ZOHO People

Your Ultimate Guide to Implement a Flexible Holiday Policy

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More and more, a flexible work environment is becoming expected by employees. They enjoy a workplace that allows them to do their jobs without compromising their personal responsibilities. To cater to this, many companies have started to implement flexible holiday policies. They see how taking time off helps employees manage burnout and increase productivity when they return to work. West Monroe Partners conducted a survey that revealed how flexibility in the workplace during the holiday season increases the productivity of employees more than any other benefit, including rewards, bonuses, and office parties. Holiday flexibility is also beneficial to firms with younger employees. Millennials, who will constitute 50% of the workforce by 2020, demand work-life balance and a flexible work environment. Having a flexible holiday policy makes the company attractive to these candidates, and this helps firms attract and retain skilled workers.

At times, a flexible holiday policy is confused with an unlimited holiday policy. In the case of flexible PTO, different types of leave including sick leave, casual leave, privileged leave, bereavement leave and many others are combined together to provide greater freedom and flexibility to employees while taking time off. This is usually implemented in an organization to prevent the fear of running out of time off. An unlimited PTO policy, on the other hand, is truly unlimited. The amount of time off that employees are eligible to take is undefined, which gives them the freedom to take PTO according to their needs and preferences. A flexible PTO policy may not be unlimited as some employers may set a maximum limit.

In order to implement a flexible holiday policy, employers have to overcome the stigma that it will decrease employee productivity. Let's take a look at some of the ways that holiday flexibility actually improves the relationship between your employee and their job.

Employee engagement

When employees are allowed to balance their professional and personal lives, they feel happier at work. They believe that you support their family needs. Happier employees are more likely to stay engaged with their jobs. This leads to lower employee turnover, and the quality of the work they do will improve.

Breaks from work

Not receiving adequate time off during the holidays can make employees less productive. A surveyconducted in the UK by the Association of Accounting Technicians (AAT) revealed that 15% of employees think that traditional work environments decrease their productivity, and 20% think that flexibility increases it. Time off often allows employees to appreciate their workplace more, and this appreciation pushes them to try harder in their job. Though the concept of allowing more time away from work may seem counterintuitive, it leads to greater productivity.

Work-life balance

Work-life balance is a vital aspect of an organization. During the holiday season, trying to balance both professional and personal commitments often causes your employee's stress and leads to burnout. A healthy balance between work life and personal life is necessary to be more productive. At present, many employees are reluctant to use their time off due to the fear of their work accumulating. To make it worse, long periods or work without a break causes employees to become exhausted and unmotivated about social activities. This can become a vicious cycle where employees feel like they have no control. Being flexible about time off allows employees to take time when they need it and manage their own work-life balance. Additionally, it creates less stress for an employee when taking time off is something a company expects from its employees rather than condemns.

Employee satisfaction

Being strict about time off leaves employees feeling dissatisfied, whereas a flexible holiday policy builds a feeling of trust. Giving employees the freedom to plan their own vacation time enhances their satisfaction levels. It also helps employees see that they are respected and appreciated by their company. When the rules are flexible and accommodating, employees will feel better about following them. Lastly, insufficient holiday time off leads to detachment from the workplace. Your employee's job satisfaction reduces as their autonomy over their time off does.

Now that we've seen these benefits, here are some tips to develop a flexible holiday policy:

- Evaluate your current time off policy
- Understand your employees and organizational limits
- Communicate the rules to your employees
- Measure organizational performance after implementation

- ## Evaluate your current time off policy

  Before implementing a flexible PTO policy, assess the current policy in your organization. Identify the areas that need to be amended. This will help you to identify what needs to be incorporated into your new flexible PTO policy in order to increase employee engagement, productivity, and your company's bottom line.

- ## Understand your employees and organizational limits

  What do your employees want from a flexible PTO policy? The whole purpose of a flexible PTO policy is to encourage your employees to take enough time off and prevent burnout. Send out surveys to understand how they'd prefer the flexible PTO policy to be. After collecting employee preferences, check if they are feasible and consistent with your organizational policies and leave laws.

- ## Communicate the rules to your employees

  Encourage your employees to use flexible PTO responsibly without abusing it. Let your employees know that, while a flexible PTO policy is being implemented, the organization is putting its trust in them. Help them understand that this allows them to take leave for different purposes without having to worry about accrued time off. Also, make them aware of the fact that they will be expected to plan time off well in advance whenever possible.

- ## Measure organizational performance after implementation

  The purpose of implementing a flexible PTO policy is to both encourage your employees to take time off and improve the productivity of your organization. Employees tend to be more motivated and perform better after returning from leave. Assess whether or not the flexible PTO policy has increased your organization's productivity.

A flexible holiday policy will usually influence employee productivity positively. This is one of the best ways to retain employees and ensure that they remain productive throughout the year. When employees are made responsible for their time off and there is flexibility from managers, it encourages open communication and fosters employee happiness. Conventional holiday policies are a thing of the past. When you decide to be more free with your leave policies, employees are not just more satisfied and productive, but they also build a sense of loyalty to your company and its values.

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