



# Managing the Unlimited

Making unlimited time-off policies work.

BY ERIKA COHEN

“If you don’t trust your employees, do you have the right employees?” This was the question posed repeatedly by Gray Chynoweth, COO of Dyn, during a recent panel discussion about unlimited paid time off (PTO). Dyn had started testing unlimited PTO in June 2012 and made the policy permanent earlier this year.

The Internet infrastructure services firm has always been ahead of the curve when it comes to company culture—and this new policy is no exception. A 2012 survey by the Society of Human Resources Managers (SHRM) found that 51 percent of employers offered paid time off: policies that mix vacation, sick time and personal leave in one pot. Only 1 percent of those companies offered unlimited PTO.

While unlimited PTO may seem to be the Holy Grail of benefits, Chynoweth says there are many misconceptions about the policy. Time off is not limitless; the work

needs to get done, and it doesn’t mean unplanned; managers do need advance notice. It also doesn’t mean time off won’t be tracked; it is, for all 200 Dyn employees.

Chynoweth says that at Dyn and many other companies, clients have needs at all times of the day, so no one is ever really on vacation. In that context, the priority is placed on the work getting done instead of when the work actually occurs. And that goes back to trust.

“The starting point is that you need to have the knowledge that this both enforces the strength of your culture and exposes the weaknesses if you have a weak culture,” he says. “However, it can also be a tool to empower that trust. It makes the company less paternalistic.” That is because, Chynoweth says, you are trusting employees to get the work done and not implementing policies that suggest the need to prevent abuse.

## Managing the Unlimited

The basic theory of unlimited time is that employees take as much time off as they need, when they need to, as long as the work gets done on time. The policy is intended to account for and respect different work habits, Chynoweth says, so those who are more efficient may take more time, while those who are less efficient or just like to work longer hours will take less.

“The objective isn’t to have you here, but to get the work done,” he says.

Chynoweth says the unlimited policy actually requires a lot of management. Dyn tracks time taken off by employees, and managers must monitor time off requests to ensure teams have the manpower to get the work done. He says the policy has not resulted in abuse. Employees are taking what they need, and he says the work is getting done.

To date, Chynoweth has received no complaints from staff feeling overburdened



by colleagues abusing the policy or taking excessive time off.

During the six-month trial, the first challenge in managing the policy came between Christmas and New Year's when there were numerous requests for time off.

"We didn't turn anyone down, but the staff here was left stretched, doing extra work and being not as efficient. That was a teachable moment for the company, and the managers, of what it looks like when you are doing it wrong. All of a sudden you have two or three discussions a day when this or that can't get done because this or that person wasn't here," Chynoweth says.

### Setting the Rules

In addition to trust, the other key subject Chynoweth repeatedly talks about is how no one is really ever on vacation. That, he says, is part of the expectation of getting the job done.

"Taking time off is supposed to indicate you are less accessible," he says. "I don't say not accessible because there are instances when someone is on vacation and works because they are called for something. Just like there are instances in my

daily life where family matters pull me away from work at any minute."

Building on that basic principle of what it takes to get the job done, the company has developed some informal but necessary parameters for managing unlimited time off.

**The half-day rule:** Dyn asked employees who are taking half a day or more off to record it as time off.

**First come, first served:** They don't define how much notice is needed for time off, but Chynoweth says time off requests during high demand periods (such as holidays and school vacations) should be on a first-come, first-served basis. This encourages predictability and allows for planning.

**Watch for management gaps:** Be cautious of having multiple managers from one department on vacation in the same week. Also be cautious of having too many executives away in the same week, Chynoweth says.

Dyn hasn't had a second test run of a high demand period, but Chynoweth says the company learned an important lesson that limits sometimes are needed. He says potential ways of addressing those peak

times include having people negotiate so one person takes a given week one year and another person in that team takes it the next year. Another negotiation could involve one person being away, but being more accessible by phone than is normal when on vacation. The default rule in most cases is first come, first served.

**Trust but verify:** Dyn has 200 employees and expects to reach 280 by the end of this year. While flexible time-off policies are a necessity for small companies in Chynoweth's mind and "reflect reality," he says they are harder to manage in large companies where a single person can erode an otherwise successful culture. That's why managers and executives at Dyn work hard to build trust and communication with their teams so they know what is and is not working. That includes tracking vacation time to keep an eye out for employees taking too much time, or taking too little time and risking burn out. Tracking, says Chynoweth, also provides important metrics about the capacity of the organization.

"It's practice over policy, guidelines over rules, and flexibility over structure," Chynoweth says. ■

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