

Employee Moonlighting: Guidelines for an Effective Policy

Do you have employees who work elsewhere at the same time they're working for you? Have you considered what it means to your organization? Does it leave you feeling anxious and concerned?

A substantial number of employees do in fact work for more than one organization. In some instances they seek outside employment to supplement their income. In others, they're testing the waters to go out on their own. In any case, it gives you, the employer, a little something to think about.

Your first reaction may be to ban outside employment altogether. This is probably not the best way to deal with the situation, however, because it can cause retention problems and lead to poor employee relations. Instead, you might want to adopt a moonlighting policy that simply discourages outside employment or restricts it based on business-related criteria.

If your company is considering creating such a policy, include the following guidelines:

Avoid Conflicts of Interest

- The outside employment cannot involve a material conflict of interest related to your organization's trade secrets and proprietary information.
- The outside employer cannot be a competitor of your organization.
- The outside employment cannot involve work that would adversely affect your organization's image.

Keep Outside Work Separate

- The employee cannot perform outside work during the normally scheduled work hours of your organization.
- The employee cannot use your organization's tools or equipment (fax, phone, copier, software, computer, letterhead, envelopes, etc.) for outside work.
- The outside work cannot interfere with the employee's job performance.
- The employee cannot represent your organization while working for the outside employer.

Establish an Approval Process

- Before performing any outside work, the employee must notify and receive approval from his or her immediate manager and from your human resources department. (In general, you should not ask for any information other than just enough to determine if the outside job is a conflict of interest. There is a distinct line between protecting the company and violating an employee's privacy, and you should be certain not to cross that line.)
- Serving on the board or in an advisory capacity for another business or for-profit organization must be approved by your human resources department and by the CEO, board of directors, or the highest level of management.

Overall, your moonlighting policies should focus on preventing direct conflicts of interest with your organization. A well-crafted policy will achieve this goal and at the same time will help you create an open environment and retain a quality workforce.