Essential Moonlighting Policies

Effective policies for HR leaders to guard against the impact of moonlighting while benefiting from the advantages.

Foreword

Moonlighting gained momentum as a result of the pandemic. It brought official work hours and weekdays into play, leading to concerns about confidentiality, and data security. Businesses are divided - some believe it's the need of the hour while others consider it unethical.

Presently, the attrition in IT companies is 15 to 30% - certainly a trigger point for employees. From an employer's perspective, vacations during work hours, threats of resignation, absenteeism at work, and breaches of data are a cause for concern.

How can you bridge this gap? Bring trust and transparency into the process. This enables workers to earn additional income or upgrade their skills, without compromising on issues of data privacy.

We know moonlighting is here to stay. It's easy for the fine lines to get crossed and blurred tomorrow. As we're not identifying moonlighting's potential impacts, benefits and risks on the future of work, it's vital to define what's acceptable and what's not.

The UAE healthcare system is flawed. Hospitals react to sickness but do not offer quality care. Doctors tend to the patients but do not give them enough time and care. Bills are soaring, booking an appointment is cumbersome, and lab tests are getting expensive.

You see, there are many areas that need attention. And that' s what we, at Amzo, are aiming to fix. At scale. We've built an insurance and care platform that makes employee health benefits simple, useful, and holistic.

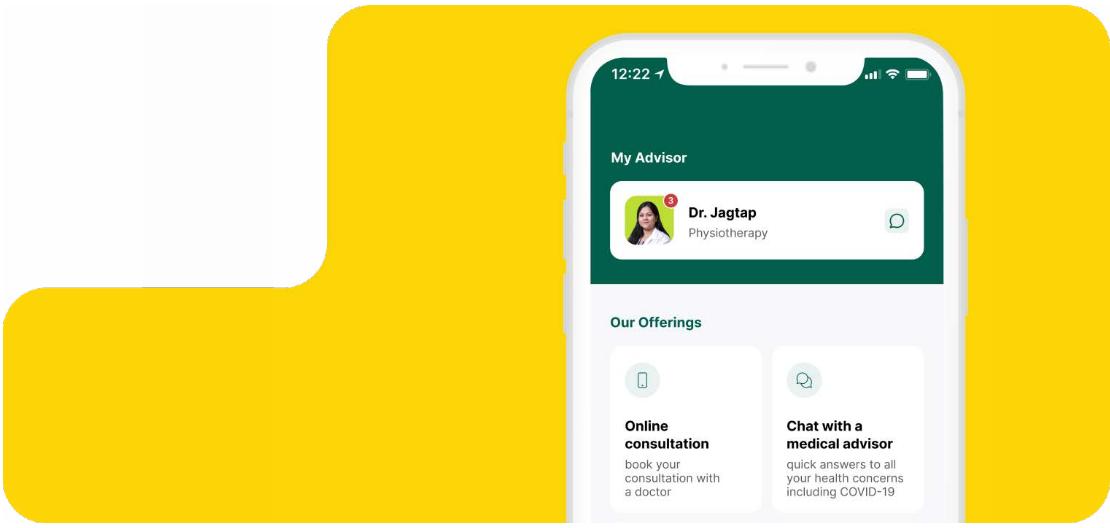

Table of contents

What is moonlighting?

Simply put, moonlighting refers to a second job, post your regular 9-to-5 job. It's not necessary for the two to be related and it typically occurs without the knowledge of the employer. For instance, person A is a teacher during the day and runs a tiffin service in the evening and night.

While the purpose behind moonlighting may be to develop skills or earn extra income, or fight boredom, the end result is fatigue.

...So, should you care?

The effects of moonlighting gained traction with the onset of the COVID-19 pandemic in 2020. The economy started to stall and tens and thousands of employees were laid off. This led to nearly all employees looking for or working multiple jobs to maintain a steady flow of income and job security.

Moonlighting - a boon or a bane?

Moonlighting ignited a fresh debate with polarizing opinions.

A tech company chairman has an absolutely clear take. His Tweet said, “There is a lot of chatter about people moonlighting in the tech industry. This is cheating - plain and simple.”

The former tech executive disagrees with this view. He said that employment is a contract where an employer pays an employee for ‘x’ number of hours a day. What one does after is their freedom.

A tech firm introduced an ‘industry-first’ policy that allows its employees to moonlight. They say employees can take up projects or activities outside of working hours or on weekends, with no conflict of interest and not affecting productivity.

Reasons for moonlighting

While additional income is the primary motivator, that alone is not a reason people look for multiple jobs. Other reasons include:

- Passion - Without giving up their main source of income, people like a second job to help follow their passion. A programmer would like to be a good musician for instance.

- Upskill - Full-time employees require their primary employment for job security. So they use the after-hours to upskill and learn. According to a LinkedIn study, there's a 47% lesser chance for employees who spend time learning and upskilling to be stressed and feel more productive and successful.

Plan B - Again, boiling down to job security. Being insecure in your primary job leads to another source of income, which can become permanent if you lose your other job.

Change of career - Like learning and upskilling, a second job may give a person ample experience to at some point change career paths.

Alright, the reasons sound fair, but how does it affect you as an employer?

First, let's quickly walkthrough the pros of moonlighting for employers:

- Acquire new skills - With moonlighters performing different jobs in varied environments, they pick up new skills, form new perspectives, and think in unconventional ways. All this creates an advantage for your business.

- Retaining employees - When the primary employer accepts the employee's second job, the employee feels comfortable plus, satisfied with the extra income. This way, it's much easier to keep talented employees in your company.

- Affordable - If you’re looking to hire, you can consider moonlighters for certain roles. Part-timers or freelancers don’t require the added benefits. Plus, they can work with your business on a contract basis to meet seasonal requirements.

Like every story, this one has two sides too.

Here are the cons of moonlighting for employers:

- Fatigue - Working more than one job can leave anyone exhausted - both mentally and physically. Extended exhaustion can affect performance, quality of life, health, and much more.

- Work-life balance - Spending over 10-14 hours outside of home every day means less time with family and friends. Plus, no work-life balance. Eventually, this will get to you and your loved ones.

- Dip in productivity - One is spreading themselves thin by working multiple jobs. So, it’s only natural that, as a result, productivity suffers. This could mean subpar performance at both jobs, which is not ideal.

People have divided opinions. What is the final verdict?

Moonlighting is a boon where the employer allows it and can regulate the extent and scope of it. However, there are cases where the employer is strictly against moonlighting. Yes, moonlighting allows the employee to make an extra buck, but it also cuts back on rest time, resulting in fatigue, health issues, and a dip in performance. In both situations, a moonlighting policy will help employees draw boundaries on what's allowed, what isn't and adequately control the situation.

Some firms are against moonlighting, while others are for it. In your case, whether you are for or against, entirely depends on your organization. It varies based on multiple factors, like the nature of the business, the category of employees in the workforce, demand in the market, etc.

Moonlighting Policy

It’s important to create strong moonlighting policies that define your expectations from your employees while working for your organization. This will help safeguard you, as an employer, from potential conflicts of interest without unnecessarily limiting the rights and options of employees for working more than one job.

Pro tip: Don’t forget to talk about moonlighting policies during the interview, new employee onboarding and include it within your employee handbook.

Scope of the policy

This policy may apply to full-time employees, including those who work flexible hours or compressed work weeks. You can also include salaried, part-time employees. This policy is in place to ensure that moonlighting does not interfere with work at your company while outlining rules and provisions.

Details your policy should include

01 **Define what 'moonlighting' or 'outside employment' means to your organization -** Firstly, you must address what moonlighting means to your organization. And clarify your stand - whether it's allowed or not. From this definition, the rest of the policy will unfold.

02 **Add a general hindrance clause -** This statement frames the overall policy. It speaks to whether employees can or cannot engage in outside business or employment. If yes, employees must treat one job as a primary occupation and others must come second.

03 Ask for notice of outside employment - If you decide to allow moonlighting, ask employees to notify you. This way, you can conduct your due diligence and not merely take your employees' word.

04 **Working hours -** Specifically talk about employees taking up projects that overlap with your working hours. If they do, you can take disciplinary action.

05 **Performance -** Holding multiple jobs must not affect an employee's performance in the main job. So they mustn't take up projects that are extremely demanding and stress or tire them out.

06 **Mention conflicts of interest and encumbrances** - It goes without saying, you don't want your employees to moonlight at your competitors business. So, clearly outline what your organization means by this, offer examples, and name some businesses.

07 **Use of company resources** - Exclusively mention that employees musn't use resources of the company for outside work.

08 **Define public representation** - Those who work multiple jobs, shouldn't represent another company publicly - whether on social media or elsewhere. Touch on the do's and dont's here.

09 **Right of refusal** - If you think about it, you truly cannot prevent employees from doing anything when they're 'off the clock.' So, rather than across-the-board denial, you can prohibit the occurrence of certain circumstances like working for competitors, particular customers, suppliers, or vendors, etc.

10 **Consequences of violating the policy** - Clearly state what are the consequences if an employee violates the policy. Whether it's termination or something else, clearly state it here.

Some best practices for employee moonlighting policy

When you develop your moonlighting policy, keep some of these best practices in mind.

Define what a successful employment relationship is, such as acting professionally, performing as expected, not missing deadlines, not missing shifts, etc.

Don’t define what one can and cannot do when they’re off the clock. You don’t want to infringe on employee rights.

Use language that’s inclusive and benefits all employees, from contract workers to top management.

Don’t create a policy that negatively impacts low-income earners, typically the ones who hold multiple jobs.

Provide options like consistency or flexibility so employees can manage moonlighting along with their primary work.

Don’t make the policy extremely restrictive. Some employees may work for direct sales companies or sell homemade goods in their free time.

Conclusion

Before taking a stance on allowing moonlighting or forbidding it, consider the reasons employees want to work additional jobs. Is there a way your company can help employees meet these needs? For instance, maybe there's an opportunity for occasional overtime work or extra hours. If it's skills, then give them professional development opportunities. Perhaps you can help via an employee assistance program (EAP).

With the current economic climate, you need to take employee needs into consideration. If you don't give them what they need, they will find someone else who does. After all, you want to retain your most motivated and productive employees. If it's not affecting the employee's performance or the business, let it be.

Ultimately, whether your organization supports it or not is reliant on a variety of factors. But a robust moonlighting policy will clearly define terms of employment, including obligations and restrictions - making the path transparent to everyone involved.

amzo CARE

Stay ahead of the curve with modern health benefit