

Work-Life Balance - A Case Study of Family Participation

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Abstract

Company A is a typical small/medium sized Taiwanese business. Within the company, the rate of employees taking advantage of paid leave has been declining since the passage of the Labor Standards Act (2016). This is a cause for concern as regular rest is necessary to the maintenance of healthy work/life balance. This paper investigates possible contributors to the declining rate, and proposes possible remedies through an examination of existing company records and interviews with employees. These investigations found that the majority of employees share a common demand for family-oriented leisure time, which may provide some leverage in terms of incentivizing staff to make more use of paid leave. As the Labor Standards Act affects all of Taiwanese society, these findings have wider relevance for other employers and contributes toward a greater discussion regarding how best to incentivize employees to make use of the paid leave to which they are entitled.

Keywords: work/life balance, paid leave, corporate social responsibility, Labor Standards Act

I. Research Background

After three years of pandemic measures, Taiwan's masking mandate ended in 2023, and social activities gradually resumed. At the beginning of 2024, the general manager of Company A convened a department-heads annual review. After the meeting, HR was asked to remain behind to discuss a strange phenomenon:

"During the pandemic, lockdowns and travel bans caused an understandable reduction in staff making use of their paid leave. However, data shows that the use of paid leave has been on the decline since before the pandemic began. Even in 2023 the rate continues to fall. What's going on?"

Regarding Paid Leave

The Labor Standards Act of 2016 stipulates that employee holidays should be determined as follows: two-day weekends (104 days) + national holidays (21 days) + paid leave (7 to 30 days) = 132 to 155 days annually.

Table 1. Paid Leave as related to Length of Employment according to Labor Standards Act

Length of Employment	Paid Leave (days)
6 months - 1 year	3
1 - 2 years	7
3 - 5 years	14
5 - 10 years	15
10 - 25 years	1 extra day per year
over 25 years	30 max.

Employees are able to make use of their paid leave at their discretion. For a long time, the rate of actual paid leave usage ([total number of days of paid leave used] / [total number of days of paid leave available]) hovered around 70%. However, the rate has dropped to below 50%. Intuitively, the pandemic would appear to be the main culprit. However, data shows that the rate did not rise after the pandemic. There were also no signs of “revenge vacations” since the lifting of lockdown and mask mandates. This trend is an issue of concern since the company hopes that employees would make appropriate use of paid leave to maintain healthy work/life balance.

In response to this query, HR examined relevant records dating back to 2006 and found that 2016 was a crucial turning point in the continually declining rate of staff making use of their available paid leave.

Table 2: Paid Leave statistics Pre and Post 2016

Year	Staff	Paid Leave Used / Available (days)	Paid Leave Usage Rate	Complete Paid Leave Usage (individuals)	Complete Usage Rate
2006	77	562/833	67.5%	30	38.96%
2007	84	450/890	50.6%	21	25%
2008	86	652/884	73.8%	43	50%
2009	88	681/981	69.4%	30	34.09%
2010	119	752/1,139	66%	44	36.97%
2011	108	949/1,241	76.4%	46	42.59%
2012	127	863/1,296	66.6%	41	32.28%
2013	117	1047/1,361	76.9%	48	41.03%
2014	117	971/1,463	66.4%	30	25.64%
2015	130	1092/1,499	72.8%	40	30.77%

Average			69.2%		35.42%
2016	152	1,337/1,935	69.1%	35	23.0%
2017	121	1,221/1,233	65.9%	18	14.9%
2018	132	1,240/2,493	55.1%	30	22.7%
2019	128	1,159/2,721	49.7%	18	14.0%
2020	135	1,159/2,721	42.6%	16	11.9%
2021	147	1,304/2,949	44.2%	11	7.5%
2022	150	1,185/3,165	37.4%	19	12.7%
2023	141	1,656/3,337	49.6%	22	15.6%
Average			49.9%		15.3%

Trends

Two main trends are observable from the above statistics:

1. Prior to 2016, paid leave usage rate was around 70%. It has declined every year since then, to below 50% by 2023.
2. Prior to 2016, an average of about 35% of employees used 100% of their paid leave. After 2016, the number of employees in the same category also declined, to the point where only about 15% used all of their paid leave.

Apparently the decline of paid leave usage had already begun before the pandemic, though it went largely unnoticed.

A variety of different factors may have influenced these trends, including:

1. Heavy workload and limited workforce. This may have resulted in the disinclination or inability of employees to take full advantage of paid leave.
2. The revision of the Labor Standards Act in 2016. As a result of this revision, any unused paid leave accrues an additional 100% compensation. As a result, the wage for each unused paid leave day is doubled. This may have become a disincentive for colleagues to make use of paid leave.

Given that Company A is unable to immediately influence the above factors, are there other ways to encourage employees to make more use of paid leave?

2. Case Background

Founded in 1959, Company A could be considered an "old" company. Since its establishment, it has been focused upon lubricant sales as an agent for ExxonMobil and its

Mobil brand. Over the past 65 years, Taiwan's industrial development and its lubrication related demand has contributed to Company A's steady growth. Since its founding, Company A has strived to create an equitable working environment for its staff.

In the early 1960s, most Taiwanese small businesses promised no regular paid vacation time. Any employee requiring time off had to request often unpaid "personal leave" from their employer. However, as a distributor for Mobil Oil, Company A employees were familiar with two-day weekends and paid leave benefits enjoyed by Mobil Oil staff.

In 1974, the Taiwanese government began its decade long economic development plan, with increased investment in key industries including: manufacturing, electronics, transportation etc. The subsequent economic boom cemented Taiwan's position as one of four "Asian Tigers". In the 1980s, a second generation entered Company A, and the company expanded rapidly in size. However, tribology (the study of lubrication) remained an elusive field situated between the chemical and the mechanical. Without dedicated paths toward lubrication related knowledge, firms like Company A had to invest heavily in training and the accumulation of experienced staff.

Economic prosperity also brought competition for labor, and staff retention became an increasingly urgent issue. In addition to offering comparable wages, Company A strove to promote company cohesion and improve working conditions. Ahead of governmental regulation, Company A offered an additional half-day weekend leave, and 7 days of paid leave to all staff in the first year of their employment. Significant efforts were made to promote work/life balance and the right of employees to enjoy their leisure time.

The 1980s was a period of rapid growth. At the time, staff were relatively young, as most were new graduates or recently released from compulsory military service. The average age was about 30, and Company A often organized social events which focused on youthful activities such as sports and camping. Several pairs of colleagues became married to each other and remained on staff afterwards.

In the 1990s, as staff began to have children, the company's social events gradually turned its focus to family-friendly activities, including the establishing of its Children's Scholarship and the associated award ceremony at each annual banquet.

After 2000, as various local branches were established, colleagues shared many phone calls but few in-person meetings. A Family Sports Day was therefore added to the annual banquet. This event, encompassing a day of family activities, dinner, followed by the scholarship awards, became the highlight of the company social calendar, and brought together the entire staff once a year.

In 2020, the covid-19 pandemic brought an unexpected halt to these traditions. For three subsequent years, staff worked from home. Or, occasionally, by repurposing empty conference rooms as remote-learning classrooms, they brought their children to the office.

3. Problem Analysis

Post-pandemic, the general manager of Company A considered resuming these social events. However, an in-depth understanding of the current recreational needs of the staff is required in order to take into account both the declining rate of paid leave usage, and the changing demographics of the company itself.

To this end, the HR manager conferred with various employees who had not made full use of their paid leave to better understand their situations. Through these interviews, HR discovered some circumstances related to the rate of paid leave usage, and explored potential countermeasures.

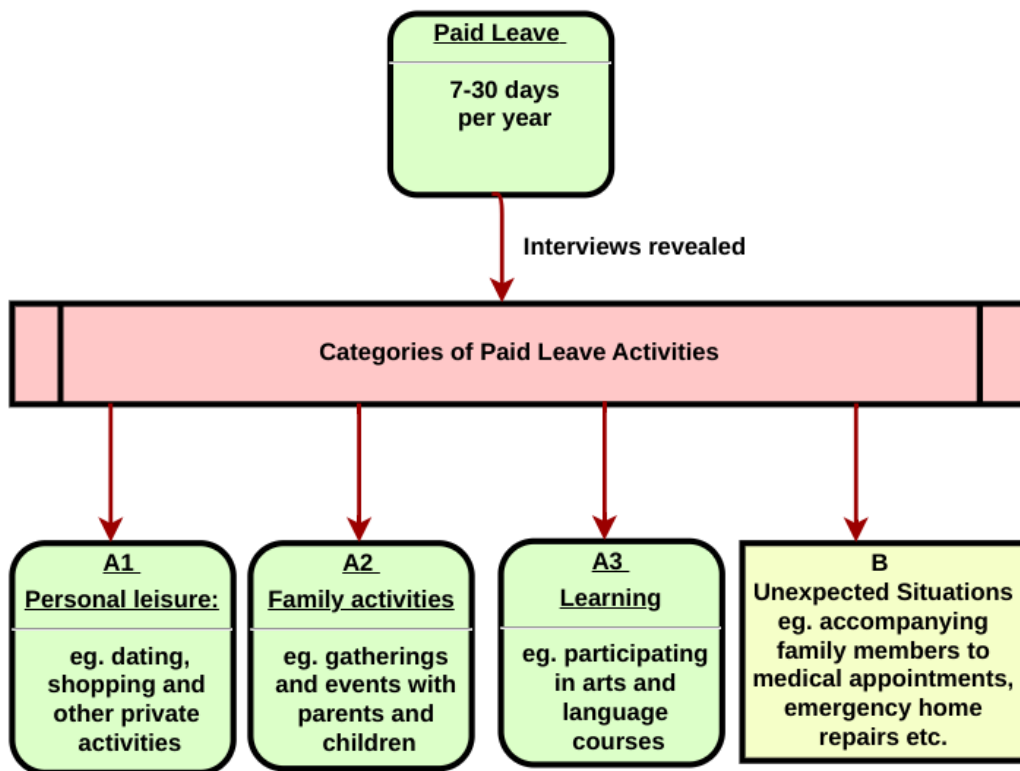
Employee leave can be divided into two categories:

- A. (Proactive) Planned leave: dates determined in advance, and activities arranged. For instance, holiday travel, accompanying children to exams, attending reunions etc.
- B. (Passive) Unplanned leave: unexpected situations which require immediate attention. For instance, accompanying family to medical appointments, urgent home repairs etc.

During the interviews, it was also discovered that Type A can be further subdivided into three subcategories:

- A1: Personal leisure, such as dating, shopping and other private activities
- A2: Family activities, such as gatherings and events with parents and children
- A3: Learning, such as participating in arts and language courses

Fig. 1 Categories of Paid Leave Activities



Company A has been in existence for 65 years, and its employees belong to many different age groups with varying priorities during leisure hours. However, the majority of staff share A2 activities in common. These types of events may therefore provide a point of leverage in incentivizing employees to increase their paid leave usage.

4. Proposed Solution

Categorize Paid Leave Types based on Children’s Ages

When considering the characteristics of A2 type paid leave, the average age of employees’ children is a determining factor. Based on this principle, a classification is as follows:

Table 3. Paid Leave Characteristics as related to Average Age of Children

Type	Average age of children (years)	Characteristics
A2-1	1-15	<ul style="list-style-type: none"> • Inflexible schedule • Highest demand during school holidays
A2-2	16-25	<ul style="list-style-type: none"> • More flexible schedules • Children may be seeking internship or part-time work opportunities
A2-3	>25	<ul style="list-style-type: none"> • More opportunities for vacations without children • Demand shifts toward caring for elderly parents

Customized Proposals for Varying Needs

Different solutions may better fit the requirement of the above groups. For example:

Table 3. Proposals for A2 Type Paid Leave Activities based on Average Age of Children

Type	Average age of children (years)	Paid Leave Activity Suggestions
A2-1	1-15	<ul style="list-style-type: none"> • Summer/Winter Camps: for instance, a “3D Printing and Robotics Camp” which was held for employees’ children during winter school holidays in 2023. In future, camps could be designed to include parental participation. • Family Travel: for instance, Company A could offer family travel packages for employees, including subsidies for accompanying children or parents. Destinations could include famous sights in Taiwan, and pit-stops tours at branch offices.
A2-2	16-25	<ul style="list-style-type: none"> • Vacation subsidies, including subsidies for accompanying children or parents
A2-3	>25	<ul style="list-style-type: none"> • Assistance in organizing group holidays for employees

In order to encourage more usage of paid leave, the above activities should not take place during national holidays. To improve feasibility, multiple different vacation/activity offers should be presented with considerable lead-time, allowing employees to choose the most advantageous way of utilizing their paid leave. Feedback should be encouraged, and satisfaction surveys conducted afterwards to determine how the implementation could be improved.

4. Conclusion

The rate of employees taking paid leave has been on the decline in Company A since the passing of the Labor Standards Act of 2016. Does governmental policy encourage employees toward work/life balance, or does it actually obstruct this objective? The declining trend is concerning as it may result in a reduction of employee satisfaction with their work environment, despite increased financial compensation for unused paid leave days.

Under the premise that external conditions cannot be effectively controlled, the HR department could leverage the common leisure requirements of its demographic by offering: 1. a selection of suitable, family-oriented activities, and 2. leisure-related subsidies. By lifting the burden of organization, and providing the added incentive of financial support for family participation, more staff may be encouraged to enjoy their paid leave.

Further Research Possibilities:

As societal and company demographics evolve, working environments must evolve alongside to ensure that employees can maintain healthy work/life balance. The following

points would be informative in terms of exploring how this objective could be better achieved:

1. Study on relationship between leisure-time usage and average of employees' children: How closely does the type of paid leave usage relate to the age of employees' children? With consent, information can be gathered and correlated to children's ages.
2. Study on relationship between paid leave type and aging elders:
In an aging society with declining birth rate, the needs of not only the children, but also the parents of employees may play a role in determining what type of paid leave is most necessary. Based on collected data, activities better suited for the elderly could be designed to accommodate those who are primarily responsible for the care of family elders.
3. Does the government's labor policies incentivize or disincentivize work/life balance? In 2016, it was stipulated that the company must reimburse employees for unused paid leave, resulting in a doubling of wages for each unused day. What impact does this have on employees' willingness to make use of paid leave? Extensive surveys could be conducted to track the effectiveness of the policy and its potentially unintended consequences.
4. Study on correlation between seniority and paid leave usage:
How closely is the rate of paid leave usage related to the level of seniority within a company? As employees accrue seniority, the quantity of their paid leave increase accordingly. However, seniority may involve greater responsibilities and pressures which disincentivize the use of hard-earned vacation time. Data relevant to this relationship already exist in Company A and could be further examined.