



FP Weekly Checklist: Implementing a Company-Wide Vacation Policy

Insights

10.31.22

Each week, FP Weekly members receive a practical and cutting-edge checklist of issues to consider, action steps to take, and goals to accomplish to ensure you remain on the top of your game when it comes to workplace relations and employment law compliance. This week we provide you a checklist of steps to consider if you want to roll out a company-wide vacation policy – one where all your employees take the same paid week off at the same time in addition to their usual paid time off.

What is a Company-Wide Vacation?

In order to combat fatigue and burnout and to provide employees with a true break from work for a full week, some organizations are turning to company-wide vacations. The premise is simple. All employees are given the same week off at the same time besides absolutely essential personnel that are needed to ensure your company stays afloat. This time off is beyond the employees' typical vacation time that they can schedule on their own.

This means that your employees will not be contacted by other workers with “quick” questions or Zoom meeting requests, will not be tempted to check email or message systems, and will truly feel like they have the freedom to unplug. Consider it like a mini-summer vacation as if you were back in grammar school, with everyone enjoying time off at the same time and a true sense of liberation that they have no responsibilities for a brief (but glorious) period of time.

While this model may not work for every company or role, the benefits are obvious for those that can swing it: increased morale, higher retention rates, a great selling point for applicants, fewer incidents of employee burn-out, and happier and more productive employees upon their return (who won't be dealing with the standard barrage of emails to plow through on that first Monday morning).

Weekly Checklist: Implementing a Company-Wide Vacation Policy

_____ The most important task: decide whether this is the right fit for your company, as there are certain lines of work where this just isn't feasible. Before you dismiss the idea, however, we're talking about true essential services like hospitals and critical social services. Most organizations can withstand a week off if you stop and consider it. (If you still doubt it, go ahead and google “company-wide vacations” and check out all of the

large organizations that have started to offer them in the last few years.)

_____ If your company truly cannot sustain a week-long break, consider department-specific synchronized week-long vacations. This will provide at least a portion of the benefits to workers in those departments.

_____ Determine your core personnel that needs to remain on duty during that week – but be ruthless when coming up with this list. Make it as tight as possible, considering finance, IT, and other leadership personnel depending on your business.

_____ Decide how to reward those essential personnel who are stuck working that week. Many companies simply offer those personnel the following week off work, but you may also decide to grant them an extra PTO day or two for future use.

_____ While this concept is empowering to employees, you still need to prepare in case a true emergency develops during the break (such as a data breach, another type of security threat, a critical loss of business, etc.). For those leaders who would be needed during such an emergency, request that they remain reachable in case calamitous circumstances arise (no backpacking in the wilderness, for example) – but be wary of the “on call” implications this raises when it comes to wage and hour law.

_____ Once you decide to proceed, select a week and announce it to your employees well ahead of time (at least a month’s notice). They will need time to prepare and will appreciate having ample time to make vacation plans, as stressing to make such plans in a limited time window really defeats the whole point.

_____ Decide whether you will allow employees to schedule PTO immediately before or after the company-wide vacation. You could have multiple employees taking two-week vacations at the same time, which could hamper your business. Can your company manage such a concentration of vacations at the same time?

_____ Once you decide the week and announce the core personnel who will remain on duty, do not allow for exceptions except in the direst of circumstances – your leaders must buy in to this policy for it to be effective. If some internal project will be reaching a critical juncture at that point and interfere with the vacation, you should consider arranging the week-long period at some other time. For example, the time between Christmas and New Year’s Day might be slow for many departments but others are dealing with critical year-end functions.

_____ Begin to set expectations with your vendors and other outside business partners as

soon as possible. Communicate to them in a coordinated fashion about your plans and how you will be servicing your relationships before, during, and after this time.

_____ Provide ample reminders to your staff as time gets close for them to wrap up projects and provide the appropriate notifications to outside business partners.

_____ Provide a template out-of-office message that your employees should turn on as they depart for their vacations with a coordinated plan for contacting the company in case of emergency.

_____ Consider setting up an automated response email message that outside recipients receive the week before reminding them of the time away, and/or a message in your company email signature block.

_____ Train your managers not to bother workers during this time off! Stress to them how important the break is and how the concept will be compromised if they don't uphold their end of the bargain. These concepts start from the top down, as we've seen far too many great employee-focused initiatives (such as work-life balance programs and open door policies) fail because they aren't consistently implemented by those in charge.

_____ If you learn that a manager has unnecessarily reached out to one of their employees regarding work, handle it appropriately through performance management means. Also make sure you address the situation with the employee on behalf of your entire organization to let them know you are aware of the situation and will ensure it doesn't happen again in the future.

_____ If you learn than a worker has decided to take on work of their own accord during the vacation, talk to them upon their return and provide resources to determine how that could be avoided in the future.

_____ If an hourly worker handles work of their own accord or is contacted by a manager about work during the vacation, make sure you comply with state law on compensation as soon as possible. You may also need to consider disciplinary measures as appropriate.

_____ Monitor vacation use by employees to ensure this is not the only time used by some employees. Refusing to use allotted vacation time could be an early indicator of burn-out or over-work – or could even indicate deeper employment issues if an employee

does not want co-workers reviewing and performing their duties in their absence.

_____ Spell your whole policy out in a clear written version – drafted in conjunction with or at least reviewed by your legal counsel – and make sure it is distributed to your entire company.

Conclusion


We will continue to provide weekly checklists to assist employers in their workplace law compliance, so make sure you are subscribed to [Fisher Phillips' Insight system](#) to keep up with the most up-to-date information. Please contact your Fisher Phillips attorney, the author of this Insight, or any attorney in our [Corporate Compliance and Governance Group](#) if you have any questions.

Related People



Phillip C. Bauknight
Partner
908.516.1059
Email





Danielle H. Moore
Partner
858.597.9600
Email

Service Focus

Counseling and Advice