



Moonlighting In Kerala's IT Sector: Employee Attitude, Risks, And Mitigation Strategies

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Abstract:

This study investigates the growing trend of moonlighting (holding a second job) within Kerala's IT sector, particularly in light of flexible work arrangements. We examine IT employee attitudes towards moonlighting, exploring their preferences and decision-making factors. The research analyzes both the potential benefits (e.g., increased income, skill development) and drawbacks (e.g., workload, work-life balance) associated with moonlighting to empower employees to make informed career choices. Additionally, the study provides valuable insights for employers by shedding light on employee attitudes and the potential impact on the workforce. While the research scope is limited to Kerala's IT sector, findings reveal a lack of employee awareness regarding legal regulations and potential health risks associated with moonlighting. Clearer policies from governing bodies and improved work-life balance practices by employers are suggested to mitigate these issues. Competitive salaries and supportive work environments could further decrease the pressure to moonlight, potentially leading to a more informed and healthier workforce.

Keywords: Moonlighting, IT sector, employee attitude, legal regulation

Introduction :

Moonlighting across the globe is impacting organizations. Moonlighting, or holding multiple jobs, is a practice where someone works a second job in addition to their primary one (Ashwini et al., 2017; Yamini & Pushpa, 2016). This can involve working evenings, weekends, or even taking time from their main job. People moonlight for various reasons, such as increasing income, pursuing hobbies, or gaining new skills. However, it can lead to conflicts with the primary employer, especially if it affects job performance, violates company policies, or creates a conflict of interest (Ashwini et al., 2017). Therefore, it's important

to understand employer's stance on moonlighting before taking on a second job. In India, there was an increase in moonlighting among employees, particularly in the IT sector, following the COVID-19 pandemic and the widespread adoption of the work-from-home model. Countries like the USA have laws prohibiting employers from taking adverse action against employees working outside for another employer if the working hours, absence of direct competition, and doesn't interfere with the employee's capability to perform duty associated with the primary employment.

The rise of telecommuting culture may lead to increased employee autonomy over work schedules, potentially allowing for extended work hours. Transparent telecommuting policies are essential for successful implementation, but their effectiveness varies by industry. The service sector might face challenges, yet India is witnessing a lateral shift towards remote work in areas like freelance consulting and remote mentoring. Even successful startups often begin with founders who moonlight, showcasing its potential. However, effective moonlighting hinges on strong time management skills – research suggests only 20percentage of professionals excel at juggling multiple jobs. Those who do reap significant benefits, including skill development and career advancement. Notably, moonlighting empowers individuals to stay competitive in a globalized job market, offering them a valuable edge against international counterparts. The issue of dual employment in India presents a complex legal landscape, as the law does not explicitly define or address it. Instead, the prohibition related to non-compete clauses is laid out in Section 27 of the Indian Contract Act, 1872. This clause prevents employees from starting their own business or accepting offers from competitors, effectively restricting them from competing with their employer or disclosing confidential information during or after their employment period. Moonlighting may badly affect the current company of employees. As the result many companies fired their employees for conducting moonlighting practices.

The stance on dual employment remains unsettled in Indian law. The Industrial Employment (Standing Orders) Act, 1946, permits dual employment, while the Factories Act, 1948, prohibits it, with certain exemptions for IT companies in some states. Judicial decisions further complicate this landscape. The Supreme Court, in *Niranjan Shankar Golikari v. The Century Spinning & Mfg. Co. (1967)*, upheld non-compete clauses, preventing employees from joining competitors during their employment contract, provided the clauses are reasonable and not excessively harsh or one-sided. Additionally, the Delhi High Court in *Wipro Limited v. Beckman Coulter International SA (2006)* validated non-solicitation clauses that prevent employees from disclosing and soliciting clients. The Madras High Court in *Government of Tamil Nadu v. Tamil Nadu Race Course General Employees Union (1993)* permitted dual employment if not explicitly prohibited in the contract or if the employer consents.

The study is an attempt to understand the attitude of IT sector employees towards moonlighting and to know whether they prefer it or not. Nowadays, flexible working hours and work from home options are offered by most IT companies. Therefore, this study will enable employees to take a decision whether to choose it or not. This study also focuses on the positive and negative impact of moonlighting on

employees. By analysing both pros and cons, employees can take a wise decision regarding adoption of moonlighting in their career. This study will give a clear-cut view regarding moonlighting to those employees who are not aware of it. The employee's opinion regarding moonlighting is good for employer to know about employees' attitude towards moonlighting. This study could explore the balance between protecting employee rights and safeguarding employer interests, contributing to the development of frameworks that effectively accommodate both perspectives.

Literature Review:

Hepton (1961) in his study emphasised that moonlighting is a relatively new term in the field of industrial and labour relations. The main goal of this investigation was to explore the relationship between moonlighting and job performance. Focusing primarily on hotel employees in Waikiki, Hawaii, the study concluded that the job performance of moonlighters was not significantly different from that of their non-moonlighting colleagues. Additionally, the study noted a distinct difference between an individual's maximum efficiency at any given time and the level of performance expected in a specific job.

Snow and Abramson (1980), noted that moonlighters are found in all segments of modern society, ranging from agricultural labourers and industrial workers to college professors. This diversity in occupations among moonlighters is accompanied by a wide range of factors that motivate individuals to take on two or more jobs. Most moonlighters pursue additional employment for economic reasons, such as meeting household expenses, paying off debts, or saving for the future. However, a significant portion of moonlighters have other motivations, such as gaining broader work experience, building a business, or simply for personal enjoyment. This indicates that the phenomenon of moonlighting is driven by both financial necessity and personal aspirations.

Dickey et.al, (2011) investigate the motivations behind moonlighting, finding that financial difficulties and increased household financial burdens are the primary drivers, particularly for younger adults. As workers gain experience, however, their reasons for taking on second jobs shift towards personal fulfillment rather than purely financial gain.

Pouliakas, (2017) in the study titled "Multiple Job-holding: Career Pathway or Dire" noted that holding multiple jobs can serve as a crucial source of additional income for individuals who experience limitations in hours or earnings in their primary employment. Researchers are increasingly recognizing that multiple job holding is not solely confined to low-income workers.

Bianca et al. (2018) highlights a trend of increasing employee demands for both career growth opportunities and better work-life balance. As daily pressures rise, employees seek not only expertise development but also improved resources and flexible work arrangements from their employers. This

includes things like paid time off, vacation days, and nights off. In exchange for these benefits, employees are likely to offer their full commitment and dedication to the company's success.

Ashwini, G et.al (2017) explored how individuals use multiple-job holding to address financial challenges and meet increased family obligations, as well as to fulfill non-financial priorities in their lives. The researchers identified the drivers of moonlighting, analyzed their association with the demographic profiles of IT employees, and assessed the extent of moonlighting within this group. The findings revealed that the intention to moonlight varied significantly between single and married employees, highlighting that work experience plays a crucial role in influencing this intention. The study suggests that an employee's demographic profile requires careful consideration, as it significantly impacts the motives behind moonlighting. This research has contributed to raising awareness among employers about moonlighting intentions. Ultimately, the study concluded that employees often spend time on their second job based on their availability rather than their underlying motives.

Seema et al. (2021) investigated the motivations behind moonlighting among mid-level employees in several South Indian IT companies. They found that a lack of proactive efforts by companies to retain skilled and loyal employees led to decreased organizational commitment. As a result, employees sought out second jobs to pursue their own goals.

Ashwini et al (2017) investigated the reasons why people in the IT industry hold multiple jobs. They found that people take on second jobs for both financial and non-financial reasons, such as taking care of family expenses or pursuing personal interests. The study looked at factors that influence people's decisions to moonlight, including marital status, family size, and work experience. Economist Allen (1998) argues that taking a second job is a common response to not having enough hours in a primary job. In other words, people look for extra work to compensate for the lack of hours in their main job.

Nunoo et, al (2016) examined the relation between job security and employees' willingness to take on extra work in Ghana. They found that employees with a single stable job were less likely to moonlight (take on extra work). Interestingly, the study also revealed that employees who already had multiple jobs were more likely to continue moonlighting.

Diksha and Jaggarwal (2022) found that the COVID-19 pandemic's impact on finances, mental health, and the job market has led many workers to take on additional jobs (moonlighting). Their research also highlights the importance of non-financial factors for companies to consider. By addressing these factors in human resource policies, companies may be able to reduce the likelihood of employees needing to moonlight.

Seema (2019) studied the rising moonlighting among IT/ITES professionals in India, highlighting the evolution of the gig economy, especially in the IT sector. Initially characterized by temporary and contract employees, the Indian gig economy now demands hyper-specialized personnel for new technological assignments. This shift is driven by the expanding internet and mobile usage, leading to a boom in freelancing. The study examines challenges faced by IT professionals, such as work-life balance, timely payment, managing multiple assignments, and productivity. Strategies to overcome these challenges include skill diversification, portfolio careers, personal goal-oriented moonlighting, and skill enrichment through certifications. Organizations are monitoring moonlighting practices to retain key knowledge workers, crucial for growth amid industry uncertainties.

Geeta Sachdeva and Seema (2020) explored the impact of Organizational Commitment and Entrepreneurial Motivation on moonlighting intentions among IT professionals. They found that job market instability and digitalization have led to increased multiple job holdings. Their study revealed that the motivation to supplement income or gain social recognition negatively correlates with the transition to full-time entrepreneurship. Conversely, the drive for independence or self-realization positively correlates with this transition. Organizational Commitment negatively impacts moonlighting intentions, while Entrepreneurial Motivation has a positive impact. They concluded that organizations should develop robust policies to facilitate ethical moonlighting, benefiting both employees and management in the growing gig economy.

Anya.et.al (2021) examined how flexible work arrangements, prompted by COVID-19, impacted employee engagement. Researchers interviewed managers and found flexibility boosted motivation through job rotation, adaptation opportunities, and personal growth. This highlights the potential of flexible work arrangements to improve employee engagement, especially during challenging times.

George and George (2022), in their study "A Review of Moonlighting in the IT Sector and its Impact," discuss the challenges of establishing a unified set of regulations for disciplining employees who moonlight. The applicable rules for employers and employees vary by context, and the reasons for disciplinary action can differ significantly. Employees who take on external jobs that impair their primary job performance may face disciplinary measures, but anticipating all potential scenarios is difficult. Moonlighting can benefit employers by preventing disengagement, fostering new skills, and igniting employee passion. However, it can also lead to burnout and undermine the purpose of holidays and time off. Amid the pandemic, IT professionals are increasingly turning to platform work and mini gigs as economic safety nets during frequent lockdowns and potential layoffs.

Methodology:

This study aims to find the moonlighting intentions and attitude of employed youth. The study covers the IT employees residing in Kerala working in different companies. For this study, 100 IT employees were selected using stratified sampling technique from Info Park Kochi. The data was analysed using SPSS 20.

Objectives

1. To explore how employees in the IT sector view moonlighting, understanding their awareness and concerns about taking on additional jobs alongside their primary employment.
2. To investigate the attitude of IT sector employees towards moonlighting.
3. To understand the risks employees perceive when considering moonlighting.
4. To examine the acceptability of moonlighting practices among IT sector employees.

Results and Discussions

34 percentage respondents are male and remaining 66 percentage respondents are female. 89 percentage respondents are in between 20-25 age, 8 percentage respondents are in between 25-30 age and 3 percentage respondents are in between 35-40 age respectively. 2 percentage of respondents have SSLC qualification, 4 percentage respondents have HSE qualification, 54 percentage respondents have Graduate qualification, 37 percentage respondents have Post Graduate qualification and the remaining 3 percentage respondents have other educational qualification like diploma etc. Most of the respondents belong to the Software Engineer designation (6.67 percentage). The next highest came under the post of Analyst (5 percentage). others like a scientist, associate analysts, team lead, systems engineer, software developers, etc. account for 1.7 percentage. 47 percentage of respondents have income less than Rs. 100000, 25 percentage of respondents have income between Rs. 100000-300000, 10 percentage of respondents have income between Rs. 300000-500000 and 18 percentage of respondents have income above Rs. 500000.

Table 1 Awareness and Understanding of Moonlighting in Employment

Variable	Factors	N	Mean	Std Deviation
QS 1	Moonlighting is an act of doing an extra job beyond regular job	100	3.7800	1.06913
QS2	Moonlighting is done without the knowledge of the main employer	100	3.3200	1.16237
QS3	Moonlighting practices are mainly done by IT companies	100	3.3500	1.01876
QS4	There is no law for moonlighting practices in India.	100	2.9000	1.05887
QS5	Level of risk related with moonlighting practices is high.	100	3.1000	1.20185

The variables QS1, QS2, QS3, QS5 have the highest mean rank:3.7800,3.3200,3.3500 and 3.1000 respectively. this indicates that respondents have awareness on the variables, “Act of doing extra job”, “Done without the knowledge of main employee”, “Mainly done by IT companies”, “Risk factor associated” to moonlighting practices. On the other-hand the variable QS4 has a lower mean rank 2.900 this indicates that the respondents have a low awareness of the variable, “The law” related to moonlighting practices.

Hypothesis 1: Ho: The awareness level of employees about moonlighting practices is equal to average

Test Used: One Sample t Test

One Sample t Test

	N	Mean	Std Deviation	t	P value
Awareness	100	16.4500	4.23400	31.767	.000**

** It indicates 1percentage level of significance.

Since the p value is less than 0.01, the null hypothesis is rejected at 1percentage level of significance and hence concluded that the awareness level of employees about moonlighting practices is not equal to average.

Table 2 Factors Responsible for Moonlighting Practices

Factors	N	Mean	Std Deviation
To have more money/savings	100	2.9000	2.24958
Pay off debts	100	3.8000	1.99494
Gain additional work experience	100	4.0800	1.80168
To spent more money	100	4.4200	1.47833
Pursue a career position	100	4.2800	1.61483
Combat boredom	100	4.3600	2.01770
Educational Qualification	100	4.0500	2.32846

Source: Computed

The most important factor with regard to moonlighting practice is to have more money/savings (2.90), and is followed by to pay off debts (3.80), educational qualification (4.05), gain additional work experience (4.08), pursue a career position (4.28), combat boredom (4.36), to spent more money (4.42).

Hypothesis 2:

Ho: There is no significant difference between the mean scores of factors affecting moonlighting practices.

Test Used: Friedman Test

Factors	Mean Rank	Chi Square	P value
To have more money/savings	2.90	35.811	.000**
Pay off Debts	3.83		
Gain additional workexperience	4.08		
To spent moremoney	4.46		
Pursue a careerposition	4.30		
Combat boredom	4.36		
Educational background	4.06		

** It indicates 1percentage level of significance.

Since the P value is less than 0.01 the null hypothesis is rejected at 1percentage level of significance and hence concluded that there is significant difference between the mean score of factors affecting moonlighting practices.

Table 3 Risk Factors Involved in Moonlighting Practices

Factors	N	Mean	Std Deviation
Multi- tasking/ pressure from two employers	100	3.1800	1.90894
Fatigue	100	3.5100	1.56021
Loss of main job	100	3.5900	1.37873
Low productivity	100	3.6800	1.72258
Lack of concentration	100	3.5000	1.76097
Legal complications	100	3.6000	1.88025

The main risk factor relating to moonlighting is multi -tasking / pressure from two employers (3.18), and is followed by lack of concentration (3.50), Fatigue (3.51), loss of main job (3.59), legal complication (3.60), low productivity (3.68).

Hypothesis 3 : Ho: There is no significant difference between mean rank towards the risk involved in moonlighting practices.

Test Used: Friedman Test

Factors	Mean Rank	Chi-Square	P value
Multi-tasking/ pressure from two employers	3.17	4.354	.500*
Fatigue	3.50		
Loss of main job	3.58		
Low productivity	3.67		
Lack of concentration	3.49		
Legal complication	3.59		

*It indicates 5percentage level of significance.

Since the P value is more than 0.05, the null hypothesis is accepted at 5percentage level of significance and hence concluded that there is no significant difference between mean rank towards the risk involved in moonlighting practices.

Table 4 Acceptability of Moonlighting Practices

Variable	Factor	N	Mean	Std Deviation
QS1	In my opinion moonlighting can enhance an employees skills and experience which can be beneficial to their primary jobs.	100	3.8400	.80050
QS2	I feel that companies should have clear policies regarding moonlighting to ensure that employees understand the boundaries and expectations.	100	3.3700	.92829
QS3	I think that moonlighting should be discouraged if it poses a conflict of interest or leads to burnout among employees.	100	3.4300	.92392
QS4	I believe that moonlighting is acceptable as long as it does not interfere with an employee in their primary job.	100	3.5400	.93657

(Source : primary data)

The variable QS1, QS2, QS3 and QS4 have the highest mean rank 3.840, 3.370, 3.4300, 3.5400 respectively. This indicates that respondents have acceptability on the variables, “Enhance skills and experience”, “Acceptability by employer with clear policies”, “as a legal process if it poses conflict of interest”, “Acceptability when having a primary job” related to moonlighting practices.

Hypothesis 4: Ho: The opinion of employees regarding the acceptability of moonlighting practices is equal to average.

Test Used: One Sample t Test

	N	Mean	Std Deviation	t	P value
Acceptability	100	14.1800	2.69072	41.550	.000**

** It indicates 1percentage level of significance.

Since the P value is less than 0.01, the null hypothesis is rejected at 1percentage level of significance and hence concluded that the opinion of employees regarding the acceptability of moonlighting practices is not equal to average.

Implications:

Addressing moonlighting requires a clear and tactical approach. First, companies should add clear non-compete clauses to employment contracts and this will legally discourage employees from working for competitors. Additionally, employers should allow employees to pursue hobbies or passion projects that don't interfere with their main job. Recognizing this difference can create a more supportive work environment. Companies also need to regularly communicate their policies on moonlighting and the consequences of breaking these rules. This should be done in a polite and educational manner to emphasize the negative impacts on both the employee and the organization. Using tools like Remote Desk can help monitor remote workers by tracking their attendance, cybersecurity, and productivity, ensuring they follow company rules.

By implementing these strategies, companies can reduce moonlighting and promote ethical behavior. A balanced approach that combines legal measures, technological tools, respect for personal interests, and clear communication is key to effectively managing moonlighting. The research study highlights several critical insights into moonlighting practices among employees, leading to key recommendations. A significant finding is the lack of awareness among respondents regarding the legal framework for moonlighting. To address this, relevant authorities and the government should develop and disseminate comprehensive policies and guidelines to ensure employees are well-informed. Additionally, many respondents expressed dissatisfaction with their health conditions while moonlighting, indicating the need for better decision-making processes to avoid fatigue and adverse health outcomes. Employers should prioritize employee well-being by promoting work-life balance and offering resources to manage workloads effectively. Financial motivations were identified as the primary driver for moonlighting, with low entry-level salaries prompting employees to seek additional income. Employers can mitigate this by providing competitive salary packages that meet employees' financial needs. Furthermore, the pressure from multi-tasking and managing responsibilities from multiple employers emerged as significant risk factors. To reduce these risks, employers should establish clear employment rules and offer necessary incentives and allowances, fostering a supportive work environment that diminishes the need for moonlighting and enhances job satisfaction.

Conclusion:

Moonlighting, or working multiple jobs without the primary employer's knowledge after regular hours, has elicited mixed reactions in the IT sector. To address ongoing debates, the government should establish a clear policy on moonlighting within new labour laws. Some view it as a means to maintain competence, avoid disengagement, acquire new skills, and boost passion. However, it can undermine the purpose of rest hours, holidays, and leave, negatively impacting workers' physical and mental health and contributing to burnout. Employers also face risks of losing expertise, data, and technology to competitors. In India, there

is no uniform legislation on moonlighting, making its legality dependent on individual employers and their terms of appointment. While some companies include conflict-of-interest and exclusivity clauses in employment agreements, legal restrictions alone are insufficient without trust and engagement. Companies like Swiggy allow moonlighting in roles that do not conflict with primary job duties, suggesting a potential shift in employment practices. In conclusion, addressing moonlighting requires a multifaceted approach involving clear contractual agreements, effective monitoring tools, respect for personal pursuits, and continuous communication. By implementing these strategies, companies can create a work environment that discourages moonlighting while supporting ethical behavior and employee well-being.

Scope for further research

Given the legal ambiguity and conflicting judicial interpretations, there is a critical need for comprehensive research in this area. Such research can provide clarity on the impact of dual employment across various industries, inform legislative reforms, and guide both employers and employees in navigating their contractual obligations. A detailed examination of these laws and their judicial interpretations will help develop consistent practices and policies, ensuring fair treatment across different sectors.

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