

Impact of ‘Moonlighting’ on Employee Retention and Talent Acquisition practices in HR

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ABSTRACT

There has recently been a surge on the debate of the concept of Moonlighting being ethical or unethical or whether the constitution deems it illegal or not. Moonlighting simply emphasizes upon the fact where individuals may work on multiply jobs to enhance their sources of income.

With the term ‘Moonlighting’ has becoming popular nowadays and catching eyes - companies are framing strict policies around moonlighting, and many top company owners have given out strong opinions and perspectives on moonlighting by their employees. It has become a critical topic of discussion for companies and employees and their managers alike.

On August 20, *Wipro’s executive chairman Rishad Premji* kicked off the ongoing controversy over moonlighting stating that taking up more than one job at a time – will be termed as “*cheating, plain and simple*”. He told the **Economic Times** newspaper that the company has since sacked 300 employees who were found to be working for its competitors on the side.

Netizens took up this event to be that of a drastic measure, with some demanding clear explanations for the same.

In contrast to this, other prominent organization leads had a completely different thought on the same agenda with *CP Gurnani, CEO of Tech Mahindra* responding with straightforward support of moonlighting if it benefits his employees in the long run. He also emphasized on the need for changing and adopting with the recent trends.

This has further led us to ask the primary question of whether Moonlighting should be a ‘fireable’ offence and how the Talent Acquisition and HR management team can deal with this in lieu of Employee Retention and maintaining Talent within their organization. Talent management and employee retention are prone to getting negatively impacted in case of sudden layoffs like these recent ones. Thus, the research conducted below aims to find out if and how the HR industry has been dealing with such a challenge which may pose for a serious threat to the organizations employee resources as well as other operational functionalities.

While the employees find nothing wrong with keeping a secondary job if they are managing and coping with it well. The employers are not so keen on supporting this view. Thus, with this study we will understand the different ways in which Moonlighting has affected HR practices and strategies as well as how employers and their managers can deal with this. We will also look at what the employees and new generation freshers think about this and thus deliver results which help HR managers and employers to understand the perspectives and needs of current job trends among employees and freshers.

To address some of the observations that I found out there has been a surge in the cases of moonlighting in the IT sectors of India, right after COVID, where the news headlines are highlighting the top companies, employees caught moonlighting and their mass firings. It has also been seen that India needs to accept this trend and learn to work alongside the same.

It was also viewed that HR managers and recruiters are finding ways to actively challenge moonlighting in Human Resources to benefit their organization by enhancing Employee retention practices and Talent Acquisition, followed by how Moonlighting impacts Employee Retention and Talent Acquisition in Human Resources.

To understand this study better we will also be circulating surveys in the form of questionnaires to two different groups of participants - Employees from various organizations and industries and secondly the managers of a few top organizations which are managing the talent acquisition departments in their respective companies. The sample size is respondents - between the age groups of 18 to 25 and above, divided into further categories of 'Student', 'Fresher', 'Employed' and lastly the 'Managers'.

This division of the sample of respondents is based on the idea that I would also like to understand the various reasons of why employees choose to moonlight in the first place. The study will also highlight individual mapped data on the challenges that TA team faces while assessing candidates during job interviews - with candidates having very conscious attitude towards job security following the abrupt layoffs within top companies in the IT infrastructure. We also address the ideas of whether the trend has been seen in only the IT sector or is equally impacting other industries as well, along with determining solutions for dealing with the challenge of moonlighting to make things easier and less stressful for both parties that is - the managers and the employees as well as the organization overall.

This study is aimed at understanding -

- Human resources
- Talent Acquisition and Employee Retention
- Moonlighting
- Difference between 'Moonlighting' and 'Freelancing'
- Candidate expectations from jobs
- Organizational demands and expectations from job applicants
- Challenges faced by both parties: Talent Acquisition team and Job aspirants.

- Perspectives of Talent Acquisition team and Job aspirants
- Key takeaways and observations within the field - IT/Consulting/Software

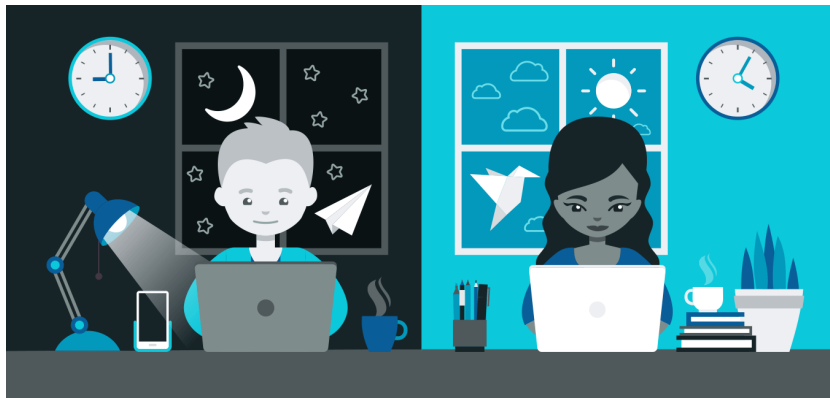
INTRODUCTION

MOONLIGHTING

Recent disruption of COVID 19 pandemic into the daily life led to the rise of corporate employers looking for various ways to keep their businesses running, which in turn introduced the work from home concept. Employees also quickly realized that they had a lot of time in hand to grow their skillsets, invest in their passions and hobbies as well as take up multiple projects for those looking to break their monotonous life cycle.

IT industry all over the globe, after pandemic continued to benefit from this remote working model and therefore it led employees to take up multiple work projects via freelancing as well as general shuffling between their primary and secondary jobs, usually after their primary working hours end. Moonlighting, however, slowly also seeped into other sectors as well besides IT fields. However, some companies consider moonlighting as the “future of work”, as [78%](#) of corporates find talent acquisition and retention challenging.

To track down the history, Moonlighting was first popularized in America when people started to work on a second jobs besides their primary day time jobs. This over time caught pace and now is widespread worldwide as employees began to understand it as a way to earn extra income and endure savings from a second source.



EMPLOYEE RETENTION

While addressing Employee retention in this light, it means an organization’s ability to retain its staff and employee numbers whilst also maintaining organization’s business operations and growth.

Employee retention is strategic planning in the field of Human resources which can help in -

1. Sustaining relevant and strong talent
2. Reduced hiring cost.
3. Better succession planning
4. Boosting employee morale, employee engagement

5. Optimal employee productivity
6. Better inter-departmental and organizational internal networking
7. Improving employer branding
8. Better customer service and client-user engagement



TALENT ACQUISITION

Talent Acquisition is the parameter of Human Resources which deals with identifying, finding, training, recruiting, and retaining accurate talent, skillsets with respect to an organization's needs and demands to foster organizational growth and profits. Talent acquisition is significant for an organization because -

1. To attract focused and up to date skillsets in the market
2. Help professional candidates to achieve professional goals.
3. Company advocacy and best hiring experience.
4. Establish relevant employee pool for future use.
5. Competitive advantage in market and over other businesses
6. To enhance employee retention

Moonlighting has recently put up several challenges to the Human Resources professional front, which negatively impacts company's hiring processes, employee retention practices, talent acquisition strategies and succession planning tactics in the long run. HR managers, although are now, more aware of this phenomenon - are still in a dilemma as to how to confront this practice while being sensitive to the reasons as to why employees tend to resort to such decisions as well as take care of the employer's concerns over protecting potential data and security breaches.

Here are some *disadvantages and challenges* highlighted of employees moonlighting within the Tech industry:

- Potential decline in employee performance on primary jobs
- Employees working for competitors.
- Potential data leaks and security breaches
- Disbalance in personal and professional lives of the employees

- Overwhelming response with regards to multiple work projects

The challenges associated with Moonlighting override the *benefits* associated with it and hence it presents quite a bleak response with regards to positive opinions in favor of the concept of moonlighting among employees. However, Moonlighting also helps employees and employers in the following manner, such that.

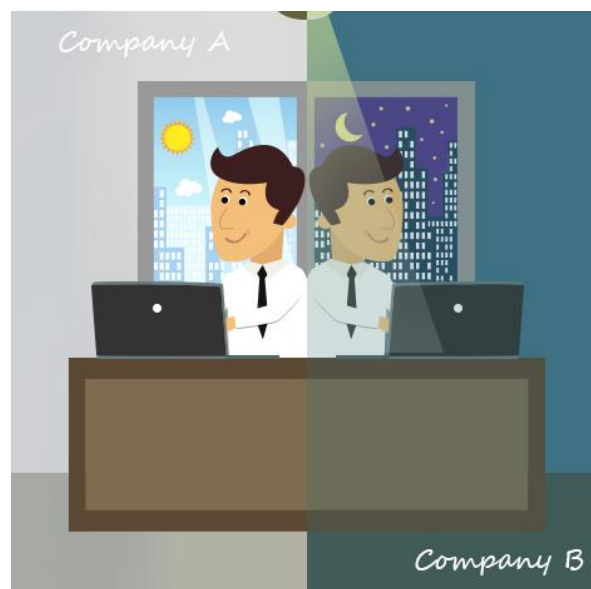
- It helps with industry getting up to date skills.
- Talented, confident, multi-productive employees
- Helps employees garner extra income and boosts savings with respective to individual employee needs and demands.
- Assists with short-term hiring and additionally aids small and medium enterprises.
- It helps with having more personal satisfaction. Individuals get an opportunity to use their capabilities and prove their worth.

Top business leaders and Managers alike, tend to have a widespread debate on the concept of Moonlighting with some supporting the idea with others being not so fond of it.

[C.P Gurnani, CEO of Tech Mahindra](#), seems to welcome the idea and additionally responded with saying that he finds it necessary to keep changing with changing times.

Quite contrary to this, [Wipro's chairman - Rishad Premji](#), considers moonlighting to be cheating, plain and simple. The statement was delivered after Wipro terminated around 300 employees in the month of August 2022 for moonlighting.

MOONLIGHTING VS FREELANCING



While moonlighting lays emphasis on employees being full time workers and working outside active work hours on a secondary job; Freelancing doesn't involve active work hour involvement and is more flexible for the individual. Freelancing allows individuals to take up multiple projects from multiple clients and he/she hence works on these projects as in when the client demands for it based on the

deadlines set up by them. Freelancing maybe contract based and doesn't hire individuals on a full-time basis.

Moonlighting on the other hand, allows full time employees to work for other organizations simultaneously while being officially employed by the primary job employer. This further leads us to ask the question of whether Moonlighting should be legal or illegal.

IS MOONLIGHTING LEGAL IN INDIA?



According to a recent **LinkedIn** article prepared by **Vivek Pandey** on the same topic - the writer provides us with two different perspectives - one from the employees and one from the employer's end.

While the employees are pro- moonlighting and feel strongly for the same which fuels their passion as well as provides them with financial security the employers have a very different stance on the same.

Employers worry that moonlighting could lead to absenteeism, fatigue and burnouts thereby affecting productivity levels at their primary jobs.

Although moonlighting may be deemed as **Dual employment** - which is addressed in the Indian constitution by the **Factories Act of 1948** it contradicts the whole argument by fact that Act of 1948 does indeed prohibit dual employment in India however, the very same act does not regulate the engagement of employees across all sectors. Instead, it only regulates labor in factories. Thus, forming a conclusion that there is **no specific law prohibiting moonlighting in India**.

Vivek Pandey thereby raises a popular alternative question to the problem - that is, how can employers and their respective managers and HR personnels control the moonlighting in India. A job contract determines the fact whether one can pick up a second assignment, or whether you can moonlight. The employee should therefore pay attention to these two clauses, or the employer can thereby incorporate the use of these clauses to prevent the employee from moonlighting.

1. **Single employment clause:** Here, the employee is legally bound to a single job i.e., the primary job for which he/she applies to and is getting selected for.
2. **Non-compete clause:** This clause prohibits an employer from or an employee from working with a rival company. Hence the employee can only work after he/she resigns from their primary job.

3. **No clause:** In case the organization doesn't provide the employee with any such clause he/she can flexibly moonlight in India.

OBJECTIVE

Human Resources Managers can help tackle 'Moonlighting' to positively impact employee retention practices and Talent Acquisition in Human Resources.

- Recent rise in moonlighting in the IT sectors of India, after COVID, headlines making it to the news of top company employees caught moonlighting and their mass firing - India needs to accept this trend, learn to work alongside the same.
- To know how HR managers and recruiters actively challenge moonlighting in Human Resources to benefit their organization by enhancing Employee retention practices and Talent Acquisition.
- To understand how Moonlighting does impact Employee Retention and Talent Acquisition in Human Resources.
- To understand how Moonlighting be somehow incorporated in the policies of organizations and certain industries.
- To understand the different real-time perspectives of employees and organizational managers on phenomena of 'Moonlighting'.

REVIEW OF LITERATURE

- Moonlighting: A boon or A Bane - A Q&A with Pooja Ramchandani and Kriti Kaushik <https://www.shrm.org/shrm-india/pages/moonlighting-a-boon-or-a-bane-a-qa-with-pooja-ramchandani-and-kriti-kaushik.aspx>
- George, A. Shaji & George, A.s. (2022). A Review of Moonlighting in the IT Sector And its Impact. 01. 64-73. 10.5281/zenodo.7114049. https://www.researchgate.net/publication/364010587_A_Review_of_Moonlighting_in_the_IT_Sector_And_its_Impact
- Gulati, Monika. (2023). Analysis of Various Aspects of Moonlighting. Journal of Business Theory and Practice. 11. p32. 10.22158/jbtp.v11n1p32. https://www.researchgate.net/publication/369344546_Analysis_of_Various_Aspects_of_Moonlighting
- A Study of Organizational Commitment and Moonlighting Practices of SME Employees in Delhi-NCR Puja Khatri and Khushboo https://www.ripublication.com/gjfm-spl/gjfmv6n6_08.pdf
- A Study on Precedents of Employee Moonlighting Intention among Private School Teachers in Kanchipuram District https://www.academia.edu/51152621/A_Study_on_Precedents_of_Employee_Moonlighting_Intention_among_Private_School_Teachers_in_Kanchipuram_District

RESEARCH METHODOLOGY AND DATA COLLECTION

| Primary | Secondary |
|-------------------------------------------------------------|-------------------------------------------------------------------|
| It is collected for the first time | Compiled from already existing sources |
| It is collected directly by the investigator or by his team | Compiled by persons other than the persons who collected the data |
| It costs more | It costs less |
| It requires more time | It requires considerably less time |
| Possibility of having personal bias | Personal bias is minimized |

To answer our questions pertaining to how HR managers and personnels can actively deal with this phenomenon in 2023, we would be looking at different types of data which we have collated - **Primary** and **Secondary** data. Moreover, both types of data in research - **Quantitative** and **Qualitative** have been used for this study.

Survey method: The Survey method uses the technique of gathering data where people referred to as the respondents are asked questions who are believed to have required information.

The primary data was collected via questionnaires (Survey Method) where in **200 sample questionnaires** were handed out to the participants. These participants were a **mix of 50 students from different educational institutes, 50 working individuals from different companies and finally 100 Talent Acquisition managers from various organizations**. 2 different types of questionnaires were sent out to these 3 parties - one addressing *employers’ perspective of moonlighting and how they would deal with it* and one addressing employee and fresher perspective of moonlighting, identifying what they expect out of moonlighting to provide the employers with a validation as to why more and more employees are supporting this new trend.



Secondary data consists of **LinkedIn published articles, newspaper articles, Twitter tweets, Case studies** etc.

SAMPLE QUESTIONNAIRE

Two different types of questions with different questions were sent out to the selected sample population

1) **Employees working in different industries.**

2) **HR Leads and Talent Acquisition Managers within different organizations**

Here, are the sample survey questions which were circulated across the two respondents. Each survey consisted of 10 relevant close ended questions along with a few objective questions (close-ended). *Multiple choice, checkboxes, Linear rating scales* were used to make the questionnaires interesting, meaningful, and engaging.

What are close ended questions?

Close ended questions are defined as question types that ask respondents to choose from a distinct set of pre-defined responses, such as “Yes/No” or among set multiple choice questions. In a typical scenario, closed-ended questions are used to gather **quantitative data** from respondents.

What is Quantitative data?

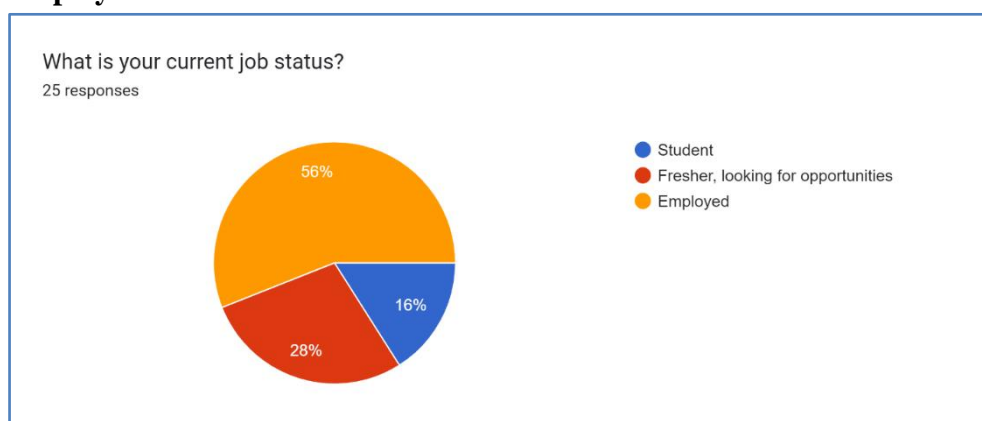
Quantitative data are measures of values or counts and are expressed as numbers. data about numeric variables (e.g., how many, how much or how often).

Below are the attachments of the questionnaire samples that have been sent out:

DATA ANALYSIS

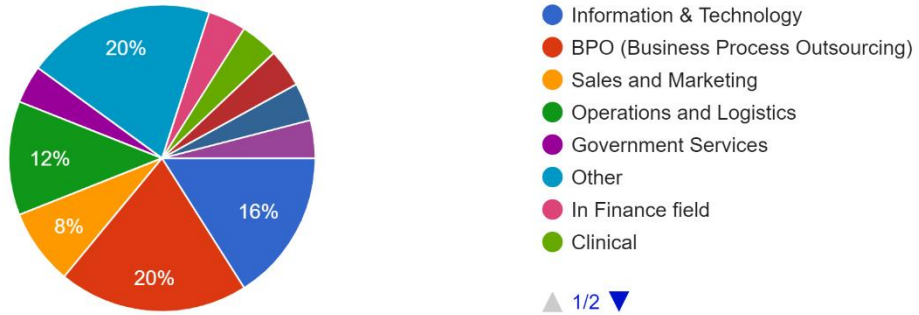
From the data that was collected via the questionnaires which were distributed to the sample the following results were relayed.

FINDINGS: Employee/Freshers/Students



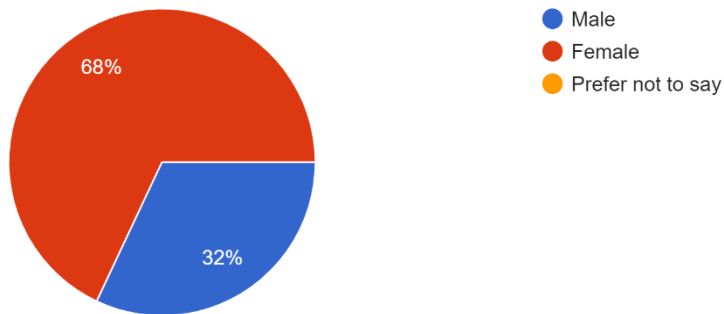
If currently employed or fresher - which industry are you working for?

25 responses



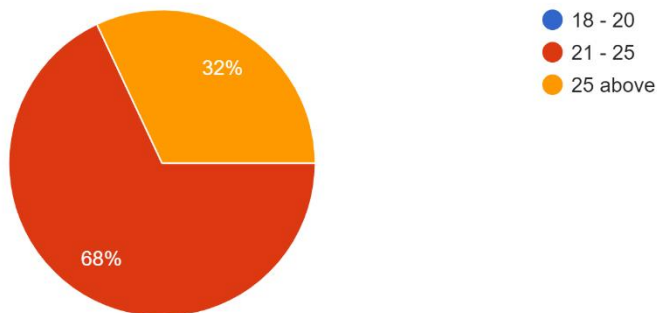
Gender

25 responses



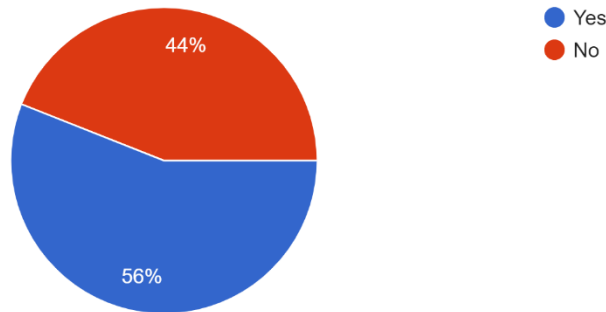
Which age group do you belong to?

25 responses



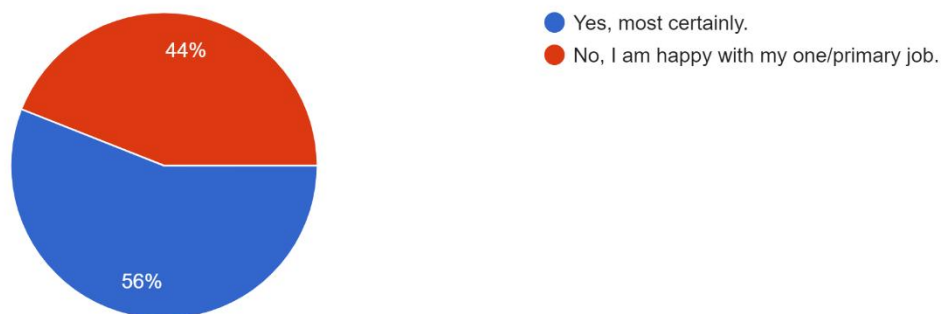
Have you recently ever come across the term 'Moonlighting' defined as "having a second job, typically secretly and at night, in addition to one's regular/primary employment."

25 responses



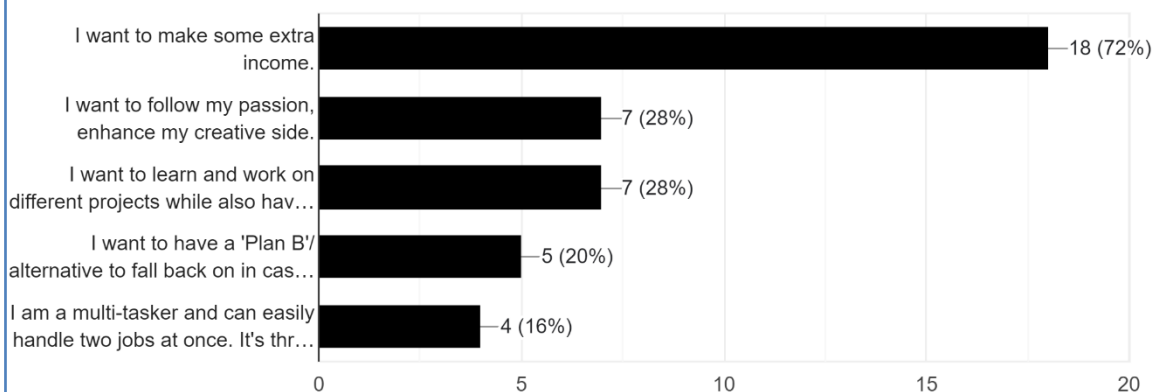
Would you like to have a second job besides your primary job if your organization allows for it?

25 responses



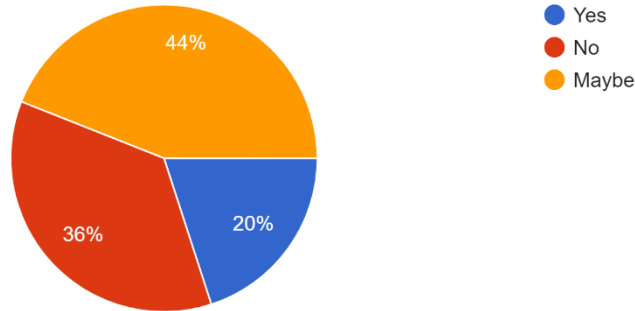
What would be the reasons for you looking for a secondary job besides your primary job? (You can select as many option as you'd like)

25 responses



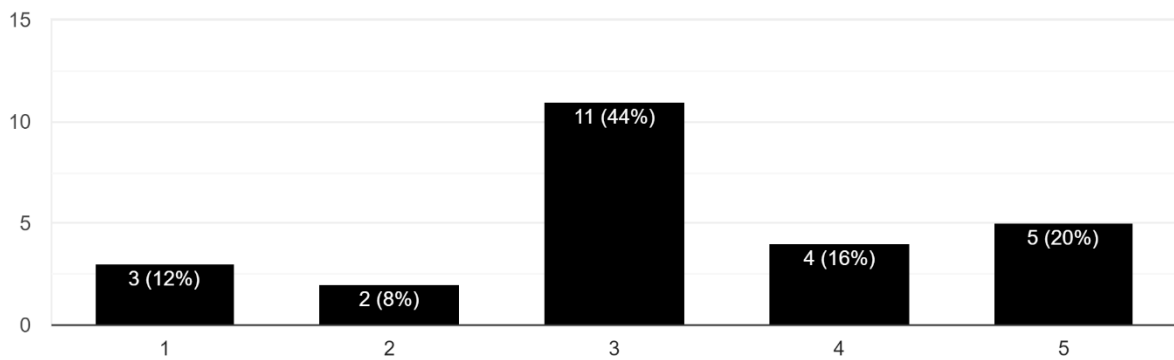
Do you feel that 'Moonlighting' equals to cheating on an organization?

25 responses



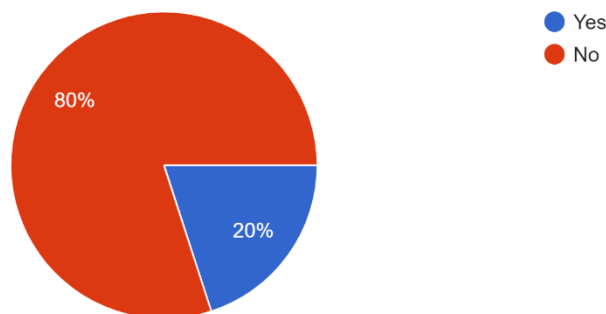
On a scale of 1-5, how strongly do you feel about the recent layoffs happening due to employers discovery of moonlighting by employees.

25 responses



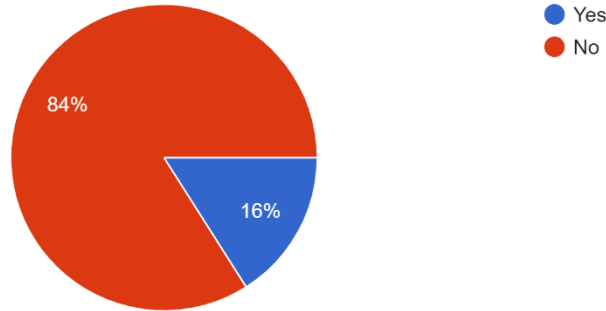
Would you leave your current job, if they do not allow for a secondary job at all - even if you are managing it well?

25 responses



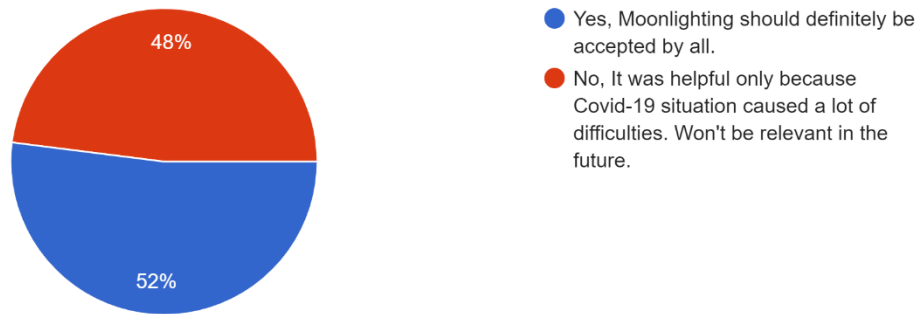
Are you aware of any laws in India which support moonlighting or a secondary job while having a primary job?

25 responses



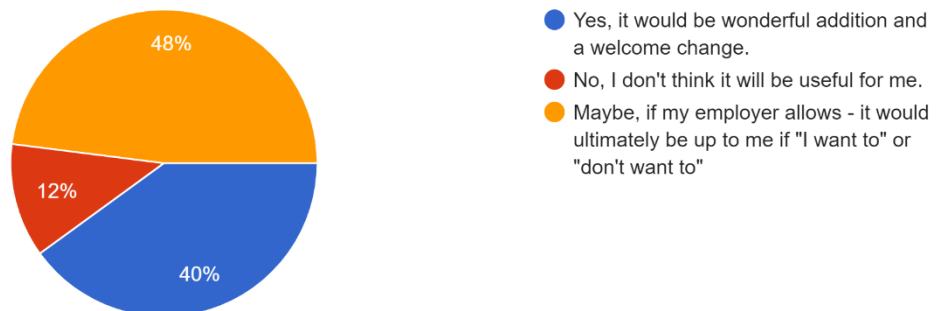
Do you think this trend of having a secondary job is here to stay and is the future of how industries will be working in 2023 and ahead?

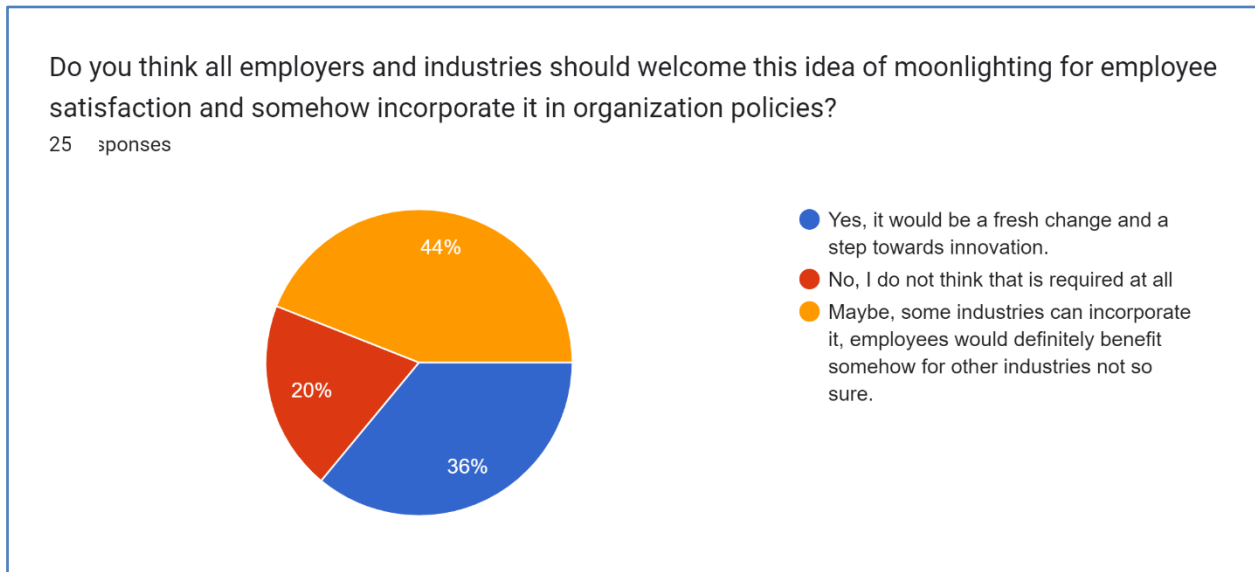
25 responses



Would you like your current employer to somehow incorporate and support the idea of a secondary job?

25 responses





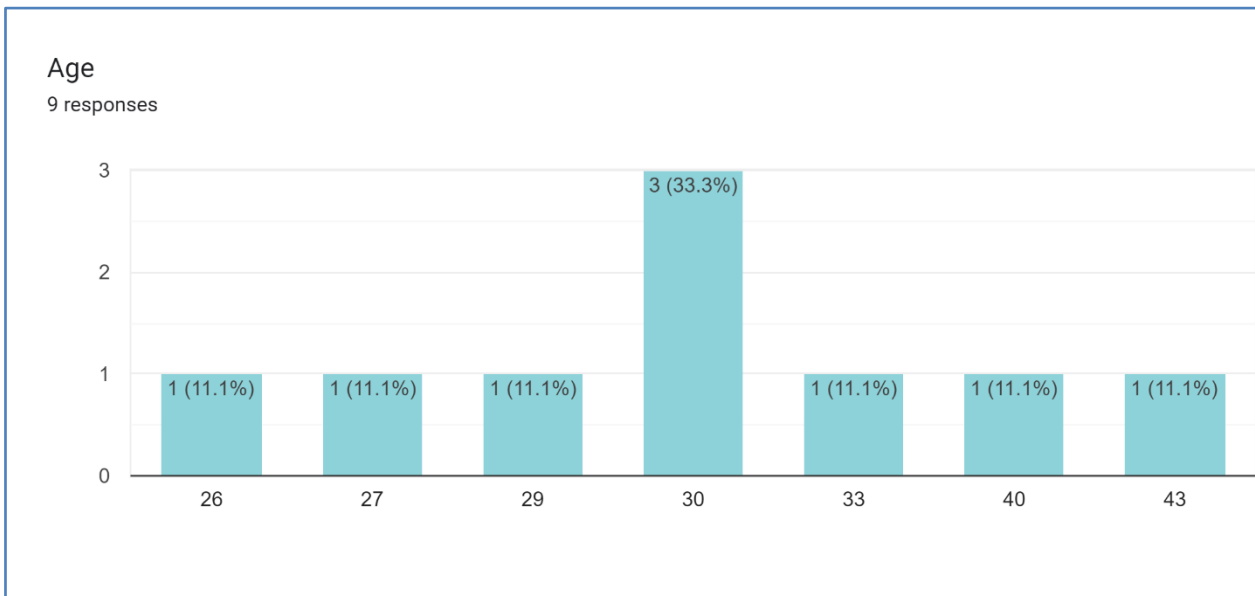
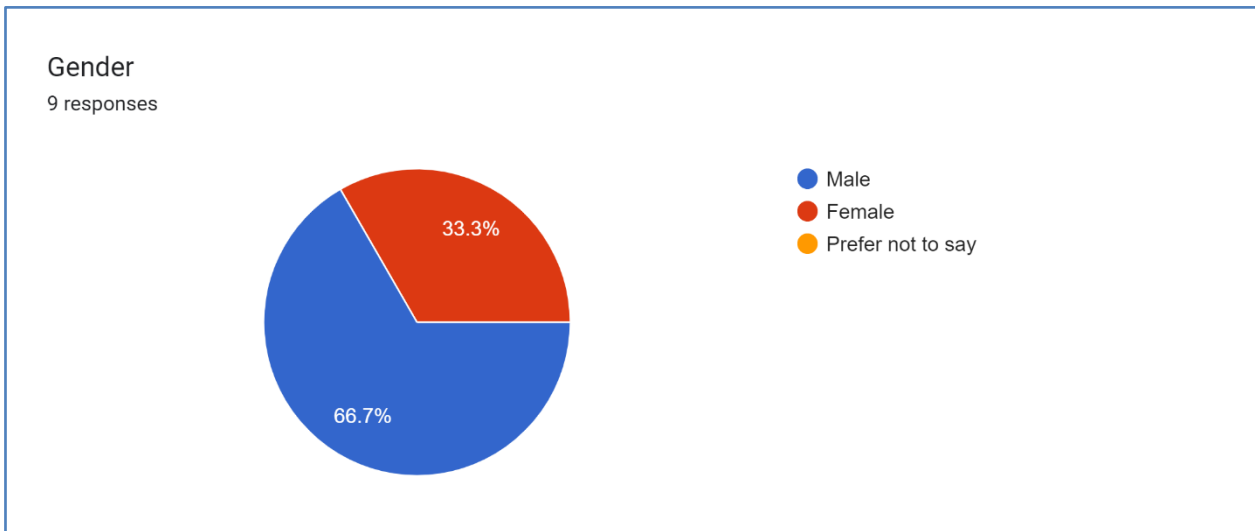
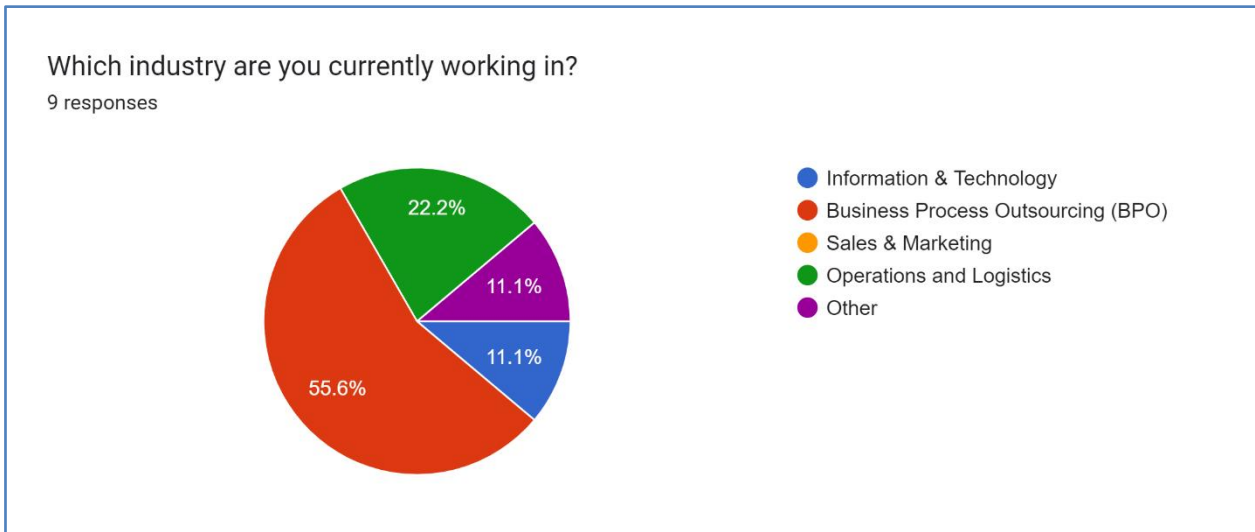
A major portion of the sample population is Employed (56%), closely followed by those who are Freshers and a small proportion of Students. Population also depicts data from most individuals from the 21 – 25 years age group, with varying industries – primary results from IT and BPO (Business Process Outsourcing) industry. The female to male ratio is 17:8 respectively. The data also tells us that major sample population is familiar with the term ‘Moonlighting’, the findings also tell us that most of them would like the idea of working on a secondary job if their primary job allows it. The reasons in favor of moonlighting were deemed to be primarily that of a “secondary source of income” (72%), closely followed by “working to encourage their passion” (28%) and to “get enhanced learning on a different set of skills.” (28%)

In terms of considering ‘Moonlighting’ as “cheating” - the population had a ‘Neutral’ review which was closely followed by a strong ‘No’ which clearly depicts support among the employees for this phenomenon.

Similarly, the population had ‘Neutral’ opinion about the recent cases of layoffs happening in major tech companies.

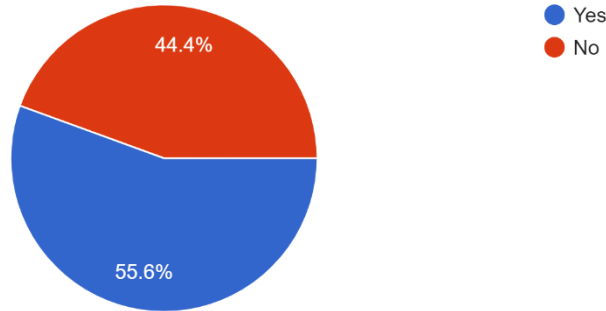
Moreover, the population displayed strong apprehension over the uncertainty related to moonlighting and its general consequences like sudden layoffs. The population also is aware that there are no legal laws which define moonlighting as illegal or unfair practice and are quite open to the idea of incorporation of this trend in the company books for future – clearly stating that the idea should be welcomed. However, quite contrary to this the population here, is unsure whether the idea of moonlighting would work in industries besides IT sector.

FINDINGS: Managers/TA leaders/Recruitment Leads



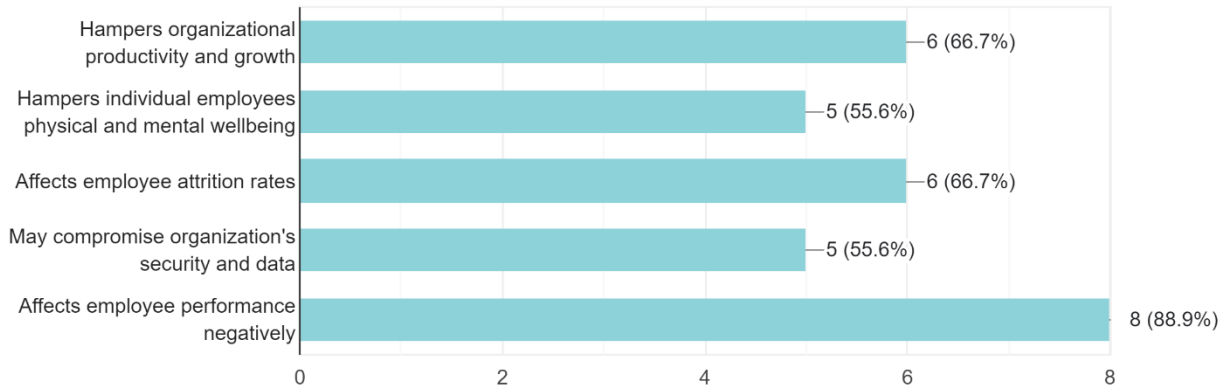
Do you feel that working on a secondary job is ethical even if an employee has a primary job?

9 responses



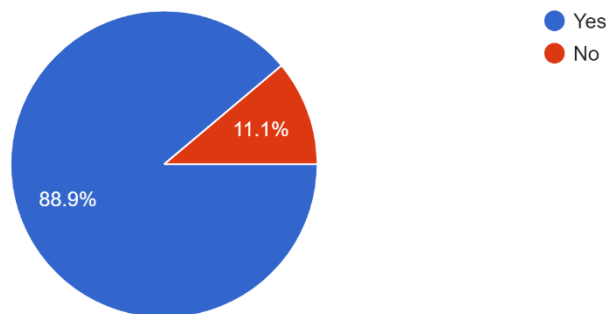
How do you think 'Moonlighting' impacts business and the employees? (Select as many options as you'd like)

9 responses



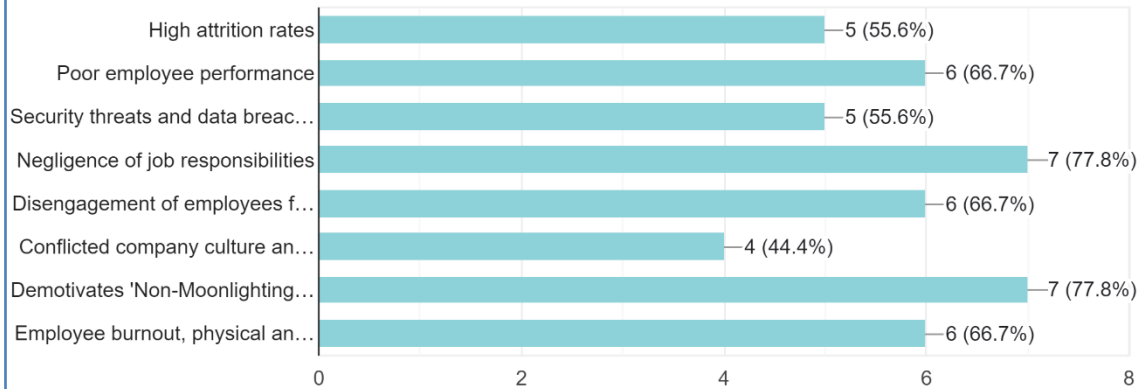
Can the secondary job allow for loss of potential talent in organizations?

9 responses



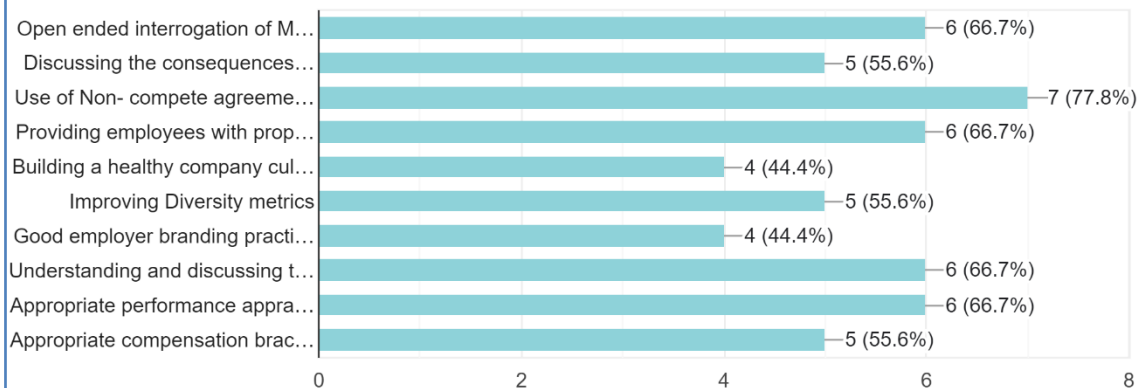
What are the challenges that are faced by HR leads and Talent Acquisition managers due to this phenomenon?

9 responses



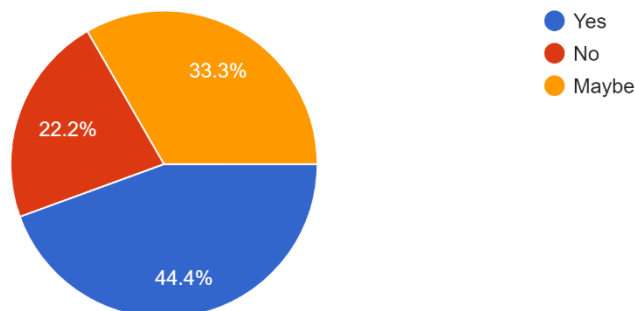
How can one retain employees in such cases like when individuals support the idea of moonlighting?

9 responses



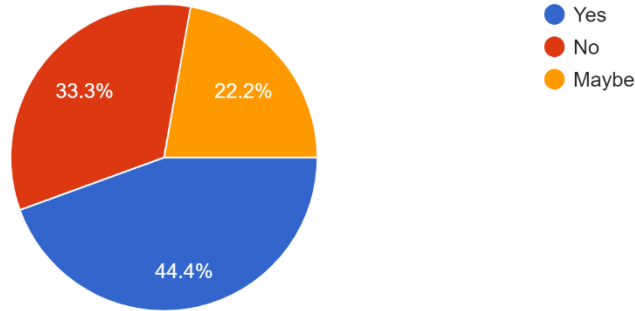
Would you be ready to adopt practices and strategies which allow Moonlighting?

9 responses



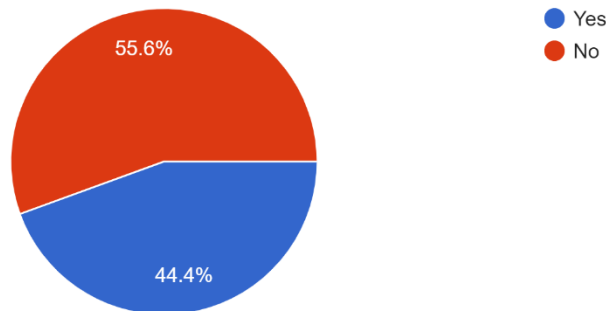
Do you think organizations and industries are ready for Moonlighting phenomena and that it is the future?

9 responses



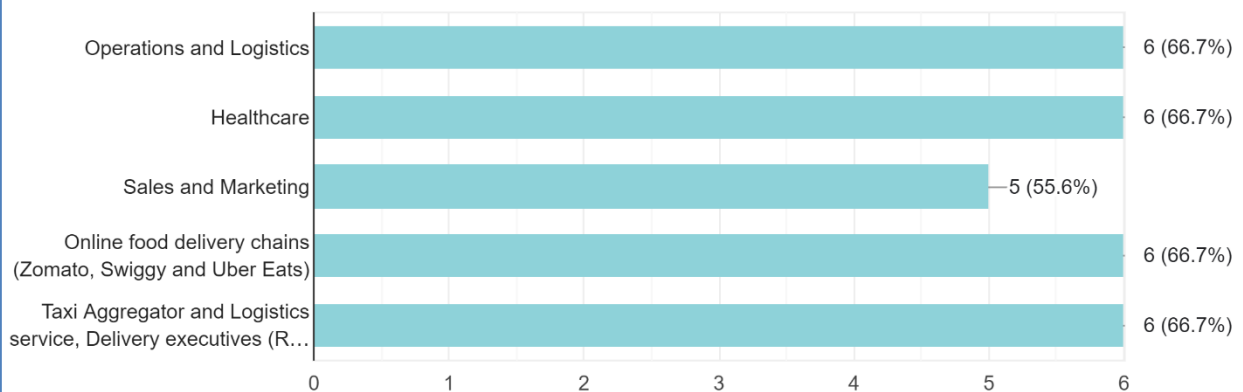
According to you, is moonlighting only impacting IT sector or is it happening in other industries as well?

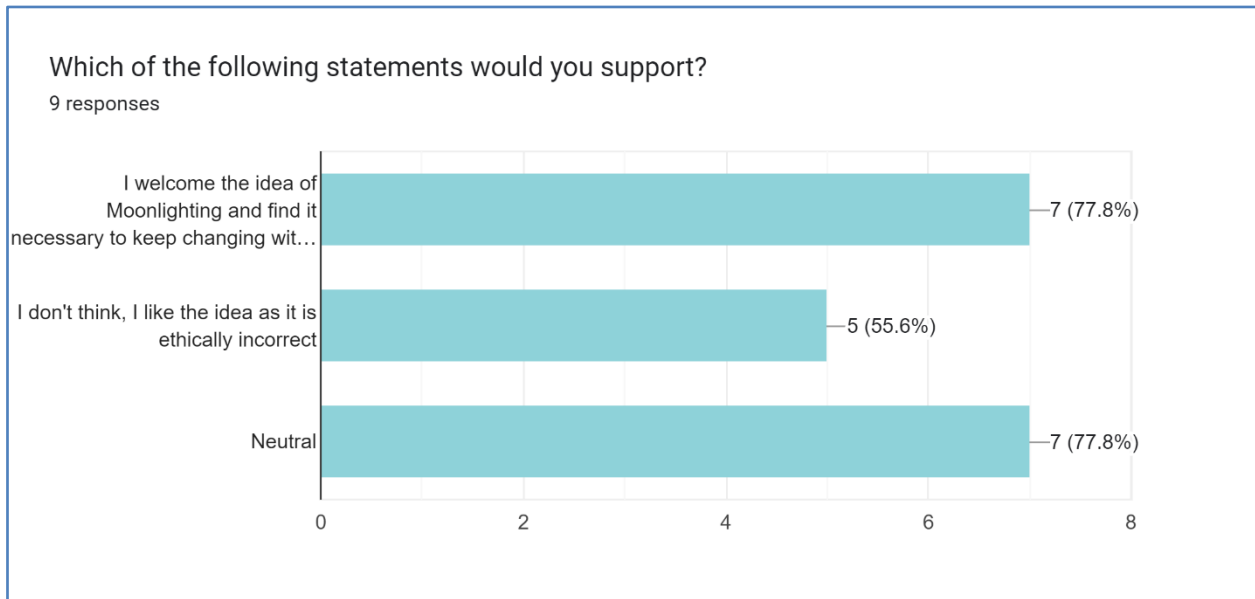
9 responses



According to you, which other industries is it impacting?

9 responses





The results from this questionnaires data highlighted the critical aspect of how moonlighting really affects organizations and their HR practices like employee retention, talent acquisition and even interferes with employee engagement. It is also observed that BPO managerial positions made up most of the population which also suggests that moonlighting is not just limited to the IT field, this was also closely followed by the sample belonging to the operations and management industries. The female to male ratio for this survey was 1:2. The age groups targeted here are from 25 – 45 years and above.

The individuals here, in the managerial positions feel that Moonlighting is not necessarily unethical, however 89.9% of the population firmly believes that it negatively affects employee attrition rates and loss of talent. Some of the answers postulate that it contributes to low employee productivity, affects employee retaining rates closely followed by hampering organizational growth. The managerial survey also tells us that moonlighting leads to negligence of duties and can cause non-moonlighting employees to be demotivated besides many other challenges like security threats and data breaches, conflicted company culture and physical and mental burnout of the employee. To tackle these highlighted challenges Managers, suggest the strong use of “non-compete-agreements” while employee onboarding, along with suggesting open discussion and interrogation followed by appropriate appraisals methods. Managers overall are open to the idea of Moonlighting and are also willing to incorporate practices and strategies which allow employees to work on a secondary job without any compromises like data/security breach, negligence of duties etc. the population also believes that this phenomenon is not limited to the IT industry and can be seen in the other sectors as well.

The following are some industries which are impacted as well as benefit from moonlighting phenomena – Online food delivery chains (Zomato, Swiggy and Uber Eats and Taxi aggregators and logistics (Rapido, Uber, Ola) etc.

Overall, the managerial sample population seems to be pro-moonlighting with strong statements supporting it as well as mixed and neutral opinions.

LIMITATIONS AND CHALLENGES

The findings of this study must be seen considering some limitations and challenges. These include:

1. Neutral Response Bias

Neutral response bias occurs when the survey participants reply passively to most of the questions that are asked. For example, if we take a Likert scale, ranging from one to three, the participant would be answering 'two' every time.

This bias was encountered in many of my Likert scale-based questions.

2. Lack of previous research on the phenomena

Since moonlighting only recently gathered attention due to the pandemic, it was difficult to find more data related to it. It was also difficult to find data which presented a managerial and organizational perspective. Few studies which have been conducted offer a very limited opinion because it has been oriented towards general working employees.

3. Time constraint

As a student, I was faced with numerous deadlines which may have impacted the data collection, thus the study may also need a future study for detailed accuracy.

CONCLUSION

Even if Moonlighting is something which may affect employees in general it challenges different operational aspects of an organization at managerial levels. Thus, if the managerial positions support the concept – it becomes quite difficult for them to incorporate a phenomenon like moonlighting into company's policies which thereby leads to them looking for alternative options for retaining talent and appropriate measures for employee engagement. Moonlighting poses serious threats to the integrity and security of many organizations and thus this should be allowed with serious awareness of the consequences which it may address.

The employees too should be sensitive to an organization's need for maintaining its productivity and growth, as appealing the idea of moonlighting may seem to be.

Open discussions with employees, carefully mandated company policies, incorporation of non-compete agreements, building a healthy company work culture, timely appraisals for employees, better employee engagement practices, encouraging diversity practices and regular events on all levels of the organization are a few ways to enhance employee's engagement and performance in the enterprise.

The employees can also be made aware of healthy competition among the various types of industries and should be provided with enough resources and guidance in case they do choose to upskill and learn a separate set of skills which may be unrelated to the primary job.

Change is inevitable part of life and Moonlighting does sound like a welcome change for the coming future which is here to stay for a very long time, however every phenomenon comes with a few pre-requisites which must be dealt with to avoid mismanagement and disbalance of company ethics and

policies with due respect to all the employees working under it. Managers also need to keep a track of the current trends which pop up now and then also keeping an eye on the market for sudden changes within industries to avoid being taken by surprise in case of any abruptness.

To conclude, moonlighting in today's world makes lot of sense because developing time and strategies require big changes. As Albert Einstein once said, "The measure of intelligence is the ability to change."

REFERENCES

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