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## Time out

Many companies are exploring an increasingly attractive benefit for employees: paid and unpaid sabbaticals

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In his 26 years in sales for Xerox, Steven Mueller of New Fairfield, Conn., has had some exciting moments. But perhaps the most memorable took place last summer. Mueller was one of nine Xerox employees chosen for the company's Social Service Leave, a paid sabbatical allowing employees to work for up to a year with nonprofit agencies. Mueller spent much of his sabbatical at Green Chimneys Children's Services in Brewster, N.Y., a residential program for troubled children, working with a group of 8-to-12-year-old boys on the facility's 166-acre farm. One project: restoring a dilapidated 1941 Ford tractor. After three months of toil, the tractor started. "I'll never forget the screams and yells of these kids," says Mueller. "We kept thinking we'd never get it running. I gained a tremendous sense of satisfaction and purpose."

Once confined to academia, sabbatical programs have waxed and waned over the years. During the 1990s, about 10 percent of companies had formal sabbatical programs. By 2000, 18 percent of companies offered unpaid sabbaticals and 4 percent provided paid time off, according to the Society for Human Resource Management. Then came the recession, and sabbatical rates dipped--but now they're back to the 2000 level. As baby boomers retire and the competition to attract and retain talent heats up, companies are looking more closely at the powerful retention benefits of extended time off. "Employers are finding that employees are more engaged, more productive, and more loyal when they come back from sabbaticals," says Rose Stanley, practice leader of compensation and benefits for World at Work, an association for compensation professionals.

Invigorating. Whether sabbaticals last for a month or a year, they differ from extended vacations in their restorative emphasis. "It's a purposeful, planned experience meant to help you reflect and rest and make changes in your life," says Mary Lou Quinlan, author of *Time Off for Good Behavior*.

Perhaps the most purposeful of sabbaticals are community-service programs, where employees are paid to work for nonprofit agencies. Since 1991, American Express has lent more than 200 employees to charity. And last year, Xerox reinstated its leave plan. Established in 1971, the program had been suspended from 2001 to 2003 during the company's difficult turnaround years. To be chosen, Mueller filled out an application describing the project and his long history with charitable causes, which a committee of Xerox peers reviewed. "I'd always been involved in some kind of volunteer work, but I wanted to take it to a new level," he says. For the previous four years, he'd had a demanding job as sales manager that left him little time for anything but work and family. The leave let him recommit to volunteerism and spend more time with his wife and two young daughters. When Mueller returned to Xerox last month, he took a sales job with less management responsibility that would allow him more time for volunteering.

Companies offering time off for good deeds aren't entirely altruistic. "They gain a lot of goodwill and their employees gain new skill sets," says Stanley. Among those: more sophisticated management techniques. "When they go into the nonprofit world, they're not there as employees and they have no real authority," says Joseph Cahalan, vice president of communications and social responsibility for Xerox. "They have to get things done through motivation and persuasion. It makes them more effective managers when they come back."

For companies to reap the full benefit of sabbaticals, they need some sort of process for capturing the learning. "If you don't have something formal, no one else sees the results and it won't encourage future sabbaticals," says Nancy Ahrlichs Raichart, president of EOC Strategies, a human resources consulting firm in Carmel, Ind. At footwear and apparel maker Timberland, which awards four six-month paid public-service leaves a year, employees present a final report on the project to the CEO and share their learning with staff through E-mail reports, speeches, and other avenues. At Wells Fargo, which grants paid volunteer leave of up to four months, employees fill out two assessments--one halfway through the experience and one afterward. The nonprofits are also asked to weigh in.

While social service sabbaticals are often a plum assignment for a chosen few, some companies give all employees a paid break as a reward for long service. Intel employees can take a two-month sabbatical every seven years, for example, while Russell Investment Group of Tacoma, Wash., gives employees eight weeks after 10 years. Even some small companies award time off. Abacus Planning Group of Columbia, S.C., gives its 12 employees a monthlong, paid sabbatical every five years. "Giving employees the chance to refresh themselves seemed like the perfect way to reward loyalty and make sure people stayed," says Cheryl Holland, founder and president of Abacus.

When her employees return from their month off, Holland says, she sees a real difference. "They look refreshed, they're more engaged, and it makes them more confident about their job." One employee used her time for her wedding and honeymoon. Another traveled in Europe and then caught up on house projects. Holland hopes to spend her own long-overdue sabbatical hiking with her 10-year-old daughter this spring.

While Europeans, with their long vacations, might scoff at the idea of a one-month sabbatical, it's a generous benefit for a small firm like Holland's. Only 2 percent of firms with fewer than 100 employees offer paid sabbaticals, compared with 8 percent of firms with more than 500 employees.

See ya. Instituting a sabbatical policy is not without challenges. There's always the risk that employees will use the time to hunt for a new job. Holland's client service administrator, for instance, returned from sabbatical only to announce she'd decided to pursue her dream of counseling women in need. Inconvenient as the occasional departure may be, Holland believes such soul-searching helps the firm in the long run. "If you're not happy, you're not performing well," she says.

There's also the practical challenge of replacing the employees on sabbatical. Holland requests that people in the same department stagger their leaves and that employees provide at least six weeks' notice of stints. Careful coverage planning is also a high priority at Intel, where 4,063 workers took sabbaticals last year and where employees may be gone as long as three months at a time (Intel's sabbatical is eight weeks, but workers can tack on three to four vacation weeks). Until last year, workers had to take their leave during the 12 months after their seventh anniversary. But a surge of hiring in the late 1990s threatened to create a flood of sabbaticals this year, so the company now gives workers three years to take their leave. Employees work closely with managers to create a coverage plan. Meanwhile, managers view sabbaticals as valuable cross-training opportunities that can help the employees who act as temporary replacements gain the skills they need to move up within Intel.

Still, paid leaves like those offered at Intel and Xerox are the exception. The vast majority of sabbatical programs are unpaid. But they still offer important flexibility to valued employees. For instance, when Kathleen Cooper of Minneapolis, then a special projects manager at Deloitte & Touche USA, discovered she was pregnant last year, she felt torn between job and family. Now she can have it both ways, thanks to Deloitte's new Personal Pursuits initiative. Launched in June, the program allows Deloitte employees to take up to five years off unpaid, then return to the same or a new job. "This made my decision easy," says Cooper, who started her three-year leave in November.

During her time off, Deloitte will pay for any training, licenses, or professional association memberships Cooper needs to maintain. Meanwhile, she'll meet once a month with an assigned mentor who will update Cooper on office developments. And she'll have the option to take on short-term projects. "Many workers re-entering the work force don't want to just turn the spigot on or off. We're trying to smooth it out," says Cathy Benko, the firm's national managing director for the retention and advancement of women. Benko says the Personal Pursuits program costs \$2,500 to \$3,000 each year per participant--far cheaper than recruiting and training new talent, which costs at least twice the employee's annual salary.

Though few firms are as progressive as Deloitte with their leave options, many do offer extended leaves of absence, often granted on a case-by-base basis. IBM, for example, offers personal leaves of absence for up to three years for specific reasons including parenting, adoption, caring for aging family members, education relevant to IBM's needs, and once-in-a-lifetime opportunities, like training for the Olympics.

In some cases, sabbaticals can benefit the employer even more than the employee. During a serious downturn in 2001, Accenture offered employees six-to-12-month sabbaticals at 20 percent of pay. A staggering 2,000 employees volunteered and, as a result, the company avoided layoffs and gained a renewed workforce to boot. "It was almost like getting brand-new employees," says Keith Hicks, Accenture's U.S. director of human resources. "They had that fire and enthusiasm and motivation back."

Stepping up. Whether employers are offering formal or informal time off, they all hope to hear responses like that of Clifton Corpus of Sacramento, Calif., a technical support agent for Intel. "Before my sabbatical, I wasn't proactive. I just wanted to do a good job," he says. But after his December sabbatical, spent in Hawaii and at home with his 2-year-old son, his outlook changed. "Now I want to take more responsibility in order to advance," says Corpus.

To reap these benefits, though, employers need to create a leave-friendly culture. "Even when companies offer sabbaticals, many employees don't take advantage of it because they're concerned about how they'll be perceived," says World at Work's Stanley. At Intel, there's no stigma because everyone qualifies: Even top executives like Chairman Andy Grove take a break.

When sabbaticals aren't well supported, they can backfire and undermine morale. "I could see some people resented my time off," says Quinlan, who took a five-week sabbatical from her former job as CEO of ad agency NW Ayer. "They felt like, 'Here I'm holding down the fort while you're off finding yourself.' "

Filling the absent employee's shoes and managers who stress cross-training and teamwork for other employees can help offset negative reactions. So can clear sabbatical policies spelling out the maximum sabbatical period, exactly who's eligible, and whether leaves are paid or unpaid. "Human resources has to set up a policy where eligibility requirements are fair and understandable to the entire workforce," says Pete Fornal, president of Human Resource Consultants in East Greenwich, R.I. "It can't seem discriminatory in any way to any particular group."

When companies don't have a formal leave policy, it's up to the employee to make a persuasive business case for time off. "I presented mine in the context of future planning and benefits for the company," says author Quinlan. Her advice to employees: Become star performers so the firm has a real stake in keeping you. Then, describe how your renewed energy and motivation will help the firm, explain what you're willing to give up (like pay, benefits, or other cost items), and present a comprehensive work coverage plan.

If employees and employers work together to avoid the pitfalls, sabbaticals often prove well worth the sacrifice to employers. "It's what's kept me here," says Intel's Corpus. "I'm hoping to be here for two more sabbaticals." A little time off, it seems, may be the best way to keep people on the job.