



The Wave of Side-Hustles Amid Global Economic Transformations: Drivers, Impacts, and Future

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Abstract. Amid global economic instability and sluggish industrial restructuring, the traditional employment model faces unprecedented challenges, propelling "side-hustles" from optional career paths to essential survival strategies. This study examines the dual impact of side-hustles on employees and organizations, defining them as secondary income-generating or non-economic activities alongside primary employment. Driven by economic needs (e.g., income supplementation) and non-economic motives (e.g., skill development, passion), side-hustles exhibit a "double-edged sword" effect. While they enhance self-efficacy and diversify skills, they also trigger time conflicts, chronic fatigue, and identity fragmentation. For organizations, side-hustles challenge conventional management paradigms, including blurred work-life boundaries, reduced incentive effectiveness, and risks of data leakage. The study proposes actionable strategies: organizations should establish disclosure policies, redesign flexible work arrangements, and integrate side-hustle achievements into incentive systems. Individuals are advised to strategically align side-hustles with their primary careers while enhancing self-management. Future research should adopt longitudinal and interdisciplinary approaches to explore long-term societal impacts and institutional inclusivity for informal side-hustles in developing economies.

Keywords: Side-hustles, Primary employment, Gig economy, Side-hustle motivation.

1 Introduction

Amid the dual pressures of sluggish global economic recovery and delayed industrial restructuring, the stability of traditional employment relationships is facing unprecedented challenges. The rise of the gig economy, platform economy, and remote work has not only reshaped the physical boundaries of labor markets but also elevated "side-hustles" from optional career plans to survival strategies for modern workers. The International Labour Organization's *Overview of the World Employment Situation in 2025*: persistently high youth unemployment rates and inflation eroding real purchasing power are forcing workers to build risk buffers through "income diversification strategies." Meanwhile, digital technology-driven flexible employment platforms have provided the infrastructure for "slash careers" (multi-career lifestyles).

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P. S. Borah et al. (eds.), *Proceedings of the 2025 5th International Conference on Enterprise Management and Economic Development (ICEMED 2025)*, Advances in Economics, Business and Management Research 346, https://doi.org/10.2991/978-94-6463-811-0_118

Beneath this seemingly autonomous choice, deep-seated tensions emerge at both organizational and individual levels. For organizations, side-hustles erode the well-defined boundaries of rights and responsibilities in labor contracts. Diverted employee focus detracts from the efficiency of their primary employment, while the prevalence of “invisible side-work” in remote settings exacerbates the distortion of performance assessments. Additionally, the risk of core data leakage through gig economy platforms threatens business confidentiality. For individuals, the temporal juggling among primary employment, side-hustles, and family life results in chronic fatigue for 24% of remote workers. Psychologically, the constant switching between fragmented roles—such as social media influencers and ride-hailing drivers—triggers a crisis of self-identity. While side-hustles have become ubiquitous, their Janus-faced characteristics lead major organizational and individual actors to maintain strategic reservations in practice.

Based on this, this paper systematically integrates the literature on the phenomenon of side-hustles by following the framework of “intrinsic meaning—antecedent driving factors—outcome effects,” relying on the dual background of the organizational context and the regional environment in which the organization is situated. Through a panoramic deconstruction of the dynamic construction mechanism of multiple occupational identities, this study aims to fill the theoretical gap in traditional career research regarding “multiple occupational identities.” Simultaneously, it provides an analytical framework with explanatory and predictive power to reveal the behavioral logic of individuals choosing side-hustles in a risk society and to optimize organizational management policies.

2 The Definition and Differentiation of Side-hustles

A side job is defined as “an employee engaging in a second or multiple income-generating or non-income-generating work while maintaining an employment relationship with a fixed employer” [1]. In recent years, with the rise of the gig economy, flexible employment methods such as part-time work, platform-mediated work, and self-employment have become a new trend in the job market. In the Chinese context, a side job is a concept relative to the primary employment. The main differences are as follows: Primary employment is typically a position within a fixed organization that provides wages or salaries and occupies the majority of an employee’s working time. In contrast, a side job refers to an employee engaging in income-generating work that is distinct from their primary employment. Within the gig economy, side jobs are often characterized as gig work that exists outside the scope of the primary job [2].

Side-hustles share similarities with part-time jobs and zero-work in involving additional work outside primary employment, but they differ significantly in purpose and nature. Side-hustles are often linked to skills, hobbies, and career development, with many not primarily driven by economic gain [3]. In contrast, part-time jobs are typically undertaken for economic reasons, involve less time and effort, and offer limited self-development opportunities [4]. Additionally, side-hustle practitioners maintain a stable

employment relationship with an organization, which provides protection and constraints[1]. Zero-work practitioners, however, operate without fixed organizational ties, enjoying greater flexibility but also higher substitutability in the labor market[5].

3 The Driving Mechanisms of Side-hustles

Scholars have primarily focused on the motivations behind employees engaging in side-hustles [3]. During full-time employment, employees are driven by intrinsic needs to pursue side-hustles. The discussion on the motivations for side-hustles is mainly divided into two perspectives: “economic” and “non-fully economic.” The “economic” school of thought argues that employees engage in side-hustles to maximize utility. They forgo leisure time outside their full-time jobs for economic reasons, aiming to earn additional income [6]. In contrast, the “non-fully economic” perspective finds that, in addition to economic factors, employees are also driven by psychological motivations (enjoyment of side-hustles) and career motivations (professional development) [7][8]. As research on side-hustles has evolved, scholars have refined the categorization of employee motivations. Campion et al. (2020) conducted qualitative interviews and further divided the “economic” category into financial hardship and financial need[9]. Other motivations identified include career-related goals, personal interests, flexibility, accepting invitations, and a sense of calling.

In addition to motivational factors, in recent years scholars have conducted in-depth and comprehensive analyses, incorporating economic environment and personal factors into the scope of research on the drivers of side-hustles. In terms of the economic environment, industrial restructuring, the development of the Internet, organizational flattening, and unstable employment opportunities in the market are considered the main environmental factors influencing employees’ side-hustle behaviors. Moreover, research during the COVID-19 pandemic has found that remote working arrangements adopted by organizations have provided more opportunities for IT employees to engage in side-hustles. Personal factors include considerations such as mindset shifts, resource accumulation, satisfaction with primary employment, and peer influence. In recent years, scholars have begun to use empirical methods for verification. For example, Song et al. (2022) combined qualitative and quantitative approaches and found that employees’ side-hustle choices, persistence, and changes are jointly influenced by individual, family, social, and career factors[10]. Lin (2022) used anthropological participatory field observation methods and discovered that self-worth, career boundary expansion, interests, and individual resources are the main drivers of employees’ side-hustle behaviors[11]. Based on self-determination theory, Meng et al. (2023) found that employees’ skill diversity can enhance their willingness to engage in side-hustles by promoting their role breadth self-efficacy[12].

4 Analysis of the Complex Effects of Side-hustles

Existing research on side-hustles’ impact on primary employment is divided. From a resource perspective, some scholars argue that side-hustles deplete employees’ limited

resources, leading to emotional exhaustion and reduced performance in primary jobs. This effect is particularly pronounced in safety-critical industries [13]. Conversely, other researchers suggest that side-hustles can enhance key psychological resources such as self-efficacy, thereby positively influencing primary job performance [14]. Watanabe and Yamauchi (2018) also note that interest-driven side-hustles can promote engagement and personal growth. From the perspective of multiple work identities, side-hustles present additional identity challenges.[15] Switching between roles can disrupt a coherent work identity [16], and juggling multiple roles can lead to a lack of clear identity structure and reduced identification with any specific role, affecting performance[17]. Additionally, multitasking can exacerbate work–life conflicts, distract individuals, and increase failure rates, ultimately reducing individual efficacy [5].

Thus, side-hustles challenge traditional organizational management paradigms in several critical ways. First, they disrupt the assumption that organizations have exclusive access to employees' time and energy, potentially leading to conflicts in allocation and reduced performance in primary roles. Second, the additional income and achievements from side-hustles can diminish employees' sensitivity to organizational incentives, necessitating a reevaluation of traditional motivational strategies. Furthermore, side-hustles can impact organizational culture and loyalty. While they may enhance employees' self-efficacy and job satisfaction, they can also weaken their sense of belonging and loyalty to the organization. The diverse experiences from side-hustles can foster innovation but may reduce team efficiency due to divided attention. Finally, the prevalence of side-hustles demands greater flexibility and adaptability in management [18]. Leaders must reassess strategies related to working hours, task allocation, and career development to accommodate these new dynamics effectively.

5 Conclusions, Implications, and Future Directions

5.1 Conclusions

This paper investigates the wave of side-hustles under the global economic shift, exploring their definition, driving mechanisms, complex effects, and challenges to organizational management. Side-hustles are defined as secondary or multiple income-generating or non-income-generating activities that employees engage in while maintaining an employment relationship with a fixed employer. The driving mechanisms include economic motives (e.g., seeking additional income) and non-fully economic motives (e.g., career development, personal interests). Research findings indicate that side-hustles have a dual impact on primary employment performance: they may lead to conflicts in time and energy allocation, thereby reducing primary job performance, but they can also positively influence primary employment by enhancing self-efficacy. Additionally, side-hustles may necessitate adjustments to organizational incentive mechanisms, impact organizational culture and employee loyalty, and demand greater flexibility and adaptability in organizational management. Therefore, this paper will propose recommendations at both organizational and individual levels to address the management challenges arising from side-hustles.

5.2 Implications

For Organizations:

(1) Establish Side-hustle Disclosure Policies: Organizations should implement policies that clearly define the scope and limitations of side-hustles to prevent conflicts of interest and the leakage of trade secrets. Simultaneously, they should optimize incentive mechanisms by reevaluating traditional motivational strategies and considering incorporating the sense of achievement from side-hustles into the incentive system to enhance employees' engagement in their primary employment.

(2) Develop Flexible Work Arrangements: Organizations need to create flexible work schedules to help employees balance their primary employment, side-hustles, and personal lives, thereby reducing time pressure and fatigue. Through team-building activities and effective communication mechanisms, organizations can mitigate the distraction caused by side-hustles and improve team collaboration efficiency.

For Individuals:

(1) Strategic Side-hustle Selection: Individuals should make strategic choices regarding side-hustles based on their own resource endowments, avoiding blind conformity. They should ensure that side-hustles complement rather than conflict with their primary employment.

(2) Enhance Self-Management Skills: Employees need to improve their self-management capabilities by effectively planning their time and balancing their primary employment, side-hustles, and personal life. This approach helps prevent health issues and job burnout resulting from overwork.

5.3 Future Directions

Despite increasing scholarly attention, research on side-hustles still faces several gaps. First, methodological innovation is needed to move beyond traditional cross-sectional data by adopting mixed-method designs that dynamically track the life cycle of side-hustles. Longitudinal studies should analyze the full trajectory of side-hustles, from inception to decline, to identify their characteristics and influencing factors at different stages. Second, research should explore the long-term impacts of side-hustles on individuals, organizations, and society. As side-hustles become more prevalent, their effects on career development, work-life balance, and social structure require deeper investigation. Interdisciplinary approaches, combining sociology, psychology, and economics, are essential to assess the role of side-hustles in modern society and support the development of a more flexible and inclusive employment system. Finally, research should focus on the institutional inclusiveness of informal side-hustles in developing countries. Given the unique socio-economic context of these countries, informal side-hustles play a significant role. Studies should examine how institutional environments affect side-hustle development and identify policy adjustments that can enhance inclusiveness, providing better protection and opportunities for practitioners.

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