

**VISIER INSIGHTS™ REPORT**

# **THE PTO CONUNDRUM**

Tracking employees' vacation time to prevent burnout



**visier**



Employees seem to find themselves in a dilemma when it comes to their personal well-being and taking time off work. On the one hand, 57% of workers in a recent survey said they feel burnt out “most or all of the time,” a situation that has worsened since the onset of the COVID-19 pandemic.<sup>2</sup> On the other hand, relatively few employees are actually taking time off from work for vacation. Nearly half (42%) of U.S. workers report that they have not taken a vacation over the past year,<sup>3</sup> and during 2020 the use of vacation days by U.S. employees was at an all time low of the past 40 years.<sup>4</sup>

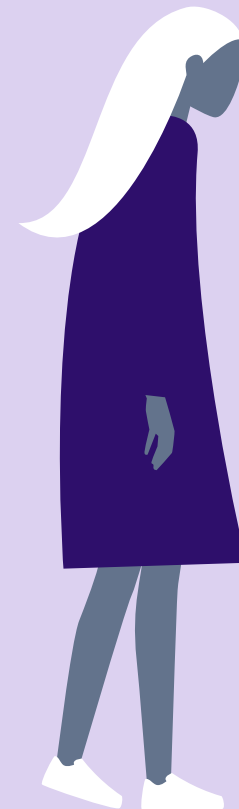
It is undisputed that taking time off work for leisure alleviates employees’ stress, mitigates the burnout risk, and enables high work performance.<sup>5</sup> And apart from the personal implications of burnout risk there is a clear business case to be made: burnout is expensive. The direct cost of burnout in employees was estimated to be \$125–190 billion each year in U.S. healthcare spending.<sup>6</sup>

But as we scraped our Visier Community Data that contains more than 17 million records of employees in 25,000 companies across 75 countries, we found that PTO utilization in the form of vacation time logged seems to be an underreported metric.<sup>7</sup> We draw this conclusion from the fact that only a small subsample of organizations in our database use their people analytics tool to understand vacation time utilization and its link to other metrics in the employee lifecycle. Here is what we found:

- Fewer than 60% of employees took vacation time in the past three years
- There are clear demographic differences in PTO utilization by gender, manager level, and tenure
- PTO utilization takes a regular seasonal pattern (and COVID-19 changed it all)

Recently, more and more organizations have begun to realize that there is value in focusing on PTO utilization as one way to prevent burnout. Employment ads for paid time off as a company benefit have climbed across the U.S. labor market—and have doubled for low wage jobs.<sup>8</sup> Therefore, at a time when employees are increasingly concerned about mental health, burnout, work life balance, and workload,<sup>9</sup> it may be necessary to start tracking PTO utilization and vacation time more closely.

Considering that absence and leave management emerged as an attribute of strategic HR functions this year,<sup>10</sup> this report can help inform HR leaders about current PTO utilization trends and ways to make the right talent decisions around their workforce’s PTO and burnout prevention.

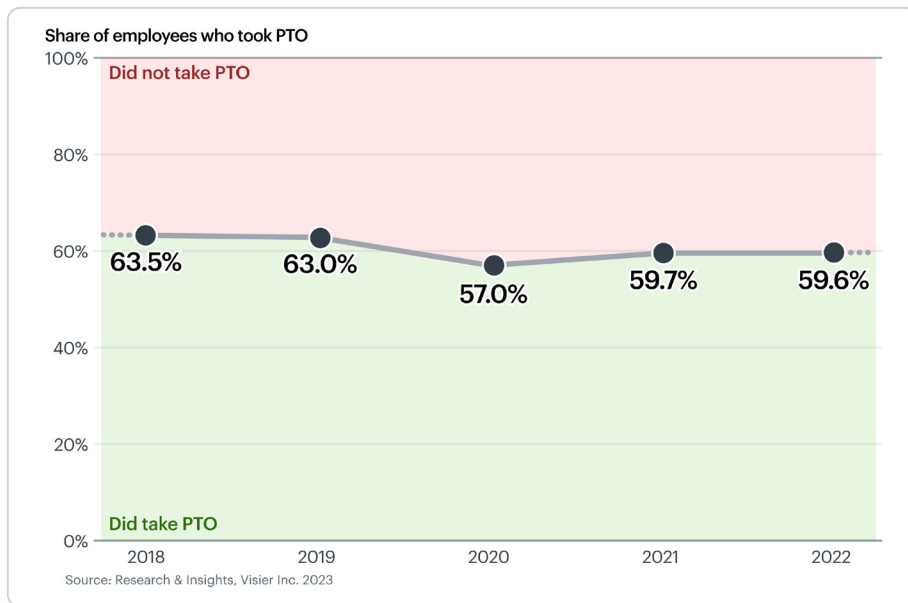




## On average, fewer than 60% of employees took PTO since 2020

We calculated a PTO ratio—the percentage of full-time employees (FTE) within a given time window who have taken any amount of vacation—even if it was only one day per year.<sup>11</sup>

As shown in the chart below, we found that PTO utilization has declined since 2018. Before the pandemic, 63% of the employees in our sample took time off work, a percentage that has dramatically decreased to 57% in 2020 and since then stabilized at around 60%.<sup>12</sup>



### Note about paid time off benefits

Our dataset does not contain information about the number of PTO days the workers in our sample are entitled to based on the benefits package from their employers. Furthermore, different countries have varying statutory requirements for employers to give their workers paid time off. The rules for the three regions included in our study—the United States of America, Canada, and the European Union—are a case in point. Canadian employees are entitled to 10–20 paid vacation days per year after one year of employment,<sup>13</sup> and those in the European Union to 20 days per year.<sup>w</sup> The situation in the U.S. is different altogether. Even though employers in the U.S. are not legally bound to provide PTO,<sup>15</sup> most employers do offer paid vacation, with the number of days per year sometimes tied to length of service by the employee.<sup>16</sup>





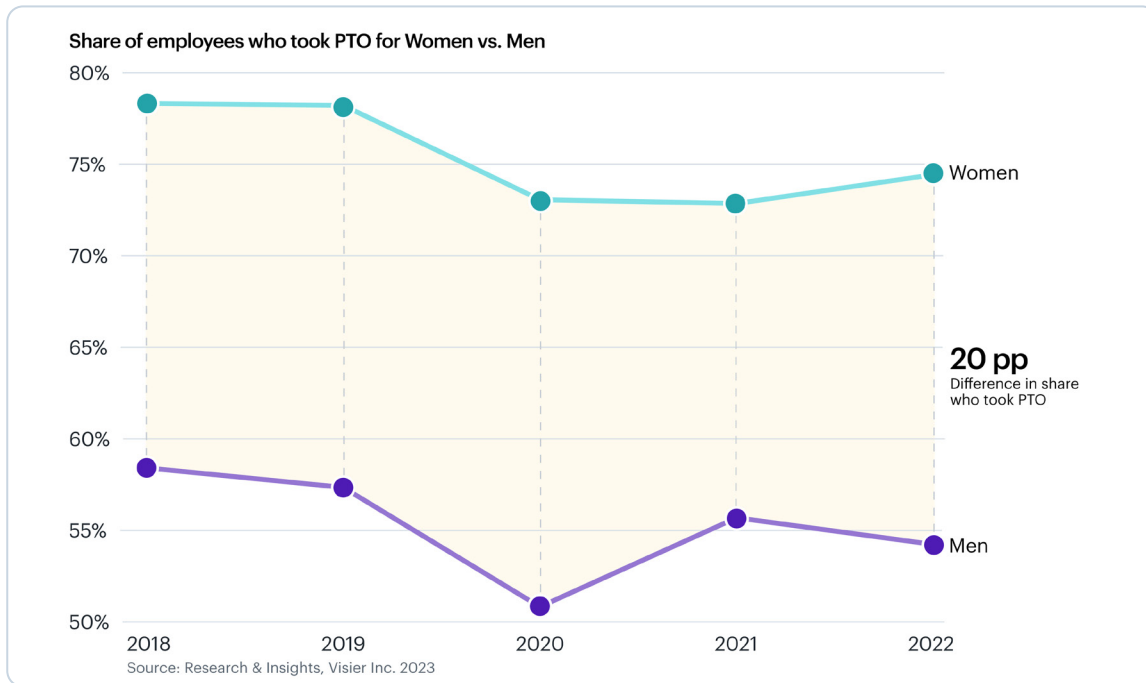


# Employee demographic and PTO utilization

Our data revealed clear and consistent patterns of PTO utilization over the past four years when grouped by employees' gender, their tenure at the current organization, and their managerial level. The data points presented indicate the respective percentage of that grouping (e.g. gender, manager level, tenure at organization) that took some time off in any given year.

## Fewer men than women take time off work

The differences in the way women and men take paid time off shows a consistent pattern throughout the past four years, with disruptions since the beginning of the COVID-19 pandemic. While for example, in 2019, 78% of female employees took paid time off, only 59% of male workers did. In comparison, the number of employees taking time off dropped overall in 2021 where 73% of female and 56% of male employees took vacation time.

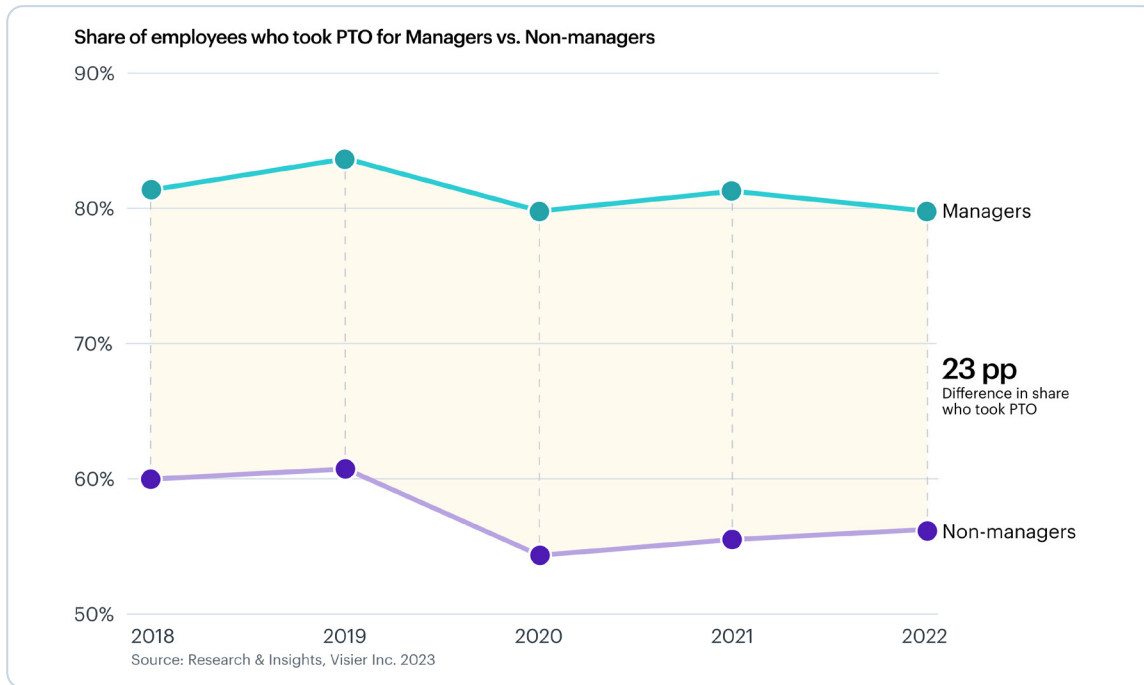


Even though our analysis measured the metric “vacation” rather than sick leave or maternity leave, the higher usage of time off taken by female employees could be attributed to using more PTO days for caregiving responsibilities by women.<sup>17</sup> An alternative explanation by academic researchers suggests that men take less vacation time due to their different work schedules, possibly including supervisory duties of their roles or their worries around job security.<sup>18</sup>



## Fewer individual contributors than people managers take time off work

Our second finding revolves around the differences in PTO utilization by employees with and without people management responsibilities. Lower numbers of individual contributors than people managers have typically taken time off work for vacation. It's worth highlighting that the difference between individual contributors and people managers' PTO utilization was the largest in 2021 where 81% of people managers took PTO, while only 55% of non-managers took PTO at all.



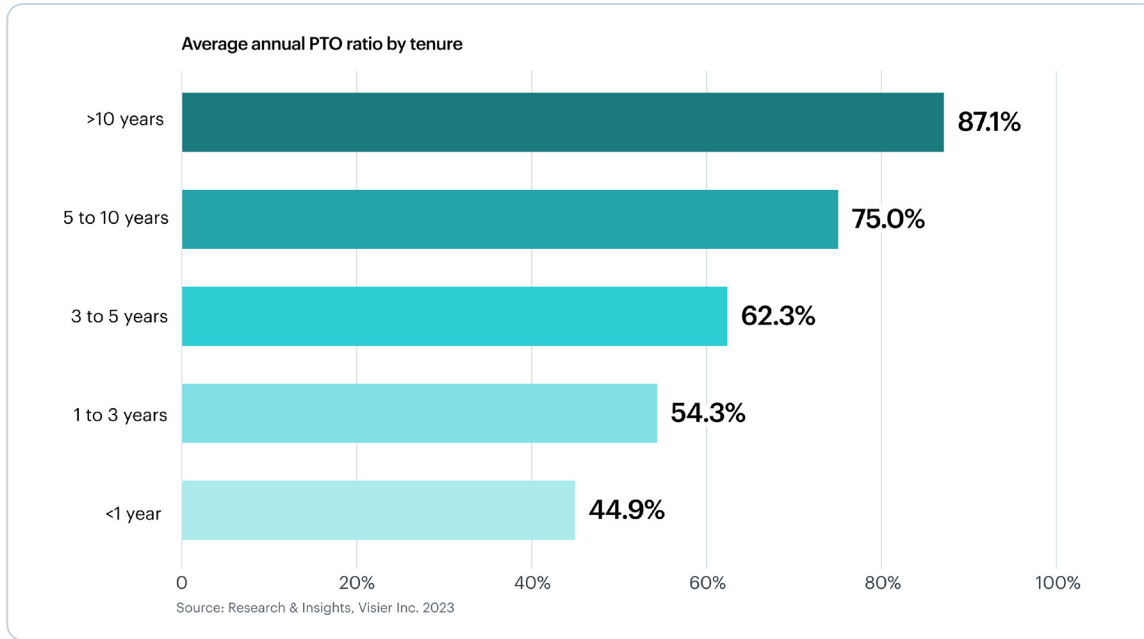
Even though managers in a survey were supportive of employees' vacation time and reported that mandatory PTO had a positive effect on talent retention, individual contributors' low PTO utilization could be due to workers' concerns around big workload and a (perceived) lack of support by their teams or organizations.<sup>19</sup>





## Fewer low tenured employees take PTO

Employees' tenure at an organization also plays a role in whether or not they take paid time off. According to our analysis, of those employees who took PTO between 2018 and 2022, 87% of those with a tenure of more than 10 years took PTO, when only 62% with a tenure of between three and five years did.



Even the tie between employee tenure as a requirement for earning PTO days does still not fully explain why so many fewer, lower tenured employees (55%) did not take any PTO at all. Most companies in the U.S. offer at least some days PTO per year, and our analysis did not measure the number of days, but the number of employees who took PTO in any given year.

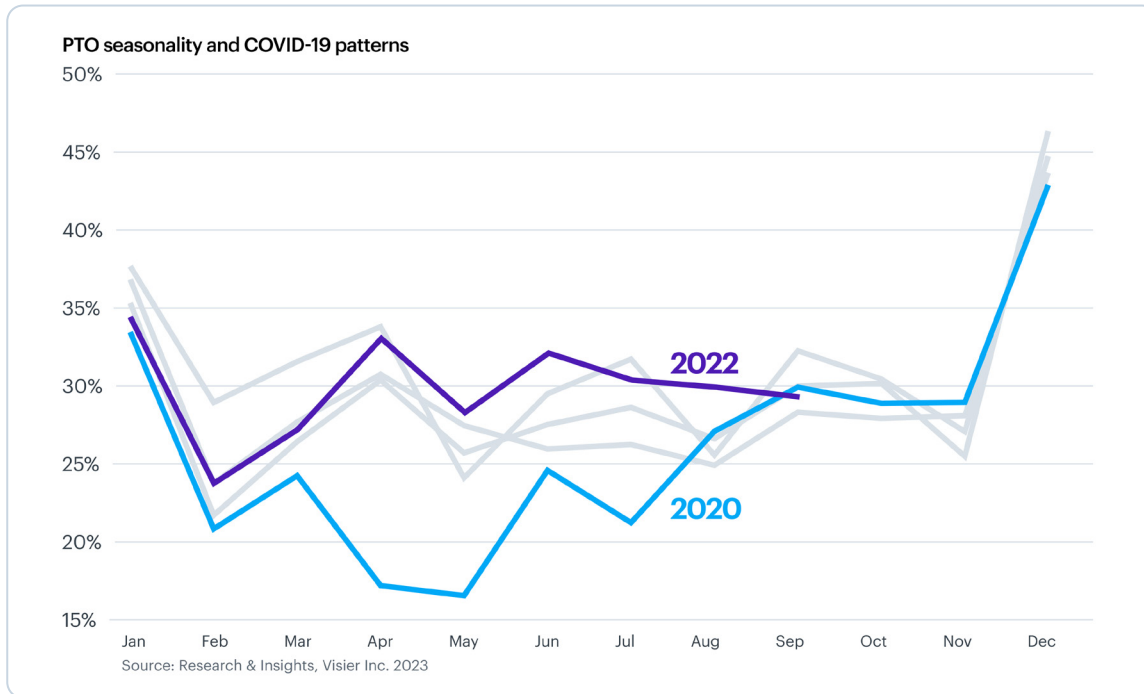






## PTO utilization has a regular seasonal pattern

Typically, peak PTO utilization happens during the summer months and December (the highest month), while the months of February and May show a significant dip. The obvious exception was the time between spring and summer of 2020, where PTO utilization overall fell way below the yearly averages due to the COVID-19 pandemic.



These seasonal patterns shown across the years confirm previous findings about declining vacation time taken by employees since the onset of the pandemic. Noteworthy differences pertain to gender differences in PTO utilization—73% of women took vacation time in 2020 compared to 51% of men—as well as manager levels (significantly more managers than individual contributors took vacation, see chart above in this report).





## Key takeaways

Organizations may be overlooking the vacation-related metric in their HRIS or analytics systems, and thereby fail to realize an important contributor to productivity, talent retention, and employee experience. By not tracking employees' utilization of paid time off, business leaders and team managers may lack the data they need to make evidence-based workforce planning and workload management decisions and ensure smooth operations during times of increased absenteeism.

Many companies may not know that a larger proportion than assumed—4 out of 10 employees—never take vacation time, like our data suggest. Particularly, certain employee populations may be at higher risk for burnout, attrition, or a lack of rest and mental well-being than others. In our database, it turns out that men, individual contributors, and less tenured employees showed different PTO utilization behaviors than other segments of the workforce. In any case, data around PTO utilization enables the planning of appropriate HR mitigation strategies around burnout, well-being, and the employee engagement, like shown in the following example:

### Protective Life Insurance's business reasons for tracking PTO utilization

Leaders at Alabama-based Protective Life Insurance put PTO utilization in the spotlight. One of their goals was to prevent unanticipated absences towards the end of 2020 due to employees taking remaining PTO, because this would have disrupted business operations.

Another reason for focusing on PTO data was a focus on employees' health and well-being for their growing number of remote employees. Protective Life's executives encouraged employees to use time off for their own mental health—even if a staycation was all that was possible at the time.

Thirdly, the company investigated the link between employees taking advantage of paid time off and their inclination to stay at the company: "We saw a clear story there. The higher the average amount of PTO hours used, the lower the resignation rates. And the lower the amount of PTO hours used, the higher the resignation rates. When we looked across large groups of employees that's what we saw," says Matthew Hamilton, Vice President of People Analytics and HRIS at Protective Life Insurance.<sup>20</sup>







## Metrics to track

Depending on the needs of an organization’s industry and the type of work its workforce is doing, there are a series of metrics and analyses that can be done on the basis of employees’ PTO utilization. In addition to keeping a close eye on PTO utilization across the workforce, organizations can use people analytics to conduct the following analyses:



### Fatigue analysis

While many organizations may track employees’ recorded work hours as well as potential overtime worked, a so-called “fatigue analysis” can also include vacation hours taken or not taken. Additionally, there may be links between PTO utilization and absenteeism rates that could indicate employees are not taking enough time off which impact their levels of burnout.



### Burnout detection

Active and passive listening tools can help detect early signs of burnout in employees. Adding analytics around PTO utilization can provide a glimpse into the link between using vacation time to unwind from work, and burnout data. Equally important could be tracking if employees typically work during their PTO. And if so, what the typical digital day length was during their vacation and if there are links to their burnout status.



### Engagement and retention analysis

Analyzing a link between PTO utilization and voluntary turnover as well as employee engagement scores is a powerful way to understand the intricacies of employees’ everyday work and rest experience. To know if employees’ choices and opportunities to take time off work are connected to resignation rates, for example, or their engagement at the company, can be an additional analysis to conduct.





## Contributors

### **Andrea Derler, PhD, Principal, Research & Value**

Dr. Andrea Derler is the Principal, Research and Customer Value at Visier, an organizational researcher, and previously, a human capital analyst. She has a background in management research, human science, and human capital consulting. At Visier, Andrea leads research efforts and helps produce data-based, practice oriented, and actionable insights for business and HR leaders.

### **Cuthbert Chow, MDS, BBA & LLB**

Working in the publications focus area as a data scientist co-op at Visier, Cuthbert's primary role is discovering novel and industry-relevant insights within Visier's rich community data. Cuthbert holds a Masters in Data Science and Bachelors in Law and Business.

### **Mike Everitt, Principal Solution Consultant**

Mike has spent the last 24 years working for various HR software companies including PeopleSoft, Oracle, and now Visier. He started his career educating customers, before moving into Solution Consulting. Mike advises companies across industries on HR software purchases and deployment, focusing on People Analytics, where he helps organizations understand the benefits and impact it can have on business and talent.

### **Macguire Rintoul, Senior User Experience Designer**

Macguire is a Senior User Experience Designer at Visier, leading the Visualization area on the User Experience team. His work involves designing new features and analytic workflows for Visier People®.



## About our data

The findings as presented in this report are curated from the Visier Community Data. Visier’s database contains more than 17 million employee records from over 25,000 customers in 75 countries. The analysis in this report used available data from a subpopulation of 14 enterprise sized organizations with employees in the United States, Canada, and the European Union.

Companies represent a range of industries—including healthcare, technology, financial services and insurance, energy, and manufacturing—and weighted averages account for different headcounts per each organization.

For each of the included companies, Visier ensured a high degree of confidence in both data availability and quality for the topic and time period being covered by this report.

## Visier Labs

We’re always looking to uncover new findings about the human truth of work. Partner with us in research, or get access to data to further your own initiatives at [visier.com/labs/data](https://visier.com/labs/data).







## Endnotes

1. The Burnout Epidemic Report, [Visier Inc. 2021](#)
2. Burnout: Helping Employees Avoid & Weather the Challenges of Working From Home; [PSJ Professional Safety](#), May 2021
3. Why employees aren't taking vacations now, and how HR can help, Human Resource Executive, [September 2022](#)
4. [How Americans plan to vacation during COVID-19](#), IBX1031
5. The disconnect disconnect, Deloitte Insights, [January 2021](#)
6. Employee Burnout is a Problem with the Company, Not the Person, [Harvard Business Review](#), April 2017
7. We will be using the terms PTO, time off work and vacation time interchangeably to make for easier reading. However, our analysis specified "vacation time" logged.
8. Indeed & Glassdoor's Hiring and Workplace Trends Report 2023
9. Rethinking what we need from work, Mercer Research report 2022
10. Annual Sapient Insights HR Systems Survey, November 2022; Sapient Insights Group
11. For example, with a headcount of 100 employees and 10 employees taking at least one day of vacation that year, we calculate the PTO ratio as 10%.
12. For this analysis we looked at those organizations that recorded 'vacation events' which records each day where an employee took a vacation, which makes this data distinct from other types of leave or absence events.
13. Annual vacations and general holidays for federally regulated employees, Government of Canada, [January 2023](#)
14. Working Hours, Your Europe, [January 2023](#)
15. Vacation Leave, U.S. Department Of Labor: [dol.gov/general/topic/workhours/vacation\\_leave](https://dol.gov/general/topic/workhours/vacation_leave)
16. U.S. Bureau of Labor Statistics: [bls.gov/ncs/ebs/factsheet/paid-vacations.htm](https://bls.gov/ncs/ebs/factsheet/paid-vacations.htm)
17. Gender Differences in Needing and Taking Leave; Abt Associates research report, [November 2020](#)
18. Maume, D. J. (2006). Gender Differences in Taking Vacation Time. Work and Occupations, 33(2), 161-190. [doi.org/10.1177/0730888405284568](https://doi.org/10.1177/0730888405284568)
19. Survey: 1 in 5 employees avoid taking time off because they don't feel like they can. [Skynova](#)
20. Case Study: People Analytics Unearth Valuable Insights on PTO. [SHRM, December 20, 2022](#)

# About Visier

Visier's purpose is to reveal the human truth about your workforce and contribute to a better future.

Visier was founded to focus on what matters to business people: answering the right questions, even the ones a person might not know to ask. Questions that shape business strategy, provide the impetus for taking action, and drive better business results.

Visier delivers fast, clear people insight by using all the available people data—regardless of source. With best-practice expertise built in, decisionmakers can confidently take action. Thanks to our amazing customers, Visier is the market leader in Workforce Analytics, with more than 15,000 customers in 75 countries around the world.

For more information, visit [visier.com](https://visier.com)



**[visier.com](https://visier.com) | [info@visier.com](mailto:info@visier.com) | 1.888.277.9331**

©2023 Visier Solutions Inc. All rights reserved.  
Visier, Visier People, and the Visier logo are the trademarks and/or registered trademarks of Visier, Inc. and Visier Solutions Inc. All other brand names and logos are the trademarks of their respective owners.