

Role of Hr Policies in Managing Moonlighting and Organisational Commitment in the it Sector in India

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Abstract

Moonlighting, defined as employees engaging in secondary employment alongside their primary job, has emerged as a critical challenge in India's Information Technology (IT) sector. The rapid growth of remote work, freelance platforms, and skill-based gig opportunities has made moonlighting more accessible, raising concerns regarding employee performance, organisational commitment, and ethical conduct. Human Resource (HR) policies play a central role in regulating moonlighting while ensuring that employee motivation and loyalty are not adversely affected. This qualitative study explores the role of HR policies in managing moonlighting and strengthening organisational commitment among IT professionals in India. Using a review of secondary literature, policy documents, and qualitative insights from existing studies, the paper examines how clarity, fairness, flexibility, and ethical orientation in HR policies influence employee behaviour. The findings suggest that while strict moonlighting bans protect organisational interests, overly rigid policies may reduce trust and increase concealment behaviours. Conversely, balanced and transparent HR frameworks that allow limited and skill-enhancing moonlighting can improve job satisfaction and long-term commitment. The study concludes that adaptive HR policies can transform moonlighting from a threat into an opportunity for employee development and organisational growth.

Keywords: Moonlighting, HR Policies, Organisational Commitment, Employee Performance, IT Sector in India.

1. Introduction

The Indian IT sector is one of the largest contributors to the country's economic growth and employment generation, employing millions of skilled professionals across software development, consulting, and digital services (NASSCOM, 2023). In recent years, the sector has witnessed a sharp rise in moonlighting, particularly after the COVID-19 pandemic, which normalised remote work and increased access to freelance and gig-based employment (Kumar & Sharma, 2022). Moonlighting has therefore become a significant human resource challenge for IT organisations.

Moonlighting refers to the practice of employees taking up additional paid work outside their primary employment, often without informing their employer (ILO, 2021). In the IT sector, moonlighting commonly involves freelance programming, consulting, online teaching, or working for competing firms (Mehta, 2022). While some employees view moonlighting as a means to enhance income and skills, organisations often perceive it as a risk to productivity, confidentiality, and organisational commitment (Singh & Verma, 2021).

Organisational commitment is defined as the psychological attachment an employee feels toward their organisation, influencing their willingness to remain and contribute meaningfully (Meyer & Allen, 1997). High levels of organisational commitment are associated with improved performance, reduced turnover, and stronger alignment with organisational goals (Robbins & Judge, 2020). Moonlighting can weaken this commitment if employees become more focused on secondary jobs than their primary responsibilities (Rani & Samuel, 2022).

Human Resource (HR) policies act as a formal mechanism through which organisations regulate employee behaviour, define ethical boundaries, and protect organisational interests (Armstrong, 2020). In response to the rise of moonlighting, several Indian IT companies, including Infosys and Wipro, have introduced explicit contractual clauses prohibiting or restricting secondary employment (Business Standard, 2022). However, the effectiveness of such policies depends on how they are designed and communicated.

This paper aims to examine the role of HR policies in managing moonlighting and sustaining organisational commitment in the Indian IT sector. The study focuses on qualitative insights drawn from existing research, industry practices, and policy frameworks. By analysing the advantages and limitations of different HR approaches, the paper seeks to identify best practices that balance organisational control with employee well-being.

2. Review of Literature

Moonlighting has been widely studied in labour economics and organisational behaviour, particularly in relation to income supplementation and job satisfaction (Banerjee, 2019). In the Indian context, moonlighting has gained prominence due to rising living costs and the

availability of online freelance platforms (Kalleberg, 2020). Studies suggest that employees engage in moonlighting primarily for financial security, skill development, and career flexibility (Ravi & Prasad, 2021).

However, research also indicates that excessive moonlighting can negatively affect employee performance in the primary job by causing fatigue, divided attention, and role conflict (Greenhaus & Beutell, 1985). In IT roles that demand high cognitive effort and strict deadlines, such effects may be more pronounced (Sharma & Gupta, 2022). This performance decline can eventually weaken organisational commitment.

HR policies play a critical role in shaping employee attitudes toward moonlighting. According to Armstrong (2020), clear HR guidelines reduce ambiguity and prevent ethical conflicts. Policies that explicitly outline permissible and prohibited forms of secondary employment help employees make informed decisions (Dessler, 2021). Conversely, vague or inconsistent policies may encourage non-disclosure and erode trust between employees and management (Singh & Verma, 2021).

Organisational commitment has been conceptualised into three components: affective commitment, continuance commitment, and normative commitment (Meyer & Allen, 1997). Moonlighting primarily affects affective commitment by reducing emotional attachment and identification with the organisation (Rani & Samuel, 2022). HR interventions such as rewards, recognition, and career development programs have been shown to strengthen commitment even in environments where moonlighting exists (Robbins & Judge, 2020).

Recent studies advocate for a balanced approach to moonlighting management. Instead of complete bans, some organisations allow non-competing and skill-enhancing secondary work under defined conditions (Mehta, 2022). Such flexible policies can increase employee satisfaction and reduce turnover intentions (Kumar & Sharma, 2022).

3. Research Methodology (Qualitative)

3.1 Research Design

This study adopts a qualitative research design to explore the role of HR policies in managing moonlighting and organisational commitment. Qualitative research is suitable for understanding perceptions, attitudes, and policy implications in complex organisational contexts (Creswell, 2018). The study relies on secondary qualitative data rather than primary interviews.

3.2 Data Sources

The research is based on secondary data collected from:

- Peer-reviewed academic journals
- HR policy documents of Indian IT companies
- Industry reports from NASSCOM and ILO
- Newspaper articles and case studies related to moonlighting

These sources provide rich qualitative insights into organisational practices and employee behaviour (Yin, 2018).

3.3 Data Analysis

The collected data were analysed using thematic analysis. Key themes such as policy clarity, ethical considerations, employee trust, performance impact, and organisational commitment were identified and interpreted (Braun & Clarke, 2006). This method allows systematic interpretation of patterns across qualitative data sources.

3.4 Scope of the Study

The study focuses exclusively on the Indian IT sector, as moonlighting is particularly prevalent in this industry. The analysis is limited to organisational-level HR policies and does not examine individual legal disputes.

4. Role of HR Policies in Managing Moonlighting

HR policies serve as the primary mechanism for regulating moonlighting within organisations (Armstrong, 2020). Clear contractual clauses specifying restrictions on secondary employment help prevent conflicts of interest and misuse of organisational resources (Dessler, 2021). Companies that communicate these policies transparently are more likely to gain employee acceptance.

Reward-based HR strategies also play an important role in reducing the need for moonlighting. Competitive compensation, performance bonuses, and flexible work arrangements enhance job satisfaction and reduce financial pressure on employees (Robbins & Judge, 2020). Training and ethical awareness programs further educate employees about the long-term

implications of moonlighting on career growth and organisational trust (Singh & Verma, 2021). However, overly rigid HR policies may lead to unintended consequences. Strict bans without employee consultation can increase resentment and encourage concealment of secondary jobs (Mehta, 2022). Such practices damage trust and weaken organisational commitment. A balanced HR approach that allows limited, non-competitive moonlighting under approval mechanisms is increasingly recommended (Kumar & Sharma, 2022).

5. Conclusion

Moonlighting has become an unavoidable reality in India's IT sector due to changing work patterns and economic pressures. While moonlighting poses risks to employee performance and organisational commitment, it cannot be addressed effectively through rigid prohibitions alone. This study highlights the critical role of HR policies in managing moonlighting in a manner that protects organisational interests while respecting employee needs.

The findings suggest that transparent, fair, and flexible HR policies are more effective in sustaining organisational commitment than strict bans. HR strategies that combine clear guidelines, ethical training, competitive rewards, and controlled flexibility can reduce the negative effects of moonlighting. By adopting adaptive HR frameworks, IT organisations can transform moonlighting from a threat into an opportunity for skill enhancement and employee engagement.

Future research may involve primary qualitative interviews with HR managers and employees to assess the long-term effectiveness of different policy approaches. As Indian labour laws continue to evolve, HR policies will remain central to balancing organisational control and employee autonomy in the digital era.

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