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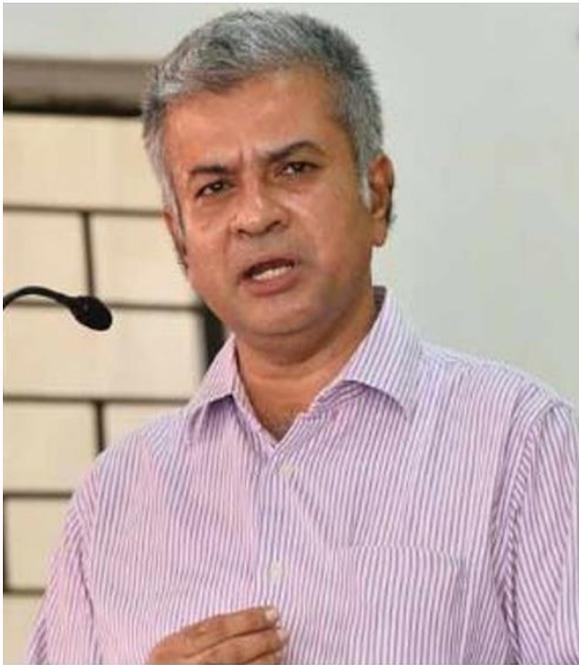
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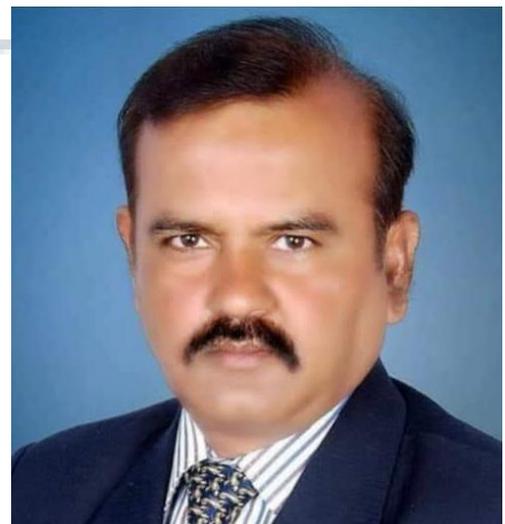
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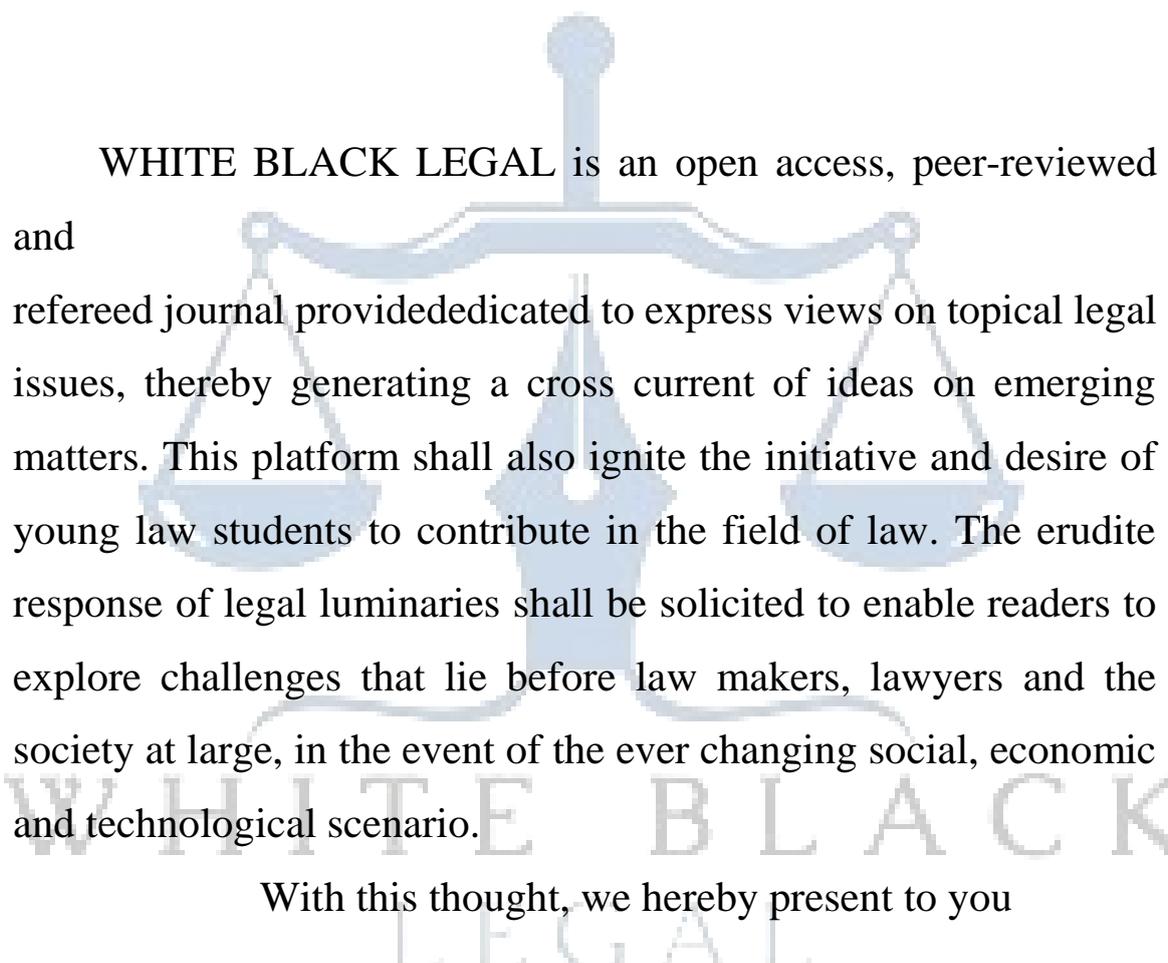
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With this thought, we hereby present to you

"MOONLIGHTING- AN EMERGING ISSUE IN THE CORPORATE WORLD"

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ABSTRACT

This has got nothing to do with either the moon or moonlight! Moonlighting refers to taking up a second job, typically outside regular business hours, to supplement one's primary income. This practice has gained prominence, especially in the IT, financial, and e-commerce sectors, due to the rise of flexible work hours, remote opportunities, and the economic pressures heightened by the COVID-19 pandemic. As employees sought additional income to counter job insecurities, the legality and ethics of moonlighting came into question. Concerns over confidentiality, data security, and revenue loss for employers have emerged, as employees may secretly work for multiple organizations. This trend calls for a reassessment of organizational policies, emphasizing economic support for employees and ensuring privacy protections. The debate continues on whether moonlighting is an ethical necessity or a threat to business integrity.

Key Words- Employers, Moonlighting, Privacy, Secondary Job.

1. ## INTRODUCTION:

The researcher has selected the topic "Moonlighting – An Emerging Issue In Corporate World" to study about the various aspects related to moonlighting, the reasons for its growth with its advantages and disadvantages to the IT companies. Any organization's most valuable resource is its human capital. The management of the firm faces a difficulty in attracting and keeping human resources as the economy expands and becomes more competitive on a worldwide scale. The field of human resource management is expanding quickly these days and introducing personalized working and living styles in organizations. The main traditional factor is human activity, which is crucial for a company to operate efficiently. Innovative ideas are constantly changing,

just as the culture and working methods of the workforce have changed. Everywhere in the world, there is a fierce struggle for the survival of the fittest.

Human expenses and motivations for work have changed as well, so we must behave in accordance with individual demands. Those who don't adapt will stay in their current situation and must concede defeat. Most of us just need one job. However, for some people, it barely covers the costs, and they take on a second or even third job simply to make ends meet. Hence as a result of this and due to flexible working hours and work from home options in IT field, the employee's take initiatives to do the moonlighting for the various personal reasons and needs. The term "moonlighting" refers to a person who works a primary job but also works a secondary job on the side. People traditionally moonlight to earn extra money. It is an act of employee of doing more than one job, in the practice of moonlighting employee might separate his/ her interest from the main job.

From this study the researcher attempts to identify the drivers of moonlighting, to analyse the association between these drivers and the demographic profile of IT employees and to assess the extent of moonlighting among IT employees. So, moonlighting or holding a second job parallel to one's current job is an important feature that rolls from partly moonlighting to full moonlighting. Moonlighting or multiple-job holding is an important labour market phenomenon in IT sector.

The pecuniary and nonpecuniary things are indicative of multiple job holdings. The reasons for moonlighting and consider how important a person's familial background is and also the researcher comes to the conclusion that people opt to moonlight or work multiple jobs as a result of financial difficulties in their families and growing financial obligations in their households. And at last Different genders are motivated to moonlighting for different reasons. This study is descriptive in nature. Secondary data has been collected from various Journals, Websites and Books. To study the growth and aspects of Moonlighting In India.

2. MEANING OF MOONLIGHTING:

Human resources are crucial assets for organizations, especially in a globally competitive economy where attracting and retaining talent is challenging. Modern HR management increasingly emphasizes talent acquisition and retention, focusing on monetary benefits as a primary motivator for job satisfaction, as per Maslow's hierarchy of needs. Employees often seek additional income opportunities alongside their primary

employment, a phenomenon termed "moonlighting." This refers to secretly holding a secondary job, usually at night, without informing the primary employer.

In India, moonlighting has surged post-COVID, particularly in the IT sector, facilitated by work-from-home models. While Indian labor laws prohibit dual employment for factory workers, they do not cover IT employees, leaving a regulatory gap. At the same time, an employee Journal of Xi'an University of Architecture & Technology Volume XII, Issue III, 2020 Issn No : 1006-7930 Page No: 4406 holding two jobs, one is regular and other is part timer, doing secretly that is called moon lighting.[1] Examples include teachers tutoring after school hours and healthcare professionals running private practices. Moonlighting raises questions about its legal and ethical implications in the modern workforce.

3. **TYPES OF MOONLIGHTING:**
    *   **Blue Moonlighting:** It is used to describe moonlighting attempts that were unsuccessful. For many people, juggling two jobs a day is difficult. Blue moonlighting refers to a situation where the employee finds it challenging to handle multiple jobs.
    *   **Quarter Moonlighting:** Perhaps not every second job is full-time. Even part-time work is possible. Moonlighting, or working a part-time job after regular employment, is a common activity.
    *   **Half Moonlighting:** Spending more time at a second job than is necessary for part-time employment is known as half moonlighting. The phrase "half moonlighting" is typically used when an employee works a part-time job for 50% of their free time.
    *   **Full Moonlighting:** Managing two full-time careers/jobs at once is full moonlighting. Some people even launch their enterprises while holding down their regular jobs. There may even be situations where a person's second job determines their social standing.

4. **DESCRIPTION OF TYPES OF MOONLIGHTING:**
    *   **Transition of the Blue Moon to Full Moon:**
        Employees are compensated through wages, salaries, dearness allowances, and

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[1] *Journal of Xi'an University of Architecture & Technology,* vol. XII, issue III, 2020, ISSN 1006-7930, at 4406.

fringe benefits to enhance their standard of living. However, despite these efforts, many employees feel underpaid and exploited, believing that employers retain a disproportionate share of profits. This dissatisfaction often leads to agitation for increased wages and benefits. Unable to meet all financial demands through primary employment, some employees engage in moonlighting—holding a second job or engaging in entrepreneurial activities alongside their primary employment. Moonlighting, or "double jobbing," is driven by financial necessity or entrepreneurial ambitions. A survey indicates that 13% of employees moonlight due to economic pressures, with approximately 4.17 million Americans participating in this practice. Employers often implement outside employment policies to regulate such activities.

- **The Blue Moon:**

In future employees will demand the management for hike in wages and salaries. Responding to that the management will also positively reciprocate to the matter and listen to the employees. Some employees will be satisfied with the increased wages and benefits and adjust their expenses with the level of wages and benefits from time to time willingly. Some employees will not be satisfied and they will not go for a second job in future because of their inability to get one. Such type of employees will have a conflict with the organizational wage level structure as this category will need a second job for additional income and it will not be available to them. Thus their efforts to earn additional money will not bear any fruits tom them. Such type of efforts and the consequent result may be called Blue Moonlighting by employees.

- **Quarter Moonlighting:**

An employee after completing his academic life starts his career at the lower level managerial position. He spends his bachelor life comfortable with his salary. But with the passage of time, as he gets married and his family increases in size, it sometimes become difficult to meet both the ends with the current salary. He could not spend upon his child's education and other amenities. Then the employee takes up a part time job side by side with his current job. Hence, an additional income is generated and he can spend his personal as well as family life well. In this way taking up additional jobs to support the family as well as the person himself due the increased demand of wealth by the employees is called the quarter moon lighting.

- **Half Moonlighting:**

Some employees, dissatisfied with their current earnings, pursue additional jobs or businesses to afford luxuries and achieve financial comfort. When employees devote approximately 50% of their time to secondary work, it is termed "half-moonlighting." In some cases, exposure to entrepreneurial success, such as through financial institutions granting loans to businesses, inspires employees to start their ventures while maintaining their primary job. If successful, these ventures provide financial stability; if not, the primary job acts as a cushion. Employees who spend up to 75% of their time on secondary occupations engage in "three-quarter moonlighting," reflecting their increasing focus on financial independence and security.

- **Full Moonlighting:**

Employees in some occupations have free time whereas some employees feel that their income from their job is too low and does not meet their expectations. Some employees have friends who earn more than them and they are socially at a much higher state. Although the friend might be academically weak socially the job he has, he gets more benefits through his income. This creates mental pressure on the employee who realizes this difference in earning capacity. Hence after their realization, these employees start a new venture and spend most of their time and resources in starting, developing, expanding and diversifying their business or entrepreneurial activities. They keep on staying on the job as it will be useful for them as a shock absorber in times of need. Their financial and social position will almost be determined by their second occupation. This extent of the second job is known as full moonlighting.[2]

5. REASONS FOR MOONLIGHTING:

There are various reasons why employees do moonlighting, some of them are as follows:

a) Low pay and incentives are insufficient to support living standards. Compared to overseas organisations, many Indian enterprises often provide lower starting pay. Furthermore, during the past 10-12 years, most Indian IT businesses have maintained their starting pay range. Not even the inflation element is taken into consideration. In many industries, the demand-supply relationship works in

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[2] *Moonlighting culture,* available at https://www.drishtiias.com/loksabha-rajyasabha-discussions/perspective-moonlighting-culture (last visited Nov. 11, 2024).

employers' favour. The educated youth have little choice but to choose a poor starting offer because there are so few employers.

b) Due to the rising cost of basic requirements as a result of inflation, many are forced to work two jobs in order to sustain their lifestyles.

c) The COVID-19 Pandemic and the trend toward working from home: During the COVID19 lockdown, when everyone began working from home, workers had more free time. Additionally, there was no ongoing monitoring, which is customary in office positions. Many workers started a new interest or pastime that earns them extra money.

d) Massive Staff cuts: The COVID-19 outbreak has caused restless nights for many professionals, notably in the IT industry, since a number of corporations have declared significant layoffs and the hiring process is decelerated during the lockdown. Due to the fear of losing their jobs, employees were compelled to take up side jobs during the lockdown.

6. HOW TO FIND OUT IF AN EMPLOYEE IS MOONLIGHTING?

Companies can know if an employee is moonlighting and working for its competitors using their Universal Account Number (UAN) of the Employees' Provident Fund (EPF). Companies can access an employee's UAN number to get to know if two PF contributions are being made by different companies. When two PF contributions are being made simultaneously to a UAN, it is a clear indication of moonlighting by the employees.

Wipro fired 300 employees for moonlighting by tracking the EPF accounts maintained under the UANs. However, it isn't easy to find moonlighting by an employee when he/she takes up additional work as a consultant, freelancer or parttime since an employer does not make the PF contribution for such work.

However, companies may start deploying new-age technology to track devices given to employees solely for office work and get to know when an employee uses it to do another company's work. They may also hire a third-party agency for background checks to find out about moonlighting by an employee.[3]

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[3] Clear Tax News, *Know All About Moonlighting in India*, available at https://news.cleartax.in/know-all-about-moonlighting-in-india/8584/ (last visited Nov. 15, 2024).

7. PRESENT STATUS OF MOONLIGHTING IN THE USA:

Moonlighting refers to working a second job outside regular business hours. The practice has gained popularity, especially during the COVID-19 pandemic, due to the rise of work-from-home (WFH) models, enabling individuals to maintain their primary employment while pursuing side hustles. Moonlighting spans various sectors, including private practices and consultancy. While global data on moonlighting is limited, the U.S. Bureau of Labor reported in 2016 that 7.2 million Americans held two jobs. In 2022, estimates suggest up to 7% of full-time employees in the U.S. moonlight, driven largely by the need for additional income.[4]

8. REASONS WHY COMPANIES ARE AGAINST IT:

In the era of remote labour, moonlighters offer a dilemma for IT organizations. Many computer workers are said to be working on side projects in addition to their regular occupations.

- The primary issues that businesses have with moonlighting are data and confidentiality breaches as well as productivity loss.
- An employee may have the chance to share trade secrets if they have a second job in a related field.
- Employees need to be aware of the need of safeguarding information that may be useful to a competitor company.
- Due to physical exhaustion, working long hours may lead an employee to forget their duties, which will make them distracted, unproductive, and unproductive.[5]

9. STAND OF IT ON MOONLIGHTING:

In view of the fast-changing startup culture, Rajeev Chandrasekhar, Minister of State for Electronics and IT and Skill Development, promotes moonlighting. He believes that this is how work will be done in the future. He asserted that businesses must now recognize that the young Indian IT workforce's mindset and attitude have undergone a fundamental change.

The young people of today are fully committed to maximizing the worth of their

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[4] U.S. Bureau of Labor Statistics, 2016 *Report on Multiple Jobholding in the United States*
[5] *Why Are Companies Firing Employees Due to Moonlighting, TOI*, available at
https://timesofindia.indiatimes.com/education/news/why-are-companies-firingemployees-due-to-moonlighting/articleshow/94398467.cms.

abilities. They seek to profit from his or her abilities. "While working for their company, individuals are expected to be entrepreneurial. The same individuals can use it directly to benefit themselves.''

However, the minister said, moonlighting shouldn't be against any contractual duties. Any captive model will fade, he continued. He anticipated a time when a guild of product builders would exist who would split their time between many projects, much like attorneys or consultants.

10. LEGAL PROVISIONS WITH RESPECT TO MOONLIGHTING:

- **Section 60 of the Factories Act of 1948**: This Act prohibits multiple employment. No adult worker may be required or allowed, unless otherwise stipulated, to engage in any factory on any day on which he has previously worked in any other business. except in the cases that may be specified.

- **The Industrial Employment Standing Order Act of 1946:** This Act mandates that employers in industrial establishments specify the terms of employment in detail and submit proposed standing orders for certification to the certification authority. It applies to all industrial plants with 100 or more employees.

- **The Bombay Shops and Establishments Act, 1948**: Section 65, prohibits double work on holidays or while on vacation. No employee may work in any business on a day on which they have been granted a holiday or are on leave in accordance with the requirements of this Act, and no employer must knowingly let an employee to work in any establishment on such a day.

- **The Delhi Shops and Establishment Act of 1954:** Section 9, places restrictions on concurrent employment. No one may work in the operations of a single establishment, a group of establishments, or both an establishment and a factory for a longer period of time than is permitted by this Act for authorized employment.

11. IMPACT OF MOONLIGHTING ON THE ORGANIZATION:

- Low Productivity When employees are engaged in two or more jobs, their performance hampers because of the lack of focus on the current job. So their productivity decreases which leads to incompletion of tasks.

- Loss of Business Privacy and Competition Threat When employees does other job with the current job or start his own venture similar to the current job there is a competition threat for the present employer.

- Employees Well Being Employees engaged in more jobs feel exhausted in terms of physical and mental health. They face anxiety and fatigue related health issues. So these employees are unable to perform best in their jobs. Due to overburdened work, they may face various health issues.

12. ADVANTAGES OF MOONLIGHTING:

- Wages Increment Moonlighting allows employee to earn more, which decreases the pressure on the employer to increase the wages. Hence it decreases the financial burden on the organization.

- Bigger Network more jobs of an employee means he has bigger network, which can benefit the main employer. For example- if the employee has larger base he can refer new clients or he can help the organization in future with his known.

- Hardworking Employees a person who is focusing or holding two or more jobs is surely hardworking and motivated employee. So he is an asset to the organization.

13. CASE LAWS:

1. Wipro Case:

A viral Twitter thread on moonlighting highlighted that employees' Provident Fund (PF) contributions are monitored strictly, as violations are considered serious offenses. Since Aadhaar and PAN details are linked to salary accounts and used for PF deposits and background checks, it is nearly impossible for employees to maintain dual identities. PF systems employ daily de-duplication algorithms to detect multiple contributions for the same individual, which reportedly enabled Wipro to identify moonlighting employees when discrepancies in PF accounts were flagged.[6]

2. Swiggy policy:

Swiggy, a food delivery start-up, introduced an "industry-first" policy allowing employees to take up gigs or projects outside of their regular work hours. This

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[6] https://news.cleartax.in/know-all-about-moonlighting-in-india/8584/ Last visited 18/11/24

moonlighting policy divides projects into two categories: List A for professional, sensitive work and List B for non-professional, hobby-related tasks. Employees must declare and get approval for List A projects, while non-conflicting projects outside office hours can be freely undertaken. The policy aims to enhance productivity and creativity while supporting employees' external endeavors.[7]

14. CONCLUSION:

Moonlighting, the practice of taking up additional jobs outside of regular working hours, offers employees an opportunity to acquire new skills, maintain enthusiasm, and earn extra income. However, it can also lead to challenges such as burnout, reduced physical and emotional well-being, and potential conflicts of interest, especially when competitors gain access to proprietary knowledge or technology. In India, there is no comprehensive legal framework governing moonlighting, and its legality often depends on the employment terms set by individual companies. While traditional companies generally prohibit external work, viewing it as a breach of trust, newer organizations may be more open to the practice, as long as it does not impact employee productivity or conflict with their main job.

The rise of work-from-home arrangements has further fueled moonlighting, particularly among white-collar professionals in India. This trend has led to growing concerns over the impact on company operations and confidentiality. Companies fear the possibility of breaches if employees engage in side gigs, which could undermine business interests. Despite these concerns, the lack of clarity regarding the legal and business ramifications of moonlighting calls for clearer policies, both within organizations and at the government level. As the gig economy expands, it's essential to create a legal framework that addresses moonlighting's complexities while balancing employee needs for financial stability and career growth.
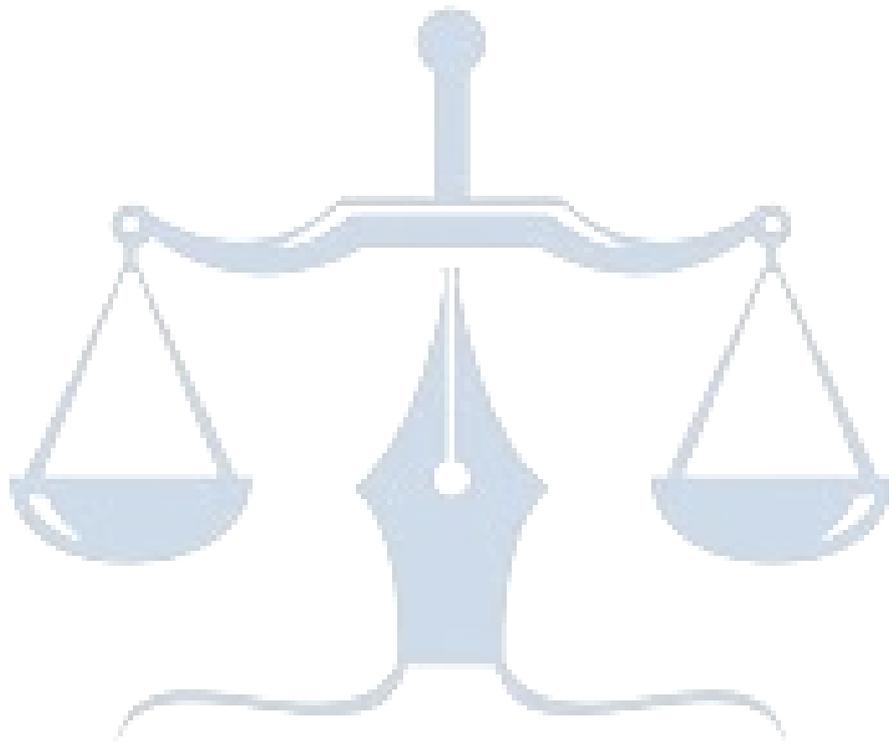
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[7] Ibid

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