size



n= 457

Demographics: Other

Does your organization have U.S.-based operations (business units) only, or does it operate multinationally?

U.S.-based operations only	84%
Multinational operations	16%

n= 469

What is the HR department/function for which you responded for throughout this survey?

Corporate (companywide)	87%
Business unit/division	10%
Facility/location	3%

n= 307

Is your organization a single-unit organization or a multi-unit organization?

Single-unit organization: An organization in which the location and the organization are one and the same.	36%
Multi-unit organization: An organization that has more than one location.	64%

n= 469

For multi-unit organizations, are HR policies and practices determined by the multi-unit headquarters, by each work location or by both?

Multi-unit headquarters determines HR policies and practices	68%
Each work location determines HR policies and practices	2%
A combination of both the work location and the multi-unit headquarters determines HR policies and practices	31%

Note: n=307. Percentages do not equal 100% due to rounding.



The Society for Human Resource Management (SHRM) is the world's largest association devoted to human resource management. Representing more than 260,000 members in over 140 countries, the Society serves the needs of HR professionals and advances the interests of the HR profession. Founded in 1948, SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China and India.

PROJECT: TIME OFF

Project: Time Off is the U.S. Travel Association's research-driven initiative to prove the personal, business, social, and economic benefits that taking earned time off can deliver. For more information about the survey findings, visit ProjectTimeOff.com.



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