



Hybrid Working Model

The Global & Indian Perspective

About TalentAhead India Pvt. Ltd

- **Executive Search, Recruitment & HR Consulting**
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Foreword

While COVID-19 pandemic has been the initial disrupter, it has resulted in a lasting transformation in the way everyone treats the workplace.

Cabins and fixed desks are giving way for an open system of hotseats and collaboration rooms. Virtual meetings and digital collaboration tools are becoming part of daily work routine.

Managing employee morale and yet being future ready; driving productivity during testing times and tackling fatigue; onboarding new employees who had no chance to befriend their colleagues in the physical office and even redefining the company culture have all become a part of the novel challenges in the

world of Human Resources.

The second wave of COVID-19 has once again altered the working model of companies that were planning return to office during the February 2021 lull. Increasing number of corporates, including Maruti Suzuki, ITC, Infosys, Tata Consultancy Services, have extended remote working for a period upto August 2021.

Companies are progressing with a measured and a nuanced approach - unlearning the past and unravelling the potential of the new set up. There is no “one size fits all” model currently available.

Not to forget that in the backdrop of the pandemic, the agility and the resilience of businesses is being constantly tested.

But until a working model emerges, especially when the vision for the future is clouded with multiple circumstances, at TalentAhead / IMSA India we have tried to capture the pulse of top-notch Human Resources professionals across geographies to bring forth this oversight. I thank them for sharing their valuable insights.

Hope you enjoy it as much as we did while gathering insights from the leading Human Resources heads to fortify the existing company structures and transpose the imminent change.

Happy Reading!



Companies are progressing with a measured and a nuanced approach - unlearning the past and unravelling the potential of the new set up.



**RAJARAM
AGRAWAL,
MANAGING
DIRECTOR,
TALENT AHEAD
INDIA PVT LTD./
IMSA INDIA**

Objectives and Scope

Pandemic-led reforms have led to widespread adoption of “Work From Home (WFH)” model. It is estimated that during 2020, over 40% of the workforce globally worked from home due to lockdowns and physical restrictions and safety concerns.

“In the initial stages of pandemic, businesses discovered the merits of WFH in terms of lower infrastructure and administrative overheads, flexibility in terms of scaling up or down the workforce and hiring latent workforce hitherto not working. Employees also found better work-life balance due to flexibility in work time, savings on travel cost and hassles and an option to work with the choice of employer from any home location,” says Dr Suresh Surana, Founder of RSM India.

As COVID-19 crisis prolonged for more than 14 months, both employers and workforce are missing the “magic of working in a workplace” in terms of team discussions, fostering culture creativity and bonding, after-office parties, performance management and the limitations of the WFH infrastructure - connectivity, secluded private workspace and distractions. “There is no doubt that the new Workplace and Workforce composition would embrace the learnings and best practices driven by industry- and function-specific needs,” adds Dr Suresh Surana.

Through this extensive Study we aim to:

- Understand the experience of the businesses and employees during COVID 19
- Assess whether remote working will replace traditional workplaces post pandemic
- Explore emerging workplace models and the key drivers across industry, functions, geographies and the organizational philosophy.
- Should compensation structure be calibrated in the new workplace model?
- Optimizing the emerging model for higher productivity and optimum costs.

For this purpose, the Research Study used the following methodology:

- Industry, media and statistical reports regarding practices followed in different industries and geographies.
- Responses to Questionnaire to key human resources personnel
- Insights from and meetings with HR leaders in India and outside India

We acknowledge the contributions and insights of the following HR and Industry leaders:

- Ajit Jain, VP - HR, Marketing & Product Management (APAC & MEA) - SIGNODE
- Anil Sachdev, Founder and Chairman - School of Inspired Leadership
- Dipy Sachdeva, CEO - Weikfield Foods Pvt. Ltd.
- Dr. SM Gupta, Global Chief People Officer - Startek

- Dr. Suresh Surana, Founder - RSM India
- Lakshmi S, Director - Talent Management & Business Partners at Morningstar India.
- M Sai Suryanarayana, Chief People Officer - Fincare Small Finance Bank
- Maclean S Raphael, Learning & Development Leader, Asia, 3M, Singapore
- Milind Bondale, CHRO - Gharda Chemicals Ltd.
- Monika Ciesielska, Managing Partner - Carpenter Consulting, Poland/
President - IMSA Search
- Pawan Agarwal, HR Head - Signalling Business, Alstom India Ltd
- Willian Hall, Managing Partner - Evander Group/ IMSA Japan

An emerging theme across businesses is to increasingly recruit, build a new talent pool of “Remote Workforce” by tapping into hitherto untapped talent pools, using new productivity measurement norms and hybrid compensation structures resulting in greater flexibility and lower fixed costs for businesses.

Chapter 1 - Emerging Models in Remote and Hybrid Work Environment

Bill Clinton once remarked that the price of doing the same old thing is far higher than the price of change.

The once in a century pandemic has forced organizations to take giant strides towards change that wasn't fathomed in the distant future.

“Employers have realized that work can actually be performed from home, not by some but by most (except jobs like production etc.), which not all thought possible before,” says Maclean S Raphael, Learning & Development Leader, Asia, 3M, Singapore.

As companies undertake a rear-view examination of the roller coaster that the pandemic has led businesses on.



“We will all be facing a new normal when this crisis is over. Ways of working are expected to evolve, as the long lockdown periods have dispelled many of the notions associated with effectiveness issues while working from home.” says Nestle India Chairman and Managing Director Suresh Narayanan.

But a year down the line, when past is being reflected upon and the blueprint of future workplace is being drawn, it is time to ask the tough questions. Given a chance, would they resort to the old ways or take the learnings from both the worlds and establish a new work order.

“Companies have learnt during the pandemic time, that the work efficiency is not in danger while their employees are working from home. On the contrary, considering that the time of travelling to the office was reduced to zero, people can spend even more time at work,” explains Monika Ciesielska, Managing Partner, Carpenter Consulting, Poland/ President - IMSA Search.

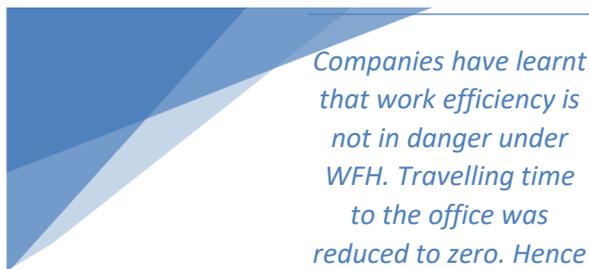
The Covid-19 employee sentiment survey 2020 conducted by BCG showed that 70% of managers amongst those surveyed are more open to flexible remote working models than they were before the pandemic.

In accordance with a survey carried out by McKinsey Global Institute’s, it was found that more than 20% of the workforce could work remotely three to five days a week as effectively as they could if working from an office and if remote work took hold at that level, that would mean three to four times as many people working from home than before the pandemic and would have a profound impact on urban economies, transportation, and consumer spending, among other things. In other regions too, flex-working is more welcome than the pre-pandemic stage.

As William Hall of Evander Group, IMSA Japan, says “There is likely a Hybrid Working Model going to continue in Japan. Companies in technology and allied companies will likely have a heavier emphasis on providing the option of a much more flexible environment of choosing to come to the office or really putting in emphasis of “hatarikata kaiku” (Workplace/ Style Reform) that Japan has been looking to implement (from pre-COVID-19).”

When employers get more done at the same costs and employees too can spend more time with their loved one, what could possibly go wrong? When you can be in any corner of the world and yet contribute your weekly work hours, who could question? Who wouldn’t be happy saving hours and money on travel? Work from home seemed to be the best that could happen to work.

“The hybrid model will help in hiring the best talent locally and across the globe, there will be lower overheads due to reduction in spends on rent and electricity in addition to employees spending less time and money on commuting. Millennials and Gen-Z want flexibility, growth opportunities and job satisfaction in their everyday work and the nature of hybrid model provides that. Therefore, a modern workplace that promotes all of the above will attract and nurture the newest cohort of talent and create a culture of employee-centric benefits,” says Dr SM Gupta, Global Chief People Officer, Startek.



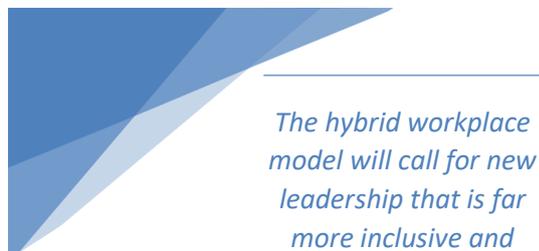
Companies have learnt that work efficiency is not in danger under WFH. Travelling time to the office was reduced to zero. Hence people are able to spend even more time at work.



**MONIKA CIESIELSKA,
MANAGING PARTNER,
CARPENTER
CONSULTING, POLAND/
PRESIDENT – IMSA
SEARCH**

Google too has confirmed that the search for flexi-work and remote work shot up by 309% in March 2020 as compared with the previous year. But this does not mean that pure remote work comes sans any loss of an efficient work environment.

Well, employees are comfortable in the hybrid and remote working model as long as they have access to the right tools. Nine in 10 employees in India were prepared to work remotely for the long-term provided they had access to the right



The hybrid workplace model will call for new leadership that is far more inclusive and collaborative, learns and leverages digital tools and has greater trust in people.



**ANIL SACHDEV,
FOUNDER AND
CHAIRMAN, SCHOOL
OF INSPIRED
LEADERSHIP (SOIL)**

technology assets and human-resources support, finds Remote Work Readiness study by Dell Technologies.

“The biggest challenge for Remote Virtual Working being the majority is people engagement perspective. No matter how much we save on time on commuting to (and from) the office or being able to have virtual office space where one can relax and work in the comfort of their own home, people are missing the human interaction element in an office environment and there is a general video meeting exhaustion,” William Hall, Managing Partner - Evander

Group/ IMSA Japan.

There is no denying the fact that there was an opportunity for most companies to prove their agility and spring up with options for business resilience. Each accommodated, adapted and offered solutions. Some for the present issue at hand. But an imprint has been left for the next step forward. The core leadership of a company has a critical role to reshape the way a company battles the post-pandemic world.

“The hybrid workplace model will call for new leadership that is far more inclusive and collaborative, learns and leverages digital tools and has greater trust in people. It will need to pay a lot more attention to emotional well-being, make compassion a core value and take real interest in people as unique individuals with their loved ones and families playing a significant role in their work lives as boundaries between personal and professional get blurred,” says Anil Sachdev, Founder and Chairman, School of Inspired Leadership (Soil).

Chapter 2 - Better in Physical Presence

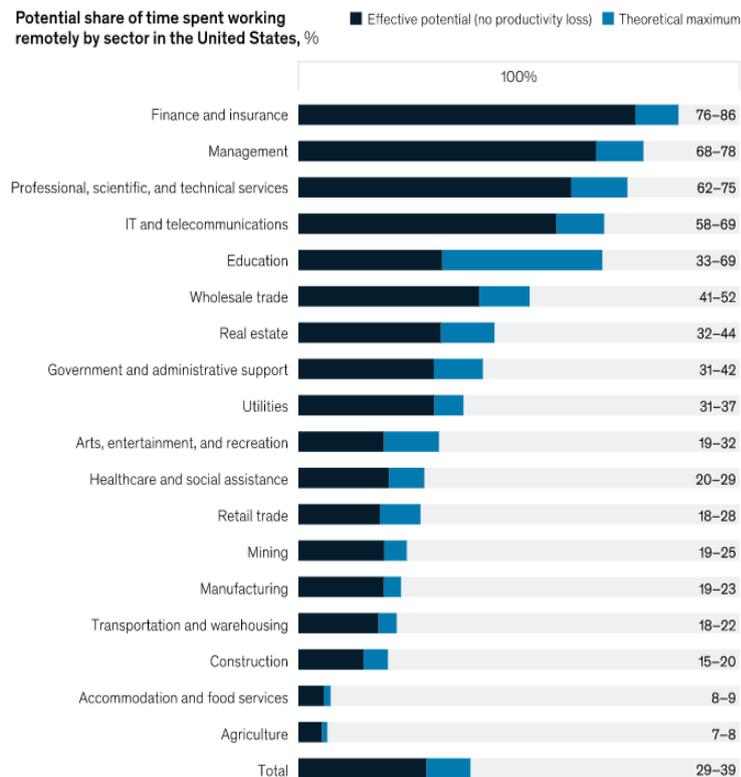
Few tasks, however, are time-consuming remotely, but can be efficiently performed in person.

Training, counselling, negotiations, engaging customers, feedback, or even collaborative activities such as brainstorming for solutions, decision-making or creative thinking for innovation are best done in an inter-personal scenario.



As per the survey carried out by Capgemini Research Institute, it has identified IT, Finance and Accounting Service Sector as having the highest potential and conducive to remote working and on the other hand, sectors such as Manufacturing, Operations and Supply Chain to be least conducive.

The finance, management, professional services, and information sectors have the highest potential for remote work.



Note: The theoretical maximum includes all activities not requiring physical presence on-site; the effective potential includes only those activities that can be done remotely without losing effectiveness. Model based on more than 2,000 activities across more than 800 occupations.
Source: McKinsey Global Institute analysis

McKinsey & Company

Then there are tasks in certain industries that cannot be performed remotely. “Certain industries that require physical presence will be putting together a “Shift Model” - where companies will have 30-50% capacity at the physical workplace at any day or time and create a schedule,” says Willian Hall, Evander Group, IMSA Japan.

Industries-linked

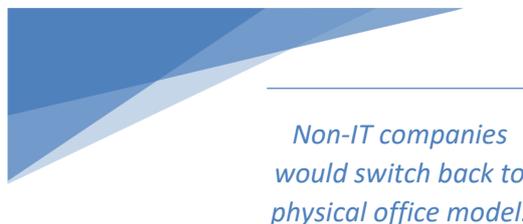
However, a major pie of India’s 464 million workforce belongs to retail, construction, infrastructure, and agriculture which cannot be done remotely. There are industries engaged in production and packaging of physical, tangible goods, where again remote working is sparsely possible.

World Economic Forum's survey of Chief Human Resource Officers indicates that on average, 44% of workers are able to work remotely during the COVID-19 crisis while 24% of workers are unable to perform their current role.

"For FMCG product company (like ours) - would not be moving to the hybrid model on long term basis. We are now exploring adding some roles, which are hybrid. We could have 2 kinds of employments - Physical and Virtual (Ghost employees). For the physical employees there could be policies of work from home (e.g., for a day a week)," seconds Dipy Sachdeva, CEO - Weikfield Foods Pvt Ltd.

And these scenarios are country agnostic. As McKinsey finds, "In the US workforce, just 22 percent of employees can work remotely between three and five days a week without affecting productivity, while only 5 percent could do so in India."

So, many of the companies that are in the manufacturing sector would not be willing to remotely run operations as the core employees would have to report to the manufacturing plants or corporate headquarters. "In my assessment, non-IT companies would switch back to physical office model. There are two reasons for this. Decision making at leadership levels requires physical presence. Customer and supplier visits will be required to improve business intelligence and relationship management. There is an overall fatigue after initial excitement of work from home. Employees consider office as a place to be in for focused work," says, Milind Bondale, CHRO, Gharda Chemicals Ltd.



Non-IT companies would switch back to physical office model.

There are two reasons for this. Decision making at leadership levels requires physical presence.



**MILIND BONDALE,
CHRO, GHARDA
CHEMICALS LTD.**

Dual-model increases costs

So, instead of opting for two different models of physical and remote working employees, such companies would prefer following only one model where majority of the work force can be accommodated.

"Home-based work is good for routine jobs, entry level jobs and process-oriented jobs in manufacturing industry, Sales and Operations have to be in office or factory. Therefore, some specific functions such as Finance, HR and other smaller functions can operate from Home for many of the jobs. However, their number being small, eventually they will resume work from Office," adds, Milind Bondale, CHRO, Gharda Chemicals Ltd.

However, for companies who have an option of giving up a brick-and-mortar space altogether does not seem to be feasible.

Monika Ciesielska, Managing Partner, Carpenter Consulting, Poland/ President - IMSA Search says, “Cancelling the office entirely is not an option, as it is expected for the employees to meet in person in order to integrate and to make a knowledge transfer.”

No wonder then that the industries that have a higher percentage of employees that need to report to work, would switch back to the traditional workplace once normalcy kicks in. As Anil Sachdev of Soil marks, “As soon as it is safe and all employees have been vaccinated, people will return to workplaces for several days in a week and several hours each day.”

But different systems would co-exist based on the industry. Within a company to the work model would depend on the vertical one belongs to. The share of invisible employees would surely increase in companies.

Chapter 3 - Post-Pandemic Collaboration

When it comes to collaborative heads-up tasks, video meetings have become the norm when the pandemic struck, but fatigue has started to show up among both senior and mid-level employees, who are waiting for some relief to head back to the office for collaborative efforts in the hope that initiatives would move faster towards execution.

“Whilst employees have this wonderful opportunity to balance home and work like never-before - they also surely miss their colleagues and friends at office. All the stress busting that their friends and colleagues offered - are now not available as much or available only virtually. This may have led to hyper-tension / high stress levels / reduced mental well-being of employees. Additional stress of managing kids at home while they struggle with their online classes cannot be ignored,” says Lakshmi S, Director - Talent Management and Business Partners at Morningstar India.

There are some hits, but many misses in the new environment.

“Japan has been very heavily face-to-face meetings for our industry and in general. However, I believe the habits of having video meetings will remain high and expect this to continue for interviews with candidates and client meetings going forward. However, I still foresee that there will still be Office or In-Person meeting continuing - post COVID, but likely not as much as pre-pandemic,” says Willian Hall, Evander Group, IMSA Japan.



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**WILLIAN HALL,
EVANDER GROUP,
IMSA JAPAN**

The blurring boundaries between work and home have been a boon for productivity, but a bane for family time. Additionally, the joy of engagement with co-workers too is lost.

Maclean S Raphael, Learning & Development Leader, Asia, 3M, Singapore, points out, “WFH has brought in a lot of flexibility, I save on the rigours of everyday travel, I can get to be more productive, and I am available for the family. However, it comes with a cost, where I miss the ‘awesome, continuous, in person engagement’ with my co employees. Working from home has made me a bigger workaholic and there is no clear line which demarcates my work hours, also the higher degree of virtual meetings has put a stress on my physical health.”

The great divide in remote work would also stem in at the hierarchy level, with the senior employees required to be present in office vis-à-vis entry level employees due to the nature of work.

“Employers save on cost of establishment particularly in IT companies. Employees whose work is more independent of others i.e., at entry level to mid-level are happy to operate from home if there is not much of housing problem. Mid to senior levels require to interact regularly with other functions, which would be an issue in non-IT companies,” says Milind Bondale, CHRO, Gharda Chemicals Ltd.

And with growing number of employees dispersed away from the normal work environment, a new set of skills are required, with a fair bit of unlearning of the old ways to stay relevant in the organisational structure.

“Social and emotional skills to ensure effective collaboration, management, and self-expression which becomes important to maintain strong professional ties despite distances, create and grow client relationships, drive change and support employees remotely,” says Dr SM Gupta, Startek.

One would agree that adoption to technology would be a fair criterion to engage in remote work.

Chapter 4 - Recasting Compensation Structure

Cutting out a relevant pay packet would not just be putting two and two together anymore. There would be different sets of employees working in the same organisation, at the same position or even team, yet their tasks, hours spent in office, screen time would all differ.

Dr SM Gupta, Global Chief People Officer, Startek, says, “There will definitely be a change in the compensation landscape and location-based pay differentials will take a backseat. With a significant proportion of people expected to continue working remotely, the location-based pay differentials will become insignificant and that will definitely affect compensation scales.”

The compensation packet offered to someone who has to visit office five days a

week and enjoy a scrumptious meal in the office, would be up for comparison against another employee, who would be working remotely for three days a week, but would get a food stipend.

As Dipy Sachdeva, CEO - Weikfield Foods Pvt Ltd, enumerates, “The Physical employees are the current staff engaged in e-Sales, marketing, finance and research & Development. The new breed of virtual employees, who bring specific domain knowledge and are in the digital space handling e-commerce channel, digital marketing, and CRM. The compensation and benefit of the virtual creed will also be



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DR SM GUPTA,
GLOBAL CHIEF PEOPLE OFFICER, STARTEK

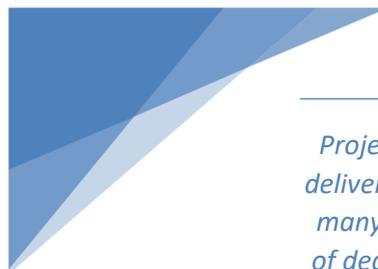
different in terms of the remuneration and policies on leave etc.”

While pay cuts have reigned in 2020 for cost optimisation, some echoes of rewarding the productive employees are growing. “If we take the effort, commitment and number of hours being put in by employees into consideration - it is equal or in some cases even more. Projects are being delivered on time and in many cases ahead of deadline as well. This clearly demonstrates employee commitment to goals, OKRs and organizational success. Given all of this, I think organizations should think of reviewing compensation to make it more rewarding for employees and for their efforts,” says, Lakshmi S, Director - Talent Management and Business Partners at Morningstar India.

Then there is another set of organisations that have spelt out that if employees are shifting to smaller towns, then the pay packets would be reduced to reflect the same. The geography would have a larger role in determining the salary structure.

“With the hybrid working model in place and Covid-19 pandemic starting a reverse migration, many working professions are now leaving urban cities and returning to their homes in smaller towns. With thousands of people entering the talent market from smaller towns owing to hybrid working model, this will increase talent supply as well as level off salaries,” observes Dr SM Gupta, Global Chief People Officer, Startek.

But a base salary apart several variations would be seen in the specific allowances offered to employees, based on the area of work, the number of days to be reported to office. The feel-good offers that would be missing for remote employees would have to be made up through special support services and allowances.



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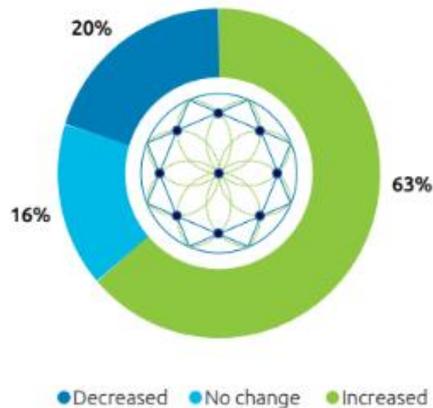
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**LAKSHMI S, DIRECTOR,
TALENT MANAGEMENT
& BUSINESS
PARTNERS,
MORNINGSTAR INDIA.**

Chapter 5 - Re-calibrating Performance Matrix

Percentage of organizations reporting productivity change due to remote working in Q3-2020



Source: Capgemini Research Institute (*The Future of Work: From Remote to Hybrid*)



With WFH, it is critical that employers revisit the current process and bring in more frequent formal one-on-ones to ring in more engagement, provide opportunities for more frequent performance/development conversations to support quicker course correction and drive higher engagement and productivity.”



MACLEAN S RAPHAEL,
LEARNING &
DEVELOPMENT LEADER,
ASIA, 3M, SINGAPORE

Measuring productivity during the new era has been challenging for companies. The employees are not on the same floor, managers do not have direct control over every individual. Multiple settings too have been missing to weigh one against the other.

But out of the box thinking has been adopted yet again when the clock ticked appraisal time, yet again post-pandemic.

“In pre Covid times, the Supervisor and employee used to meet and engage more frequently in different settings, including corridor/ coffee machine conversations, luncheon discussion etc. Traditionally we have all been used to performance management systems (except for the IT sector) which are more annual based and hence

the formal touch points are restricted to say twice/ thrice a year,” says Maclean S Raphael, Learning & Development Leader, Asia, 3M, Singapore. “With WFH, it is critical that employers revisit the current process and bring in more frequent, possibly monthly/ bi-monthly formal one-on-ones to ring in more engagement, provide opportunities for more frequent performance/ development conversations to support quicker course correction and drive higher engagement and productivity.”

The frequency would have to be tweaked. Waiting for a whole year to analyse and discuss the productivity would not be suitable. But demarcating two subsequent conversations at a wider enough gap would be the key to a successful productivity engagement.

Additionally, skill development is reigning as a core philosophy in productivity discussions, especially for managers handling a team. The HR Head of a Leading European MNC with large Indian presence, says that over the years the organisation has evolved to focus on development discussion. “As an organization, equally weighted is given to the deliverables as to the “how” process. So, that is further changing and for this year our focus will continue to remain on development dialogue and performance would be tested on the outcome. I also believe that the manager with the leadership will have a stronger view and a stronger feedback on an individual's performance. Stress will remain on development, but the outcome will naturally be focused on methods of achieving.”

And since many employers have learnt to trust the individual employees during the COVID-19 induced remote working, they would have to centre the productivity discussions around the same principles of trust.

As Pawan Agarwal, HR Head - Signalling Business, Alstom India Limited, suggests, “Performance Management process will also need to be fine-tuned with new ways of working and changed employee needs. Transformation is key and Performance process version 2.0 has to be based more on Empowerment and Trust. Trust will be key going forward for employee engagement and productivity. Component of empowerment must be increased as employee will no longer be available on the floor and monitoring will not be easy. There will be no other way that to increase conversation touchpoints between manager and employee.”



Performance Management process will also need to be fine-tuned with new ways of working and changed employee needs. Transformation is key and Performance process version 2.0 must be based more on Empowerment and Trust.



PAWAN AGARWAL, HR HEAD - SIGNALLING BUSINESS, ALSTOM INDIA LIMITED

Apart from increasing the touchpoints and frequency of appraisals, the parameters would have to be braced up keeping the new skill sets needed to survive in the new decade.

“Human Resource professionals will need to revisit are the criteria which will differentiate the performers and high performers. Skill sets like, agility, self-initiative, problem solving, resourcefulness, collaboration will have a higher-level impact than ever before with WFH. This will also impact how you will reward and compensate employees going forward,” says Maclean S Raphael.

To measure the performance the benchmarks would have to be smartly set to ensure the nuances of remote working are captured for employees at different levels. “Goal setting has to be definitely smart for driving productivity. Everything will be more output based and managerial competency needs to be developed to handle remote working. With virtual connectivity, objectivity will be key for expectations settings and good employee relations and bonding. The whole objective of Performance process is to enhance employee performance and not to manage it. Conversation and feedback are the only way. Rating based performance process motivates only few who get high ratings but largely has no effect on solid performers,” says Pawan Agarwal, HR Head - Signalling Business, Alstom India Limited.

Well-defined KRA along with specially designed productivity management framework and monitoring tools are the in-thing. “Time Doctor”, SentryPC, Keka are some of these tools. Depending upon the type of remote workforce the need for monitoring also varies. It also emerges that the companies should avoid micro-managing the show as it would defeat the purpose of enhancing the productivity. Managing the mental burnout issues too could come as a shadow side of the activity.

Chapter 6 - Impact on Talent Acquisition

As companies were forced to move to virtual workspace overnight, talent acquisition that had always been done through physical meetings shook the naysayers. With the new norms in place, there was no option but to taste virtual meets for assessing candidates. The digital journey hastened the process.



“The talent acquisition will speed up since the leaders are now open to meet online for the first round. Earlier, some insisted to meet in person even for the first meeting,” says Milind Bondale, CHRO, Gharda Chemicals Ltd.

While the initial stage of interviews was seamless through the process, the later stage is where employers are hesitant to complete the entire process virtually.

William Hall of IMSA Japan shared his concerns, “The new model has created challenges for the final interview process. Most early-stage interviews have been and can be completed with video Interviews, but there is a continued preference to have a final meeting in person.”

Enhancement of talent pool

Laying out all encompassing policies for work from anywhere, remote work and even hybrid option would be pertinent for acquiring fresh talent. So, geographical boundaries would be blurred if a resource for a particular niche is available outside the preferable city for an employer.

“Today, due to work from office or work from a location, talents mobility is very



restricted. Talent in Mumbai/ Pune is not looking out for a job in Delhi or a Delhi talent may not be keen take a job in Bangalore. Hybrid model may remove this barrier and organization will have more access to talent worldwide. During COVID when we had to WFH, we managed interview process very efficiently using technology,” elaborates Pawan Agarwal, HR Head - Signalling Business, Alstom India Limited.

People with career break – could be brought back (especially the women folk) and there will be flexibility for them to contribute while managing personal needs.

**DIPY SACHDEVA, CEO –
WEIKFIELD FOODS PVT LTD.**

Another positive outcome

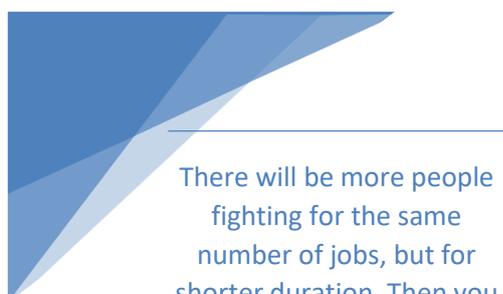
would be that talent switching cities due to life events such as aging parents, marriage or even financial reasons can be retained instead of bidding adieu. One can only guess the impact this would have on attrition rates.

Studies suggest that globally 32% talent trickles out of the system due to such life stage events.

As Dipy Sachdeva, CEO - Weikfield Foods Pvt Ltd. explains, “People with career break - could be brought back (especially the women folk) and there will be flexibility for them to contribute while managing personal needs.”

But if you want to present yourself as a talent in the new era, then employers are looking for additional soft skills among resources. “Those who have displayed flexibility and continue to do so in future and who are capable of adapting quickly will be in high demand in the workplace for remote working. Hence, agility, responsiveness, resilience and getting future-ready are some of the must- have qualities for adapting in this era of virtual world,” says Dr SM Gupta, Global Chief People Officer, Startek.

Ample talent sources would be available for companies to tap into in the emerging gig-economy model. “With variable workforce and the pull on the gig economy, competence will gain a higher value. Competence will be in excess because the talent supply will increase. There will be more people fighting for the same number of jobs, but for shorter duration. Somebody can leave you quickly and so, attrition rates will move higher, than what we are anticipating today. As a result, competence will become the criteria in the future, which organisations think is important but have not been able to focus,” says the HR Head of a Leading European MNC with large Indian presence.



There will be more people fighting for the same number of jobs, but for shorter duration. Then you will also know that somebody can leave you quickly. So, attrition rates will move higher, than what we are anticipating today.

THE HR HEAD OF A LEADING
EUROPEAN MNC WITH LARGE
INDIAN PRESENCE

Skill Development

A foresight into higher attrition in the hybrid working environment also forces companies to question costs incurred on upskilling talent.

A piece of advice from M Sai Suryanarayana, Chief People Officer, Fincare Small Finance Bank, is “Many companies are dealing with remote working by investing in training. This new normal of learning online and encouraging brainstorm ideas for staying productive, has the potential to accelerate behaviours as the responsibility for learning shifts from the trainer/organization to the learner. Moreover, with a plethora of options to choose from, reskilling and

pivoting in career choices lead to increase in temporary, gig working and project-based employment. Bye-bye organization loyalty? Not if, organisations create an ecosystem devoted to creating a skills inventory and reskilling their workforce, no matter if they are full-time or not.”

Process

On the other hand, corporates need to refurbish their process of attracting and securing talent considering the trends and even the competition. “It is important for organizations to refresh and review their job postings online, and find ways of attracting, screening, recruiting, and onboarding employees remotely. As more and more of the workforce is working remotely or in a hybrid environment, it is important to rely heavily on virtual interviewing solutions, online testing, audio/ video interview, application assessment via online platform and managing assessments virtually. Automation and integration of the entire Talent Acquisition process right from sourcing to selection to offer is extremely crucial,” suggests Dr SM Gupta, Global Chief People Officer, Startek.

While the initial complexity in determining the suitable model for a particular company would be time consuming. But companies should consider these also as a weapon in the armoury to both attract talent and even fight competition. Not just would these help in cost optimisation but offer an edge due to enhanced flexibility that the millennials and baby boomers are drawn towards.

Cost structures

“Hybrid model offers benefits to Organisations like reduces operational, administrative cost & challenges, real estate expansion worries, bring flexibility, increase reach to wider talent market, time flexibility etc. Many of the Organisations now will use this as USP to attract talents and will be key thing above perquisites and salaries for employee to consider while joining any companies. Organisations that do not adapt such working model and act in traditional ways will be devoid of the benefits of Hybrid working model and may not be competitive. Flexibility is the key



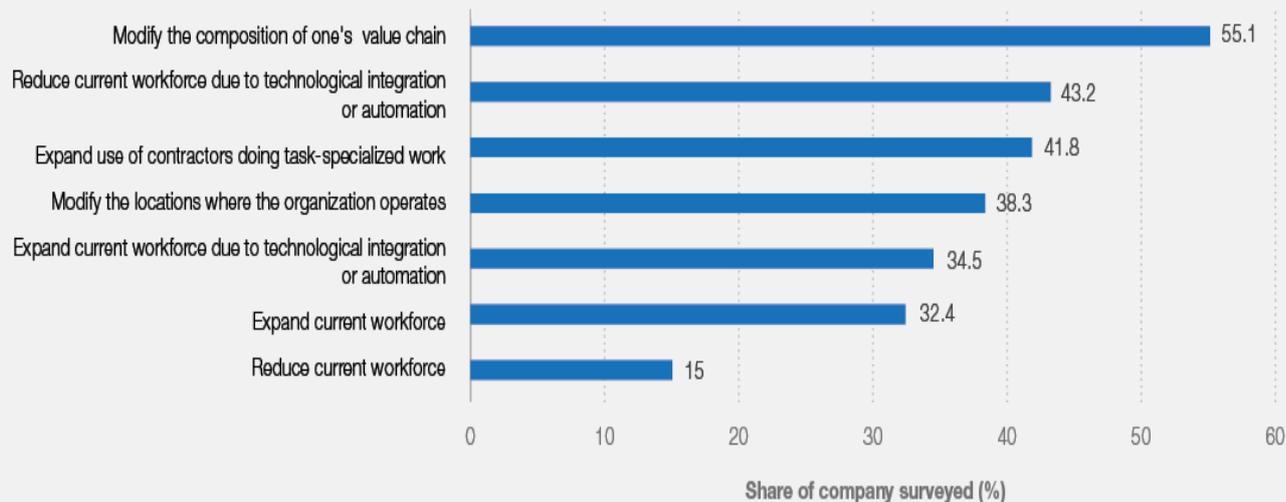
With a plethora of options to choose from, reskilling and pivoting in career choices lead to increase in temporary, gig working and project-based employment. Bye-bye organization loyalty? Not if, organisations create an ecosystem devoted to creating a skills inventory and reskilling their workforce, no matter if they are full-time or not.



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CHIEF PEOPLE OFFICER,
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for business success and being an employee champion,” says Pawan Agarwal, HR Head - Signalling Business, Alstom India Limited.

FIGURE 20 | Companies' expected changes to the workforce by 2025 (by share of companies surveyed)



Source

Future of Jobs Survey 2020, World Economic Forum.

The survey by Capgemini Research Institute has resulted in the finding that 88% of organizations agree that they have realized real-estate cost savings with remote working in the last three to four months whereas 92% expect savings in the next two to three years. Also, as per the survey, across sectors organizations in insurance are particularly optimistic, with 97% projecting savings in the next 2-3 years.

However, maintain clarity on the costs that the organisation would be bearing towards individuals and the ones that the employees need to pocket as the blurring lines between workspace mobilisation leave space for ambiguity. For instance, specify whether the transportation allowance, food stipend, hardware expenses and home office set up expenses would have to be borne by the employee.

If data security features need to be enhanced and the personal device of an employee would have company controls, then the same would have to be communicated.

“Adoption of Bring Your Own Device (BYOD) also becomes crucial wherein employees can be encouraged to bring their own device to connect to the corporate network and services and meet business needs of the organization with

strict adherence to the IT security norms and guidelines,” says Dr SM Gupta, Global Chief People Officer, Startek.

As much as acquisition in the new environment possesses risks, onboarding remotely is a challenge for both the sides.

“Onboarding process is a major factor for companies that are hiring people in a remote work environment. Individuals joining a business are not being able to meet their boss, peer, or subordinates in person even after joining the company,” points William Hall of Evander Group.

Staying in such silos means that new employees are not able to establish trust among peers and seniors. So, more meets establishing a factor akin to water-cooler conversations is being used by certain companies to break the ice.

Chapter 7 - Evolving Workplaces

As if steering three boats of business stability, charting the future roadmap and curbing costs was not enough, HR professionals are also having to align the existing workspaces to the needs of the present and envision the future.

New real-estate contracts need to be drawn about a year into the pandemic enforced lockdowns. It is a time to realign both the size and costs of office stations.

“Companies get to revisit their infrastructure costs, and rebalance them, whilst saving on real estate,” says Maclean S Raphael, Learning & Development Leader, Asia, 3M, Singapore.

But when the vision of the future is clouded with many uncertainties, choosing what to let go off and how to draw up the rest is rather challenging.

“Many of us are still keen on having the office space to use, however the office-for-rent model became quite popular, and that is what the market is having to offer to us nowadays,” says Monika Ciesielska, Managing Partner, Carpenter Consulting, Poland/ President - IMSA Search.

However, digital structures and operations would continue to reign companies for at least 2021. So, there is no denying that the companies would need to invest in resilient systems and store them in house and even enhance the set up where needs be.

“While digital platforms have been at the centre of operations in organizations, what needs to be done now is increase its penetration; be it shaping relationships, scaling businesses, predicting behaviours, or augmenting customer experiences, adopting digital capabilities is the need of the hour and is required at every level, says Dr SM Gupta, Global Chief People Officer, Startek.”

This would mean that many different vertical heads would have to engage in planning the future workplace and need to expedite the process to ensure that provisions for the employees have been made.

A hot desk where tokens are handed out for weekly meetings and calls are being considered by Indian corporates. More open office spaces with larger rooms to collaborate are being considered by the emerging leaders in companies that are considering 25-30% of their staff working virtually for at least 2-3 days a week.

An HR manager described the office as a place to engage and enjoy the annual offsite, just that the offsite would not be annually, but a weekly affair and office would be the location instead of a far-off destination.

But “As we crystal gaze into the future, organisations must invest in defining the new normal, not just another fad, but a way of working,” suggests M Sai Suryanarayana, Chief People Officer, Fincare Small Finance Bank.

Chapter 8 - Growing Concern Over Data Privacy and Security

In the zest for survival in the post-pandemic era, cyber security risks have intensified. It has been a daunting task to maintain the safety firewalls outside the corporate office walls, when employees have to use external wi-fi networks and even personal devices in the absence of hardware availability.

Confidential information has been available for access to not just family and friends, but external hackers who were on the prowl for that one negligent moment. About a quarter of workers claim to even offer children access to their work devices.



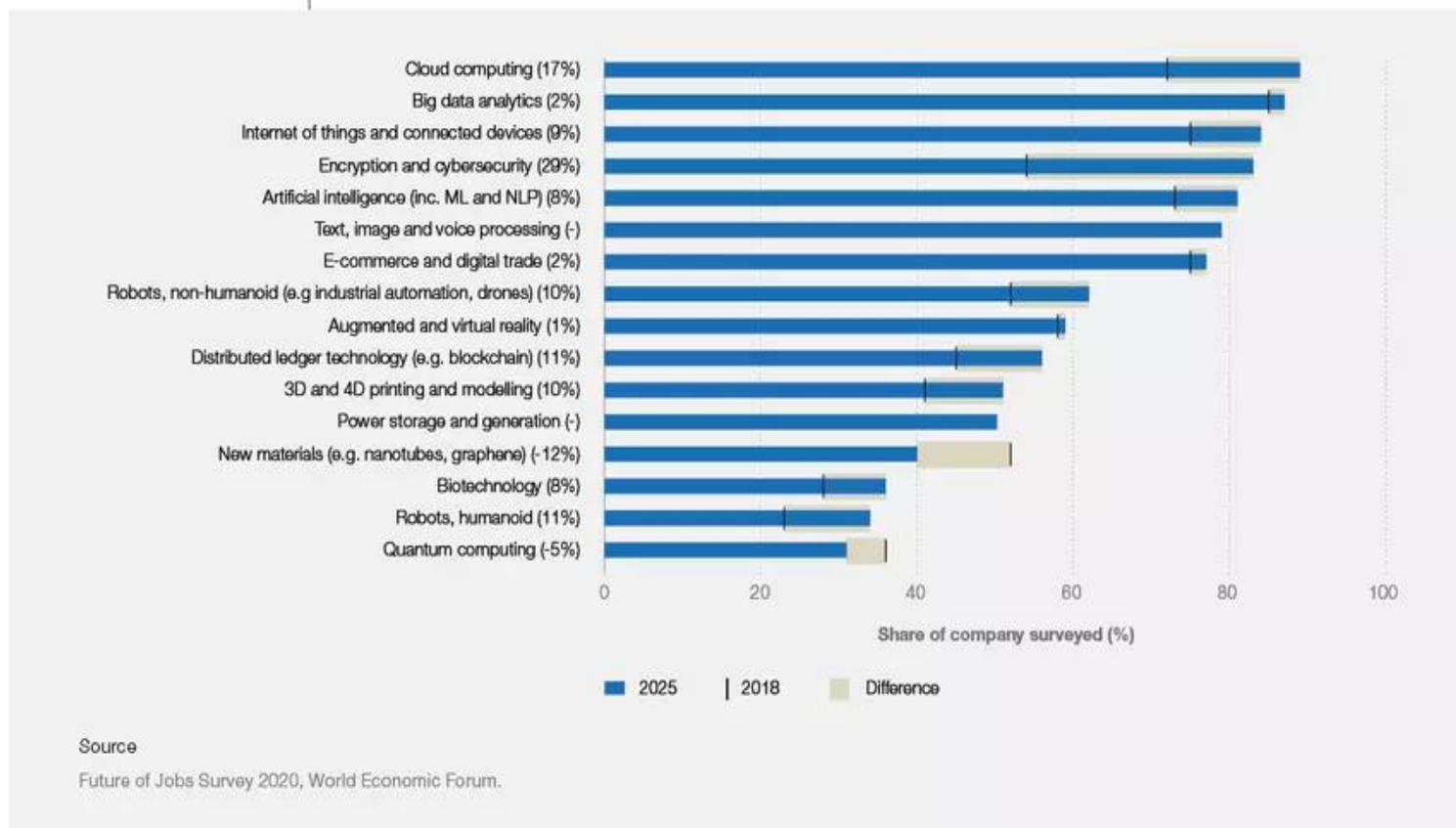
As cyber criminals targeted home networks in the remote working environment, malware detections increased by 66% and ransomware threats surged 62% globally as per SonicWall Cyber Threat Report. There was also a 74% increase in previously undetected malware variants says the report.

But even as organisations had to onboard the risk, safety solutions aplenty have been at their disposal at optimum costs through software as a service (SaaS) solution.

- Cloud-based tool SharePoint Online (SPO) to store, control and allow access to corporate information remotely.
- Google Authenticator or Microsoft Authenticator allowing multi-factor authentication to secure laptops and mobile devices.
- VPN service that reroutes the internet connection through private servers to ensure secure network.
- Business process management software ERP helps combine and manage all organisational function including operations, finance and accounting, payroll, quality management, and supply chain, under one single software system.

Investing in protection tools is critical as the period to detect any breach has elongated in the remote work environment. In the remote working environment, an average of 74 additional days would be needed to identify and contain a security breach according to the IBM Security's Cost of a Data Breach report.

FIGURE 18 Technologies likely to be adopted by 2025 (by share of companies surveyed)



To combat these risks, vigilant and proactive companies have established a remote-working cybersecurity policy as a digital defence mechanism.

Companies also realised that higher investments need to be allocated to cybersecurity as the cost of security breach would be much higher in terms of both money and reputation. In 2020, Indian companies pinned average cost of data breach at \$2 million.

Few suggestions to corporates for avoiding data breaches are:

- ✓ Use USB data blocker to prevent data exchange and guard against malware.
- ✓ Inform employees to block sight lines when working out of cafes and external office spaces.
- ✓ Mandate external contractors to use multi-factor authentication, similar to employees.

- ✓ Find means to deploy granular access to both employees and third-party vendors, ensuring no direct access to the entire pool of data, but only limited access.
 - ✓ Opt for Mobile Device Management (MDM) and Mobile Application Management (MAM) solutions if employees have confidential data on smart phones for carrying out their duties.
 - ✓ Use encrypted remote connections into a remote desktop or external individual server.
-

Chapter 9 - Sustaining Company Culture amidst Hybrid Model

With employees being spaced out physically, a constant challenge for companies has been to find their feet with regards to maintaining the culture of the organisation amidst social distancing.

The missing charm of festivals, lack of rendezvous with colleagues and cancelled corporate engagement programmes have left the company culture gasping for more breath. Worst affected are the fresh joiners, who have no opportunity for camaraderie with colleagues. As Lakshmi S, Director - Talent Management and Business Partners at Morningstar India, points out, “A factor to be considered here is the supposedly reduced impact of organization culture on new joiners. Organizations are now forced to contemplate newer ways to help new employees ‘imbibe’ culture in a virtual world.”

As the fabric of the organisation is further set to change in the remote and hybrid working environment coupled with gig workers who would not be in office for months together, the assimilation of the company culture is further questioned by many CHROs.

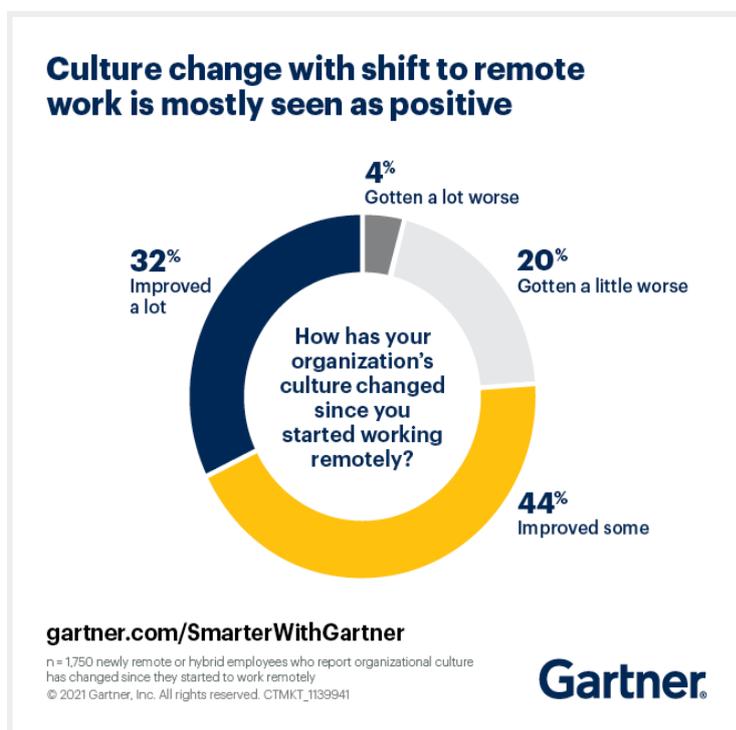
The HR Head of a Leading European MNC with large Indian presence says, “I think culture will change in some shape or size for the good of it. Higher level of diversity will breed more agility and flexibility in organizations. People will come and go, there are no bindings to an organization. This whole evolution journey will be a learning experience, to get the different sets of workforces, work together.



She suggests that to get a better grip on the company culture, organisations should reach out to the roots.

“Organizations will now have a stronger urge to find their purpose. So, define why do they exist and tie in the ultimate goal in the core vision. The common thread is diluted because it is dependent on people who work for you. If leadership is able to sustain that I think cultures will evolve, which are more creative and will give that space to try more creativity and then is the new normal again. We will have fluid culture, but there has to be some common thread to get those fluid cultures tied in

together. But I believe you will have more beautiful organizations emerging out of this whole paradigm shift,” says the HR Head of a Leading European MNC with large Indian presence.



Recent surveys reveal a rosy picture on the organisation culture front with 32% of the organisations surveyed by Gartner agreeing that the culture had enhanced in the remote working scenario and a fairly small proportion of the organisation witnessing dampening of the culture.

But in a dynamic environment, additional proactive steps are needed from organisations to understand the existing culture and pair the same with the comfort of the employees keeping in view the uncertainty.

Mr. Ajit Jain, VP - HR, Marketing & Product management for APAC, and MEA of Signode, “Millennials will come, people after retirement will come. Those who have knowledge, they may like to still come and contribute to the old things. So different generations of people, who have grown up different environment, will come and contribute to an organization. Organizations will have to really prepare and undertake certain efforts in order to create a conducive culture for that. But overall, I am seeing there is an excitement around this, and that is also something a new way of life.”

We can take a leaf from the organisations such as Yahoo, where 90% of the people were working from home, when the new CEO took charge. Also, IBM that had been majorly operating from home for decades together, decided to start afresh in 2017 with predominantly all employees reporting to work prior to the COVID-19 outbreak.



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**AJIT JAIN, VP – HR,
MARKETING & PRODUCT
MANAGEMENT (APAC &
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Chapter 10 - Regulatory Environment for Work From Anywhere

With blurring geographical barriers in hiring and retaining talent, business organizations will need to redesign their HR Manuals and Policies to deal with differing employment regulations not just within a country, but in varying global landscape.

Manoeuvring the way out of the employment regulations is a challenging task as laws change over a few hundred kilometres.

Dr Suresh Surana says “The current labour and employment related regulations in India are primarily designed for “physical workplace” - factories, offices, shops and commercial establishments. The new Labour Codes do provide for “Gig workers” but it is evident that the labour codes and employment regulations need a comprehensive approach to WFH. The following aspects need to be considered:

- Recording of attendance
- Workhours and overtime
- Late night working restrictions particularly for female workforce.
- Minimum wage requirements
- Data security and breaches

Also, it is not necessary that there are two separate and distinct categories of Workforce - Physical office workforce and WFH. It is possible that the same employee may work for certain days in a week or month from the office or on the field and the remaining days, work from home. This may encourage employees to explore affordable housing options, which may not be very close to the workplace.”



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DR SURESH SURANA,
FOUNDER OF RSM
INDIA

But employers need to be aware that the regulatory environment may be different in different states in India as the labour laws are primarily regulated by states.

It may also result in jurisdictional issues in case the large number of employees are working in different states (say, large number of employees WFH from Noida, UP but the employer is having virtual or small physical office in Gurugram, Haryana). It is possible that highly paid employees who are in the tax bracket of 31.2% to 42.7% may decide to shift to countries like UAE.

But before offering employees the option of work from anywhere, companies ought to analyse the risk of losing out on capability to innovate as collaborative efficiencies tend to reduce with geographical barriers. Varying time zones impact the collaborative effort of employees too.

Lately, major financial and information technology firms have introduced a model of three-weekly office days, marking others as flexi workdays. Consultancy firm KPMG announced flexible model for its UK employees, who can work from home for six days every fortnight.

Studies point out that productivity takes a hit if employees work from home for more than three days a week.

Conclusion

Even as the future of workplaces is still taking shape; the following aspects emerge:

- Substantial shift from the “physical workplace model” to a co-existing combination of work from office or smaller geographical office, remote workers and gig/ project-based workers
- The key factors driving the selection would be the nature of the business, the functions, and the cost arbitrage.
- In India, inadequate infrastructure would restrict the ability to WFH. Employers also may need to provide financial support for upgradation.
- COVID-19 fatigue and the millennial workforce preferring the physical workplace for social interactions are also key factors.
- Performance management mechanism and the compensation structures will have to be calibrated to optimize productivity and costs.
- The HR Policies and Manuals will need to be redesigned to meet the requirements of the new workplaces and the new labour codes being promulgated in India.



Companies are discussing the pros and the cons, when to communicate the longer-term decision to employees, whether to offer them a stipend for work from home and even what level of data privacy should each engage in. Constant eyes on employees in their home desk space are also leading to burnout.

However, being omnipresent in different set ups too would involve costs. The merits of offering flexibility would far outweigh the 20th-century workplace, especially when companies want to lure the millennials and baby boomers as resources.

But a sound suggestion here would be to allow employees working remotely autonomy and flexibility, instead of micromanaging their remote work. Greater autonomy has been known to enhance employee productivity in several instances.

A piece of advice from Maclean S Raphael, Learning & Development Leader, Asia, 3M, Singapore, is “Recognize and acknowledge the benefits employees are experiencing, especially when they are able to deliver on their targets, be more productive.”

Instead of using number of heads down hours, assessing the number of tasks ticked off the list or the portion of the project pie consumed over a period should be a better matrix to analyse the productivity.

But in the new post-COVID-19 work environment few challenges afflict many employers:

- How many employers can trust their employees completely?
- How do they build a company culture?
- Addressing issues like engagement, morale, home stress, confidentiality of data.
- Basic infrastructure issues, performance and compensation and benefit issues.

A solution would soon be in the offing as the vaccinations outnumber the number of closed offices.

A question companies need to ask at this inflection point is that when the winds of change blew hard, were they building walls to protect or windmills to reap the benefits.

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