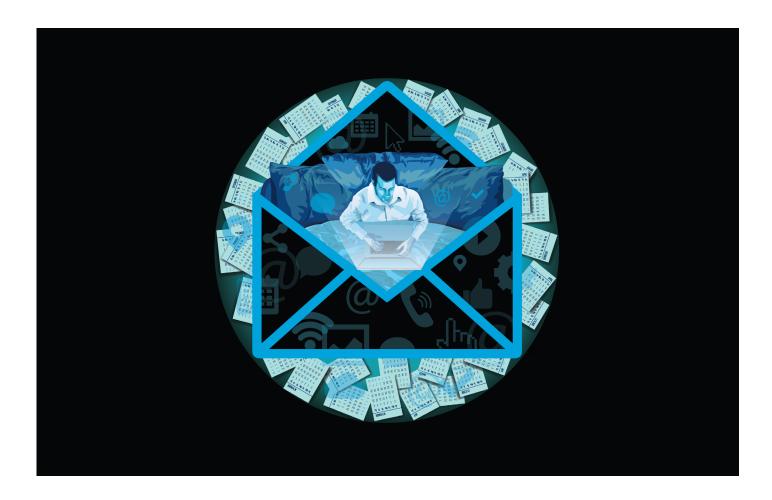FEATURE

The disconnect disconnect

Aligning culture and policy to mend the rift between needing time off and taking it

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THE DELOITTE CENTER FOR INTEGRATED RESEARCH

Despite evidence that time off can help workers avoid burnout and perform at their highest levels, most workers have not been taking enough of it. It may be time for organizations to fix a disconnect between their time-off policies and culture around using it.

ORGANIZATIONS' EXPECTATION OF the workforce is that they will increasingly operate at a higher, uniquely human level.[1] While some workers are relieved of much of their previous task work by artificial intelligence (AI) or other automated and autonomous technologies, their human capabilities—capacity for learning, adaptation to change, critical thinking and analysis, empathy, and problem-solving—will be the new well from which organizations draw to fulfill their business strategies and deliver on the complex, customized needs of their customers.[2] But if they are to prevent depletion of this well, they should prioritize its replenishment.[3]

For years, research has demonstrated the benefits of downtime and rest on overall health and mental capacity.[4] Yet workers have been taking limited time off to recover, let alone enough time to extend their capacities in the ways the changing nature of work requires.[5] These problems are only being further exacerbated by the pandemic.[6] Regardless of industry or seniority, many workers resist taking time off, no matter how generous their organizations' time-off policies—even as they need it for their continued health and performance.[7] This is what we refer to as the "disconnect disconnect."

In this article, we explore the possible consequences of this rift, review policy updates some organizations have been implementing to address time off, and offer a framework for how organizations can better align their time-off policies and culture to enable workers to take the rest they need in a way that can benefit all.

Workers need time off, but they're not taking it

Even before the pandemic, changes in the nature of work were accelerating, with most workforces asked to maintain significant and consistent mental engagement, deliver ever higher–level work output, and engage in continuous learning.[8] At the same time, studies have shown that learning and development require rest to take hold.[9]

This rising pressure on the workforce to perform mentally taxing work coincides with increased attention on the impact of work on mental health—and vice versa. Too much work without rest can result in burnout. Burnout is not simply stress, but rather a syndrome that can result from *chronic and unsuccessfully managed* stress. This stress negatively impacts worker health and the capacity for both work output and ability to learn and develop at the necessary pace. Burnout can have measurable effects on the workforce, which include exhaustion, mental distance from or negative feelings toward one's work, and reduced work productivity.[10]

Yet, despite the evidence that time off would help workers avoid burnout and perform at the levels their organizations require, most workers have not been taking enough of it. In fact, in 2018, American workers left behind 768 million days of unused paid time off (PTO), or more than 27% of their earned PTO, a 9% increase from 2017.[11]

The growing inability to disconnect has skyrocketed during the pandemic, as burnout, among other mental health conditions, has worsened and increased in prevalence, but taking

time off has decreased.[12] The statistics on mental health outcomes in recent months are jarring: It has been reported that 75% of workers are experiencing burnout, and the risk for depression has risen 102% for workers of all ages and 305% for workers aged 20–39.[13] At the same time, however, they have been putting off taking time off during the pandemic.[14] They cite reasons such as the inability to travel, difficulty justifying time off in a work-from-home environment, and especially, fear of taking time off in an unstable job market.[15] (See sidebar, "The reasons for not disconnecting.")

THE REASONS FOR NOT DISCONNECTING

So, why aren't many workers taking the time off they need? Multiple reasons have historically contributed to this issue.

Cultural challenges. Americans face and reinforce cultural challenges to taking time off. Work martyr culture is defined by workers feeling the need to work longer hours and eschew time off to be perceived as more dedicated and less replaceable. While work martyrs exist across generations, millennials have been found to be particularly susceptible to this behavior; without intervention, their work martyrdom could impact the social norms around time off for many years.[16] Some workers have also noted feeling that their workplace culture discourages time off.[17] Additionally, they often feel they have too much work to leave, that nobody else will be able to handle their work while they're away, and that upon their return their workload may have become unmanageable.[18]

Fear of unemployment. Research has shown that another reason Americans don't take time off is fear.[19] In a nation where much employment is at-will, many Americans fear that they can and will find their roles eliminated at a moment's notice. As historical and recent global events bear out, unemployment can move quickly from fear to reality, and any means of securing employment status—including forgoing needed time off—may feel worth the sacrifice.

Inability to disconnect. Even when they do take time off, workers are often unable to completely disconnect,[20] which diminishes the effectiveness of the break. Our constantly connected culture can compound mental health issues such as anxiety and depression and contribute to poor sleep and physical issues. These symptoms can come alongside those that deeply impact work quality, including increased cognitive load, deteriorated ability to process information, difficulty making decisions, and diminished attention, performance, and productivity.[21]

The costs of not disconnecting

Globally, employers have a multifaceted dilemma, as the health and wellness of their employees have become intertwined with the bottom line. Annual global productivity losses of US $1 trillion are attributed to increased prevalence of negative mental health outcomes and their coexistence with negative physical health outcomes.[22] Intangible losses also come into play when workers aren't at their best: Lack of attention may lead to workplace safety concerns;[23] apathy can cause customer service and satisfaction to suffer; and decreased creativity and productivity can stifle innovation.[24] Organizations should also consider the costs of losing skilled workers to burnout or finding their employer brand diminished due to challenging working conditions and the difficulty of replacing the critical skills and productivity they may lose.[25]

While the detrimental effects of a burnt-out workforce on the organization are often multifaceted and costly, leaders also face the additional financial burden of unused time-off accruals and the need to potentially pay out those accruals or face "PTO bombs" should the virus and related restrictions begin to recede or workers drop out of the workforce and cash in on unused time off.[26] These circumstances can leave organizations with a need to balance the financial health and productivity of their organization with worker well-being and the kind of breaks that will allow workers to maintain productivity, grow, and pivot with the organization in uncertain times.

Policy changes without cultural considerations can cause dissonance

Organizations have been trying to meet both business needs and workforce needs with amendments to and overhauls of their time-off policies both before and during the pandemic. According to a recent survey, 42% of organizations have made or plan to make changes to time-off policies due to the pandemic with some considering shorter-term changes, such as increasing accrual carryover or requiring employees to take time off.[27] Following, we describe several time-off policies that have recently gained some momentum and examine the benefits and challenges of each. What we find in these examples of time-off policy changes is that those that are not supported and reinforced by an organization's culture can further prevent workers from taking the time off they need.

The four-day or reduced workweek, comprising approximately 32 working hours,[28] is a notable trend in revamped time-off programs. A 2018 Kronos Workforce Institute survey found that if pay were to remain consistent, 34% of respondents would prefer a four-day workweek. Respondents also noted that they could perform their work in fewer hours, especially if noncore and administrative tasks were eliminated.[29] Results, however, have been mixed. A city in Sweden tested six-hour workdays, and in some professions, such as for assistant nurses, the outcomes were positive—well-being improved, productivity went up, and sick days decreased. In cases where the boundaries between work and private life were less clear, or flexible work arrangements were already in place, workers were more likely to struggle to meet deadlines, find themselves more stressed, or simply take the work home.[30]

In more recent instances, individual companies that have published results of their trials reported productivity increases of 20–40%.[31] This has been supported not only by increased worker focus (taking fewer internet breaks and creating signals for colleagues that they were busy), but also by a commitment to a culture that bolsters policies that allow for increased efficiency—such as shortened meeting times and the involvement of fewer people in those meetings. Among other results of these trials, workplace satisfaction and creativity increased, stress decreased, and work/life balance improved.[32] One of the researchers associated with the Swedish study noted that organizations might want to first consider the working environment before any shifts in hours,[33] pointing to the importance of alignment between management and workers via culture aligning with policy.

Unlimited time off. Unlimited time-off policies have grown modestly in popularity over the past decade. While it first gained traction in Silicon Valley, unlimited time off found its way into a variety of industries as companies sought to capitalize on workers' desire for more—and more flexible—time off. For workers, in theory, this policy allows the freedom and flexibility to create a work/life balance according to their needs.[34] Some workers have said they would prefer unlimited PTO over even a 10% pay raise.[35] The upside for employers is also clear—in addition to offering a potential bump to their recruitment brands, companies that offer unlimited PTO can unlock potential savings in possible accrual payouts.[36]

Yet, less optimistic reports exist alongside success stories. In many reported cases, the policy has led to workers taking still *fewer* days off, or stirred up disillusionment among the workforce at companies where the policy seems to have been implemented with the goal of paying out even less PTO.[37] In some instances, organizations have had to introduce supplemental policies to encourage workers to partake in time off.[38] However, where unlimited time-off policies have been successful, the crux of that success has been a culture of mutual trust.[39]

Mandatory, minimum, collective, and incented time-off policies are less widely deployed, but some organizations have recently begun to enact one or more of them to address workers' hesitance to take time off.[40] Mandatory, minimum, and collective policies have much in common in that the organization requires employees to take time off, though they vary by factors such as duration, whether the worker or the organization chooses the dates, how time off is booked and monitored, and whether individual employees take leave or the full organization is off at once.[41] Incented time-off policies come with the offer of a vacation stipend, but that stipend may come with the stipulation of being fully disconnected.[42] Interestingly, multiple reported instances of these policies being enacted have come in response to confusion around the boundaries or recommendations of unlimited PTO.[43]

Notable positive outcomes include more robust disconnects and more proactive communication, teaming, and training to ensure that colleagues are prepared to cover each other's responsibilities.[44] To combat PTO accruals and burnout, some companies have implemented measures such as mandatory weeks off, artificial holidays, and even mental health days to reinforce their culture around disconnecting and well-being.[45]

Extended rollover policies or PTO donations, while shorter-term solutions, have been among the tools some organizations have deployed to address accruals during the pandemic. Any (or additional) rollover can allow depleted employees to take their earned time off when they're ready to do so, rather than effectively losing it when they need it. PTO donations, while they may pass on a tax implication to the recipient, can allow workers who've become "PTO-poor" to take the time off they need without an undue burden on the organization;[46] however, donating PTO can also be a double-edged sword, which causes some workers to take even less time off for the sake of being altruistic, a new facet of the work martyr culture we've previously discussed.

REVISITING AND REVISING SICK LEAVE AND VACATION LEAVE

The percentage of companies that offer separate allotments of paid sick leave and vacation leave has decreased notably over the past 10 years as the combined PTO bank has become more prevalent.[47] However, bearing in mind the health and well-being outcomes of the pandemic alongside an overall increased focus on worker well-being, companies with an intent to change their time-off policies might consider whether that distinction, with some updates, has once again become beneficial to both workers and the organization.

While the United States is one of only two Organization for Economic Co-operation and Development (OECD) countries that do not federally mandate sick leave,[48] research has shown that jurisdictions within the country where sick leave was mandated experienced decreased transmission and mortality rates for influenza-like illnesses;[49] another study correlated mandatory sick leave with a general increase in welfare.[50] Further, a single PTO bank may discourage workers from taking sick leave as they may feel that they are "wasting" their vacation time on being sick,[51] encouraging what is known as "contagious presenteeism," or coming to work while infected with a contagious disease—an issue that has increased in significance with the pandemic.[52] Studies have also shown that with increased access to sick leave, workers are more inclined to take it when needed and that, while the resulting cost to employers increased, it was only by 2.7 cents per hour worked.[53]

For organizations, additional financial benefits of this policy include lower potential accrual payouts as most states do not require it for sick leave, in contrast to PTO.[54] Decreasing contagious presenteeism and increasing general welfare can also potentially reduce health care costs that may be passed on to the organization.

This type of policy would need to incorporate a more thoughtful, broader definition of sick leave than in the past to acknowledge commitment to workers' overall health and well-being; however, with that redefinition and commitment, it has the potential to address both financial and human concerns around time off. By building a culture that supports time off for health and wellness as a complement to the benefits of personal leave, organizations might find the opportunity to address both worker and organizational concerns where other policies may fail.

While it may not be possible for every organization to overhaul its time-off policies, especially as it's reevaluating its business strategies to stay afloat in a challenging economy, each of the policies we've explored demonstrates ways in which organizations can respond to their workforces' long-term or acute needs for time off. Whether a policy overhaul is necessary or feasible is up to individual organizations, but what should be noted is that when they're successful, these policies are embedded in cultures that support them. Even without implementing a new policy, organizations have it in their power to embed their current policies in supportive cultures. They can do so in three key phases: permission, prioritization, and persistence.

Putting the "P" in PTO

What actions can you take to ensure your culture is allowing workers to get the time off they need within the boundaries of the policy you offer?

PERMISSION

While organizations may have historically assumed that workers feel they have permission to take the time off they accrue or are provided with, as we've shown, that often isn't the case. But organizations can commit to first aligning policy with culture to ensure workers feel they have "permission" to take time off. As was revealed in some of the policies we've reviewed, some cultural tenets organizations need to consider are a sincere commitment to mutual trust and creating a work environment that allows for more efficient productivity.

The guiding tenet for the time-off policies we've shared is a culture of mutual trust.[55] Trust requires a balance of vulnerability and response from both parties involved—leaders and workers—when it comes to time off.[56] Leaders need to trust that workers will take their time off responsibly in ways that will fortify them to maintain their well-being to do their best work and not act as a detriment to it. Workers need to know that their leaders trust them to act not only in their own best interest, but in the best interest of the company by recharging when needed. Additionally, team members need to trust each other; active, collaborative, and empathetic teams can be an important part of making time off work for everyone. When it comes to ensuring work will get done, thereby enabling employees to take time off, this trust should extend beyond time off to the work itself and managers trusting workers to optimize their working time in addition to taking actions such as activating team members as backups to ensure continuity.[57]

Regardless of whether your organization is considering policy changes due to the pandemic's effect on time off, reaching this level of trust often begins with defining a culture or values around time off so that the rules of engagement are clear. Soliciting feedback from your employees about their perceptions, needs, and preferences around using time off is a useful tool to help you assess the culture that already exists and begin to find the disconnects between your policy and culture as it stands. It also demonstrates that you trust them.[58] Using this feedback, you can begin to build behavioral guidelines surrounding time-off values to provide a consistent and trustworthy framework of expected behaviors associated not only with time off, but with workplace practices that enable it.[59] Furthermore, you can explain why these values matter to your organization to assure workers that you understand their needs and that their needs align with the company's values,[60] furthering the balance of vulnerability and response required for mutual trust.[61]

PREPARING WORKERS FOR PERMISSION TO DISCONNECT

Research from Deloitte's 2019 Human Capital Trends identified the benefit of organizations building well-being into work, one notable aspect of which is making thoughtful adjustments to when work is done[62]—offering workers more autonomy with their work time boundaries, whether that means lunch away from the laptop, no meetings before 9:00 AM, or even a more holistically flexible work schedule.

It can also mean allowing for shifts in cultural norms to empower workers to own that autonomy. The following are some practical suggestions for assisting that shift[63]:

- Change the vocabulary people use to help with a shift in culture: Being "busy" should not be a sign of pride. Too few people are pausing to ask themselves if all their busyness actually makes them productive, or just gives them a false sense of accomplishment. Get creative and try words such as "detach," "reflect," or "contemplate" to more accurately describe the productive nature of intentional time off.

- Actively discuss the idea of a "rest ethic," and lead workshops with your team on what this looks like at everyone's individual level, as well as for your organization. Ideate as a team on ways to cultivate more time off through upgrading your organizational systems and how to schedule time off more strategically. For example, you can make time-off recommendations for team members at the end of a significant project as it is a good time to detach and reflect before a new project. Here, time off can be a means to process and recharge.

- Stress and calm are both contagious; be mindful and intentional of which is spreading at your organization.

- Consider "time-off microdosing," or building in breaks for disengaging from work: going for a walk, journaling, disconnecting from technology, or other restorative activities based on individual preferences. These microdoses can help prepare workers for more successfully disengaging on longer breaks.

PRIORITIZATION

With a policy and cultural values supporting it in place, it's time to move into the prioritization phase, in which fulfilling the behavioral guidelines associated with time off comes to the fore. Organizations can encourage and empower workers to take time off through behavioral nudges, commitment and modeling from leadership, and strong communication.

Behavioral nudges create a "prioritization shift" that can begin with something as simple as redefining a vacation from a long-distance, long-duration trip to simply vacating everyday routines.[64] As workers may continue to be housebound and unable to travel due to restrictions—and even from a longer-term perspective—it may be helpful to consider that time spent on anything pleasant, from reading a book to taking an extra-long bike ride, can be an effective mental break. In the same vein, shorter but more frequent breaks can also be prioritized; whether it's a long weekend once a month or a few days off to complete a personal project, a redefinition of vacation can help workers accept that while their long-planned trip to Europe may be off the table for now, they can still spend time with a foreign film and cook an elaborate meal on a half-day.[65]

Leadership and managers should also lead in espousing the values and behaviors they've assigned to their policies. They too should take time off and fully disconnect to reap the benefits of rest.[66] They can share details of why and how they took time off and the impact it had on their well-being and even their creativity and productivity; however, they should be careful to remain authentic and empathetic in their communications to foster trust with their workers.[67] This type of sharing can also help erase some of the stigma workers may feel about taking time off and empower them to do the same.[68] Further, reminders to disconnect and reinforcement of values and related behaviors, alongside stories shared by the broader workforce about their time off can support and diffuse positive behaviors.

PERSISTENCE

Persistence requires maintaining a regular campaign around time off and following up on the actions previously suggested while monitoring time-off usage and employee well-being. However, in some cases, permission and prioritization may not be enough to reinvigorate your workforce regarding time off. In such cases, persistence may require moving beyond nudges into more direct action, as more than a few organizations have done as a result of the pandemic and its exacerbation of workers' reluctance to take time off alongside an increase in reported cases of burnout and negative mental health outcomes.[69]

Some actions to consider in these cases include potentially making time off mandatory, creating artificial days off, or even using technology to support disconnects. Where technology is concerned, organizations can teach employees how to hide their work email on their phones;[70] manually block time on employees' calendars in an attempt to get them offline;[71] or even, as one company did, create an option to automatically delete emails received when an employee is out of office, with a message to the sender to resend on their return.[72] Some organizations have set time-off goals for employees, for instance, a certain number of days off within a given quarter. Others have built in full firm disconnects ranging from a day to a week.[73] Whether or not organizations need to implement these more drastic actions, they should ensure their commitment to the workforce's ability to disconnect is trusted and does not waver.

Americans are bearing down for the remainder of winter and spring—seasons already decidedly lacking in the federal holidays that break up long blocks of working time during other parts of the year—still under the dark cloud and restrictions of the pandemic. However, organizations have it within their power to build a time-off culture that aligns with their policies, enabling workers to get the time off they need now and in the future to fend off burnout and maintain the cognitive capacity for work that can support the organization as it too forges ahead.

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