



New ways of work:

Spotlight on workplace transformation in India

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Economist Impact, supported by Google Workspace, conducted a survey of more than 600 knowledge workers across Asia Pacific about their experiences with hybrid or flexible work.

The research shows that the pandemic has changed the way organisations are looking at the nature of work. Some form of flexible work is here to stay, and organisations continue to find new ways of work that provide them with solutions that are flexible, collaborative, and productive and secure. This article—one of a four-part series examining the future of work in the region—focuses on India.

The series complements Economist Impact’s 2021 global study on the future of hybrid work, “Making hybrid work human”, which can be accessed [here](#).

Key findings

- Indian knowledge workers see huge benefits of flexible work. 65% of respondents report improved productivity with flexible work, with a smaller share reporting improvements in physical, mental, social and physical wellbeing.
- However, most organisations remain tethered to the office. 50% of survey respondents say their employers want them to return to the office full-time and 59% expect no flexibility in working hours after the pandemic.
- Despite some challenges, in the longer term, more Indian SMEs are likely to implement flexible and hybrid models than their larger counterparts.

India moves towards the future of work, even as culture is slow to change

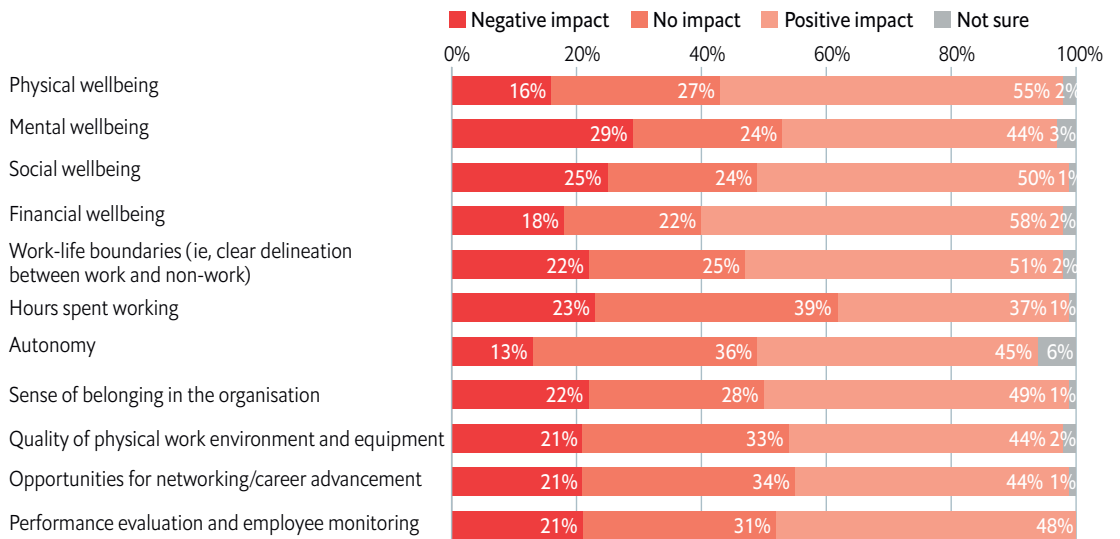
A handy mix of pro-business policies and a diverse pool of highly skilled and educated workers has helped India power the global tech industry. Now, in the wake of covid-19, Indian workers are demonstrating positive perceptions of hybrid and flexible work options, although those sentiments are coming up against resistance from existing corporate cultures.

Strong demand for hybrid work

According to the Economist Impact survey, it’s clear that hybrid and flexible work has won over the hearts and minds of many Indian workers, even as organisations remain sceptical. Overall, respondents considered flexible work models to have positive implications for their physical (55%), mental (44%), social (50%) and financial (58%) wellbeing. Flexible work has also improved workers’ productivity levels (65%) and boosted the overall quality of their work (58%).

Figure 1: Indian workers are positive about the benefits of flexible work

Based on your experience, what kind of impact can flexible work models have on employees regarding the following? (% respondents)



Source: Economist Impact.

These sentiments shouldn't come as a surprise considering the long hours Indian workers spend commuting to work. A survey by logistics firm MoveInSync found that the average office-worker in India spends 7% of their day commuting.¹ Major cities like Bengaluru, Mumbai, Pune and Delhi are consistently reported as having some of the world's worst congestion.² It is not surprising, therefore, that 89% of Indian workers say that less commuting has led to more time for work.

Nayan Parekh, principal at design and architecture firm Gensler, says that issues faced by employees, such as time spent commuting, are merely one aspect of a larger conversation around what the balance between hybrid and in-office work should be.

“The first factor is cultural—whether there is enough desire from a leadership perspective—but the second battle is one around infrastructure,” she says. “We had a Bengaluru client whose employees were struggling with broadband at home—but at the same time, there were huge issues around commuting and, in some cases, [cyber] security risks.”

Tethered to the office

Despite strong positive attitudes towards the benefits of flexible and hybrid work models,

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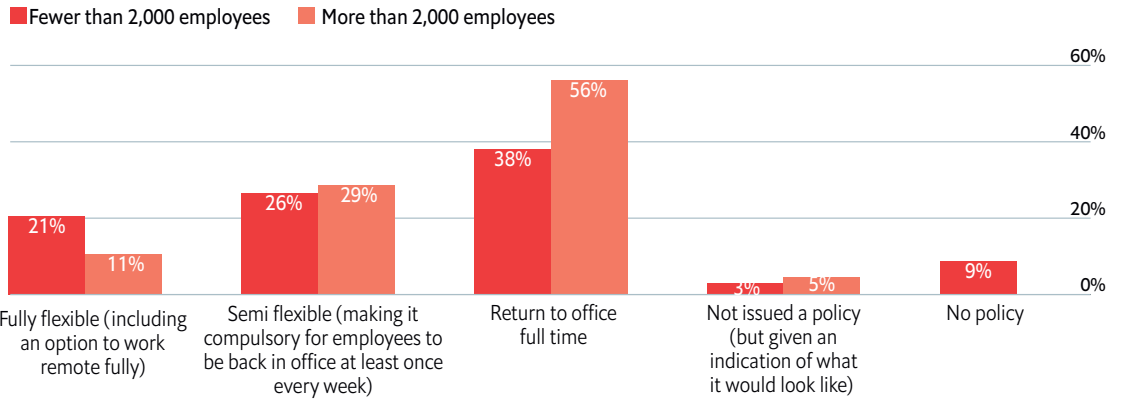
Nayan Parekh, Principal, Gensler

¹ <https://www.businessinsider.in/careers/news/three-in-four-indian-employees-calculate-commute-time-while-taking-up-a-new-job/article-show/73664578.cms>

² <https://timesofindia.indiatimes.com/india/bengaluru-has-worlds-worst-traffic-congestion-mumbai-at-number-4/articleshow/73747725.cms>

Figure 2: Majority of organisations require full-time return to office

Has your organisation issued a policy regarding employees' working arrangements (for instance regarding remote work or flexibility in working hours) for after the covid-19 pandemic? (% respondents)



Source: Economist Impact.

most Indian organisations remain tethered to the office. Half of all respondents (50%) report that their organisations have issued directives for employees to return to the office full-time, while 59% expect no flexibility in their working hours post-pandemic.

That said, Indian companies are outliers compared with neighbouring Asia Pacific countries. Compared with their counterparts in the West and Australia, most organisations in Asia Pacific are generally less likely to implement flexible or hybrid work models. India stands as a bit of an exception in this respect in its enthusiasm among some stakeholders for a hybrid model.

In India, formal hybrid working programs have been mostly limited to IT and IT-enabled services. Most other sectors seem to be mandating getting back to the workplace. However, many cities with company headquarters are migrant cities—Bangalore, Pune, Gurgaon—and employees have returned to their hometowns during covid. “So bringing employees back to the city where the office is has become the first hurdle,” Ms Parekh adds. “What I’m beginning to see in India is a drive to bring people back—kind of reminiscent of pre-pandemic times, like saying we’re going back to normal,” says Ms Parekh. “But it’s not West vs East, it’s more nuanced, because we saw a



Indian SMEs bet on hybrid

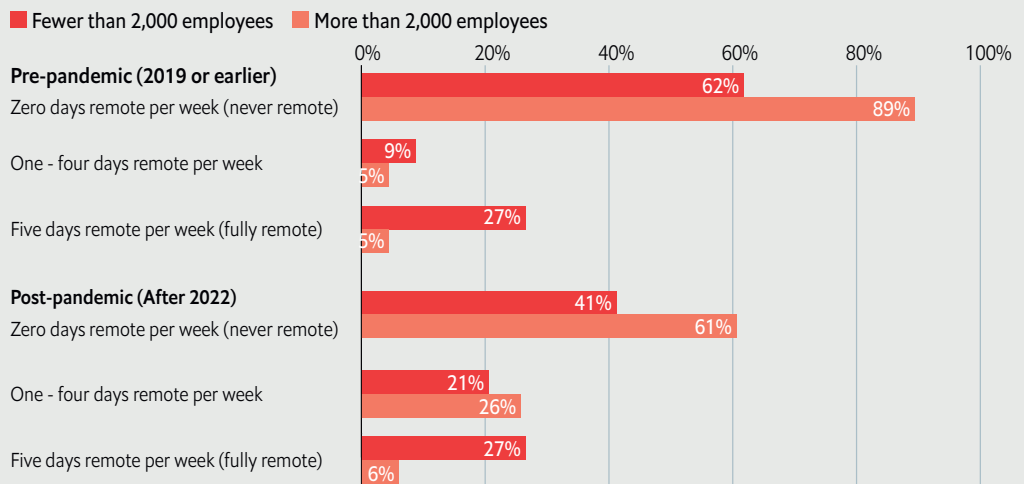
Compared with large companies, small-to-medium-sized enterprises (SMEs) in India are more likely to implement fully flexible work policies (20.6%), and less likely (38.2%) to require their employees to return to the office full-time. SME employees (47.1%) also expect to spend between one to five days working remotely, a far cry from 31.8% of workers from larger corporations.

Smaller firms are also less likely to worry about the impact of flexible working on organisational culture (20.6%). In fact, they are more likely to view it as having a positive impact on employees' sense of belonging (52.9%) and inclusion.

However, SMEs are not immune to the challenges of remote work and, in some cases, may have especially negative perspectives. Around 73.5% of SME respondents claim that a lack of face-to-face supervision due to flexible work creates a sense of distrust between managers and employees, a significantly higher result than those in larger firms (56.1%).

Figure 3: Indian SMEs pin their hopes on changing work models

Considering a typical five-day work week, please indicate how many days you work(ed) remotely, or expect to work remotely, during the following time periods? (% respondents)



Source: Economist Impact.

One reason behind Indian SMEs' positive view of hybrid work may lie in the costs of real estate: across India's major cities, commercial real estate prices have spiked in response to rising construction costs and demand.³ These issues are reflected in the survey findings that unused office space and wasted operational resources (54%) are perceived as a major hurdle to flexible work models for Indian respondents.

³ <https://www.businesstoday.in/magazine/30th-anniversary-special/story/how-the-real-estate-sector-is-set-to-gain-despite-covid-19-321700-2022-02-17>

Figure 4: India’s current technology stack is capable of supporting flexible work

To what extent does your organisation’s current technology stack support the following work processes? (% respondents)



Source: Economist Impact.

very high demand for hybrid work in a number of countries in Asia Pacific.” While the senior management and people managers want people back in the office, the employees want the option of a more flexible hybrid arrangement, she says.

Flexible work models may yet triumph among Indian companies, which are demonstrating more willingness to experiment than their more conservative neighbours in East and South-East Asia. While most Indian workers will be returning to the office full-time, more than a third (37%) expect to spend some of their week working remotely, while 42% of organisations have

issued semi- to fully flexible work policies. These numbers mark a significant change from pre-pandemic times when only 18% of workers could access remote work, and semi- to fully flexible hours were available to a mere 22%.

Outsourcing experience supercharges India’s flexible work experiment

Home to a large, highly skilled and English-speaking workforce, India’s outsourcing industry—its biggest exports are tech-related services—is still growing.⁴ As a result, Indian workers are experienced in hybrid and flexible



⁴ <https://www.statista.com/outlook/tmo/it-services/it-outsourcing/india>

work, and the associated tech infrastructure is in place. This could further bolster the case for hybrid work models among organisations, especially as the digitalisation of the global economy deepens.

Overall, survey respondents rate India's existing technology stack as being more than capable of supporting hybrid and flexible work processes—from virtual collaboration to cloud-based file sharing—with average local sentiments more in favour than regional averages. These findings are consistent with other studies that have found that Indian workers are more “well-prepared” to work remotely than their global counterparts.⁵

While Indian organisations still need to improve access to high-speed internet (51%) and facilities and office management technologies (45%), hybrid and flexible work seems an inevitable part of their future.

Conclusion:

With the onset of the pandemic, all markets covered in this research quickly moved first to fully remote, and then to hybrid and flexible work models. A majority of knowledge workers feel positively about the benefits of hybrid work, be it in terms of their physical, mental, social or financial wellbeing. However, company policies on return to office depend on their size and vary widely between countries. Some are using flexibility as a way to retain talent and manage real estate costs, but many others are calling their employees back to the office full time.

As organisations develop policies around new ways of work, experts highlight the need for strong leadership that is focused on creating a work model that is inclusive and agile, ably supported by capable infrastructure.



⁵ <https://www.expresscomputer.in/news/most-indians-prefer-to-work-remotely-atlassian-survey/81591/>

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