

## Can You Avoid Moonlighting In Your Organization?

Nowadays, many employers are confronted with a situation where their employees have a second job or engage in multiple jobholding, commonly known as “moonlighting”.

Employees may moonlight for several reasons, including:

- To gain experience or “test the water” in different jobs before making a final career decision.
- To obtain additional income. (This reason seems to be more prevalent these days as the number of moonlighters rises.)
- To fulfill a passion or take advantage of a particular skill in another field.

Whatever reasons employees have for moonlighting, this practice can have adverse effects on a company. Moonlighters may take advantage of the resources of their main employer, either by staying late to catch up on their work, or by using the hours where they *should* be working at their first job to complete tasks for the second one (e.g. soliciting other employees as clients, using material like internet, faxes, photocopiers, etc.).

These practices give rise to issues with productivity, physical and mental health problems as a result of the stress of juggling multiple tasks/jobs, and most importantly, may lead to a conflict of interests between a moonlighters’ different positions.

Many employers may wonder whether it is possible to avoid the phenomenon of moonlighting. Outright banning of the practice may not be a viable option, as the action may create resentment or lead to legal action against the employer – not to mention the fact that catching an employee “in the act” may be difficult. The adverse effects on employee motivation can create just the opposite results from what the employer was hoping to achieve. Employee relations may deteriorate along with productivity and overall company health.

Employers do have several recourses to prevent employee moonlighting. While managers may not be able to draft a policy that completely bans moonlighting, they can reduce its impact on productivity, safety, conflict of interests, and misuse of company property.

If your company is considering creating such a policy, include the following guidelines:

### **Avoiding Conflict of Interests**

1. Outside employment cannot involve a material conflict of interests related to your organization's trade secrets and proprietary information.
2. The outside employer cannot be a competitor of your organization.
3. The outside employment cannot involve work that would adversely affect your organization's image.

### **Keeping Outside Work Separate**

1. The employee cannot perform outside work during the normally scheduled work hours of your organization.
2. The employee cannot use your organization's tools or equipment (fax, phone, copier, software, computer, letterhead, envelopes, etc.) for outside work.
3. The outside work cannot interfere with the employee's job performance.
4. The employee cannot represent your organization while working for the outside employer.

### **Establish an Approval Process**

1. Before performing any outside work, the employee must notify and receive approval from his or her immediate manager and from your human resources department. (In general, you should only ask for enough information to determine if the outside job is a conflict of interest. There is a fine line between protecting the company and violating an employee's privacy.)
2. Serving on the board or in an advisory capacity for another business or for-profit organization must be approved by your human resources department and by the CEO, board of directors, or the highest level of management.

Overall, your moonlighting policies should focus on preventing direct conflicts of interest with your organization. A well-crafted policy will achieve this goal and at the same time, will help you create an open environment and retain a quality workforce."<sup>1</sup>

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<sup>1</sup> Employee Moonlighting: Guidelines for an Effective Policy, FlashPointHR.com



Another approach is to forgo bans and restrictive policies and address the problem from a human capital perspective. This involves ensuring that the employees who are hired and retained in the company have the type of values and personalities which reduce their propensity to behave in ways that harm the company. Psychtests' Honesty Assessment can provide valuable insight into the values of a current or potential employee and help employers choose the right people.