

TIME OFF: SHOULD OR SHOULD NOT BE GRANTED TO EMPLOYEES

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ABSTRACT

Many companies frequently face understaffing issues, leading to an overwhelming workload for their employees. Moreover, some employers fail to provide clear information regarding the location, purpose, and duration of employees' time off. These situations highlight the necessity of implementing a well-defined time-off policy. Such a policy can not only help manage productivity levels but also prioritize the well-being and happiness of employees. However, crafting an effective policy poses challenges, especially in the context of evolving work norms like remote work (WFH/WFA) and growing awareness of mental health concerns. In light of these new norms and challenges, it becomes essential to review existing time-off policies both internally and externally. This review aims to ensure that the policies align with the current work landscape and cater to the changing needs of employees. Additionally, companies may face specific hurdles in navigating social security organizations like SOCSO and Employment Injury Schemes (EIS) during the policy evaluation process. Nevertheless, such a review is crucial to strike a balance between organizational productivity and employee well-being, fostering a supportive and healthy work environment.

Keywords: Time Off, Employees, Understaffed, Policy, Challenges (WFH/WFA/mental health awareness)

INTRODUCTION

The selection of the case study was based on an actual event that occurred within a firm operating in the IT service sector of the Building and Construction Industry. The time-off issue was encountered by Mr. Ahmad Hazim Bin Shabaruddin upon assuming the position of General Manager within the company. In the past, the company lacked a formal internal policy outlining the allocation of time-off for emergency situations, medical appointments, banking matters, and other similar circumstances. Consequently, the decision to grant time-off was typically left to the sole discretion of the Managing Director. Furthermore, a lack of documentation and standardised procedures for recording time-off requests was evident. According to Mr. Hazim's observations, the frequency of time-off requests remains relatively low and within manageable limits. However, he has observed that a significant number of employees are requesting time-off for durations of up to 4 hours in most instances. The aforementioned circumstances necessitated the implementation of a time-off policy, which serves the dual purpose of effectively managing productivity levels within the company while also attending to the well-being and satisfaction of employees.

To enhance comprehension of the situation, Mr Hazim convenes a meeting with all line managers. According to the feedback provided by line managers, a predominant factor cited by employees for taking time off is the need to attend medical checkups, particularly among those who rely on public hospitals due to financial constraints preventing access to private clinics or hospitals. As a consequence of the extended duration of waiting, employees were compelled to endure a period of approximately 2 to 3 hours prior to receiving the necessary medical attention. The technical manager of the project team has made a request to the management for leniency regarding the employees who are working beyond regular office hours without receiving overtime compensation. If the company chooses to prohibit time-off, it may have a detrimental impact on the project team's dynamics. This is due to the team's commitment to meeting tight project deadlines, which often necessitates working beyond regular working hours. According to the General Manager, in the event that the company opts to implement a time-off policy, employees will be required to submit formal applications for time-off and ensure accurate documentation of the time-off taken. The rationale behind this measure is to safeguard the well-being of employees in the event of an accident, while also ensuring that they have access to necessary insurance and SOCSO benefits to cover their medical costs, without encountering any obstacles.

Based on the collected information, Mr. Hazim subsequently formulated a set of inquiries that necessitate resolution prior to making a determination regarding the approval or denial of a requested period of leave. These questions are enumerated as follows:

- a) What is the maximum duration and frequency of time-off within a month?
- b) What are the time-off policies of other companies?
- c) In the event of an accident occurring to staff during their time-off, it is imperative for management to take appropriate action.
- d) What is the minimum duration of time-off application?
- e) What is the procedure for monitoring and tracking employee time-off?
- f) If the management makes the decision to cease granting time-off, what effect does this have on employees' inclination to work outside of regular office hours

- in situations where it is necessary?
- g) Should the management opt for a general time-off policy or a specific time-off policy?
 - h) What is the effect of unplanned time-off on customer relationships, specifically in terms of its impact?

After carefully reviewing the inquiries, the General Manager conducted thorough research by consulting the Employment Act of 1955, the Industrial Relations Act of 1967, and established practises within other companies. Based on his analysis, Mr. Hazim determined that the legislative framework does not include any specific provisions for time-off, leaving it entirely at the discretion of individual company policies. Before ceasing the implementation of time-off, the General Manager made the decision to engage in a discussion with the Human Resource Director in order to propose the introduction of a comprehensive Human Resource handbook that effectively elucidates the company's policies. The General Manager additionally emphasised to the upper management the necessity of reassessing the existing policies concerning annual leave and medical leave for employees. Currently, all employees, regardless of their tenure with the company, are entitled to 14 days of annual leave and 8 days of medical leave. For instance, the company had not implemented an increase in the amount of annual leave granted to employees with a tenure exceeding three years. The proposed initiative to evaluate existing annual and medical leave policies aims to provide a rationale for the discontinuation of time-off benefits, while also contributing to the enhancement of employee satisfaction.

CONTEXT OF TIME OFF

Human resources professionals typically define time off as a designated period during which employees are not required to work due to various reasons, such as illness, holidays, or employer-approved leave (Cambridge Dictionary, 2022). However, the concept of time off in the context of our paper differs from this general definition. In Malaysia, time off refers to a brief and ad-hoc period granted to workers at the discretion of their employers, with or without formal recording. It allows employees to address personal affairs during regular working hours, typically lasting for one to one and a half hours. However, it is essential to note that not all businesses are open to this practice, as some may require employees to take a full day off for such purposes.

The primary purpose of granting time off is to strike a balance between staff responsibilities and work demands. As companies often grapple with understaffing issues, employees may find themselves overwhelmed with their tasks. Providing occasional time off offers them a respite and the opportunity to rejuvenate, leading to increased job satisfaction and productivity upon their return to work (Rožman & Čančer, 2022). Moreover, time off is perceived as a means to improve employees' overall quality of work (Huang & Yuan, 2022). Lengthy working hours can create an unhealthy work environment, which, in turn, may adversely affect the company's growth. However, in the specific context of local, mid-sized companies, the practice of time off does not necessarily align with these overarching objectives. Employees often perceive time off as a convenient solution to address personal matters, but not all individuals utilize it responsibly. This has influenced the company's response to time-off requests.

In light of these observations, it becomes crucial for companies to assess the effectiveness and impact of time off in their specific context. While the intention behind granting time off is well-meaning, it is essential to strike a balance between accommodating employees' needs and ensuring optimal productivity. Companies need to evaluate the frequency and duration of time off requests and its potential effects on overall work performance. It might also be necessary to communicate clearer guidelines and expectations regarding time off to ensure responsible and justified usage. Moreover, considering the prevalence of understaffing issues, it becomes imperative for companies to explore alternative methods for managing workloads and promoting employee well-being.

Thus, time off in Malaysia's local, mid-sized companies serves a unique purpose, deviating from the conventional definition prevalent in human resources literature. While it can offer employees a brief respite and contribute to job satisfaction, its potential misuse and impact on overall productivity necessitate a thoughtful approach in managing time-off requests. By aligning time-off practices with the company's specific needs and goals, employers can strike a balance between meeting employees' personal needs and maintaining optimal work performance.

DILEMMA: EMPLOYER'S POV (POINT OF VIEW)

The company's approach of being lenient towards employees with regards to time off is aimed at fostering a positive work culture where employees do not feel burdened and can be more efficient during their working hours. This flexibility allows employers to accommodate their employees' personal needs and promote a healthy work-life balance. However, this leniency has often resulted in some employees taking advantage of the situation by failing to provide proper notification regarding the precise location, purpose, and duration of their time off. As a consequence, time off hours are sometimes needlessly prolonged, with employees taking the approval for granted.

While the company's leniency is well-intentioned, employers face significant challenges when employees experience accidents during office hours while they are on approved time off. In such cases, employers have to navigate the complexities of Social Security Organization (SOCSO) and Employment Injury Scheme (EIS) claims. Typically, SOCSO and EIS claims are only approved if the insured employee suffers from an employment injury, which is defined as a personal injury caused by an accident or occupational disease arising during the course of employment in an industry governed by the Employees' Social Security Act.

However, the situation becomes convoluted when the employee is on time off, engaging in personal activities unrelated to work. Proving the occurrence of an employment injury during this time off period becomes challenging, often leading to claim rejections. The blurred lines between work-related accidents and personal affairs during time off create complications for employers in handling such cases.

One illustrative case that exemplifies the complexities surrounding time off in the Malaysian context is the *Kesatuan Kebangsaan Pekerja-Pekerja Bank Semenanjung Malaysia v Malayan Banking Berhad (2018)* case. In this case, the claimant lodged a complaint against the respondent for issuing a warning letter while he was on time off participating in a trade union activity, unaware that his time off request was not

approved. However, the court dismissed the claim, underscoring the challenges and negative implications associated with time off practices in Malaysia.

To address these issues, companies should consider establishing clear guidelines and procedures for time off applications and notifications. Employees need to be educated about the importance of responsible time off usage and proper documentation for legal and insurance purposes. Additionally, employers may need to reevaluate their approach to time off, ensuring that it aligns with the company's productivity goals and fosters responsible time management among employees.

Ineed, while the company's leniency towards time off is well-intentioned, it can lead to challenges when employees face accidents during their approved time off. Navigating the SOCSO and EIS claims process becomes complicated in such scenarios, resulting in potential negative outcomes for employers. By implementing clear policies and promoting responsible time off practices, companies can strike a balance between accommodating employees' needs and maintaining a productive work environment.

DILEMMA: EMPLOYEE'S POV (POINT OF VIEW)

From an employee's perspective, opting for time off often appears to be a preferable choice as it allows them to conserve their precious annual leave days. By using time off for short personal matters, employees can efficiently manage their responsibilities without depleting their annual leave allocation. This strategy becomes especially beneficial when employees require a brief window to attend to urgent personal affairs without sacrificing their entire day off.

Moreover, employees may believe that when granted time off, they have exercised their due diligence in seeking approval. However, in reality, this perception may not always align with responsible time management. Employees might overlook the importance of notifying their employers about the specific location, purpose, and duration of their time off, leading to potential misunderstandings and misuse of time-off privileges. Consequently, when accidents occur during these approved time-off periods, employees may feel entitled to compensation from relevant authorities, assuming that they have taken the necessary precautions.

The distinction between time off and absenteeism is a key argument put forth by employees. Absenteeism refers to employees not showing up for scheduled work without proper authorization (Doyle, 2018). In contrast, time off is viewed as a brief period of leave that requires prior approval from the employer. Employees believe that since they have obtained consent and adhered to the company's time-off policy, it should not be equated with absenteeism, which is often considered a more serious misconduct.

However, it is crucial for employees to recognize that responsible time-off management goes beyond merely seeking approval. Properly notifying employers about the reasons for time off and adhering to company guidelines are essential steps in demonstrating due diligence. By doing so, employees can avoid misunderstandings and ensure that their time-off activities remain within the bounds of acceptable practices.

Companies can address this employee perspective by providing clear communication and training on the proper procedures for time off. Employees should be educated about the importance of responsible time-off usage, including accurate documentation and communication with supervisors. By promoting transparency and accountability in time-off practices, employers can foster a more constructive approach to managing employees' personal needs while maintaining a productive work environment.

In conclusion, employees view time off as a beneficial option for saving annual leave days and managing personal affairs efficiently. However, this perspective needs to be balanced with responsible time-off management, which includes proper communication and adherence to company guidelines. Distinguishing time off from absenteeism is essential, but employees must also recognize the importance of exercising due diligence to ensure a harmonious and productive workplace.

DILEMMA: HUMAN RESOURCE'S POV

Another important aspect to look at from the view of human resources department. This department often faces troubles with the annual leaves calculation as well as salary payment. Substantially, annual leave, by Malaysian Labour Law is calculated as follows - Regardless, it is to note that most of the employees are governed by the Employment Contract instead. *Employment contract is an agreement occurs between an employee and employer known as. It is a written document where states the rights and responsibilities of the two parties.*

- 1 to 2 years of employment = 8 days per annum
- 2 to 5 years of employment = 12 days per annum
- More than 5 years of employment = 16 days per annum

In the event where an employee is given time off, human resource department has no clear rules and frequently left on the gray floor. This would later affect the calculation of monthly salary and balance of leaves of the employees.

Based on the above mentioned case, the company incline to the solution to this time off issue is to outright prohibit it. This is due to the fact that there are other options. For example, to apply for annual or emergency leave, whichever the employee deems fit. The time off is irrelevant because employees may abuse and use it at their convenience, impacting the company's productivity rate. This may also cause a trust issue between the employer and the employee, with the former losing trust when workers use it irresponsibly.

The decision to entirely ban the concept of time off is derived from principle based approach.

R. Covey (1992) in Principle-Centered Leadership, he mentioned;

“Correct principles are like compasses: they are always pointing the way. And if we know how to read them, we won’t get lost, confused, or fooled by conflicting voices and values.”

Covey's point is indeed well articulated and holds true in various situations. Values are subjective and can vary based on circumstances and the individuals or groups involved. What may be considered valuable in one context might not hold the same

significance in another. However, underlying these values are fundamental principles that remain steadfast and universal, transcending time and place. These principles serve as guiding lights, unwavering in their essence, guiding us on the right path regardless of the situation.

To draw a parallel, values can be likened to maps, which offer direction and guidance but may differ depending on the terrain and destination. On the other hand, principles can be equated to an internal compass, an innate and reliable tool within us that constantly points us towards true north, our moral and ethical bearings.

Given the complexities of the time-off issue within our organization, the notion of banning time off entirely may indeed be a prudent course of action. Instead of relying solely on subjective decisions and interpretations, it would be more advantageous to establish and uphold a set of core principles within the company. These principles would act as a firm foundation, providing consistent and fair guidelines for managing time-off requests and ensuring that the process is transparent and equitable for all employees.

By adhering to these principles, the management can make objective and well-informed decisions, free from individual biases or fleeting considerations. A principle-based approach fosters a culture of trust and clarity, as employees can be assured that their requests will be evaluated fairly and in accordance with the established guidelines.

Furthermore, such a principle-driven system instills confidence among employees, knowing that the company operates with integrity and consistency. It reinforces a sense of purpose and direction, aligning everyone towards a shared vision while upholding the company's core values.

However, it is essential to strike a balance in this approach. While banning time off entirely may be a sound decision to uphold principles, it is crucial to consider exceptional circumstances and the genuine needs of employees. The principles should be designed with enough flexibility to accommodate emergencies, unforeseen situations, and personal well-being, as these factors significantly impact the overall productivity and happiness of the workforce.

Indeed, adopting a principle-based approach towards the time-off issue would steer the company in the right direction. By relying on fundamental principles as our compass, we can navigate this complex challenge with integrity and consistency. Empowering management with clear and well-defined guidelines ensures fairness and accountability while also taking into account the well-being of our valued employees. The journey towards a more efficient and harmonious work environment begins with embracing these principles and fostering a culture that reflects our collective commitment to excellence and respect for all.

WAY FORWARD

The company recognises the significance of addressing the needs of its employees and improving overall productivity. Nevertheless, the employees are ensnared in an intricate network of divergent interests. On one hand, the individuals comprehend the organization's aspiration to enhance productivity and uphold an efficient workflow.

However, it is important for the employees to also take into consideration the legitimate needs and welfare of their diligent colleagues.

The employees have articulated their discontent and dissatisfaction with the prevailing absence management policies, or more precisely, the absence of such policies. The lack of a well-defined and easily understandable time-off policy has resulted in employee uncertainty and vagueness when seeking time off for personal emergencies, medical appointments, or other necessary obligations. The decision-making process appears to be primarily dependent on the judgement of the Managing Director, resulting in a lack of clarity among employees regarding their rights and entitlements.

DISCUSSION QUESTIONS

1. Should employers grant time-off to their employees during work?
2. How does Islam view the concept of empathy or understanding in this matter?
3. Considering the new norms and challenges (WFH/WFA/mental health awareness), should existing policies (both internal & external) be reviewed?
4. How should an employer determine when and how special cases for time-off are granted?
5. How can employers strike a balance between making the right decisions for the company and ensuring employees' happiness and well-being?

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