

# How to balance employee time-off requests



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The holiday season is upon us, and for most employers that also means a tsunami of time off requests are incoming. Many people take time off at the end of the year to spend time with their loved ones, celebrate, and unwind from a busy year. The past two years have been particularly hectic for many people, and you may see even more requests than usual this winter.

Taking time off is essential in preventing burnout, so you should encourage your employees to request time off when they need it. However, it can be challenging for business owners and managers to balance large quantities of overlapping time-off requests. The holiday season and the summer are popular times for vacations and family gatherings, so you need a plan in place to prioritize these requests in a fair manner while ensuring that you have adequate coverage at work.

## **Communicate your time-off request policy**

The most important thing is to have a clearly written time off policy in place with a procedure in place for time off requests. Include this policy in your employee handbook for easy reference. Some last-minute absences will occur, such as sick days, but you should have a procedure in place for absences that can be foreseen such as vacation days or scheduled medical appointments.

It's best to provide employees with an idea of how far in advance they are expected to put in time-off requests. This varies widely by employer, so it's good to set this expectation at the start of employment during onboarding. Clear expectations reduce stress and anxiety for both parties.

Also, make sure that they know how to submit time-off requests. Is there a PTO request function in your payroll or time tracking system? Do they send their manager an email or fill out a request form? Be clear about the desired request process, as it's hard to stay organized if some people are sending emails, others are asking over Slack or Teams, and others are writing it on a calendar or just asking managers in person. If you don't have all requests compiled in one place, you won't know if someone has already requested the same time period off.

## **Keeping track of multiple time-off requests**

It's also important to have an organized system for keeping track of time off requests. Some employees still use physical request logs or calendars. This is okay, but it can be hard to keep track of when requests were submitted with these systems.

Electronic PTO tracking systems are typically the easiest for employers and employees to utilize. Electronic systems allow both parties to see how much PTO is available in the employee's PTO balance, when the request was submitted, and whether the request has been approved all in one central location. If you are planning to handle time-off requests on a first come first serve or deadline-based approach, having the exact date and time that the request was submitted is helpful.

## **Balancing multiple time-off requests**

At some point in time, you'll likely have overlapping time-off requests or multiple time-off requests for the same period. If you have a large staff with adequate cross-training, this may not be too large of a challenge. However, small-to-medium-sized businesses tend to feel the weight of employee absences more heavily.

It's important to have a proper procedure in place to decide how you will prioritize time off requests. If you are not consistent in your handling of overlapping time-off requests, you may be accused of favoritism.

### **First come first serve**

The classic approach is to process requests on a first come first serve basis. The employee that puts in their request first gets the requested time off. This works well for general requests throughout the year and is generally fair, but can be problematic for peak time off seasons like the holidays.

Summer is generally a long enough period that first come first serve can be utilized, as employees can put in their request when planning their trip and adjust before making concrete reservations if needed. The holidays, on the other hand, are a fairly narrow time frame and are typically in high demand for vacation time. You should set a window in which holiday requests can be submitted. Otherwise, you run the risk of having employees submit time-off requests for the holidays a year in advance, which prevents any employees hired during the new year from having a fair shot at putting in their holiday requests.

### **Seniority**

Seniority is another popular method of managing time-off requests. In this method, all employees need to submit time-off requests by a set deadline, and the requests will be granted based on seniority. This is often done for time off around the holidays when it is anticipated that there will be a large influx of time off requests,

This method can be a tad frustrating if you tend to retain your staff for a long time (which hopefully you do!). If you have a large group of employees that have been with the company for a decade, new employees won't have a chance to take the holidays off for many years to come. This can be demoralizing for newer staff members. Millennial and Gen Z workers are more prone to job-hopping, so under a seniority system, younger staff are at a staunch disadvantage.

## **Reason for the request**

Many employers do ask about the reason for the time off request. Some employers make this portion of the request form optional. It's typically not the best idea to base time off approvals too heavily on the reason for the request. The importance of a particular activity may be subjective and employees shouldn't need a strong reason to take PTO. Sometimes people just need to rest or take a mental health day.

However, it can be helpful to know whether the request is for an activity that cannot be rescheduled. There are also some requests like jury duty, medical leave requests, FMLA, and bereavement or funeral leave that you do need to honor over standard vacation requests. If you put sick leave and vacation into a joint time off bank, asking for the reason for the request is practical.



## Managerial discretion

Avoid leaving the approval process largely up to managerial discretion, this leads to favoritism accusations. Managers can have some level of discretion in terms of deciding how many requests to approve, but the order in which they are prioritized or approved should be consistent. Some businesses do set limits on how many people can go on vacation at once, but for most companies, it will vary based on the business needs and the anticipated workload of individual departments during the requested vacation period.

If there are overlapping vacation requests from the same department, the department manager should look at the forecasted workload to decide whether multiple absences will negatively impact the department. You'll likely see an increase in requests around the holidays. This may be a period where you allow more simultaneous vacations than normal as it is challenging to have productive client or sales meetings during the weeks of Christmas and New Year's.

Managers may use discretion when there are truly extenuating circumstances, but they need to be aware of their own biases. Managers with children may heavily empathize with a parent's desire to spend Christmas morning with their children and want to give them the morning off. This is a lovely thought, but this can create a bias against childless employees resulting in unequal time off processing practices. There will also inevitably be employees that you find more likable or have a stronger rapport with, but you need to be careful not to participate in favoritism. The perception of favoritism hurts morale and can cause conflict between co-workers.

## Blackout dates and busy periods

If your business experiences busy periods during a certain portion of the year, you may want to set blackout dates or restrictions on taking time off during those periods. For example, an accounting firm may set the days leading up to Tax Day as blackout dates. They may also impose temporary time off restrictions during tax season such as only allowing one person to use vacation time at once. They may also want to encourage employees to get requests in as far in advance as possible to secure their desired dates off, or to set a special deadline so that everyone can get their requests in and management can manage them accordingly all at once.

Blackout dates should be used sparingly, as you don't want to be too restrictive with your time off policy. After all, adequate access to time off is necessary for employee morale and continued productivity.

## **Working on holidays**

If your business is open on holidays, you probably don't want to allow time off requests for the holiday itself. There are better ways to decide who works holidays. The ideal option is to allow employees to volunteer to work holidays in exchange for extra pay and other incentives.

There will likely be employees that celebrate differently and don't need a certain holiday off. For example, some families celebrate on Christmas Eve instead of Christmas Day. Others celebrate Hannakuh. Let people volunteer to work the holidays that they don't necessarily need off and earn some extra money.

If you don't get enough volunteers, be sure to rotate who works on the holidays. If someone works on Thanksgiving, they should get their preferred winter holiday date off. Make sure nobody is being forced to work every holiday while others get them all off.

On the other hand, it's becoming increasingly popular to have office closures over the holidays. For many businesses, the week between Christmas and New Years is relatively unproductive and a large portion of the staff is out. If you fall into this category, you may want to give everyone a break and skip the time off requests for that portion of the year.

## **Mitigating the impact of employee absences**

Even if you have a highly organized vacation and time-off process to minimize overlapping vacation absences, there will always be unplanned absences as well. If the flu makes its way around your office, you may end up with several employees out sick all at once. This can negatively impact the flow of business.

There are a couple of other ways to help ensure that your business can continue to run smoothly with multiple employees out, and some methods you can utilize to reduce time off requests where possible.

### **Allowing shift trades**

For shift-based workers, consider allowing employees to trade shifts. This can reduce call-outs and absenteeism. Many employee scheduling apps even have shift trade features that help employees trade or give away shifts that they cannot make.

You should put a formal procedure in place for this if it isn't managed in an electronic scheduling system. Both staff members should confirm with management that a shift has been traded, as informal shift-trading can lead to no-shows and miscommunications. The employee picking up a shift or employees trading shifts should confirm that they will be responsible for their new shift, so that management knows who to contact or discipline if no one shows up for the shift.

### **Cross-training staff**

It's always a good idea to cross-train your employees so that they can cover tasks for one another when someone is on vacation or out sick. As a bonus, cross-training is also great for your team member's professional development.

It's also helpful to have staff document the procedures for completing their essential duties. If only one person in the office knows how to pull a certain report, operate a certain program or piece of equipment, or do another essential and timely task, you will be in trouble if that person is absent. You definitely do not want to be frantically calling employees for help when they're on vacation or seriously ill.

## **Offering flexible scheduling**

Many employers are offering more flexible scheduling options. Consider allowing employees to come in early if they need to leave early, particularly during busy times of the year for your company.

If an employee needs to leave early or come in late when you're expecting to be busy or short-staffed, allowing for adjusted hours may be better than granting PTO hours when it comes to meeting deadlines and managing the workload. This may not work well for shift-based workers such as retail or healthcare professionals. However, allowing office or remote staff to adjust their hours is generally less of a challenge.

## **Making sure time-off is taken**

Managing overlapping requests for time off can be stressful, especially for a small business owner. If you follow the above guidelines and recommendations, it should be an organized and efficient process that only minimally interferes with workflow.

You unfortunately may have to decline some time off requests, but do be sure that all employees are utilizing their paid time off balances. Also be sure that when employees do use their vacation time, they are allowed to fully disconnect and enjoy their time off. Proper work-life balance is necessary for employee satisfaction, engagement, and retention. Adequate time off is one piece of providing that necessary work-life balance.