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Buying time

Vacation purchase joins benefit packages

Jacksonville Business Journal - by [Dolly Penland](#) Correspondents

Jacksonville transportation providers The Suddath Cos. took a different tack after the terrorist attacks on New York City and Washington, D.C., helped fuel a national economic downturn in 2001.

Whereas many companies began to lay off employees to cope with falling revenues, Suddath decided to give employees a chance to take more vacation time rather than lay them off. The idea was "the result of some brainstorming in the HR department, the things we could do to reduce payroll costs," said Beverly Rogers, director of organizational development for Suddath.

"We were trying to come up with a creative way not to downsize. We, like many businesses, experienced a fall-off in business and so we wouldn't have to eliminate positions, we gave them the opportunity to purchase vacation to offset payroll costs. It was such a big hit with employees we decided to extend the benefit."

Under the vacation purchase program, Suddath employees buy one to five days of additional vacation time each year at their daily salary or hourly rate. This allows the workers more free time, while the company enjoys the savings in payroll. Employees still accrue traditional vacation time: two weeks for those who work with the company one to five years, three weeks for those with five to 15 years at the company and so on.

Now in its third year, the vacation purchase program is proving quite popular at Suddath. Of more than 1,000 employees nationwide, 40 percent take advantage of the program each year, saving the company "a substantial amount," Rogers said. The privately held company declined to disclose the exact figure.

Although the program benefits the company, time off is also a great employee reward tool. "It can be a great motivating factor," said Bob McKenzie, president of McKenzieHR. "More and more employees are looking to have more time off. That's one of the things any organization can do, grant more time off."

Employees at many companies, however, often simply accrue vacation time without ever using it, carrying the extra vacation days over into the next year. Suddath doesn't carry over vacation time, but it pays for unused days each year.

"For a lot of companies, vacation is a liability on the books," McKenzie said. "They pay that out whether the person uses it or not."

Therefore it's important to encourage workers to actually use those vacation days. "Make sure they use it," McKenzie said, both to reduce costs to the company and ensure employees stay fresh and motivated on the job.

The average U.S. worker has 13 days of vacation time each year, far below average employee vacation time in some other countries. According to the Vacation Advocacy Web site at **www.iwantmyvacation.com**, sponsored by Universal Orlando, Italian workers take an average 42 vacation days each year, while French workers have 37 annual vacation days. Average time off in Germany is 35 days, with 34 in Brazil, 28 in Britain and 25 in Japan.

Time away from work can make a big difference in productivity. "The problem is [workers] burn out," McKenzie said. "They need that time to get away from the office, the cell phone, e-mail. I recommend people get away. I even recommend getting away for lunch. That half-hour allows you to chill out and be more productive in the long run. You think more clearly."

Peggie Leitereg, a senior consultant at McKenzieHR, says Suddath's program might not be for everyone. She worked with a company where "everyone had two weeks and could buy another week, but basically [workers] gave back a week's salary. It was like unpaid time off, so nobody used it," she said. "Everyone wanted the extra time, but no one wanted to lose the pay."

Many companies also still operate under the old "use it or lose it" policy. The "All Work & No Play" study, commissioned by Universal Orlando Resort, found that nearly half of full-time U.S. workers did not use all of the vacation time they earned last year, forfeiting an average eight vacation days. Another study from travel Web site **Expedia.com**, conducted by Harris Interactive, found that Americans are likely to give back more than 421 million vacation days in 2005.

"I have worked for companies where they want the employees to use it or lose it," said Cindi Stone, president of HR Insight. "But more employers are in the new trend, more flexible. A lot of employers today are trying to be family-friendly and not restrict vacation time. [It helps] recruiting and staffing if they have those types of benefits that are different from other employers."