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RESEARCH ARTICLE

THE ETHICAL DILEMMA OF BIG TECH COMPANIES: A CASE STUDY OF MULTIPLE JOB HOLDINGS AND MOONLIGHTING IN INDIAN I.T. COMPANIES

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Abstract

Post Covid-19 situation profoundly impacted how people were engaged with their organization and its quality of work. It impacted the working mode, viz., work from home, flexible hours, and hybrid working for skilled workers and executives. More tech workers in India have started moonlighting despite the disapproval of their employers and managers. The concept of employee loyalty, value system and ethics has undergone changes and they have reassured themselves with the western model of employment where such moonlighting became an acceptable industry norm. An ethical dilemma arises in the mind of the employers when their full-time professionals and employees started moonlighting in the same industry and at the cost of the companies' resources and time. It is considered unethical and a case of loss of confidence which may attract penal action. The present study provides a valuable understanding about the concept of moonlighting and multiple job-holding and its changing dimensions in the Indian IT industry.

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Introduction:-

The term "multiple job-holding" or "moonlighting" are interchangeable and shared in many developed and developing countries. Many researchers have traced the multiple job holding (MJH) to the 20th-century post-industrial revolution. However, this form of work started increasing during the post-digital economy, particularly in India's Information Technology (I.T.) sector. There were some misconceptions about MJH. Several researchers advocated that such employment exists at low-paid jobs, and workers tend to take up additional jobs to support their families or improve their living conditions. Some researchers have advocated that moonlighting allows the personal development of workers, creates entrepreneurial culture, and leads to finding the best-suited job for them in the world of work. On the other hand, some researchers argued that moonlighting or MJH creates an imbalance in an employee's work life and may lead to absenteeism.

Significance of the Study

Moonlighting was rampant during the Covid-19 pandemic and work from home provided an ample opportunity to IT workers wherein they logged in with multiple digital devices with different employers for moonlighting. The

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focus of the present study is on the Indian IT industry. There is no legitimate system for undeclared work by employees of IT organizations. According to Randstand India report, there was an increase of about 20-25 percent during the pandemic period in the last three years in the Indian IT Sector. The stern action by the WIPRO and other I.T. Companies wherein it terminated the services of about 300 employees are, therefore, justified so long as the employees concerned engaged in MJH in the same industry, particularly with its rival firms.

The conventional mode of physical recruitment has been replaced with online interviews through HR recruiters using job portals and with on line job interviews (George, 2022; CNBC, 2023). Moonlighting in India posed a unique challenge to the HR team of the Tech companies in India. Wipro fired over 300 employees soon after the back ground check with multiple provident fund accounts and income tax returns (Acharya, 2022).

Research Methodology:-

The study is primarily based on the secondary data which are available in the form of literature review, study reports, opinions of industry leaders available on the public domain post Covid 19 pandemic.

Globalization and IT Revolution

Globalization due to technological advancement impacted the nature of the work organization, resulting in flexible work and a fragmented labour market in western countries. The Information Technology (I.T.) revolution has changed the idea of work in India's large I.T. companies. Most of these I.T. giants are catering to the I.T. or I.T. enabled services (ITeS) needs of advanced economies in the world besides serving the local needs. The new age technology changed how people interacted with companies and blurred the boundaries between dependent and independent employment (Vosko, 2006; Conen & Schippers et al., 2019). Though work organization has changed radically, researchers and employers have yet to reach any logical picture of these implications and developments (Kalleberg, 2011; Osterman, 2013).

The concept of multiple job holding and moonlighting

According to the ILO definition, "multiple job-holding arises when individuals work in more than one job at the same time." Some employees take up additional jobs to maintain their family and standard of living, and it can be used by the self-employed to tackle the possible economic downturn on their income. Though there is scant evidence available about multiple job holding in developing countries, it is estimated that about 5% of the total workforce in Brazil. A much higher percentage was reported in a smaller Asian country like Nepal in the 1990s. The secondary jobs in developing countries were concentrated in agriculture and elementary occupations.

Reasons for Multiple Job holding or Moonlighting

The concept of dual or multiple job holding or hybrid employment and moonlighting are familiar. India being a rural-based economy, such a dual job holding has existed for a long time and is quite common. However, due to successive industrial revolutions favoring the capitalist economy, full-time employment became a norm. Multiple job holding (MJH) existed relatively until the twentieth century (Rouault, 2002; Supiot, 2001).

The transition from single to multiple jobs with additional working hours often translates into higher earnings for a worker. Such jobs sometimes give the individual worker financial freedom, skill, and task enhancement (Arora, 2013). A past study undertaken in three European countries, namely Germany, the Netherlands, and the United Kingdom, suggests that multiple job holding existed at 3 to 8 percent in 2018 (Eurostat, 2020). The change in the pattern of employment happened from the year 2002 onwards. It is growing yearly in Germany and particularly in the Netherlands. The study also reveals that many such multiple job holding were temporary and slowly moving away.

According to the job security model, workers may search for additional jobs for various reasons, viz., and fear of losing the primary job (Bell et al., 1997). The chances of getting a new job increase for the holders of multiple jobs, decreasing the probability of getting axed from the primary job (Panos et al., 2014; Poliakas, 2017). Taking up additional jobs in a way is equivalent to either paying an insurance premium to offset the risk of losing the primary job or exploring the alternative options available in the job market (Bell et al., 1997; Folta et al., 2010). According to a study by Wu and others, MJH was more prevalent among public sector employees where job security is guaranteed. Researchers interpret such trends as job security or stable job as the primary reason for looking for entrepreneurial activities as a secondary source of income (Kimmel & Conway, 2001; Piasna et al., 2021).

The literature review suggests the following are the major reasons for moonlighting:

- (i) To supplement the income
- (ii) Mushrooming of Start-up culture
- (iii) Skill enhancement
- (iv) Fear of losing the present job/Job insecurity
- (v) To escape from the mundane routine of primary job/Hobby

Some of the advantages of multiple job holding, as observed by the ILO are (a) to earn supplementary income; (b) diversification of work activities to escape from the monotonous primary job; and (c) financial freedom or independence if the second job chosen is related to a hobby or interested field. Therefore there should not be any objection from the employers when the employees engage in other pursuits like delivery of occasional lectures in educational or vocational institutions or similar social causes though they may receive some honorarium for their work.

The possible disadvantages of multiple job holding are (a) nonavailability of quality or leisure time; (b) involves high expenditure to organize transport and food arrangements between jobs; (c) potential conflict between primary and secondary jobs; and (d) negative impact on personal health and life (Hamandia-Güldenbergl, 2004).

Moonlighting and its impact on job quality and employee productivity

The early research supported the MJH for improving job quality, creating additional financial stress on the individual employee, meeting both ends, or raising the standard of living by earning more. Moonlighting emerged in modern industrial society as a means to tackle financial problems or low earnings in the primary job. However, in a U.K.-based study, it was found that motivation for MJH was found even among a well-paid group of employees in the oil and gas sector (Dickey et al., 2011). Another U.K.-based study suggests that growing financial uncertainty often triggers MJH (Panos et al., 2014).

Usually, a disadvantaged worker takes up an extra part-time job to tackle the financial constraint either pushed or induced due to low wages in his main job. It may be voluntary or involuntary due to support himself or his family. In other cases, a full-time employee takes up an additional job to satisfy his psychological fulfillment or career advancement (Dickey et al., 2011; Panos et al., 2014; Wu et al., 2009). Past studies indicate that managing multiple jobs as an employee depletes energy levels and exhaustion and may considerably affect psychological and physical health (Campion et al., 2020; Sliter & Boyd, 2014). Multiple job holding leads to various health hazards, viz. mental strain due to long working hours, sleep deprivation, burnout syndrome, and work-family conflict (Conen, 2020; Marucci-Wellman et al., 2014, 2016; Sliter & Boyd, 2014; Webster et al., 2019). Besides, multiple job holding often results in role conflict, difficulty integrating at the workplace, and reduced organizational commitment (Bamberry & Campbell, 2012; Guest et al., 2006).

The ethical dilemma on Moonlighting

Quality is the primary concern of the Indian I.T. companies whose services are generally utilized by the western economies. Hence, these companies focus on the quality of services, promoting innovation to constantly improve their products and services. On the other hand, past research on MJH indicates that negative tendencies on job quality are growing daily, but it varies from country to country and economy to the economy (Ant'on et al., 2012; Green et al., 2013; Prosser, 2016).

In August 20, 2023, the Executive Chairman of the WIPRO kicked off a controversy over moonlighting and termed it as "cheating, plain and simple". He informed the press on the sidelines of the Convocation of an institution of higher learning ceremony that his company had sacked 300 workers who were found moonlighting with the competitors. According to WIPRO, it was a clear-cut violation of integrity and misconduct on the employees' part. I.T. was followed suit by some other I.T. giant too. The issue had a snowballing effect and resulted in a 'Twitter' war between the industry leaders and I.T. professionals, lasting until December 2022. Some termed moonlighting as the future of the work, and others argued that it is against ethical standards as some have reportedly moonlighted with rival firms in the same industry. It was argued that moonlighting had also resulted in getting multiple statutory benefits like provident fund and insurance benefits in India, which violates rules framed by the Government.

The stand of WIPRO was also supported by other I.T. giants and its rivals like Tata Consultancy Services (TCS) and IBM, but Tech Mahindra sent a mixed signal. Tech Mahindra's statement said that moonlighting in other sectors is welcome, but every employee should seek permission from the company before taking up MJH. One of the employers' arguments was that a mandatory clause in the employment contract forbids multiple employments, and an employee on his engagement has to devote full time to his primary job.

The WIPRO had found out from the multiple provident fund accounts by some of its employees and contributions from the sources of Employees Provident Fund Organizations (EPFO), a statutory body established by the Government of India. During the Covid-19 situation, the same EPFO showed the enrolment of new P.F. subscribers as new entrants to the job. The National Association of Software and Service Companies (NASSCOM), about 50,000 IT Sector workers have reportedly engaged in moonlighting (Financial Express, 2022). One of the co-founders of Infosys, another I.T. giant, articulated that employees should work for only one organization to gain the employer's trust. Employees should also show commitment toward the primary organization where they are employed. It reminded the Infosys employees through internal communication against the practice of moonlighting by some employees with 'No double lives'; otherwise, they will be sacked.

Moonlighting Issues and its implications

A survey post-moonlighting controversy reveals that only 23% of the I.T. sector employees were engaged for more than six hours, of which the active engagement is between 3-4 hours. The CEO of Microsoft has coined a new term, 'Productivity Paranoia.' A survey on corporate attitudes found that at least 85% of managers needed to be sure their junior employees were getting adequate work (Hindustan Times, 2022). Some Industry leaders favoured the moonlighting because of (a) growing pay disparity among I.T. professionals; (b) restricted growth and opportunities in the primary company; (c) a thriving start-up culture acting as the root side of hustles; (d) high market competition and mediocre skill set obstructing the growth of talented workers; and (e) multiple or long-term financial commitment. Nevertheless, at the same time, everyone has voiced their opinions against moonlighting for rival companies or in the same industry.

The Financial Times cited research from AuthBridge, a background verification company, that around 8 to 9 percent of IT employees in India are engaged in moonlighting. Moonlighting is when a full-time employee takes on other jobs outside their primary employment. 92 percent of the male workers had indicated taking up a second job as side hassle as compared to 89 percent of women workers. The gender gap in pay in IT sector cannot be ruled out. AuthBridge for its research study used proprietary algorithms and technology to enable businesses to verify dual employment using employee's Personal Account Number (PAN) and Form 26AS used in the Income Tax Filing in India (Economic Times, 2022). Now the AuthBridge has been providing solutions to identify the moonlighting workers by using employee background search and verification services. But it is not adequate as it cannot cover gig jobs where no provident fund benefits are provided and paid other than digital transactions.

While the majority of IT Sector did not want their employees to take up a second job or moonlighting, the Swiggy, a food delivery chain introduced its 'Moonlighting policy' in August 2022 which permitted its employees to take up a second job after office hours with some exceptions.

Conclusions:-

Many of the corporate giants in IT sector in India saw moonlighting as breach of confidentiality, mistrust, loss of confidence and treated as misconduct on the part of the employee concerned. A vast majority of the employers disapproved the moonlighting; of late they are slowly warming up towards the idea of moonlighting. A few of them started permitting their employees to take up gig job outside office hours.

A majority of the moonlighting workers saw it an opportunity rather than an ethical issue. The labour law in India did not forbid moonlighting by the employees but the employers often forbid their workers through one job employment agreements. The market trend is shifting from employer centric to talent centric. One of the primary reasons often cited by the IT industry employees is inadequate pay packages which are not meeting the global standards.

The moonlighting practice in the same industry cannot be accepted because of the reasons that the employees may end up sharing some of the confidential and proprietary information with the rival Firms. Intellectual property rights policy in India is still evolving and there is no protection available to corporate to deal with the data breach by such

an employee. The only solution available to them to is filing a civil suit for breach of employment agreements by their employees. As far as the Indian IT industry is concerned, data is everything in their business and they cannot compromise such breach of act by their employees. The recent statement made by the Infosys Founder about 12 hours a day routine to IT workers so that India can compete with other economies had kick started a debate and triggered a massive social media debate. Industry experts seen the statement nothing but primarily with a view to curb moonlighting by the IT workers.

The major reasons for employees switching over to dual job or moonlighting are mushrooming of Start-ups culture and growing Small Business Units (SBUs) because of encouragements by the Government of India towards Start-up India funding and seed money schemes to promote innovation and self employment generation.

As of now there is no robust monitoring system available in India to check the moonlighting practices by the employees in India as it has not been declared an illegal act by an employee and the same are regulated through employment contract agreements. Hence need arises to administer an effective tool for employee engagement to avoid moonlighting by the employers rather than resorting to disengagement. The corporate sector needs an exhaustive policy framework on moonlighting.

Limitation of the Study

The study is confined to Indian IT sector industry post pandemic and similar studies also possible in other industry where white colour employees are employed in India or outside India.

Scope for further research

There is a scope for undertaking a research through primary data with the IT industry in India or different Industry.

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