

HOT SHEET

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Full-Circle HR

HR Trends:

- On 1/1/2023, Washington employers will be required to include wage scale or salary range and an overview of the benefits and any other compensation offered in all job postings. Employers are already required to provide this information to employees for internal transfers or promotions.
- According to a survey by SHRM, over half of employees do not understand the health insurance benefits well enough to choose the right plan or to take advantage of the plan they choose. As open enrollment approaches, employers would do well to hold informational meetings to ensure that employees understand their options and benefits—particularly since these are such a costly expenditure.
- A new study by the National Academy of Sciences has further elucidated pay inequities between women and men and between people of color and white men. The EEOC hopes to use the data to address the inequities. Meanwhile, many states have already implemented strategies to address the issue.
- As of July 2022, the inflation rate fell to 8.5% and 'real wage' rates were down 3%.

Moonlighting Policies

First it was remote work and now it is also inflation that is driving more employees to consider moonlighting jobs.* Additionally, employees have come to strongly prefer flexibility and transparency in employer policies. It is a good time for employers who do not have a moonlighting policy to consider implementing one, and for those who already have one to review it. Important considerations include: state law, communication, your compensation practices, and other policies which may impact or be impacted by a moonlighting policy (such as electronic resources, confidentiality, and company property).

Not surprisingly, when considering state laws,

California is among the most employer restrictive when it comes to moonlighting policies. Employers may only prohibit employees from creating conflicts of interest (e.g. working for contractors, competitors, clients, vendors, etc.) and they may hold employees to standards of performance that are upheld throughout the organization. This is also similar to rules in Colorado, New York, and North Dakota. Furthermore, 29 states have some form of legal protection for legal off-duty conduct (under which secondary employment would generally fall).

Whether you are creating a new policy or revising an existing one, communication is important for purposes of transparency, clarity, and

effectiveness of the policy. If an in-person meeting is not practical, address it in a virtual meeting or via email, Intranet, and in your handbook. Consider what questions employees might have and include them in an FAQ.

If moonlighting is a common practice among your employees, a question you might consider is if your compensation is competitive. Should you revisit pay practices, pay ranges, and any other parts of your compensation package?

When adding this to your policy manual or handbook be sure to look at other policies as previously mentioned. Be clear with employees that they may not use company resources or time when engaged in their

other job. Address any potential implications for confidentiality.

Other considerations in writing the detail of the policy include: 1. How restrictive do you want to be or can you be? In a tight labor market being restrictive may not be in your best interest or that of your employees if they need additional financial resources. 2. Require employees to disclose the job so that you can assess whether it creates a conflict of interest. Be aware that some states prohibit requiring advance permission. 3. Be clear with criteria you will use to determine if there is a conflict. If there is a potential conflict, say how you will resolve it.

Considering an Internal Transfer Practice/Policy

Some reasons you might consider internal transfers may include that they: Foster team work; Retain high performers/integral staff; Increase cross-training of skills; Boost morale when employees see that the company values them and has confidence in their contributions; Shorten training time if the person already understands the organization and its internal procedures; and Provide an opportunity for employees to enrich their skillset while also giving the company someone who now knows two or even more jobs in the organization.

Conversely, it can lead to transferring problems from one area to another, limit progress toward diversity goals, or open you up to

claims of discrimination. Also, depending on the culture of your organization, it could create conflict between the two departments or supervisors. One may feel thwarted by the loss of an employee to the other. In another scenario, one supervisor may have merely transferred a disciplinary problem out of their department and into someone else's**.

For these reasons and more, it is important to have a well thought out written transfer policy that aligns with your goals and is clearly communicated. Here are some ideas regarding what to include in your policy:*** 1. How long does a person have to be in a job before they are eligible to transfer? Some companies choose 6 months. Others go as high as 18+ months. If you

create a hard and fast rule it can preclude making a transfer that makes sense for the organization and the employee—consider how you would approach any exceptions. 2. Will employees who are not performing well be eligible for transfers? It's important to examine the circumstances. Transferring an underperformer rather than addressing the performance is risky if they continue to underperform. It can be used against you if the employee files a complaint if you subsequently discipline or terminate them+. Consider the skillset match between the current and new job to help you decide if a transfer is a good idea. Also, consider if the employee's circumstances have

We must reject not only the stereotypes that others hold of us, but also the stereotypes that we hold of ourselves.—Shirley Chisholm

changed and whether there is a concrete reason for the old job no longer being a match. However, be wary of the unhappy or unmotivated employee seeking to transfer—also be wary of the manager who seeks to transfer them. 3. What are the expectations for training the employee's replacement? Will there be a delay before the transfer? Involve both supervisors and the employee in this decision. 4. How will you consider newly acquired skills or credentials in your policy?

By creating guidelines and clearly communicating them, you will more likely see the benefits from this process.

*SHRM, *Review Moonlighting Policies in Light of Remote Work/Inflation*, Smith JD, Allen, August

**SHRM, *Avoiding the Potential Risks of Internal Transfers*, Grensing-Pophal, Lin, August 12, 2022.

***Eddy.com, *Internal Transfer Policy*, Staley, Nick, August 15, 2022.

+Indeed.com, *Pros and Cons of Allowing Internal Job Transfers*, August 15, 2022.

