



Moonlighting for IT Companies in India 2024 - The Future of Work

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Abstract

Moonlighting is the practice of employees covertly working other companies without the knowledge of their legitimate registered employer. In 2022 Wipro discovered employees who were in this practice and took the strictest action against them by terminating their employment and potentially blacklisting them. This also led to a ripple effect of monkey see monkey do in other IT companies and other sector companies. This research aims to use qualitative descriptive analysis and text mining to find the consequence of such actions. This research believes that the long term effect of such moves is not positive for the company. Temporary and cheap labor has been forever the driving force behind a free market economy. Wipro terminated 300 employees in one swift move and accused them of 'cheating'. However, this research asks what is the price for loyalty and is loyalty to employee really a desirable requirement or not.

Keywords: work culture, moonlighting, human resource management.

1. Introduction

The jury is out seeming only yesterday that Wipro sacked 300 employees citing that they were Moonlighting for competitors. It seems only yesterday that the information came out when Rishad Premji spoke at an event. Since then this has opened a Pandora's Box on questions like how the company found out in the first place, were ethical means used to find out that these 300 employees were Moonlighting and also whether there should be enough stricter practices against Moonlighting. On August 20th 2022 remember Rishad Premji had tweeted saying there was a lot of chatter around Moonlighting which he outrightly called cheating on the other hand we have companies like Swiggy which actually introduced a Moonlighting policy which allows employers to take up other jobs. External projects can be taken up as per this policy for economic reasons and would be subject to internal approvals. Interestingly this was applicable even for their full-time employees and not just their gig workers in fact Tech Mahindra's CP Gurnani

tweeted and I quote "my thoughts on the trending m word it's necessary to keep changing with the times and as always I welcome disruption in the ways we work" so there is a difference of opinion in different parts of India Inc.

1.1 Need of Research

What really is a Moonlighting policy and can we get to a point where we say no absolutely no. Moonlighting is going to be the future of work [1]. Before we get into that discussion we must remember into for the first time what Rishad Premji actually said at an event when he talked about sacking 300 employees if you actually look at the definition of Moonlighting 'It is having a second job secretly' so that's Point number one. Transparency is important and as a part of transparency individuals and organizations can have very candid conversations [2]. If someone works for Wipro and they also want to work for somebody else. Such as they want to work accounts at night or work on some project that over the weekend and



that's an open conversation and the two adult individuals the organization and the individual can make a concerted choice about whether that works for them or doesn't work for them as an organization [3]. The point we are alluding to more is the reality that there are people today working for more than one organization [4].

1.2 Significance of Research

300 employees of Wipro working directly for one of its competitors was what was actually discovered in the last few months. Wipro top management was vocal in considering it a complete violation of Integrity in its deepest form [5]. So that was when they refer to it there's no space for someone to work for Wipro and competitor X Y and Z. Also some other top management gave the opinion that they would feel exactly the same way if they were to discover the same thing same situation. So that's what is meant and so the top management still stands by what they said that they still do think it's a violation of integrity [6]. Going by that if an employee is Moonlighting in any shape and form it's a violation of integrity [7,8]. Wipro's Mr Premji is in no two minds about it and he is very clear about his stance. Hence a debate is needed if Moonlighting to be sort of nipped in the bud or should we go the Swiggy way where you accept it is happening but let it at least happen with the boundaries that a company chooses to place. The opinion of this research is that employers have the right to set conditions that they want and I think employees have the right to debate and evolve those conditions.

2. Experimental Methods or Methodology

The research methodology for this research is in two parts. The qualitative descriptive analysis is performed. Content analysis of news media text and video coverage of the moonlighting incident was performed. This helps us in finding important candidates for the parent variables of the moonlighting incident. The text and video coverage included Wipro moonlighting incident and subsequent actions and opinions over solidarity with Wipro being expressed by 'IBM' and "Happiest Minds" and other related and relevant moonlighting and freelancing opinions, debates and Indian labor

law related content. The final part is where we accept or reject the hypothesis.

2.1 Objective

- To check if action and opinions on moonlighting and such negatively influence company image
- To check the direction of public opinion regarding moonlighting
- To check what led to moonlighting and what should be the correct course of action in case a company finds its employees moonlighting

2.2 Hypothesis for Descriptive Statistics

Hypothesis 1: To check if action and opinions on moonlighting and such negatively influence company image.

Hypothesis 2: To check the direction of public opinion regarding moonlighting

Hypothesis 3: To check what led to moonlighting and what should be the correct course of action in case a company finds its employees moonlighting. This is an open-ended hypothesis.

3 Results and Discussion

3.1 Frequency Table

In the Table 1, it is clear that a consensus exists on part of the big business owners over moonlighting being not considered acceptable. It is important to note however that there exists a fine line.

- **Hypothesis 1:** Yes, a strict and negative stance on moonlighting negatively influence the company image
- **Hypothesis 2:** The public opinion is that moonlighting will happen regardless of consequences and a joint approach to manage the situation like what Swiggy did is the right action.
- **Hypothesis 3:** It was only the digital watchdogs of India that allowed Wipro to find out about the moonlighting which leads this research to believe that in the broader context of things this information release was a much smaller drop in a big pond of moonlighting instances. This means that this information release was a means to an end.



What is the situation?	N
Employee loyalty	250
Low wages	135
Labor laws regarding freelance work not revised according to modern times	115
Who are the actors?	
Wipro employees	105
Digital India watchdogs	100
Whistle-blowers	295
What is the process?	
Judicious and lenient rules governing freelance work	140
Punishing the employees found moonlighting	270
Provident fund law revision	75
Gain trust of employees by not punishing them for what they do in their free personal out of office hours	15
What is the learning?	
Employees should be loyal	105
Digital India watchdogs need to be rewarded	270
employees should not be policed for what they do in their free, personal out of office hours	125
What is the action?	
Punishing employees publicly or privately for not being loyal	375
Employees of a company taking up freelance jobs constitutes to corruption	75
It is the sole responsibility of the employees involved in moonlighting for getting caught. They should have been stealthier.	50
What is the performance?	
It is good that other IT companies also joined Wipro in taking a negative stand in the issue of moonlighting	290
Government and judicial system should advise IT employers and other employers in making moonlighting not a taboo	210

Table 1 Frequency Table; N=500

3.2 Analysis

The right to accept or not take a job has evolved. Now the single employment contract has changed to eight types of employment contracts. Hence according to contract law Wipro is right in that if

employee signed on for full-time employment then they should take full-time employment. The employee is welcome to work with Wipro as a gig worker or as a consultant or as a part-time worker but then they need to commit to a contract and if they want to change the contract they are welcome to negotiate it. Lifetime employment has been replaced by the taxicab relationship it is not fair to sign one contract and then expect another contract. Full-time employment is exclusive employment and employees are welcome to not do full-time employment and not do exclusive employment. It would be asymmetric for employers to accept that given that employees can resign anytime they want but Indian labor laws do not always let employers get rid of employees.

3.3 Finding

This research finds it is unfair to say for employee to have a full-time employment contract which is exclusive, and get the fixed income, get the security of that but on the other hand the employee cannot do whatever they want in this case 'moonlighting'. Indian employers are open to eight kinds of employment contracts available to employees. Employers and employees need to jointly pick one they both want. This is important because company you cannot allow employees to take their sensitive information and give it to a competitor. Employees cannot do their work and do someone else's work at the cost of their primary employer. Also, if employee has a fixed employment for X number of hours a day to do an X number of jobs, how does that give the employer a right over the employee's entire life and over here 24 hours and over weekends and over holidays. A job is not an ownership of a person. However, there is exclusivity in the contract too. In that particular kind of contract which we have traditionally. If the employee themselves picked a particular type of employment contract which have certain risks reciprocity in them. So, experts do not think it is slavery to agree to do a job for an employer. Most of these workers do not exactly work nine to five. Most of the employment spill over as we are knowledge workers. This is not the factory regime. Factories had shifts and there



were trade unions. Only 20 of India's labour force is unionized so this research finds that if an employment contract requires exclusivity is one kind of employment contract which deserves to be enforced. If the employee does not want that there are seven other employment contracts they can pick. Employees actually have those choices. Hence Rishad Premji is right in saying companies have a complete right to sack anyone who is doing anything else but the issue is complicated.

Conclusion

There is actually a pushback from a new set of employees who see their work in their life in a very different way. Hence this research finds it right to not take an extreme position on this issue. This research agrees with if the employee has agreed and signed up for a contract which is an exclusive contract they should honor that contract. If they do not honor the contract they are in violation of that contract so we have to look at it from an employee point of view to understand why this is an important issue today. Today is the Gen Z or the Millennials generation who want multiple things out of a job and out of their life. As mentioned before the concept of lifelong employment with a single employer is not the same as it once was. The new generation is not wanting it so they do expect the freedom and flexibility to pursue other things. As this research mentions before giving employment does not give permission to take over the life of an employee. So, employees cannot have a say in everything that the employee does but having said that if the employee has willingly accepted and signs a contract for exclusive employment that does not allow any other work to be done, they need to avoid doing so. The companies need to attract the right talent they need to attract Millennials and the current generation gen Z and they need to give them the flexibility in the environment where no longer the concept of full lifelong employment exists. Here this research wants to point out that there may be eight contracts but the terms of the contract are too one-sided from the employer's side.

Recommendations

While violating a contract is an offence we need to dial down the rhetoric. We need to sit and redefine moonlighting and it cannot be done secretly. Rishad Premji is right in saying that you cannot secretly go and find employment elsewhere; it has got to be open transparent. The moment employee starts hiding it you start doing in stealth it questions the integrity and the trust and that is not acceptable. This research opines that companies will have to redefine the concept of what is really Moonlighting and what is cheating and under what boundaries that works. Otherwise they will end up losing very good talent. If there is no conflict and an engagement is giving a source of income the engagement is alright. Experts give an example of an employee who works with an IT company who is an excellent travel blogger. They go and do travel blogging and have got an Instagram account, gets paid for it by a branch that and whose her company is fine with it. Also remember for whatever reason in today's world if the performance of the employee suffers the company terminates the person ruthlessly so it is not that company will tolerate a non-performing employee. It may affect promotion; it may even lead to losing the job. However, if employee does justice to the job and it is understood between both parties that they can work outside then there should be no problems at all. This research would like to point out that a change in the employer employee relationship that has happened over time in the pandemic; work from home has accelerated it and therefore it is difficult for traditional companies; traditional people who are used to Lifetime employment to change to this but there's no choice. That's the way life is moving right now. In a sense it is a partnership of convenience between the two sides and the terms cannot necessarily be symmetrical. When there are new people coming into the workforce in their early 20s; do they really have the wherewithal to choose what kind of a contract are they given do they even know what are other terms and conditions. They are just going into it in good faith. There is this myth about organizations paying salaries; customers pay salaries. Organizations shareholders do not pay



salaries organizations do not pay salaries and this debate is not new. It feels new but the present is a disease historians warn against. Today the circumstances are so special and so unique obviously technology enables remote working and work from home means work from anywhere and obviously portfolio skills are becoming the way to go in I.T.

Limitation and Direction for Future Research

1. Fresh interview could not be conducted due to paucity of time.
2. Psychological aspects of the problem could not be addressed due to paucity of time.

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