



**IMA India Research Update**

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**ASSESSING THE SUSTAINABILITY  
OF A WFH WORLD**

## ASSESSING THE SUSTAINABILITY OF A WFH WORLD

‘Hybrid work’, ‘remote work’, ‘flexi-working’, ‘work from home’ and ‘work from anywhere’ are just some of the phrases that have become commonplace in the corporate lexicon since Covid-19 struck. Many businesses are yet to rewrite the Workplace Manual for 2021 but some had counter-measures in place way before the pandemic began. In an attempt to gauge the sustainability of the new working models and explore innovative ways to engage a remote workforce, we drew insights from several CXOs from among IMA India’s peer group forms. This paper shares some of their learnings and experiences.

### ***Exception becomes the norm***

#### **SUSTAINING REMOTE WORKING MODELS**

In the pre-Covid world, the need to be physically present at one’s place of work was the norm and the opportunity to work remotely was viewed as a ‘perk’. However, the pandemic has forced businesses to become location-agnostic. Today, there is a general consensus that remote-working is not only unavoidable but is, in fact, quite sustainable. Hybrid working models will become the norm for many positions even as certain roles – including R&D, lab and factory work – continue to demand a physical presence.

According to the Q3 FY21 edition of IMA’s quarterly Business Confidence and Performance Index (BCPI) survey, services companies will have 20-25% of their employees working from home even after 12 months while industrial firms expect to sustain an 8-12% WFH share. Such ratios at an aggregate level would have been unthinkable a year ago. For example, companies like **Amway** are adapting to the new normal through a stronger bias towards remote working. To achieve this principle in both letter and spirit, it has optimised and redesigned its office spaces keeping in mind that it may no longer require 100% seating. Meanwhile, commercial vehicle-maker **Ashok Leyland** plans to retain the WFH model for ~40% of its white-collared workforce once the crisis subsides.

### ***Various working models***

Having seen the benefits, employers are amenable to flexi-working as long as deliverables are met. A leading **consumer goods company** plans to experiment with 4-day work-weeks and flexible working hours for its white-collar employees. The opportunities for freelance workers and part-time/contract hiring also appear bright. Companies have access to a more diverse talent pool, not just in terms of gender and age (e.g. hiring skilled retirees) but also international talent, which basically transforms work-from-*home* into work-from-*anywhere*.

#### **THE COST IMPACT**

### ***Potential reductions in office expense...***

As companies deliberate over office lease renewals, reducing office space and hot-desking, one can predict potential cost reductions around infrastructure, utilities, transport, etc. IMA’s BCPI survey indicates that on average, the occupied office workspace may drop by 10.8% in the coming 12 months, and maintenance costs could also fall proportionately.

***...and restructuring  
of the compensation  
structure***

However, the impact of remote working on compensation structures is ambiguous. Greater access to global talent might cause salaries (or at least salary *growth*) to soften even when business conditions return to normal. Businesses may also choose to tilt the fixed-variable balance towards greater variability. Traditional pay structures could start to give away to project-based pay, flexi-pay or ‘pay on demand’. Going by recent discussions at IMA’s CHRO Forum sessions, there is a strong view amongst HR leaders that salary hikes in recent years have been unreasonable and Covid may serve to generate a much-needed correction. The emerging compensation model, therefore, is one where competition will be on flexibility and responsiveness to individual circumstances, rather than on absolute quantum.

***Balancing  
performance and  
mental well being***

**MONITORING PRODUCTIVITY**

Covid-19 has added a unique flavour to performance monitoring – which is increasingly moving from effort-based to output-centric. At the same time, there is a new focus on empathy, with employers discarding the idea of ‘productivity by policing’. Even though monthly/quarterly reviews and one-on-ones with direct reportees remain *de rigueur*, most organisations now believe that as long as they lead with trust and facilitate employees with the right tools for remote working, productivity will remain high. Many report higher rates of productivity since the lockdown began, attributing this to the time and energy saved in the daily commute. **ThoughtWorks**, a global software consultancy with a need-based sick-leave policy, found that people were taking fewer sick leaves since they shifted to remote working – the numbers dropped by half.

***Innovative digital  
measures to engage  
and support the  
remote workforce***

**BOLSTERING EMPLOYEE ENGAGEMENT**

Since the lockdown began, organisations have been regularly conducting *remote working pulse checks* to track morale and mental wellbeing. Many businesses have introduced assistance programmes, global task forces and emergency response teams that help employees deal with the pandemic. Engagement programmes like town halls, ‘fun at work’, annual days, physical/mental wellness sessions and even reward and recognition programmes have taken on a digital avatar. This has bolstered both engagement and participation several-fold as many more people join online meetings compared to physical ones. For instance, **Amway** has conducted over 45 ‘Fun@Work’ digital activities since the lockdown began, launched a digital edition of its employee newsletter and ran several virtual employee townhalls. **Midland Credit Management**, an Encore Capital Group company which provides debt recovery solutions and related services across a broad range of financial assets, has set up an employee helpline and brought an organisational psychologist on board to help employees manage stress. Online learning has also become an important focus area, often via partnerships with e-learning portals. For instance, **Ashok Leyland** has utilised several online courses from Udemy while **Amway** has conducted over 145 online training sessions since the lockdown.

***Some uplifting manoeuvres towards employee wellbeing***

A prominent global software company has proactively addressed and crafted a new policy against domestic violence, providing legal and financial help to those facing a personal crisis. Discovering that many of its employees were ‘overcompensating’ while working from home, the organisation has implemented sensitisation sessions for its leaders, with the aim of preventing burn-outs lower down the line. Under a new leave policy, it offers an additional 5 days of leave to employees to care for ‘family members’ in times of illness or hospitalisation. A striking feature of this policy is that the term ‘family’ includes spouses, same-sex partners, children, parents, parent-in-laws, siblings, grandparents and even pets, all of which reinforces the company’s culture of diversity and inclusiveness.

***Work-life balance and video call fatigue***

**BROADER CHALLENGES AND PITFALLS**

The response to the new work culture has been encouraging but organisations will need to stay cognisant of a few salient aspects while drafting work policies for the future. The need for physical interaction is ingrained in the human genome. Abolishing office spaces entirely might not be prudent. Further, the fact remains that for many employees, the domestic environment might not be conducive to remote working in the long term. Continuous remote work also blurs work-life boundaries and takes over much needed down-time. A vibrant office environment will be a refreshing change to regroup, socialise and limit *video call fatigue*.

***Compliance issues from remote work***

For many corporates, data privacy and compliance measures in place before the lockdown may suffice in a world of remote work. However, highly-regulated industries, or those with stronger data-privacy needs, will need to take additional measures, and for some, WFH may not be feasible in the longer term. The recent liberalising of regulatory guidelines for the IT/ITeS/BPO industry has brought a much-needed respite for many businesses in these sectors. However, for foreign MNCs that must comply with country- or even state-specific data privacy regulations in other jurisdictions, it may not be possible to permanently shift to a work-from-home model. Mostly, though, businesses are developing the belief that with adequate safeguards and proper training and sensitisation, their employees will make good on the faith reposed in them.

*This paper has been produced by IMA’s in-house research team based on desk research and conversations with CXOs. It is meant for the exclusive consumption of IMA’s Peer Group Forum members and may not be copied, shared or distributed without explicit permission. Please visit [www.ima-india.com](http://www.ima-india.com) to view current papers and our full archive of research content in the IMA members’ Knowledge Centre, accessible via the Login link on top of the page. A podcast version of this paper is available <https://www.ima-india.com/podcast>. IMA Forum members have personalised website access codes.*





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