Vacations and Paid Time Off: The Employer Perspective

To our business owners: Paid time off isn't a benefit unless employees actually take advantage. If your PTO policy is a selling point you use to attract talent, you should expect employees to use it!

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Should employees take Paid Time Off (PTO)?

Yes! Look, this is so simple: a burnt out, stressed employee is not useful to an organization. Of course, I realize you can't always take a break when you want. There are periods of time when long hours are necessary, and you have to work for weeks without a real break. Here at Viventium, we're right in the middle of the year-end season - so trust me, it's a reality for us, too! However, when our busy season is over, I will be encouraging the management team to encourage their employees to utilize their paid time off by unplugging and recharge. This means getting away from the office, *not taking work with them*, and spending time doing things they love with the people they love. Note, this is not entirely selfless on my part - as our HR Director, I know I am going to get a far better work product from an employee who is rested, both physically and psychologically. Work-life balance is important, and something we are very protective of here at Viventium. And to our business owners: PTO isn't a benefit unless employees actually take it. If your PTO policy is a selling point you use to attract talent, you should expect employees to use it! Plus, your employees' unused PTO benefit could contribute to the $125 billion to $190 billion per year spent on healthcare from work stress and burnout.

Why might employees not take PTO?

Let's talk about the work martyrs: the employees who will loudly tell anyone who is listening that they don't or can't take PTO due to their *incredible, insurmountable workload*. I honestly see "I Don't Take PTO" as the new "I Don't Have a TV". No one is really impressed. There's also a real downside to this mentality, aside from the exhausting martyrdom vibes. Employees who never take a break are more stressed out, and *less productive*. In some instances, I have seen the work martyr actually provide less productive output to the company than their peers who take their allotted PTO. Generally, my experience has been those top performers will find a way to get their tasks accomplished, while still making time for themselves and their extracurricular pursuits. Top performers are self-motivated, highly organized, and able to delegate tasks. My other 'favorite' type of work martyr is the kind who m akes a big show of working on vacation or will tell anyone who will listen that they will be available for a ny questions on vacation. As a general rule, I encourage managers to discourage this behavior. With p roper planning, there is very little reason why an employee needs to be bothered on vacation. Their t

eam should plan ahead to ensure workloads can be covered, so everyone can enjoy their vacation i n turn. I try my best to practice what I preach here, but sometimes I have been guilty of taking work w ith me on vacation. It's an area of opportunity for me, too! When I plan a vacation, I give my team a mple notice that I will be away, and make it clear that I am only available for emergencies. I think HR s ees more 'emergency situations' than most roles, but still, even a well-prepared HR team should have a contingency plan for team members being away.

PTO Policies

Standard We are all pretty familiar with this policy: employees have a set amount of PTO, which is usually given as a lump sum over each anniversary or calendar year, or otherwise accrued per pay period. I like this option because employees know what to expect. It can also reward loyalty and longevity with the company (for example, tenured employees get more paid time off than new hires, per each anniversary year). It's also fairly easy to administer, as it can be automatically tracked in most payroll systems (including ours, of course!). There can be downsides, however. For example, if you have an accrual system, per pay period, and an employee schedules a two-week vacation in January, there may not be enough PTO 'available' in their bank yet. So, what does any employer do in t hat situation? Tell the employee they can't go on vacation? Advance the time, leaving a negative PTO balance, or tell the employee it needs to be *unpaid?* None of these options are much fun for either party. Because of this, I tend to favor 'buckets' of PTO being available each anniversary or calendar y ear, and available for use right away. However, if you're in an industry with high turnover, this may not w ork for you, as employees will be able to take all their time at once, and then resign after using it. So, it's a balance and a decision that should be made carefully as a management team. Unlimited Ah, unlimited PTO. Super trendy, this idea is getting a lot of press lately. The thing is, I have seen too many downsides to this method to be able to advocate for it. Often, I have seen employees 'ranked' against each other i n terms of how much PTO they have taken. A manager usually will start this conversation with something l ike, "So, I know we have unlimited paid time off, but *did you know you have requested/taken more than your peers...?"* And really, what is an employee supposed to do with a message like that? Not request PTO? But that negates the whole purpose of having such a policy! With this method, I have seen unintended consequences: employees being fearful of being "that employee" who requests too much time, so they decide not to request time off at all. Now with all that being said, this can work for some organizations, and many organizations do find this to be a very successful method. Just be sure you are ready to embrace the requests, with *no strings attached*, if implementing a policy of unlimited PTO. Mandated/Scheduled This is my new favorite trend! I haven't had a chance to personally see it in action yet, but the concept is very attractive as an HR Professional. Essentially, organizations will mandate that employees take at least 'X' amount of time during a calendar year, at a time of the e mployees' choosing and the manager's approval. So, employees go into a calendar or anniversary y ear knowing they *must* schedule a time to rest and recharge. I think the key here is to allow time for ample communication to the team and allow employees time to schedule their vacations for the year, without feeling a ton of pressure to make a snap decision for the whole year. I think this policy can

work if employees aren't stressed out or under pressure. I'll be watching this trend in 2018 to see how it plays out. I am hopeful it will prove successful.

The Approval Situation

Let's talk about approvals. Over the years, I have consistently been surprised at how stressful and complicated managers and employees can find the paid time off approval process to be. Here is a common scenario: a manager will come to me and say "Suzy requested PTO during peak season. She has PTO available, but this will really impact my operations. But since she has the time available, I have to approve it, right?!" No! There are two key considerations I advise our managers to evaluate when approving PTO: does the employee have time available, and will your department be able to run smoothly during their requested absence? If the answer to either question is 'no', then you can d eny the request. I promise, it's that simple, but it causes managers so much stress. Note: I always a dvocate to be as flexible as possible and work with employees to grants their requests if you can, but y ou *can* say no if you have to. Finally, I think it's important to note there are very different compliance considerations when evaluating PTO policies for salaried, exempt, and hourly employees. Be sure you have a thorough understanding of both your federal AND state obligations when it comes to PTO, to ensure compliance with applicable wage and hour regulations. *Want more discussion on vacations and PTO policies? Check out our podcast by clicking on the button below!*

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