

HOT SHEET

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Full-Circle HR

HR Trends:

- The Department of Labor is expected to propose another significant increase to minimum rate for exempt employees as early as next month.
- While the Fair Credit Reporting Act (FCRA) does not prohibit employers from using credit reports in employment decisions, some states and municipalities have severely restricted their use—Washington is among those.
- Unemployment claims are at their lowest rate in over 50 years.
- Due to the pressures of the pandemic, many teachers are leaving their jobs sooner than they anticipated—this is a gain for some industries that are happy to snatch them up as good communicators, organizers, and teammates who can also work well independently.
- The U.S. House of Representatives approved a bill that, if approved by the Senate, would prohibit employers from making adverse employment decisions based on hair texture or style, if they are commonly associated with a particular race or national origin; state laws are also trending this way. Employers would do well to review appearance policies with this in mind.

Considering Unlimited PTO

It's been a while since we first heard about large tech companies implementing unlimited Paid Time Off (PTO) to show their commitment to work/life balance. Smaller employers are also wondering if it makes sense for them. Here are some considerations: 1. Some employees who are not able to take a lot of vacation time due to the nature of their jobs may see this as a take-away since, even if they can't use it, it is at least there as a financial cushion should they find themselves unemployed. This assumes that

you are in a state that prohibits use it or lose it policies or you have a policy allowing some amount of vacation carryover and pay-out at time of separation. Give consideration to how to deal with this. 2. Does your culture truly accommodate people who want to be gone for a week or more at a time? And, is this true for all employees in all departments where this will be implemented? 3. If your organization is performance based, it is more likely to be something you can consider. In this case, you must ensure that you focus on re-

sults rather than on attendance. If compensation is based on commission, this approach to PTO is unlikely to be beneficial. 4. Studies show that employees on the average take 13 days off a year when there is unlimited PTO, as compared to 15 days with a more traditional approach.* It is important to set appropriate expectations of what is a reasonable amount of time, while also allowing for flexibility for unusual or difficult circumstances that may arise. For this reason, sometimes it is better to just offer a flexible policy rather than unlimited time

off. 5. It's important that HR or the manager is regularly reviewing whether or not time off is being taken. Implementing a bare minimum of time off taken may help ensure that it is being used. 6. How you communicate the benefits is important. One organization chose to call it a "take what you need" time off policy, rather than unlimited time off. 7. Get leadership buy-in. They need to not only encourage staff to maintain a work/life balance, but must also demonstrate it in their own behavior.

*Don't compromise yourself.
You are all you've got.*
—Janis Joplin

Encouraging Employee Loyalty

With unemployment rates lower than they have been in over 50 years and the many challenges employers face in finding staff to fill their jobs, it's important for employers to explore ways to increase employee retention. In an earlier newsletter, 'Stay Interviews' were discussed. Here are some additional ideas for increasing employee retention offered by Novid Parsi.** **1. Think of resignations as a symptom of illness**—that illness being work that lacks meaning. Particularly in light of the sobering effects of the pandemic, workers are looking for a sense of purpose in how they spend their work time, a huge percentage of their lives. They are not just seeking feel-good remedies that perhaps provide fleeting happiness, but a sense of meaningful contribution. This is why many applicants are drawn to organizations who are embracing social-mindedness,

embracing social-mindedness, environmental consciousness, and Diversity, Equity and Inclusion. **2. Ask employees what is important to them.** This is one area where stay interviews might be helpful. You could also survey employees with a set of questions asking them about their benefits—how useful the existing ones are for them and what else might be helpful. Sometimes ready access to subsidized daycare, pet care, or elder care arrangements can address stressors that are impacting their ability to focus and be effective at work. These benefits can become more accessible and affordable if the company makes an agreement with the providers, rather than if the individual has to research and engage them on their own. **3. Accept that flexible work isn't going away.** According to a Mercer survey 1/3 of employees say that flexibility is why they

stay with their current employer. With inflation and rising gas prices, this becomes even more critical for employees' financial needs. This has become not just an accommodation, but a working model that many employees value and some employers embrace. It offers savings both ways. One problem that has arisen here is something called 'proximity bias.' The person physically close to the manager gets heard and given assignments more readily. Addressing this requires a structured approach and a cultural shift. Managers have to be creative and deliberate in ensuring all voices are heard: the communication formats they use must foster that. It also requires a cultural shift away from an attitude of "if I get close and get seen, I'll be rewarded," toward one of what gets accomplished together as a team is what

matters.*** **4. Find ways to foster connection in a virtual world.** Encourage staff in similar situations and close proximity to connect for face-time. They can do regular check-ins and share resources, but no work talk! **5. Treat people as individuals with career goals, not workers with functions to fill.** With today's flat organizations, career progression is rarely obvious. Work to create paths that help your employees grow and feel enriched. Additionally, if they grow laterally, when someone goes on leave or moves on, you will have someone who is familiar with the job. **6. Avoid quick money fixes that lack lasting impact.** One-time quick fix bonuses and pay bumps are not effective in the long-term. Develop a clear and fair compensation plan—even consider ownership shares if you can.

*Making Sure Unlimited PTO is done right,
Lin Grensing-Pophal, March 24, 2022,

**SHRM, All Things Work, 6 Strategies for Building Employee Loyalty, Novid Parsi, March 26, 2022.

***Preventing Proximity Bias in a Hybrid Workplace, Arlene S. Hirsch March 22, 2022.

