



# Exploring the Practice of Moonlighting

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## Abstract

Moonlighting, the practice of holding a second job outside of regular working hours, has become increasingly common among employees in recent years. While some see moonlighting as a means of earning extra income and gaining valuable experience, others view it as a threat to employee performance and organizational productivity. This paper reviews the existing literature on moonlighting, focusing on its impact on employee performance and organizational productivity. The paper begins by defining moonlighting and exploring the reasons why employees engage in this practice. It then examines the various factors that influence the impact of moonlighting on employee performance, such as the nature of the second job, the level of workload, and the level of job satisfaction. The paper also discusses the potential positive and negative effects of moonlighting on organizational productivity, including the risk of conflicts of interest and the potential for increased motivation and job satisfaction.

**Keywords-** Moonlighting, Covid-19, Work-from-home, IT Sector.

## Introduction

“We learn to earn,” the famous quote by Peter Lynch, directly states that we learn in order to earn; therefore, establishing that our primary and ultimate goal in life is to earn. It’s good for people who achieve their desired goals through their primary or main job. But there are numerous individuals who fail to accomplish their goals from their primary or main job but still want to fulfill their ultimate goal of having money. Then there’s the need for an extra income source or a secondary job. Hence this secondary job after the existence of a primary job is coined as ‘Moonlighting’. It can also be connected with the part-time job. But it is not always done in search of money; many people do it as their hobbies or work in their field of interest.

Moonlighting can differ depending on the nature of the person practicing it, as some can treat it as a secondary source of income to earn and fulfill their money dreams. But those who practice these moonlighting in their free time left over from their primary jobs as their hobbies treat them as a field to improve their skills or practice their skills and grow more [1].

But with the passage of time, the meaning of moonlighting at night took on a different context with different people, increasing the night-time crime in many parts of the world. This raises the question of whether moonlighting is legal or illegal. So, the rules made by the government in various countries states that moonlighting is legal or illegal depends on their type of primary job. And, no country has imposed any bans on the IT (information technology) sector yet. On considering the example from India, it is not totally banned, but according to the Factories Act of 1948, it forbids the double employment of adult workers in factories and is mentioned in Section 60. But do not say about the people working in the IT branch or those who do not work in the factories department.

So, satisfaction of needs has become the top priority on the human list of their activities. Later on, they make earning their priority and start with moonlighting.

## Surveys and their findings

Multi-tasking seems to be good, and in addition to it, moonlighting lets you earn more, but it is not always good or beneficial; that too varies with the nature of the people. It might be hectic for most of the workers, but they are working just to earn, or are in urgent need of it.

### *Survey of Students Attending High School or College*

To analyze these results and understand the effect of moonlighting on various age groups, from school-going to job-working, a survey was done by K L University [2]. So, going through the gender-wise criteria, both males and females would like to work and would prefer moonlighting. But undergraduate students are much more interested in it compared to postgraduate students. So coping with the academics as well as a job is not everyone’s cup of tea. Hence, most of the students start getting low marks, increasing the stress, making low energy, increasing the career problem, and finally, concentrating on the academic starts to rescue[2]. As a result, this leads to the distraction of the student from their main focus on studying to the job, and as a result, they end up doing the job as their main job and end up working for the money and then finding

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the other job to fulfill their needs, and their part-time job becomes the primary, and they start hunting for other jobs as moonlighting. One should not get distracted from their main goals in respect of their job, as they should always remember their primary goals to achieve.

### Effects of Moonlighting in Parts of the World

In various part of the world, we came to see the Moonlighting is being practiced at a large amount and is increased after the information of shockwaves of Covid-19. And this Covid-19 have made many individuals to leave their jobs and start working from home, increasing the ratio of working from home which in return is reducing the cost of traveling and saving time. As a result, those who want to earn more money or want to increase their practical skills in other fields have started with moonlighting [4]. In the IT sector of the industry where most of the work is done from home and even after the fading of Covid-19 they still prefer to work from home even

now. Now the employees who were working from home have two corporate IDs, two email id for both the company and hence they have two bosses when in WFH (work from home). And this has led to the concept of overwork, which is a double earning platform for the techies. These are practiced in various countries such as a waiter working in two restaurants in morning and evening and take wages based on their working hours as a result it helps the person to earn more in a short time.

So, the moonlighting practices are not only beneficial to the individuals, but also to the companies where they work. As they help in increasing the bigger network, suppose, for example, that an employee has a large client base; then he can refer new clients to fulfill the company's vacancy requirement quickly and efficiently.

Table 1 below presents the comparison of salaries of freshers with CEOs (Chief Executive Officer) of companies such as HCL, TCS, Wipro and Infosys [3].

**Table 1. Salary Comparison of freshmen from 2011 to 2022 with that of the CEOs of HCL, TCS, Wipro, Infosys**

Company name	₹ lakhs Fresher's salary		₹ crores CEO's Salary	
	2022	2012	2022	2012
TCS	4	1.6	26	8
Infosys	3.6	2.75	79	0.8
Wipro	3.5	2.4	79	5.1
HCL	3.5	3	124	8.4
Tech Mahindra	3.4	2.5	63	1
Average salary	3.6	2.45	74.2	4.66
Median salary	3.5	2.5	79	5.1
	Fresher's salary growth		CEO's salary growth	
Average salary	46.94%		1492.27%	
Median Salary	40.00%		1449.02%	

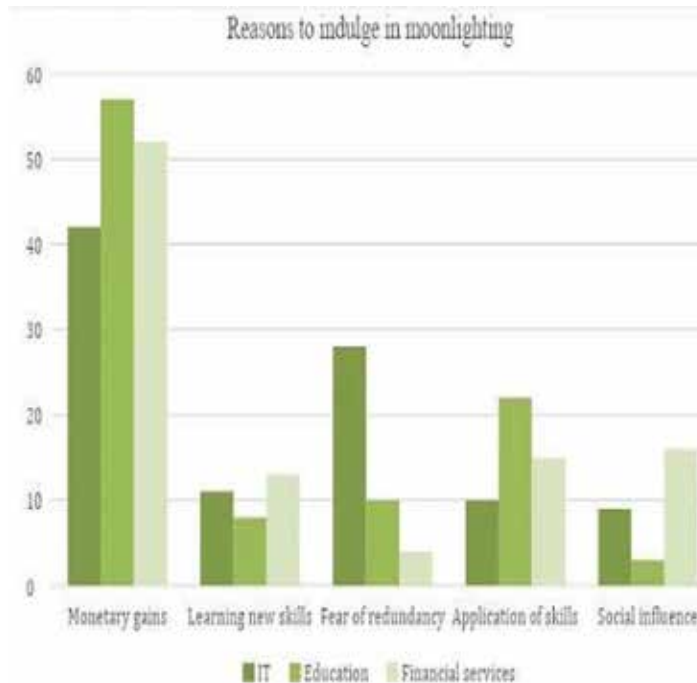
**Figure 1. Comparison of salary hikes (%) of freshers with inflation hike (%) over the years (2012-2022) [5]**



According to a study [5], as shown in figure 1, the annual compensation or salary of the freshmen in 2012 was around 2.75 lakh, and at the same time, the CEO was being paid 80 lakh per annum. But after ten years, the freshers were provided with 3.6 lakh, and the CEO enjoyed a price increase

of 80 crores. World over, the salary difference between IT freshers and CEOs is gigantic, and the gap only keeps widening every year. In the last decade alone, the median salary of tech CEOs saw an 835% jump, while the salary of freshers in tech languished at a mere 45% hike mark.

**Figure 2. Reasons to indulge in Moonlighting over the sectors [12]**



### ***Reviews and Work in Different Types of Work Conditions***

All CEOs build their personal brands and have multiple income streams [6]. The CEO has to rely on many other multiple income streams to either keep a backup or have many sources of income in order to make the company rise and grow at a tremendous speed. Hence, it is true that many CEOs build their personal brands and have multiple income streams. It may involve a variety of endeavors like consulting, speaking engagements, writing books, investing, and more. Establishing an individual brand may assist a CEO increase their visibility and recognition in their industry, and having multiple income streams can provide a financial safety net in case of economic downturns or other unexpected events. Additionally, having multiple income streams can provide the CEO with more flexibility and control over their financial situation.

### **Industry Leaders’ Views and Government Policies**

#### ***Views of Industry Leaders on Moonlighting***

“Today’s youngsters have every sense of confidence and purpose about wanting to monetize and create more value out of their skills. So, the efforts of companies that want to pin their employees down and say that you should not work on your own start-up are doomed to fail”, said Minister of

State for Electronics and Information Technology Rajeev Chandrasekhar [7].

Industry leaders have commented that moonlighting, or taking on additional work outside of your primary job, is becoming increasingly popular among workers of all ages. It can be a great way to diversify income streams and gain additional skills, experience, and contacts. However, it is important to be mindful of not overextending oneself and taking on too much, as this can lead to burnout and other negative consequences. Furthermore, it’s essential to be cognizant of the potential legal and ethical implications of moonlighting, such as conflicts of interest and non-compete clauses.

#### ***Indian Law against Moonlighting in Government Jobs- Ministers having Businesses***

In India, there is a written rule that ministers may not hold any other business until they have been selected for the particular post. At the time of oath, they have to resign from all the business that he is holding. The Conduct Rules pertaining to Central Government Employees and the All-India Services (Conduct) Rules prohibit government employees from engaging in any trade or business, accepting gifts, or participating in any activity that is likely to compromise their official position or interfere with their duties. Violation of these rules can result in disciplinary action, including termination of employment. However, some cases have been

found where the ministers hold other business apart from their actual holding for which they have been selected. In such cases, appropriate action is taken against the officials, including the imposition of penalties or their removal from their positions.

Other than ministers, those working in the private sector can take advantage of the benefits of moonlighting at their leisure. Recently, on February 25, 2023, Infosys founder NR Narayana Murthy commented for the persons practicing moonlighting that they should prefer working from the office instead of working from home. Also, for those who want to earn extra money, have extra work to do, or want to be a part of a freelancing gig, they must get prior permission from their manager and HR. He further concluded by saying “We need to build a culture of quick decision making, quick implementation, and hassle-free transactions, honesty in transactions, and no favoritism.”

## **Perspective of Employees and Employers**

### ***Moonlighting-a Burden or Way to Grow?***

Employees may not have a personal brand, and salary hikes are not at par with inflation, so they need to have other income sources apart from their job for survival and growth.

It is true that many employees may not have the opportunity to build a personal brand or may not be able to keep up with rising inflation through salary hikes alone. As a result, having additional income sources can be beneficial for both survival and growth. Such sources can include taking on freelance or moonlighting work, investing in stocks or real estate, or starting a side business. Having multiple sources of income can provide an employee with more financial stability and flexibility and can also help them reach their financial goals more quickly.

### ***Is Moonlighting Worth the Extra Work (Time v/s Cost Benefit)?***

Moonlighting, which refers to the practice of working a second job in addition to one’s primary employment, can be a tempting option for those looking to increase their income. However, it is important to carefully weigh the potential benefits against the costs before embarking on this endeavor. Moonlighting can provide additional income, which can be especially useful for those who are struggling to make ends meet or are working to pay off debts. It can also provide valuable experience and skills that can be beneficial for one’s career development. However, moonlighting can also have negative consequences, such as increased stress and exhaustion, which can impact one’s health and well-being.

Additionally, moonlighting may take away from valuable time that could be spent with family and friends or pursuing hobbies and other interests. It may also lead to conflicts of interest if the second job is related to the first, and it can impact one’s performance and productivity at both jobs.

Ultimately, whether or not moonlighting is worth the extra work depends on individual circumstances and priorities, and careful consideration of the potential benefits and costs is necessary before making a decision.

Another factor to consider when contemplating moonlighting is the potential impact on one’s primary job. Taking on a second job can be seen as a lack of commitment to one’s primary employer, and may lead to negative perceptions or even disciplinary action. Additionally, if the second job requires working during the same hours as the primary job, it may not be feasible or may require requesting time off from the primary job, which could further impact one’s reputation or job security. It is also important to consider the legal and tax implications of moonlighting, such as whether it violates employment contracts or tax laws. Finally, one should carefully evaluate whether the financial benefits of moonlighting outweigh the costs, such as additional transportation expenses or the cost of childcare if working outside of regular hours. Overall, while moonlighting can provide additional income and experience, it is important to consider the potential risks and costs before making a decision.

### ***Impact of WFH on Work Life Balance and Skills***

Working from home (WFH) can have a positive impact on work-life balance and skill development, as it allows employees to more easily manage the boundaries between work and life. It can also provide employees with more flexibility to adjust their work hours and work environment to better suit their needs. Additionally, WFH can provide employees with the opportunity to develop new skills or hone existing ones, as they can take advantage of the time saved by not having to commute to the office. However, WFH can also have negative impacts on work-life balance and skills if it is mismanaged or managed too intensely, as it can lead to overworking and burnout. To maximize the positive impacts of WFH on work-life balance and skill, employers should ensure that their employees are provided with the tools, resources, and support necessary to succeed in a remote working environment. They should also set clear expectations and boundaries around work hours and be mindful of the need for employees to take breaks and step away from work.

### ***Impact of Moonlighting on HR and Hiring (Salary Expectations)***

Moonlighting can have a significant impact on Human Resources and hiring, as it can lead to salary expectations that are higher than those of a traditional full-time employee. This can create an imbalance in the workforce, as those who are moonlighting may be willing to accept lower wages than those who are employed full-time. Additionally, moonlighting can lead to fewer hours available to fill positions and reduced opportunities for career advancement. In order to mitigate these effects, employers should set clear guidelines for moonlighting and ensure that their hiring

policies are consistent with those guidelines. They should also set clear expectations regarding the salary and benefits that moonlighting employees can expect to receive. Finally, employers should be aware of this skills potential for salary expectations to be higher than those of full-time employees, and take steps to ensure that their hiring and compensation policies are fair and equitable for all employees [8].

### ***Effect of Moonlighting on Different Industry Employees (Consulting/ Developers/ Marketing/ Niche Skill)?***

It can't be directly said to industry employees which of them mostly practice moonlighting, but depending on the skill, financial needs, and personal motivations, some industries can be targeted, such as IT and software development: IT professionals and software developers often have specialized skills that are in high demand and can be leveraged for moonlighting opportunities. Consulting and freelancing work often require individuals to have specialized skills and expertise, which can make it easier for them to find moonlighting opportunities in their areas of expertise. With a growing need for digital marketing and social media management, many marketing and advertising professionals also engage in moonlighting activities to supplement their income. In general, moonlighting has become increasingly common across all industries as employees seek to supplement their income or pursue passion projects outside of their regular job.

### ***Effect of Moonlighting on Skills and Productivity in a Regular Job***

It is possible that moonlighting can improve skills and productivity in a regular job, as it can provide employees with the opportunity to gain experience in different fields, increase their knowledge, and develop new skills. Additionally, moonlighting can provide employees with the opportunity to better manage their work-life balance and increase their financial security, which can lead to increased motivation and focus when it comes to their regular job. However, it is important to note that moonlighting can also lead to overworking, exhaustion, and burnout, which can have a negative effect on skills and productivity. To ensure that moonlighting has a positive effect on skills and productivity, employers should set clear expectations and boundaries around work hours and provide employees with the necessary tools and have the resources to succeed in a remote working environment.

### ***Effect of Moonlighting on Different Age Groups***

Moonlighting can have different impacts on individuals depending on their age and life stage. Following are some potential impacts on different age groups:

**Younger individuals:** For young adults just starting out in their careers, moonlighting can provide an opportunity to gain additional experience, build a portfolio, and make

connections. It can also help them earn extra income to pay off student loans or save for the future. However, moonlighting can also be stressful, and it is important for younger individuals to balance their work with other aspects of their life, such as socializing and self-care.

**Middle-aged individuals:** For middle-aged individuals, moonlighting can provide a way to supplement their income or explore new career options. However, it can also be challenging to balance work with family responsibilities, such as raising children or caring for elderly parents. It is important for middle-aged individuals to be mindful of their time and energy and to ensure that moonlighting does not negatively impact their health or personal relationships.

**Older individuals:** For older individuals nearing retirement, moonlighting can provide a way to ease into retirement by reducing their workload gradually. It can also provide a way to stay engaged in the workforce and maintain social connections. However, older individuals may need to be mindful of their physical limitations and ensure that moonlighting does not negatively impact their health or well-being.

In summary, moonlighting can provide benefits and challenges to individuals of all ages. It is important to carefully consider the potential impacts and to ensure that moonlighting does not interfere with other important aspects of life.

### ***Effect of Covid-19 on Moonlighting***

After the outburst of the Covid-19 pandemic [10], most people's lives have been impacted, particularly in the private sector, either by losing their jobs or having their salaries reduced. As a result, they have suffered a lot in finding a new job to come back into that earning face. So in this digitalization era, moonlighting has become a common practice among those employees.

Since every side has two faces in the same manner, it also has an effect on different types of people working in their respective fields. Those who were working as moonlighters have to deal with the decrease in the salary deduction. Also, with the advancement of technology, many people have found that they can handle more than one job. So this opens many opportunities for many employees, and they have the option to work from home at their ease and comfort [9].

Since the traveling time has been reduced, many employees have benefited from attending a virtual meeting and making those hours beneficial to the growth of the company. As a result, many employers are able to take on more than one job or learn new skills, which ultimately make them more productive and earn more when compared to their previous earnings.

On the other side, many sectors have been hit hard and have a negative impact in this field. Considering the example of hospitality and entertainment, these sectors have been affected worse, which leads to a decrease in the opportunity for moonlighters to work here.

## Impact of Covid-19 Pandemic on Job Security

The global job security has been significantly impacted by the Covid-19 pandemic. Due to the economic downturn brought on by the pandemic, there have been numerous job losses and a significant increase in unemployment. Additionally, many people who have been able to keep their jobs have seen their wages and benefits reduced, which has led to a decrease in job security. Additionally, as a result of the pandemic, there has been an increase in automation, with many companies substituting machines for workers, further lowering overall job security.

The overall effect of the Covid-19 pandemic on moonlit has been mixed and largely dependent on the specific circumstances and industries involved.

## Conclusions and Future Scope

Moonlighting can be a useful way to earn extra money and gain new experiences, but it is important to carefully consider the potential pros and cons before embarking on a second job. Though it is a good way to make money, it is a little difficult for anyone to maintain both a regular job and work for extra income. Moonlighting should be a choice unless it affects the efficiency and integrity of employees' primary work duties[9]. Moonlighting may seem like a quick fix for financial issues, but it can ultimately be hazardous to both an individual's health and their career. A moonlighting policy to ensure the employers' confidentiality and the freedom of

employees to explore other opportunities will be a win-win situation.

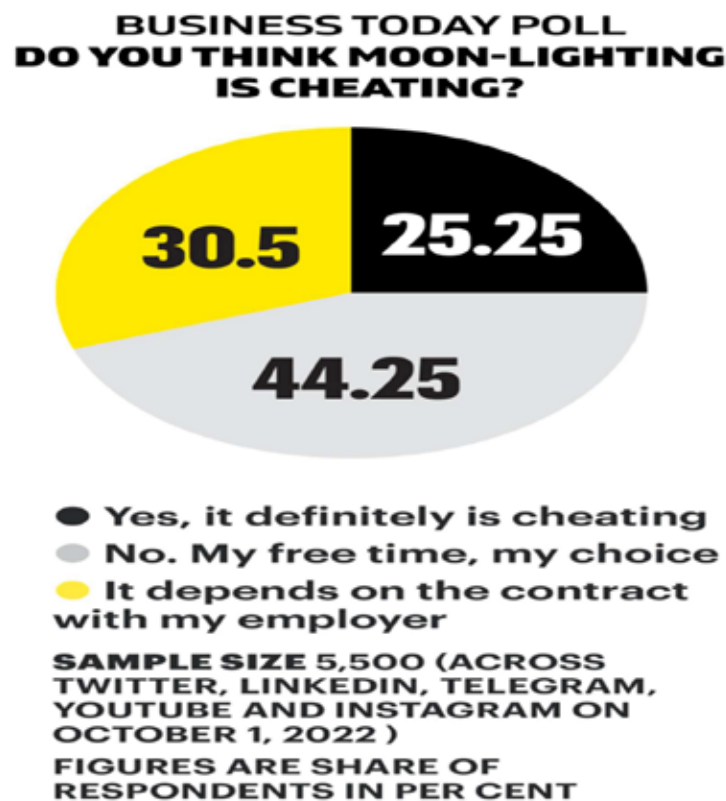
The future scope of this research can be quite extensive. Firstly, the study can be expanded to cover a larger sample size and more diverse groups to gain a broader understanding of the effects of moonlighting. Additionally, as the workforce continues to evolve, new trends may emerge in moonlighting that can be explored through further research.

Furthermore, this study can be used as a basis for developing policies that address the issues arising from moonlighting, such as employee burnout, reduced productivity, and conflicts of interest. It can also help organizations develop strategies to manage moonlighting activities among their employees and identify potential opportunities for growth.

The study can also inspire further research to explore how moonlighting affects specific industries and professions. For example, how does moonlighting affect the career progression of individuals in the consulting industry? Does it have a different impact on developers or marketing professionals? Research in this area can provide valuable insights into how organizations can retain and develop talent.

Lastly, as the Covid-19 pandemic continues to shape the way we work, further research can explore the impact of moonlighting on remote work and its potential as a coping mechanism during times of economic uncertainty. Overall, the future scope of this research is extensive and can provide valuable insights into the changing nature of work and its impact on individuals and organizations.

Figure 3. Comparison of what people think about moonlighting [11]



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