

# Hybrid Workplaces – ‘The New Normal’: A Qualitative Analysis on Indian IT Companies

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## ABSTRACT

The Covid-19 pandemic highlighted the quick adaptability of Indian IT companies as they transformed themselves to meet challenges and sustain their profitability. As the pandemic disrupted their routine work environment, they were quick to imbibe the advancements technology provided. Work from home became the new norm that allowed them to sustain without compromising on their productivity. Employees too appreciated the new flexibility work from home option offered. Globally, there was a notable trend of employees not wanting to revert back to their past ways of working. HR executives realized the significance of strategizing and designing an appropriate hybrid workplace model that would enable their employees to be optimally productive as well as help them to continue leading purposeful, agile and flexible lives. This study attempts to examine the technological tools that assisted Indian IT companies to perform optimally and analyse their cost savings during remote working. Also, employee productivity and their time and cost savings were analysed. With subsiding of the pandemic and normalcy returning, this paper examines feasible hybrid models that would help enhance talent attraction, management and retention in Indian IT companies.

**Key Words:** Remote Work, Hybrid Work, Talent Attraction, Talent Management, Talent Retention

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## INTRODUCTION

Corporate world saw a major disruption in their work practices with the Covid pandemic. There was intense pressure to embrace digital transformation and workforce were forced to adapt to remote working to ensure smooth workflow. Remote working became popular as it enabled employees to work from home without going to office. Employers benefitted since they were able to attract and retain talent globally and employees saved on costs and time as well as enjoyed flexible work hours that enabled them have a better work life balance. With the gradual returning of normalcy, organisations had a new challenge to face – a marked change in employee outlook. Reports revealed 6 out of every 10 employees were prepared to quit their jobs instead of returning to office and were willing to forgo a higher-paying job that required them to come to office particularly in IT, outsourcing, consulting, BFSI and tech start-up sectors (Kumar, 2022). However, remote work had its insufficiencies – it was found to be lagging in areas such as team building, giving feedback and face-to-face interactions as employees worked in isolation. When the norms relaxed, many organisations switched to hybrid work which was more flexible as it allowed for a mix of remote work and work at office that permitted better collaboration and face-to face interactions.

## REVIEW OF LITERATURE

Pérez et al. (2002) in their study found knowledge workers had adapted to remote work and desired to divide their time to work remotely and at office. This helped them save money, time and health. They recommended firms to integrate remote working into their company’s structure.

Collins (2005) noted remote work to have a positive impact on productivity. Bloom et al. (2013) demonstrated a 13 per cent increase in performance with remote work, enhanced work satisfaction and reduced turnover rates. Coenen & Kok (2014) observed that remote work had positive influence on team performance with adequate face-to-face communication.

Bailey & Raelin (2015) referred to various research studies that emphasised working from home would be the new norm and the need for organisations to strategize and reduce resistance to change by involving their employees and building an environment of trust. Kossek & Thompson (2016) stated that in a competitive scenario, organisations would be able to differentiate themselves as superior and attract talent with a work from home arrangement.

Felstead & Henseke (2017) noted that remote work may cause difficulty for employees to separate the world of work from other features of life as both worlds merge. Savic (2020) found approximately 81 per cent employees globally were affected by changes in their workplace due to the pandemic.

Lister (2021) demonstrated a 34 per cent increase in productivity with introduction of remote work. The study conducted in Apollo Group showed an average US employee spent an equivalent of 28 days a year in traffic. There was a reduction in costs due to business travel and parking for the employer.

Studies by various researchers showed that remote work permitted employees to balance childcare/eldercare and work and were beneficial for both organisations and workforce due to integration of work and caring responsibilities (Kazekami, (2020); Hyman et al. 2005).

Williamson et al. (2020) in their study observed workplace arrangements underwent a drastic change after the Covid-19 pandemic. They noted that before the pandemic there was competition for higher real estate in urban areas and managements were considerably reluctant to permit remote work. After the pandemic, organisations were found to explore new ways of talent attraction, management and retention with emphasis on flexibility, culture and teamwork. Gartner (2020) survey revealed 82% of company leaders plan to allow employees to work remotely some of the time as employees returned to their workplaces.

On reviewing literature and with normalcy returning, the researcher intended to study what were the strategies that worked for Indian IT companies, areas where they benefitted and how they planned to address employees' anxiety if they desire to sustain the productivity gains which were attained during the pandemic.

## **RESEARCH METHODOLOGY**

### **Objectives**

1. To comprehend different technological tools utilized by Indian IT companies during remote working.
2. To analyse productivity, cost and time savings during remote working from the perspective of Indian IT employers and employees.
3. To examine hybrid models initiated by Indian IT companies.

### **Scope of Study**

The scope of study was to understand what technological tools helped Indian IT companies to meet their various needs and employees' productivity, as well as, cost and time savings during remote work. The study analyzed hybrid models in practice.

### **Source of Data**

This study is qualitative based on secondary data collected from various journals, company websites and newspapers.

## **DATA ANALYSIS**

**Technical tools and the purpose they served during remote work** - Analysis of various IT companies revealed many of them used Zoom for virtual meetings as it could be recorded for future documentation, had less data consumption and higher user threshold. The screen share and break out room features facilitated IT employees to involve in comprehensive discussions. Other popular software tools that helped them collaborate were Skype, Microsoft Teams and Google Meet. IT companies utilized Google Drive which had high storage capacity to assist them in managing their documentation work. In addition, it enabled multiple authors to work on a document simultaneously. Most of them used Microsoft Teams, Prohance and SAPIENCE for monitoring their employees. For ensuring business continuity, client support and hassle-free communications, IT companies innovated on technical solutions in accordance to their needs. Tata Consultancy Services used SBWS (Security Borderless Workplaces) Model and Microsoft 365; Infosys operated on the InfyMe App, Tech Mahindra employed Facebook Workplace; Microsoft Teams and Cisco WebEx; HCL Technologies developed HCL Sametime and HCL connections; L&T Infotech Ltd. applied the xFH model, WebEx, MS Teams and Workplace; and Wipro operated on Virtuadesk and Microsoft 365 for their communication and collaborative purposes.

**Productivity and Cost and Time Savings for Employees and Employers** – Analysis of previous research showed increased productivity with remote work. Employees were seen to save 35 minutes every day. This encouraged them to voluntarily work on an average 47 per cent of the time they would have spent on travelling to and from workplace contributing to enhanced productivity of 70 minutes per individual every remote workday. An increased 15 per cent productivity every remote day resulted on an average of 6 per cent increase in productivity per year per employee. Employees were able to save money on transportation, car fuel and maintenance, lunch, wardrobe and drycleaning

costs. It allowed them to save a substantial amount on commuting costs and served as a tax-free increase to their disposable income. A survey by Awfis reported 74 per cent of Indian employees preferred working remotely as they were able to save an average of Rs. 5, 520 per month and 1.47 hours of travel time every day. Additionally, they felt more relaxing as they were free from continuous management checking on them, job flexibility, independence and could find time for themselves (Haidar, 2020). It gave them greater mobility in terms of much wider range of locations to choose and work from. Also, 52.4 per cent employees indicated they were able to sleep more – on an average 34 minutes longer – when working remotely (Hallman et al., 2021).

Remote work was noted to have reduced the real estate requirement which led to significant decrease in costs for employers. Indian IT major, TCS had decided to implement the 25-25 model which would lead to approximately \$50 million annual savings in general and administrative costs. In addition, remote working increased employee retention. This was a significant cost saver for them as losing an employee costed anywhere between \$10000 to \$30000 (Gopal, 2021). A study by Global Workplace Analytics (2021) identified that a remote working employee could save \$11000 per annum for an employer. The estimated cost saving per annum from remote working is illustrated in Table 1.

**Table 1 Estimated Cost Saving Per Annum**

Selected IT companies in India	Estimated Cost Saving Per Annum (US\$ Million)
Tata Consultancy Services	3,700
Infosys	933
Wipro	518
Tech Mahindra	293
HCL Technologies	496
Redington India Ltd	9
Larsen and Toubro Infotech Ltd	173
Mindtree Ltd	121

Source: Global Workplace Analytics (2021).

IT companies now had the additional benefit of a bigger talent pool as they were free to select employees from a wide range of locations. It helped them to increase their headcount without increasing real estate costs.

**Analysis of Hybrid Models** – The flexibility of hybrid model based on employee preference permitted HR to blend in-office and remote working. Various hybrid models had been designed by HR to suit their organisation needs. An analysis revealed some of the more commonly followed models to be: (1) Flexible hybrid – Employees were allowed to choose their location and working hours based on their priorities (2) Fixed hybrid – Organisation decided the days and work hours employees were allowed to work remotely. (3) Office-first hybrid – A less common model involved expecting employees to be at the workplace, but employees were given the privilege to choose a few days to work remotely and (4) Remote-first hybrid work model – Employees were allowed to work remotely most of the time and visits to the office were minimal. Research by NASSCOM in collaboration with BCG revealed 70 per cent of Indian IT employees preferred a hybrid work model with only 5 per cent of technical staff willing to return to full time workplace emphasising the need to promote flexible work (Businessline, 2022). It was noted that more than 80 per cent of the IT companies were strategizing on their hybrid work models. India’s largest IT firm TCS had plans of following the 3Es- Enable, Embrace and Empower- hybrid working model along with setting up Occasional Operating Zones and hot desks as agile work seats globally that would help remote employees connect with team members at any TCS office. TCS intended to have not more than 25 per cent employees to work from office at any given point of time with employees not spending more than 25 per cent of their time in office. Infosys planned to work on the hybrid model in a phased manner by reviewing it every quarter based on the needs of its clients and other regulatory aspects. HCL had already identified half of its workforce who would be working permanently from home (NDTV, 2022). Wipro had instructed employees to be in office at least 3 days a week. Tech Mahindra was optimising the current ‘at home’ and ‘at work’ experiences to further streamline its hybrid model.

### CONCLUSION

The hybrid model is what employees desire and organisations need to capitalise on this as it would serve to be an attractive component of their work environment. It serves as an excellent compromise that allows employees the stability and flexibility they desire and employers to address retention in their companies. HR would have a big role in transforming the traditional office structure and creating a hybrid model that help them sustain and be successful. Organisations should initiate trial work arrangements with a single team or one department, assess the outcomes and then strategize on extensive application of the model. Employee feedback should be given due weightage for ensuring

smooth operations. Care should be taken to identify junior employees and others who wish to acquire skills which would help reduce the risk of stagnation or the temptation to look elsewhere for opportunities. It is also essential to facilitate conditions that encourage communication and team building. A well strategized and implemented hybrid model has the potential to assist organisations to reach higher productive zones and contribute to enhanced talent attraction, management and retention.

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