Unlimited vacation: The good, the bad & the ugly

“Vacation? Take all you need. We don’t count the days. Just make sure your work is done or someone else has it covered.”

Now that’s an enticing vacation policy. Employees could string together two or three weeks for that Belize retreat they always wanted to take, spend another week on the family camping trip, yet use another week to attend their niece’s destination wedding, and still another to, well, just not work. Or they could cut it up into smaller bites, taking a day off here, three days there, for the heck of it, just because they can.

Or maybe not.

Here is the good, the bad and the ugly of an unlimited vacation policy:

**The Good**

**For employers:** Take-all-you-want vacation is an attractive perk to dangle in front of top-dog job candidates. Whether they use it or abuse it is another matter, but it’s quite the recruitment bait because not too many companies are offering it and your company will look progressive. Another upshot: less paperwork keeping track of employees’ leave time. Also, when the employee leaves the company, you won’t owe any accrued vacation pay.

**For employees:** Recharging the batteries has never been sweeter. The employee becomes the boss of his or her own time and they become happy and hopefully more productive. Morale soars. There’s also the element of flexibility and trust. You gave them complete flexibility and you trust them with it. Employees like being trusted; it tells them that you value them.

**The Bad**

**For employers:** Such a policy has an inherent abuse factor built into it. Imagine dozens of employees taking full advantage of this policy-without-borders. What if there are many employees falling behind on their work or
important stuff is falling through the cracks? And how about those key employees who are persistently absent from important meetings? Are you prepared to reel it all in?

**For employees:** Many employees can’t gauge when they’ve “taken enough” vacation days. Moreover, they don’t even know the “right amount.” Is there a “minimum amount?” After all, you have no guidepost. Confusion begins to build and hesitancy follows.

**The Ugly**

**For employers:** Unless all your employees do the same thing, you might run into problems with this policy. Some jobs are just built better for it. For example, your receptionist or customer service rep can’t take time off without someone filling in for them, while your copywriter or sales rep can. Such inequities will quickly torpedo morale and breed resentment. And what about those workers you pay by the hour?

**For employees:** On average, under traditional vacation policies, U.S. workers receive two weeks of paid vacation per year, according to a study from the nonprofit, nonpartisan Center for Economic and Policy Research. And many employers offer a tiered system in which an employee could earn more weeks with tenure. Under the vacation-buffet plan, many employees are too frightened of losing their jobs or they’re too overburdened with work to go beyond a week or two away from work. Some will wonder if they would have gotten more vacation time under a traditional plan. They sense that the house wins on this perk.