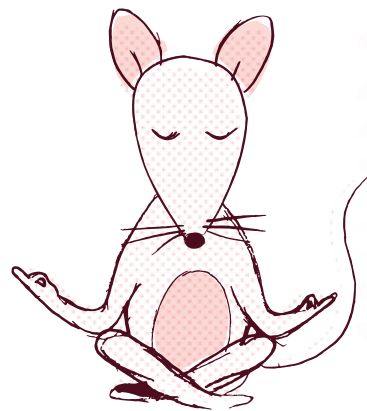
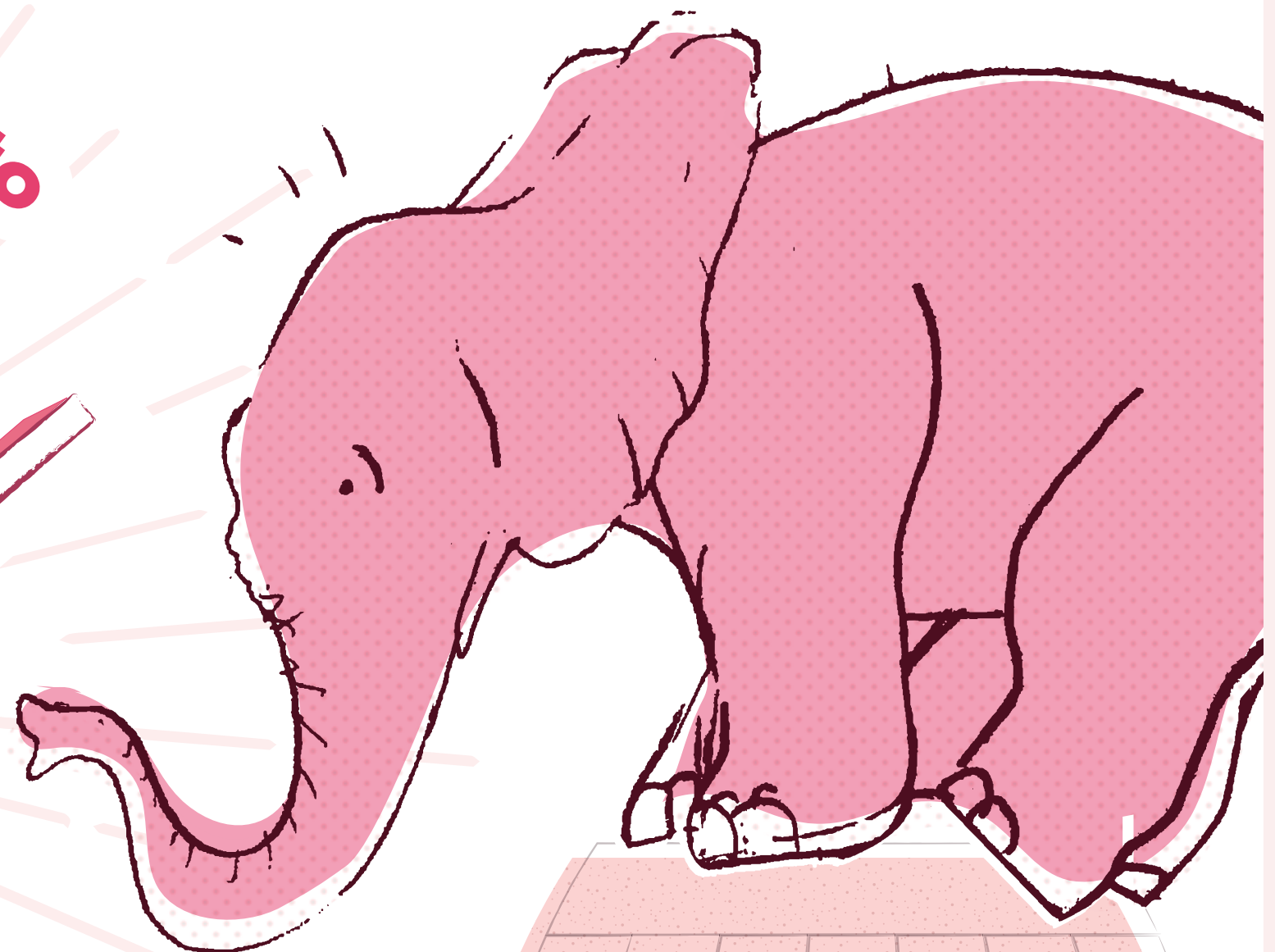


A Comprehensive Guide to Unlimited



PTO



TRADITIONAL
PTO POLICIES

From your friends at



In this eBook, we're going to give you an in-depth and unbiased overview of everything we know about the phenomenon known as Unlimited Vacation.

We'll dive deep into not only the reasons why Unlimited PTO can be a great workplace culture elevating tool but also why for some organizations it hasn't been as fruitful as they had hoped - and what they did about it.

But don't fret! If you're hoping to learn how to implement Unlimited PTO in your business, this eBook is definitely the place to be as we'll also walk you through some of the best Unlimited PTO practices tried and tested by organizations who have done it before.

PART 1

Unlimited Vacation: *Not Really What You Think*

Groove

Unlimited PTO is not|



Unlimited PTO is not **a waste of money**

Unlimited PTO is not **usually abused**

Unlimited PTO is not **uncivilized**

Unlimited PTO is not **a free-for-all**

Unlimited PTO is not **unmanageable**

Unlimited PTO is not **a bad idea**

Unlimited PTO is not **bad for business**

Unlimited PTO is not **unprofessional**

Unlimited PTO is not **bad for your career**

Unlimited PTO is not **an extra cost for your business**

Search

1 It seems like when you hear the term *Unlimited PTO* the hair on the back of your neck stands up, but we

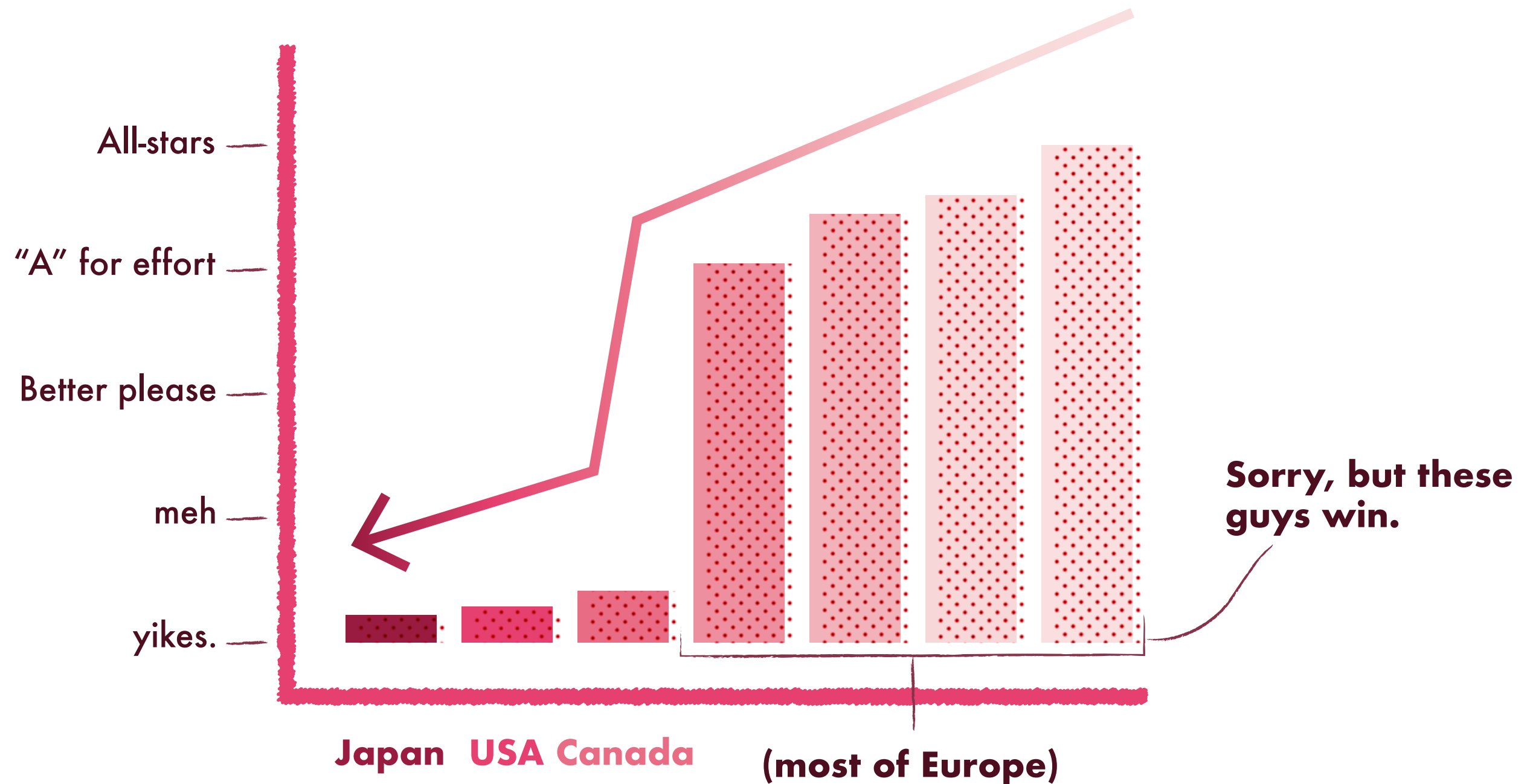
assure you there's *nothing spooky* going on here. The first thing we want to cover is the perception of Unlimited PTO and *why it's not really what you think it is.*

2 Upon *implementing* Unlimited PTO in your workplace this *does not mean* that you absolutely *MUST*

approve every single PTO request that comes your way regardless of whether it's workable or not. This may seem silly to even mention but believe it or not, it's a real barrier for some businesses to implement.

PTO Awesomeness

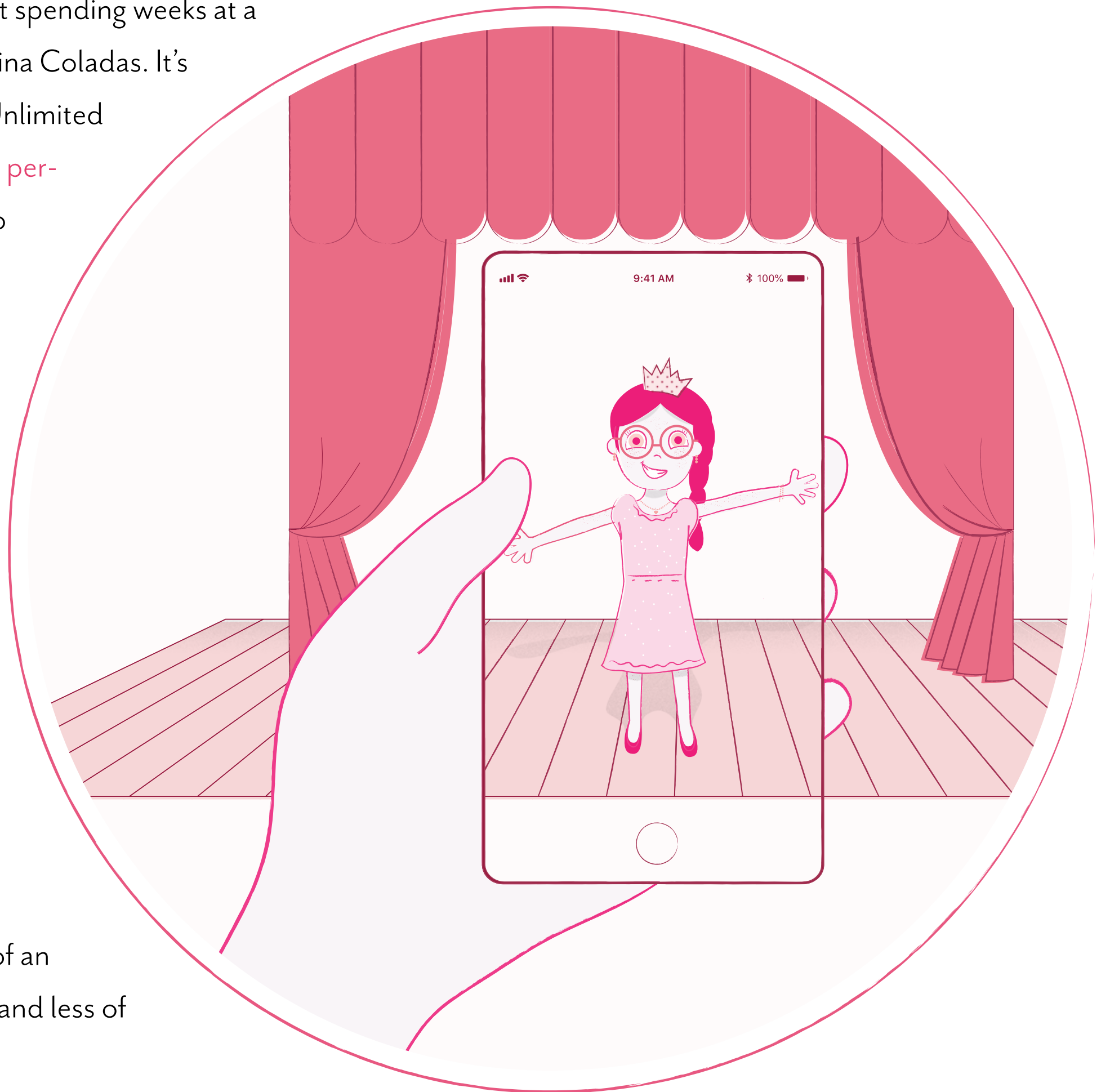
(not a real graph)



Unfortunately, Canada, The United States, and Japan are amongst the *bottom three* in the list of countries who do PTO best. So it makes sense why trends like Unlimited PTO might become popular in these countries where it's so **desperately** needed the most.

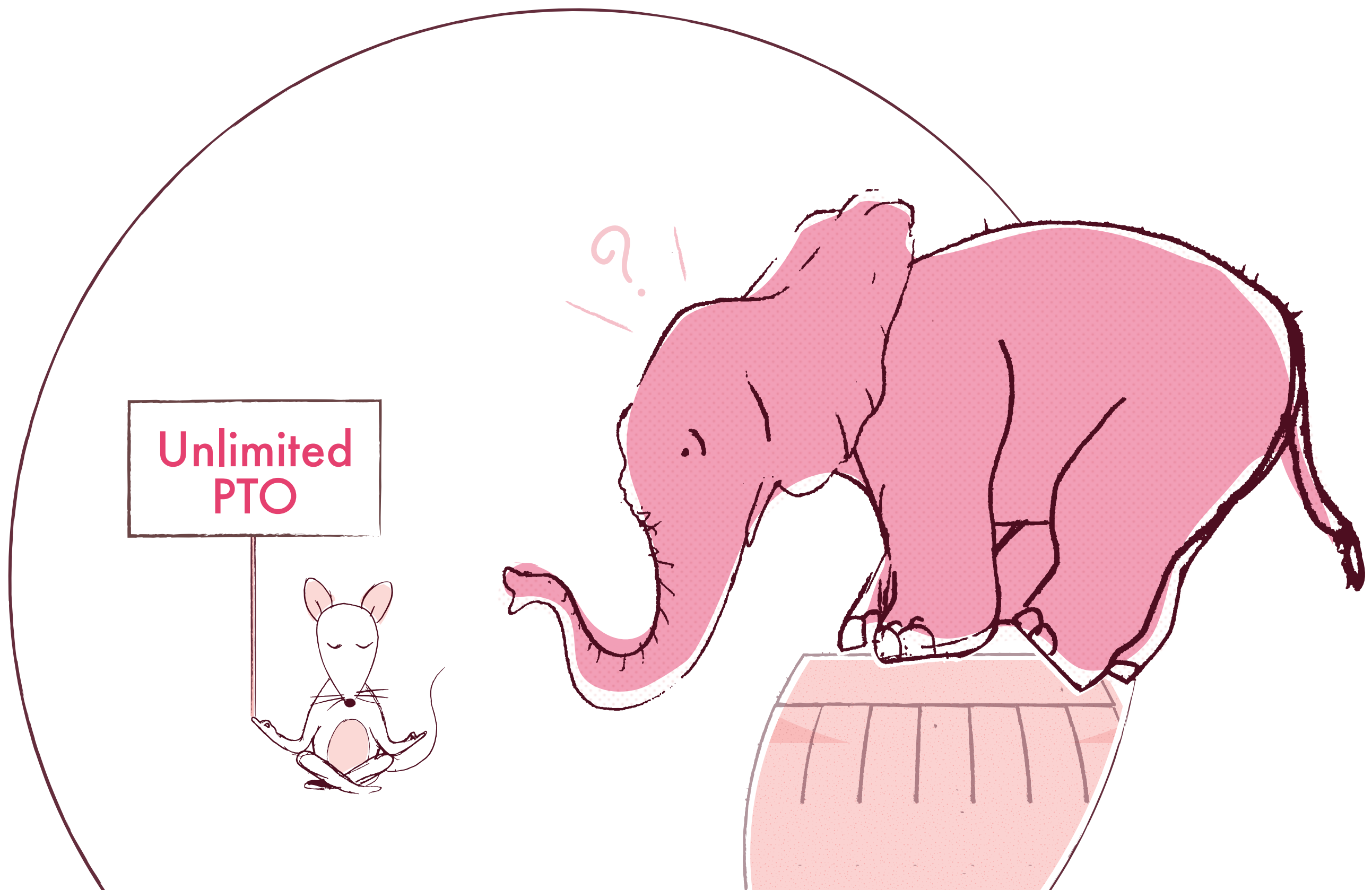
However, Unlimited PTO isn't all about spending weeks at a time in a tropical paradise sipping on Pina Coladas. It's about **work/life balance**. In all reality, Unlimited PTO is much more about **changing the perspective your staff has on PTO** more so than allowing them to run rampant. What the goal should be, is to allow for there to be **more freedom in the way your office is run**. Making room for an afternoon off here and there, or for **parents to make their daughters ballet recital in the middle of the day**, or turning a three day weekend into a four day weekend for a little break from all the chaos of our daily lives.

With just a **little process and an open mind**, Unlimited PTO becomes more of an intriguing culture elevating experience and less of an HR headache/nightmare hybrid.



PART 2

The Two Biggest Fears HR has About Unlimited PTO



Before we get too deep into the purpose of Unlimited PTO - let's address **the elephant in the room**. The two biggest fears HR has on Unlimited PTO

You already know them. It was the first thing you thought of when you heard about it for the first time, or perhaps when you opened this eBook. **And hey, it's OK.** You're definitely not alone, almost all the literature available for Unlimited PTO talks about it and given that these two things are a very big part of your job why wouldn't it be the first thing on your mind. *So, let's take a deep breath and say it together.*

Cost & Abuse.

These are what we're going to label as **false cons** on Unlimited PTO, cause frankly, they're just not true. However, there are very real cons that we're going to cover a little further on. But for now, let's debunk these and get this show on the road.

Abuse. Abuse. Abuse. It's in every single article you'll ever read about Unlimited PTO yet, in all 25 case studies that we've examined where small to medium sized businesses decided to give it a go, the exact opposite took place. That's how problematic work martyr syndrome is, even when we work in organizations who openly and publicly accept and encourage vacation time we STILL have issues going forward with it. Buffer reported that their first attempt with Unlimited PTO failed miserably when their staff actually ended up taking less vacation time than they did before and had to go one step further and implement a mandatory three-week minimum policy.

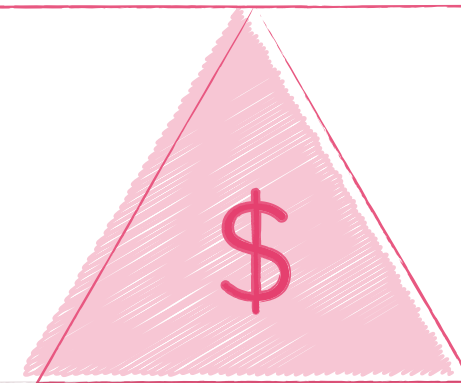
The Unbelievably High Cost Of Unlimited PTO. Sorry, also not a thing. In the Windsor Regional Hospital case study they reported the policy as being cost neutral and admitted it was a large fear according to most of the literature they had read before implementation. Given the fact that the vacation time being taken was relatively the same as it was before, there was no budget creep after the Unlimited policy was introduced. In fact, in relation to abuse again, the hospital reported that more often than not they had to explain to staff why it was important to take time off more so than they had to explain why they couldn't take as much as they wanted.

The lesson to be learned here? Even with Unlimited PTO, you're still probably going to be chasing your employees to take the appropriate amount of PTO in order for them to do their best work.

**“In the case study
they reported the policy
as being cost neutral”**

Unlimited

Traditional



PART 3

The Darkside to Unlimited PTO

We wouldn't be doing our due diligence if we didn't take into consideration the downside of implementing Unlimited PTO in the workplace. In this guide we wanted to present an unbiased view of the policy and to do so, we, in turn, researched the companies who tried out Unlimited PTO and failed, and what they did in response.






UN LIMITED doesn't mean UN ORGANIZED

As we mentioned in the previous chapter [Buffer](#) did not have the intended result they were hoping for after implementing Unlimited PTO, and in response [altered their policy to better reflect the way their team engages with their vacation policy internationally.](#)


We've also seen the same thing happen with [Kickstarter](#). [The crowdfunding startup nixed it's Unlimited Vacation Policy](#) telling Buzzed News that they would now be capping vacation time at a [\(still very generous\) 25 days a year.](#)

"It's always been important to us to ensure that our team is able to enjoy a quality work/life balance," Kickstarter's spokesperson told BuzzFeed News. "What we found was that by [setting specific parameters around the number of days](#), there was no question about [how much time was appropriate to take](#) from work to engage in personal, creative, and family activities."

Alison Green from the [Ask a Manager blog](#) also cites '[Guilt](#)' as the [biggest downside to unlimited vacation](#) for employees because, without an X amount of days per year, [employees are unsure](#) of what is considered acceptable or not. And because we know that employees really don't want to be seen as undedicated by their managers, [they end up taking far less than what would be required](#) in order for the policy to live up to its purpose of being productivity-inducing.



You may also have **senior employees** who will take issue with the new policy. Traditionally, employees who have worked in your organization for **longer periods of time receive more vacation time**, and newer employees would receive what could be referred to as a ‘**base package**’ upon their hiring. In numerous reports on the cons of Unlimited PTO, we’ve seen this issue arise.



With **Windsor Regional Hospital**, it even impacted their new hire nurses who were **afraid to accept the new policy** for fear of backlash from more tenured nurses. For agencies, the issue lies on the **client side of things**. Often times the client is promised a certain employee for a certain number of hours. So even if the agency has an unlimited policy, their **client-centric structure** could change the game.

Often times, the situation **may depend on the industry** and the standards that come with it and each individual organization should heavily **weigh the pros and cons** for their business before implementing Unlimited PTO. Luckily, this is the perfect set up for us to move on to our **next chapter on the best practices** for implementing an unlimited vacation policy. So even if there is a downside for you, there might be a simple operations procedure that can be implemented along with it to make everything run that much smoother. Let’s have a look!

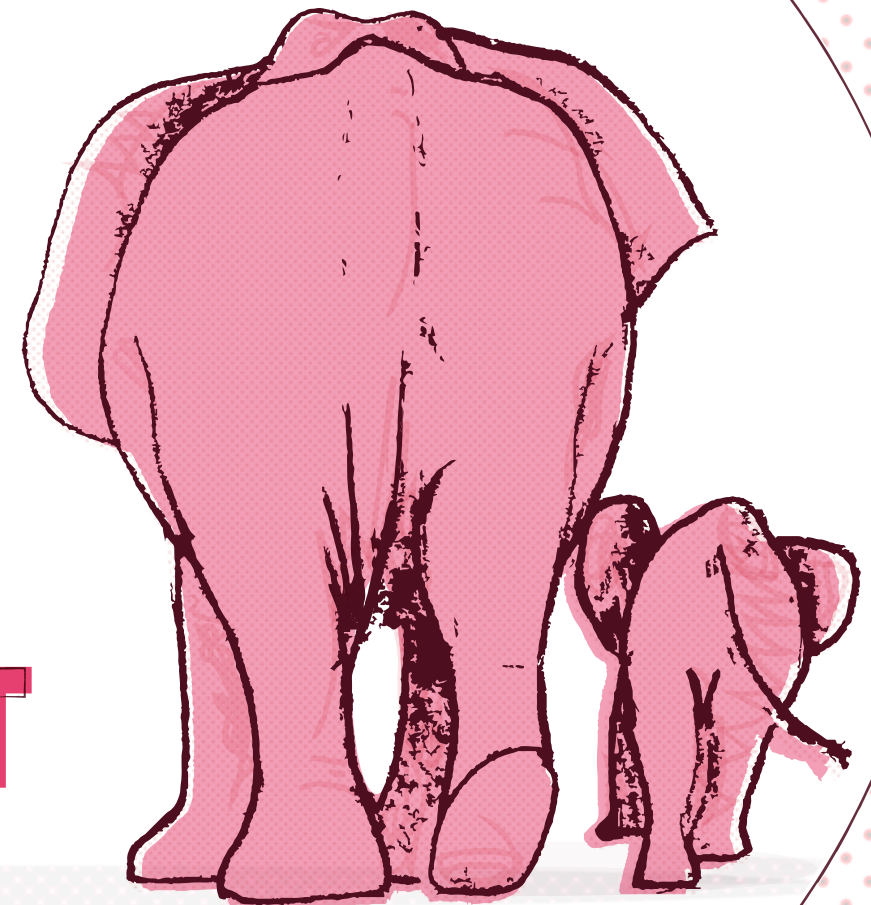


PART 4

Best Practices

If you are thinking about implementing Unlimited PTO in your organization, one thing can be confirmed: a strict process is required.

**THE
PROCESS
DEFINES
THE
PRODUCT**



Change the Terminology

As noted in Inc Magazine: "Though we do offer unlimited PTO, we have found that it's flex-time that truly changes productivity levels. *Not all of us are wired to be productive from 9 a.m. - 5 p.m. every day.* So, some people get in early and leave early, while others work on the weekends. It's been a big benefit that people really enjoy," said Brandon Dempsey, co-founder of goBRANDgo!

This makes entirely logical sense, especially when you factor in childcare. Employees often value flexibility more than anything, and they have a right to do so: most human beings are not wired to be productive within set work hours, as Mr. Dempsey notes above. If the goal of work is to productively achieve tasks in the name of mission or revenue growth, then *it shouldn't matter if those tasks are being accomplished at 3 am or 3 pm.* People should work when the concept of "work" works for them. Consider 'Flex Time' as the vocabulary may be more valuable than the idea of an unlimited vacation.



UNUSED VACATION DAYS
ARE RUMoured TO COST CANADA
\$6.3 BILLION DOLLARS ANNUALLY.



To remember on the company side

Unlimited PTO policies can save you money. Unused vacation days are rumoured to cost Canada \$6.3 billion dollars every year.

Between employee burnout from not using the days, or companies being forced to pay out unused days when an employee quits, it still costs you. By implementing unlimited vacation, there is no accrual of days and therefore you are not obligated to pay out an employee upon termination of a contract. This saves money on the company side, which is typically a benefit.

Frame it up as a trust issue

Everything work-wise would ideally be rooted in trust, but unfortunately, that's not always normative in workplaces. Only about 46% of employees globally have "a good deal" of trust in their employer and colleagues.

The CEO of Mammoth Nathan Christiansen, a small business ski/snowboarding shop, decided to offer unlimited vacation last year. He found exactly what's been shown above: it didn't really change how much actual vacation time people took. But, he did find this:

"Second, unlimited vacation policies convey trust, making employees—not their managers or HR directors—responsible for making sure their tasks and projects still get done regardless of the time they take away from the office."

Trust



Helps

Minimum Vacation Policy

For the most part, organizations like Kickstarter and Buffer who have tested out Unlimited Vacation and didn't get the results they were hoping for have gone on to provide another interesting vacation type that Buffer is calling "minimum vacation". Meaning that instead of allowing an absolute unlimited policy, employees are required to take a minimum of X vacation days per year. X to be solved by your own organization and the requirements and common practices that are already occurring, and then allow for an "unlimited" policy to run over top. Meaning you might require your team to take 15 vacation days per year, but if a situation arises where an employee needs 20 then that is not off the table.

Not only does this encourage your team to engage with your vacation policy in a healthy and manageable way but it creates a positive narrative that if they need more time, that is not only acceptable but workable and maybe even encouraged.

Communication Checklist

This is critical because employees will want to know some basics:

- **Is the time off paid or unpaid?**
- **Is it subject to managerial approval?**
- **What is deemed appropriate (number of days)?**
- **How long has it been in play?**
- **Are there examples of people taking a lot of vacation?**
- **Are we expected to still answer emails on certain projects?**
- **What else should we know?**

This is a combination of needing a strong HR memo game and needing to educate managers about how to speak to these issues while conveying trust in the process. This is actually a tremendous opportunity to build the manager-employee relationship, and managers need to be coached on that.

Old School vs NEW SCHOOL

In essence: the “old school” way of thinking about all this is:

“Targets need to be hit, and you need to be here to hit them. You get two weeks a year, more if you’re veteran.”

The “new school” approach needs to be: *“I respect and trust you. I know you like the salary and other benefits we provide, and I know you care about your work. As such, I know you will get things done and when you have the ability to spend time with friends and family, you will go do that and work won’t be interrupted.”*

can observe what’s important to you—including when your mind and body need a break. We believe in working smarter, not harder.” The type of place that “doesn’t have a prescribed 9-to-5 workday” is going to do these policies more effectively, in general.

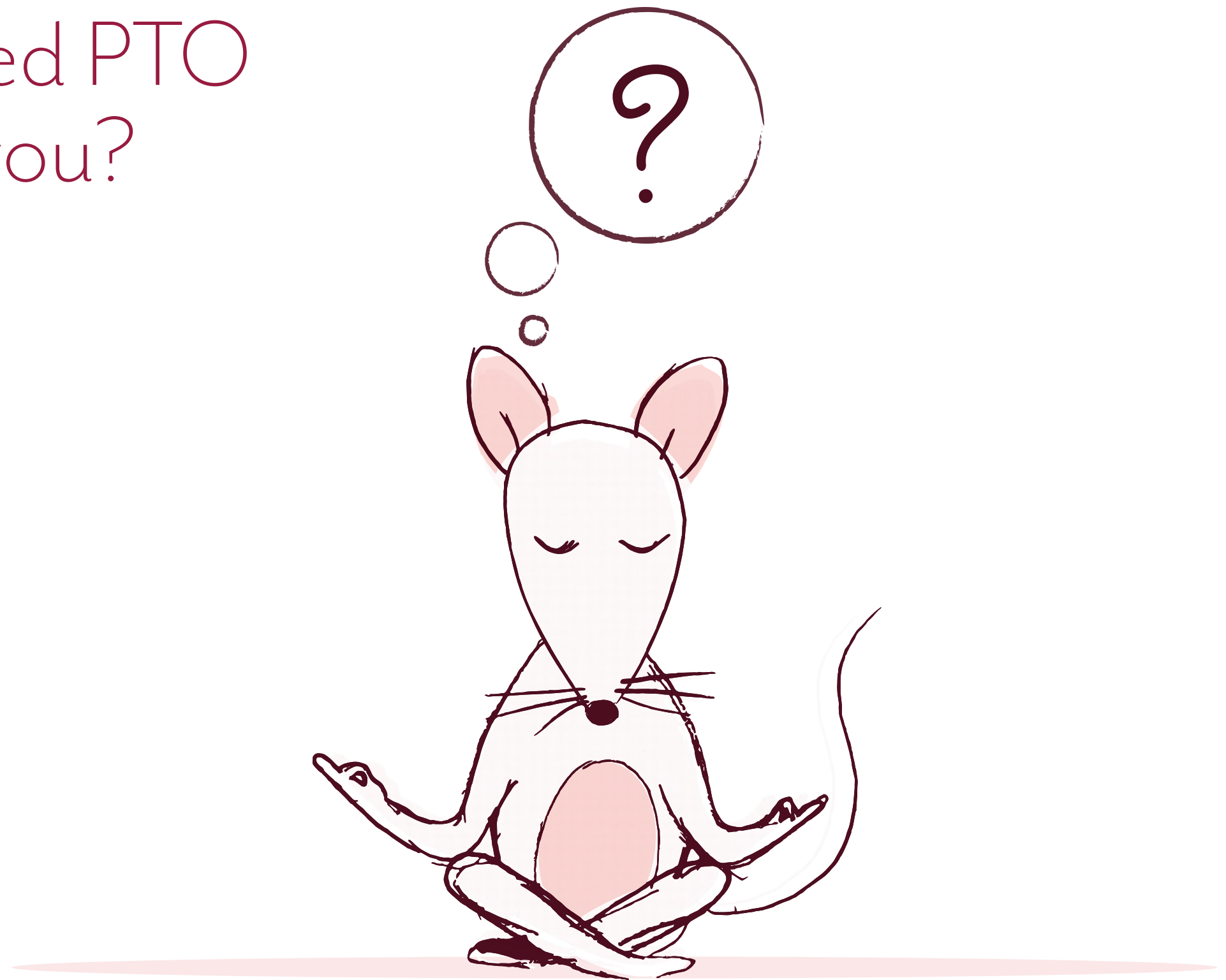
This speaks to a bigger cultural -- yes, that crucial word -- issue as well. You need the type of culture where “seat time” and “command and control” are not normative. In those places, unlimited vacation would almost never work.

But, consider this example from a [Glassdoor post about unlimited vacation](#). They’re discussing Netflix, which is one of the “big names” doing unlimited PTO, and, voila:

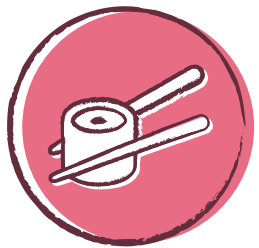
“Time away works differently at Netflix. We don’t have a prescribed 9-to-5 workday, so we don’t have prescribed time off policies for salaried employees, either,” reads Netflix’s website. We don’t set a holiday and vacation schedule so you

PART 5

Is Unlimited PTO
Right for you?



Is it right for you? It's a complex equation to consider. Take into account these parts:



What is your culture like?

Is it more about the work getting done productively but flexibly, or is it more about seat time and making sure employees are in the building? If it's the latter, an unlimited policy might be a stretch.



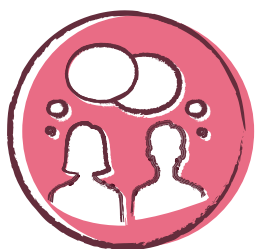
Know the financials

How much is this going to cost you? Plain and simple, that matters because the decision-makers will want to know. Take into account the accrual stats mentioned above -- if there's no accrual, there's often no need to pay back untaken time when someone exits. That could be a big saving over a 2-3 year period.



Are comparable companies doing it?

Wouldn't necessarily analyze rivals here, but if companies with similar culture mindsets and staff sizings are doing it, it's worth exploring. Talk to their HR decision-makers and work through how they arrived at their decision.



Talk to colleagues

Use LinkedIn. Use Twitter. Use former colleagues. See what's worked for people you trust and respect. There is no "right" answer to these questions -- there's just what works for X-company at Y-time. This might be your time. *Let's start investigating.*

If you've learned anything in this eBook - *we hope it's this:*
Unlimited PTO can work in the right environments and be a culture elevating tool, but it doesn't come without it's requirements. A few systems and processes put in place along with it and it can be just what you need to really hit it home with this policy.

However, a given in an Unlimited scenario is a form of HR software that will allow you to manage your PTO policies more efficiently. If you're not a customer of ours yet, we'd love to have you come for a test drive! Visit PurelyHR.com to start your 21-day free trial today!