They say absence makes the heart grow fonder. While that statement wasn’t written with work in mind, it still applies. Time away from work certainly does help keep employees happy, engaged and more productive. That said, is your organization doing what it can to track, manage and even encourage employees to take advantage of the leave offered to them? If you’re not sure, read on for proof points of the valuable role time off plays in overall employee satisfaction and how you can better track leave balances and accruals.
How Leave Management Helps Employees Achieve Better Work-Life Balance

For many people, attaining a healthy work-life balance can sometimes feel like an impossible goal. The fast pace of work combined with today’s digital tools keeps many employees connected far beyond traditional working hours, making it harder for them to pull away for much-needed time off.

Despite potential obstacles, creating opportunities for time off is essential for employees and your organization. A well-thought-out strategy for employee leave management can help you support a healthy work-life balance for employees, resulting in a productive and engaged workforce.
How Employee Leaves Benefit the Workplace

Although employees receive time off to support their work-life balance, many don’t take full advantage. According to a U.S. Travel Association survey, 52 percent of employees reported having unused vacation days left over at the end of the year.

In recent times, employees may have been even less inclined to take time off, as lockdowns and travel restrictions have resulted in limited getaway options. However, even if employees may not be going on a traditional “vacation,” they can still benefit from taking time off. By encouraging employees to take advantage of leave time offered, your business and employees can realize the following benefits...
Fewer Instances of Burnout
A recent Spring Health survey revealed that 76 percent of employees *feel burnt out at work*, and nearly one in three said that paid time off would help them avoid or reduce burnout. Employees who have time off to decompress can explore interests, hobbies and other activities that allow them to reduce stress and come back to work refreshed and well-rested. When employees are allowed more time away from the office, through both vacation and sick time, they are better able to take care of themselves and their families.

Lower Healthcare Expenses
Harvard University researchers found that workplace stress costs U.S. companies up to $190 billion in additional healthcare costs each year. By offering employees time away from work to manage their stress, you aren’t just supporting their overall well-being—you may also be helping them avoid the healthcare costs associated with stress-induced physical and mental illnesses, such as depression, heart disease and high blood pressure.

Higher Productivity
Employees that feel stressed, overworked and in need of a healthier work-life balance can become distracted at work, limiting their productivity. But when employees take time off, they have an opportunity to pay attention to areas of their life outside of work. When they return, they may be less distracted and more ready to focus on their job-related goals.

33% report insufficient paid time off as contributing to their experiencing worker burnout.
How to Encourage Work-Life Balance Through Leave Management

A Deloitte survey found that only 23 percent of companies believe that they have the best solutions in place to support employee work-life balance. To support your workforce and achieve the many benefits of effective leave management, consider taking the following actions...
Establish a leave management policy
Your leave management policy provides an opportunity to communicate the importance of time off and your organization’s commitment to supporting a healthy employee work-life balance. The policy also clarifies the available kinds of leave, how employees can request time off and see balances, and what happens with unused leave. For example, it’s common for leave policies to distinguish between sick time and vacation time. As Mindy Honcoop, TCP’s Chief People Officer explains, “Ideally, vacation should be tracked separately from sick leave. Employees should be able to enjoy their vacation time rather than have to use it when they’re sick.”

Monitor employee leaves regularly
By tracking employee leave metrics, you can gain more visibility into when employees are taking time off and when there may be an issue. For example, you can identify which employees have accrued the most leave or have gone the longest without taking time off. Dashboards that help managers see these metrics in real time can enable more fruitful conversations with employees, including encouraging employees that haven’t been using their available leave to take some time off.
Remove the barriers that hinder employee time off

There can be several factors impacting an employee’s ability to take time off. For example, there could be a lack of cross training, making an employee the only one who can perform specific tasks. Or, you may be offering employees a payout for unused vacation time, which can encourage employees to save time rather than use it. As a result, time off can become stigmatized and employees may eventually become uncomfortable making requests.

It’s critical to remove these barriers so your employees can work in an environment where taking time off is not only accepted, but welcomed. Even in states where time-off payouts at termination are required, you can implement policies that specifically encourage employees to use time off within a specified timeframe each year.

Ensure that managers lead by example

Company leaders can set the tone for work-life balance by making it a priority for themselves. For example, when managers take time off and encourage their teams to do the same, employees will naturally see time off as an accepted norm in your work culture. Managers can also regularly encourage a healthier work-life balance with employees one-on-one and in team meetings.
Support Your Workforce with Effective Leave Management

In today’s fast-paced world, employees are pulled in many different directions, making time off essential to prevent burnout and support a healthier work-life balance. Tools for tracking and managing employee leave can help you efficiently and transparently track and manage employee leave.

Up Next: Should Leave Be Mandatory?
Should Leave Be Mandatory?

To encourage employees to take time off, many companies have implemented a “use it or lose it” time off requirement. The policy is simple: if employees don’t use their accrued time each year, they lose it. However, what are the benefits and drawbacks of such an approach? Are there alternatives that would make better sense for your organization?
Pros and Cons of Mandatory Leave

On one hand, a “use it or lose it” vacation policy encourages employees to use their time off during the calendar year. For many employees, the risk of forfeiting unused vacation time is sufficient motivation to take time off, ensuring that they don’t go too long without taking a break.

On the other hand, mandatory leave can be frustrating for employees who want to save their accrued time off for a big trip or event the following year, such as a honeymoon or family reunion. Moreover, policies that cause employees to lose unused vacation time are not legal in all states. For example, California, Montana, and Nebraska specifically prohibit such policies. Other states allow “use it or lose it” policies, but with some restrictions.
Mandatory Leave Alternatives

If you want to encourage employee time off or even require it in certain circumstances, there are alternatives to a “use it or lose it” policy. Here are some of the other ways you can manage leave so that employees take a reasonable amount of time off:
Carry-Over Rules and Occasional Exceptions
Allowing employees to carry over a specific amount of unused vacation time into the following year provides additional flexibility. For example, as a kind of modified “use it or lose it” policy, you can allow employees to carry over unused vacation into the first quarter of the following year, or allow a specific number of unused days to carry over.

You can also leave room for rare exceptions, so that employees planning a big trip have the option of getting special managerial approval to save up days instead of having them expire at year end.

Employee Payouts for Unused Vacation
In some states, employers must pay employees for any accrued, unused vacation time at termination. Even when it is not required by law, you may choose to pay employees for unused vacation voluntarily, so they can benefit from your vacation policy without taking time off. However, it is important to note that this practice may encourage employees to cash in on unused vacation time rather than use it and be counterproductive to a healthy work-life balance.

Vacation Time Donations
In an International Foundation of Employee Benefit Plans (IFEBP) survey, nearly one-third of companies said they allow employees to donate their unused vacation time. A leave donation program enables employees to donate their vacation to various allowable beneficiaries, such as a coworker in need, a charitable organization or a company pool from which time is reallocated to the workforce.

Keep in mind that although a donation program empowers employees to use their vacation time in creative ways, it may also have costly tax implications.
Set Additional Company Holidays and “Floaters”
Companies that seek different ways to offer employees more leave may consider alternatives like “Summer Fridays” or complete office closures during the last week of the year. This saves employees from having to use leave for times when business is often slow anyways. In some cases, it may cost less to keep your offices closed in the week leading up to New Year’s Day.

To give employees more flexibility, you can also offer “floater” holidays, which allow employees to choose additional days to apply their vacation time. For example, floaters allow employees to lengthen a holiday weekend or take additional time off for religious observances.

Unlimited Vacation Time
Though still an emerging practice, some companies have transitioned to an unlimited vacation policy, in which employees neither accrue time off nor have any to “lose.” Instead, employees take vacation time when desired, usually in accordance with broad company guidelines detailing how much time off employees can expect to take each year.

Although unlimited vacation time is not a fit for all organizations and cultures, companies who use it rarely report abuse to the system. In fact, some companies have found that employees take the same or less vacation each year.
Select a Leave Management Policy That Suits Your Organization

There are many paths to support work-life balance and encourage employees to take time off. Whether you use a mandatory leave program or one of the many alternatives, you can establish a leave management policy that both supports employees and helps you maintain smooth business operations.

Whether you mandate employee leave or not, one thing is for certain: you’ll need a reliable leave management system to help you achieve compliant and efficient employee leave tracking.

Up Next: Top 7 Benefits of a Leave Management System
Top 7 Benefits of a Leave Management System

By now, we should understand the role employee leave plays in supporting a healthy work-life balance and different ways to encourage employees to take time off throughout the year. With these ideas in mind, is your leave management system making it easy to support these practices? An automated system, integrated with your time and attendance data can help you efficiently track employee leave and set parameters for requesting, approving and encouraging employee time off.
How a Leave Management System Delivers Value

When you consider the role of time off in managing employee burnout and achieving a healthy work-life balance, it makes sense to implement a leave management system that manages employee absences with complete visibility and accuracy.

Being unable to effectively track employee leave not only puts your business operations in disarray, but also negatively impacts your organization’s bottom line. According to the CDC Foundation, productivity losses linked to absenteeism cost employers $225.8 billion each year, or $1,685 per employee.

HR professionals who have experienced the headache of trying to manually track employee leave balances and accruals understand the importance of automated solutions. By implementing modern software to manage employee absences instead of antiquated paper- or spreadsheet-based systems, you can realize the following benefits:
Elimination of Manual, Paper-Based Processes
Leave management software automates the core functions of employee absence management and offers more functionality than you can achieve with spreadsheets and legacy time and attendance systems. Managers, employees, and HR have access to a central portal for all time and attendance activities. Because time off requests and reporting happen in the cloud, you can say goodbye to manual absence tracking for good.

Compliance with Regulatory Leave Requirements and Collective Bargaining agreements
Managing your workforce requires keeping track of both applicable leave laws and obligations under any established collective bargaining agreements. A leave management system allows you to manage leave for all employees, whether they are hourly or salaried, unionized and working under a collective bargaining agreement, or working in multiple locations.

Real-Time Leave Monitoring
A leave management system gives you complete access to all employee leave data, including accruals, leave balances, and information about special cases, such as when employees borrow against future accruals.

Furthermore, real-time access to employee leave data allows you to see who is approaching their leave limit, and who has not taken any leave and may need encouragement to take time off. And with full visibility into which employees have time off scheduled in the future, you can take steps to arrange shift coverage and temporary staff replacements.
Alignment of Leave Requests with Organizational Policies
With a robust leave management system, you don’t have to manually keep track of carryover rules and policies for leave exceptions. Instead, you can embed your leave policy requirements into the software. As a result, managers don’t have to worry about approving requests that fall outside of the policy, and you don’t have to wonder if accruals have been applied properly.

Automated Notifications for More Efficient Leave Management
Customizable notifications let you know when employees submit time off requests, when requests are approved, and when employees are approaching time off limits. You can also configure the software to remind managers when an outstanding request requires their attention. Instead of requests slipping through the cracks or sitting too long without a response, you can resolve requests and take quick action when there are exceptions in need of immediate attention.
Enhanced Capability of Workforce Management Systems

Through seamless integrations with an existing payroll, enterprise resource planning, or human capital management system, you can ensure employee leave data syncs with other critical areas of workforce management. For example, instead of completing manual payroll calculations, you can have your leave data flow automatically to your payroll system for more accurate statements each pay period.

Improved Communication Between Managers and Employees

When employees have an easy-to-use portal for requesting time off and seeing their balances, they don’t have to worry about tracking down their manager to request time off. In addition, with leave bidding tools and the ability to put requests on standby, managers can enjoy a stress-free process for managing future planned leave requests. Managers also have access to historical time off data for their team, so they can easily see who is taking time off—and who isn’t. With this data, managers can speak individually with employees about using their available time off and avoiding burnout.
Manage Employee Absences with Ease

Keeping track of employee absences, accruals, and leave balances doesn’t require manual calculations or a mass of spreadsheets. Instead, today’s leave management technology automates core functions and puts more data in your hands, so you know who is and isn’t working and where you need replacements. To see what your leave management system can do for you, contact us for a live demo of TCP’s best-in-class leave management solutions.