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Moderating Role of Moonlighting Influencing the Gig Economy

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ABSTRACT

Although working multiple jobs to escape economic hardship is not a novel approach employed by employees, it is also not uncommon. However, this may not cover new concepts of work such as "side hustles." It was discovered that 18.2% of households held multiple occupations and that secondary earnings reduced household poverty, and did so more efficiently for households with multiple jobholders who consistently held multiple jobs.

By incorporating this insight into economic well-being practise and policy initiatives that enhance employee benefits, multiple jobholding as a strategy for reducing poverty could be strengthened. Despite the recent reassurances of a strong and growing economy, the workforce is not seeing the returns to their pocketbook.

Keywords: Moonlighting, gig economy.

I. INTRODUCTION

In 2017, about 2.3 million workers in the United States earned at or below the federal minimum wage. For some, this necessitates the implementation of extra income-generating tactics. One of these options is obtaining a second job, also known as moonlighting or a "side hustle." As employees work longer hours, they may continue to be ineligible for employee benefits and safeguards. "Moonlighting" as the practice of holding a second job, especially at night, appeared on the written record in the 1950s, adapting a late-19th century term to describe night-time criminal activity in Ireland or serenades in the United States. The "side hustle," a term seeing a renaissance in contemporary discourse, also emerged as a concept in India around the same time and with essentially the same meaning.

It could be for a variety of other reasons, including a serious hobby. During the epidemic, the demand for IT specialists increased, which led to moonlighting. With gig sites (such as Fiverr, Upwork, Guru, Freelancer, persons per hour, and topcoder) readily available to anyone, there is significantly more access. Therefore, it is essential to comprehend the junction of the Gig Economy, Millennials, and generation Z. (GEMZ). With millennials moving into mid to senior management roles, and the Gen-Z gradually becoming the core working part of the workforce,

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we are relearning what constitutes as “employment.” The key doubt is this: ***“does gig working promote flexibility, empowerment and entrepreneurship at work, or is it really a form of opportunistic exploitation?”***

There are no restrictions regarding moonlighting under Indian law. Except while working in a factory, there is no limit on the number of places an individual can work. Section 60 of the Factories Act of 1948 prohibits concurrent employment for manufacturing workers. So technically, as long as the terms of employment do not ban moonlighting, it cannot be prevented. Some companies stipulate in their employment letter that the employee must obtain permission before engaging in any other business or employment, even in an honorary role.

(A) Research Analysis

In this boundaryless career era, a rising population of employees begin to moonlight, that is to take on part-time jobs in addition to regular obligations of one. Holding multiple jobs in more than one organization, moonlighting employees may be provided with experience, motivation, and meaningfulness that could hardly be built in their primary jobs (Atherton et al., 2016).

India’s gig sector is expected to grow to over USD 450 billion by 2024. A 2021 global study about millennials found that 64 per cent of full-time millennial workers, want to work in the gig workforce. The pandemic lockdown, remote working, understanding that many knowledge work is possible to be done with hybrid or remote work has affected many a consequent societal behavioural change. Due to the rise of internet businesses and their employee-friendly work policies, moonlighting and gig work have exploded in the information technology industry. In the contemporary digital era, businesses also hire freelancers for purposes such as cost reduction, quality benchmarking, and business process reengineering, among others. Moonlighting has become such a burden for the Human Resource Management function that it necessitates numerous deliberative interventions to secure the employees' successful work performance while simultaneously supporting their prospects for self-development and self-growth.

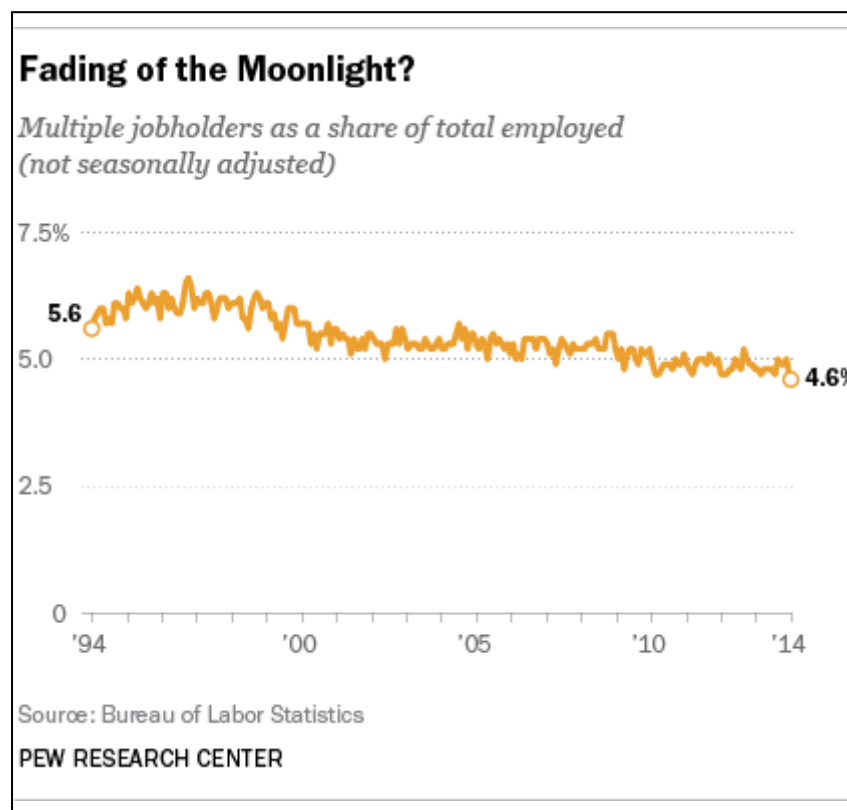
The work-from-home (WFH) concept is considered to have popularised moonlighting among India's white-collar workers. It has also posed challenges to corporate compliance issues. A few organisations, such as Swiggy, permit their employees to moonlight under specific conditions. In India, moonlighting has sparked a discussion on the future of the gig economy and the changing nature of white-collar jobs. While some believe it detrimental to the tech business, others support the concept.

(B) The Size and The Distribution of Gig Employment:

- 23.5 million: The expected size of the gig workforce by 2029-30. That's 6.7% of the non-farm workforce.
- 7.7 million: Estimated gig economy workforce in 2020-21. That's 2.6% of the non-farm workforce in India

(C) Industrial distribution

- 2.7 million gig workers in retail trade and sale, 1.3 million in transportation sector
- 600,000 in manufacturing, another 600,000 in finance and insurance

**II. CURRENT REALITY**

Given the changing nature of the times, it will be vital to view this transition constructively. It is the only way to enhance your abilities, acquire new knowledge, and avoid becoming redundant in your profession. Moonlighting meets the needs of employees who wish to earn additional income. A corporation should not be concerned with what an employee does outside of work hours as long as there is no conflict, the individual is respecting confidentially, is not working for a rival, and is not interfering with performance.

This new reality of rapid-turnover gig employment may be distinct from traditional moonlighting because the transaction costs associated with moving between gig employers

(sometimes many "jobs" each hour) are significantly cheaper. In light of these new forms of work options for dual job holders, we wish to reevaluate the past literature on the incentives for secondary job behaviour.

Understanding the motivations behind effort invested in the gig economy is crucial for a variety of reasons.

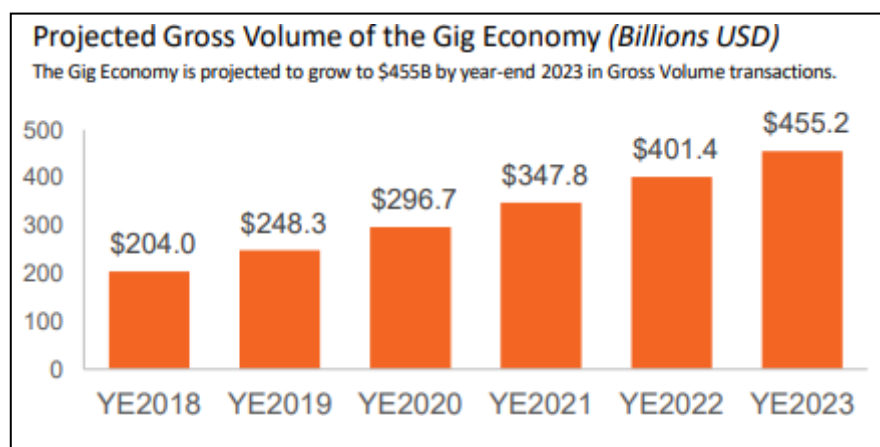
- First, if the gig economy permits people who are poorly matched in their regular job in terms of the number of hours available for work or the type of work available to create an overall labour market portfolio with multiple jobs — including gig jobs — that collectively represent a better labour market match, then the gig economy can have significant implications for the overall efficiency of the labour market. Gig economy occupations may reduce the transaction costs associated with finding a better job match since gig workers may be able to add extra "jobs" without changing their physical location or searching for a new primary job to boost total earnings.
- Second, if the gig economy begins to replace traditional (long-term) employment types as a result of a structural shift, employees may have less access to crucial benefits such as health insurance and pensions. Generally speaking, gig economy jobs do not provide these perks. Consequently, if the gig economy becomes the predominant employment setting for a large number of individuals, they will be responsible for getting benefits such as health insurance will fall on the individual rather than the firm. Individual as opposed to the firm Individual markets for health insurance or retirement benefits are frequently less efficient than group markets where risks can be pooled. If the gig economy were to continue to expand to the point where it supplanted the traditional primary labour market for many people in the economy, there could be implications for market efficiency, sometimes positive (when reducing search costs or allowing a worker to have a diversified employment portfolio as opposed to a single job) and sometimes negative (when allowing a worker to have a diversified employment portfolio as opposed to a single job) (when pooled benefit offerings become unavailable). Understanding the net impact of the rise of the gig economy on labour markets is therefore a crucial empirical question.

III. GIG ECONOMY IN SERVICE SECTOR

Rapid digital adoption has occurred from covid lockdown, and technology companies have profited with newer initiatives that require a larger staff. We witnessed the rise of Great resignation. The digital tiredness syndrome was observed. Since the software and tech services industries are experiencing a period of robust growth, their recruitment efforts are in full swing.

To retain talent, they are confronting rising employee turnover rates and higher salary costs.

Some industry executives are opposed to moonlighting and go so far as to label it crooked, while others believe it is fine as long as the original employer is kept informed. Is it not a contradiction to require employees to disclose moonlighting when they may not trust their primary job to provide appropriate opportunity or compensation? The other side of the issue is that employment is a contract between an employer and an employee for a daily period. Outside from this time frame, the employee should be allowed to pursue his or her own interests, so long as they do not interfere with the employer's commercial objectives. Several modern tech/digital organisations have embraced this position.



The industry's concerns must be acknowledged and addressed appropriately. They include concerns around the violation of project confidentiality, data access and maintaining data governance, and the misuse of intellectual property rights. For instance, the EU General Data Protection Regulation (GDPR) is altering the contracts between IT companies and EU clients. It is seeking to ensure that their staff working on EU projects work from their designated office space and not from any other location. So is the newer formed contracts with many other US clients. The challenge for the tech industry in India is not just to recruit larger number of additional workforces, but to get them back into offices.

IV. SUGGESTIONS

- It is important for the organisation to provide adequate salary to the employee so that they do not moonlight primarily due to income paucity.
- The concerns of the industry have to be noted and addressed adequately. These include worries of violation of confidentiality of projects being worked upon, data access & maintaining data governance, Intellectual Property rights being misused are a few cases in point. For example, the EU General Data Protection Regulation (GDPR) is also changing the

way IT companies' contracts with their EU clients.

- There is a need to frame a law regarding moonlighting at the national level. Moonlighting is not defined in any law of the land. But, Section 60 of the Factory Act, restricts the scope of **double employment**. Under the Indian Law, there is no restriction regarding moonlighting. There is absolutely no restriction, as to the number of places an employee could work, except if the employee is working in a factory. Section 60 of the Factories Act, 1948 restricts factory employed from any second parallel employment.
- So technically, as long as the employment terms do not prohibit employees from moonlighting, it cannot be stopped. Some organisations in their employment letter explicitly state that the employee needs to take prior permission to undertake any other business or employment, even if it's honorary capacity.
- All the stakeholders must be consulted before drawing such a plan keeping in mind the pros and cons and the interests of all concerned.

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