THE FUTURE OF WORK

Contents

INTRODUCTION

Globally, the past 18 months have transformed the social, economic and business landscape. This has thrown up multiple challenges but also created new opportunities. Business resilience, planning and decision-making under tough circumstances has pushed corporate leaders to think differently, realign themselves and unlearn and learn new things every day.

The disruption seen during this period is unique: demand and supply were simultaneously affected, as was the one fundamental factor that constitutes any business: its people. Technology has gained an even more formidable position, both in industry and in the lives of the people that run it. As a result of all this, work and the work-place are transforming, and in turn, this is reshaping organisational culture.

Where is the world of business headed? How are organisations thinking about returning to any form of normalcy? IMA India and Google Workspace undertook a collaborative research project to examine some of these issues. Through a combination of secondary research and almost two dozen CXO interviews, we delved into the complex challenges and longer-term shifts that are underway.

The focus of this study is the future of work, the workplace and how people issues fit into the evolving business framework.

**CHAPTER 1: BUSINESS PROSPECTS, PRIORITIES AND CHALLENGES**

For businesses, the pandemic has accelerated the path towards a new normal. Many organisations have had to re-evaluate how to cope with existing as well as emerging challenges. At a primary level, leadership and business imperatives have shifted, in many cases radically. But a pandemic-stricken world has also created myriad new opportunities.

> "*Technology has emerged as perhaps the key enabler of growth across sectors, and Covid-19 has sped up the 'Fourth Industrial Revolution'*"

Technology has emerged as perhaps *the* key enabler of growth across sectors, and Covid-19 has sped up the 'Fourth Industrial Revolution.' Tech companies like **Birlasoft, CSS Corp, Concentrix** and **Coforge** have seen rapid demand growth in the last few quarters, which they expect to sustain over the medium-term. Digital adoption, in their view, is accelerating at a pace 'like never before.' Indeed, the **CK Birla Group** estimates that its tech investments, already underway, have grown multi-fold since the start of the pandemic. In this new world, organisational success and digitisation will mainly go hand-in-hand.

[1] IBM, "Find your essential: How to Thrive in a Post-pandemic Reality"

As the CXO of a **leading recruitment company** pointed out to us, **'the factors of production are no longer land, labour and capital but mindset, leadership, entrepreneurship and technology**.' Studies confirm that technology adoption, from being a 'nice to have,' is now fundamental to seizing market opportunities and delivering results. Indeed, most CEOs regard technology and digitisation as their number one priority[1]. The Internet of things (IoT), cloud computing, and artificial intelligence (AI) occupy a central position in leaders' minds.

> *"Data has become the 'new oil' and data-related regulation is on the rise, posing significant challenges to how businesses operate "*

Technology's role in shaping and driving large businesses is well known but its reach extends across the entire business ecosystem. Some estimates suggest that in almost all occupations, **50% or more of work activities can be automated[2]**. A recent study finds that **in India, digitally-engaged SMBs are on average able to generate twice the revenue growth as that of 'offline' SMBs[3]**.

Digital platforms facilitate information flows and conversations across the business. For many firms, they also help build scale, overcome supply-chain issues and access new markets. For instance, in the last 18 months, a major India-based e-Commerce platform has seen 5x revenue growth – with rising profitability – by enabling smaller enterprises to reach their customers more easily.

Digital's Impact on Revenue Growth
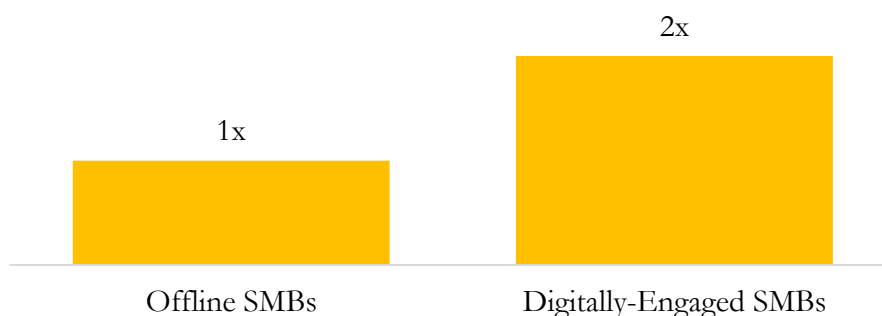
Source: *KPMG India*

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[1] IBM, "Find your essential: How to Thrive in a Post-pandemic Reality"
[2] McKinsey Global Institute, "Jobs Lost, Jobs Gained: Workforce Transitions in a Time of Automation"
[3] KPMG, "Impact of Internet and Digitisation on SMBs"

Regulation is the other big game-changer, moving up from fifth place in terms of CEO priorities 15 years ago to second place today. Globally, there is a sharpening thrust on anti-tax avoidance, with national tax authorities exchanging information on an unprecedented scale. Added to this, with the recent G20/OECD agreement, there is support for a global minimum corporate tax rate. Meanwhile, with data becoming the 'new oil,' **data-related regulation is on the rise, posing significant challenges to how businesses operate.**

Europe's GDPR law and India's draft Personal Data Protection (PDP) bill have a direct bearing on how companies process, store and use data. They also require detailed compliance in terms of data audits, and require organisations to take a privacy-by-design approach. As a new 'winner-takes-all' reality emerges, anti-trust action is set to intensify, and **compliances in general will become more onerous**.

In India specifically, there is a welcome move to streamline the existing environmental, safety and health (ESH) rules and the multiplicity of labour-related laws. This will result in a short-term rise in compliance requirements but in the longer term, will change how businesses interact with employees, customers and partner organisations.

At another level, **a new era of geopolitics, marked by intensifying China-US rivalry, is exerting a profound impact on business**. For companies operating in India, this is visible in a deepening strategic partnership with America and the emerging Australia-India-Japan-US Quadrilateral Security Dialogue (or 'Quad'), both of which are viewed – particularly in China – as a counterbalance to China's rising ambitions.

Coinciding with this is **the rise of populism and economic nationalism**, which has, in recent years, put a dampener on the once seemingly-unstoppable march of globalisation.

Supply-chain disruptions during the pandemic have added to this mix, causing businesses to re-examine their trade and investment strategies. For instance, the automotive sector, which has seen a sharp demand-recovery following a slump in 2020, now faces serious supply-side issues in the form of a global chip shortage. At the same time, **these factors have created opportunities to benefit from 'China+1' business models**, especially in geographies like India.

India's GDP Growth
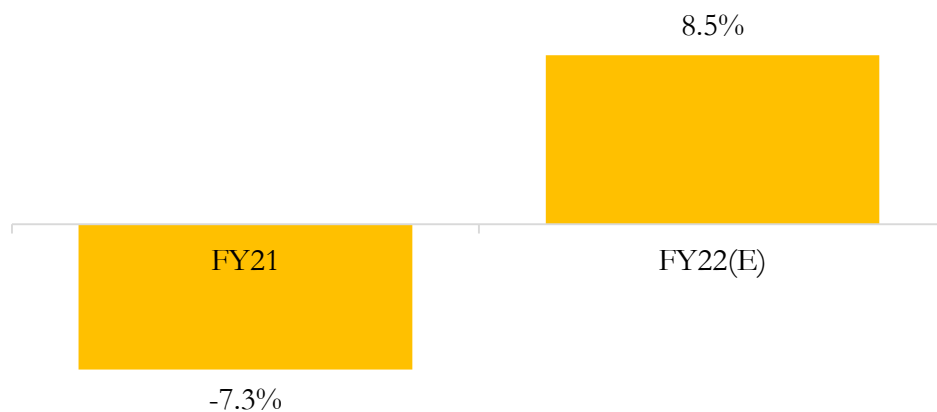
* FY22 - IMA India Forecast

From a macro-economic perspective, **growth is returning fast but capital spending remains shallow**. In India, the main lead indicators have pointed upwards for much of 2021 and IMA currently projects GDP growth of 8.5% in fiscal 2021-22, up from -7.3% the previous year.

Recent editions of IMA India's quarterly business-confidence survey indicate rising expectations for revenue and profit growth this fiscal and **most businesses report that they have already achieved or are close to demand 'normalcy' relative to pre-Covid levels**.
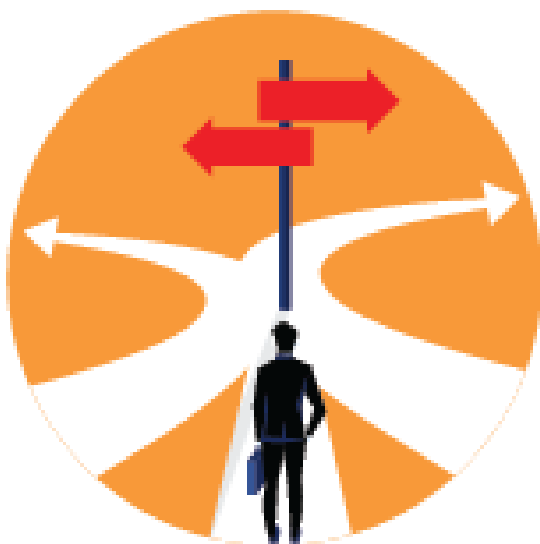
Our CXO interviews confirm that **growth is recovering much faster than expected**, with a few exceptions. Travel and hospitality, for instance, were among the sectors worst-hit by the pandemic and continue to lag the broader economy.

> " *Flexible partnerships and the ability to variablise costs will help drive growth and profitability in the medium-term* "

With international travel restricted, airports and allied services (such as retail shops) are operating below capacity but domestic travel has picked up. Still, airport operators such as the **GMR Group** continue to press ahead with major greenfield projects.

Most CEOs echo the growing need for flexible partnerships, and a report by a global management consultancy[4] indicates that over 90% of business leaders believe that their 'way of doing business' will change fundamentally in the next five years. Auto giant **Maruti Suzuki** is collaborating with **Toyota** not only in terms of marketing/cross-selling, but also on future technologies. The auto industry as a whole is trying to move towards new, rental/subscription-based business models.

Going forward, innovation and strategic business partnerships will move in tandem. Market competition is intensifying, and no one knows from where – whether from an established player looking to diversify or from a garage-based start-up – the next big disruption might come.

Globally and in India, **there is a growing awareness around climate change and related challenges**. This has intensified the focus on ESG (environmental, social and governance) issues. Consumers and employees look to the organisations they interact with, to demonstrate not just a commitment towards sustainability but also a purpose-driven approach.

Clearly, sustainability has acquired both strategic and marketing significance and, particularly since the pandemic hit, business leaders are incorporating it into decision-making.

Businesses are also taking a new approach to cost structures, in order to become nimbler and more responsive to changing market conditions, such as by **working with technology partners to variablise costs**.

While most leaders are looking to prioritise their core competencies, mitigate risk and focus on resource utilisation, they agree that innovation and partnerships will be central to their future success. McKinsey's analysis suggests that, post-crisis, innovative companies will vastly outperform other businesses.

Close to 90% of CEOs are focusing on sustainability, and *nearly everyone* is more focused than ever on the 'social' aspects of ESG[5] – **diversity, equity and inclusion**. In the years ahead, ESG compliance will become a hygiene issue for most companies, but what will ultimately attract and retain customers and employees is the ability to convey a sense of broader purpose for the organisation.

> " *Sustainability has acquired both a strategic and a marketing significance. Increasingly, it is getting factored into decision-making at the very top of the organisation* "

[4] McKinsey & Co, "Covid-19: Implications for Business"
[5] KPMG, "2021 CEO Outlook Pulse Survey"

Turning the focus back inwards, the pandemic has upended – perhaps permanently – the world of work, workplaces and organisational culture.

Arguably, this will be the single biggest challenge businesses will have to contend with, at least in the near term. Business mobility has been restricted in the past 18 months, prompting organisations to find smarter ways to deploy resources.

Business leaders have been pushed to think and act differently and they continue to struggle with challenges around organisational culture and employee engagement.

While the first wave of Covid-19 proved that work from home (WFH) is sustainable, from the second wave on, productivity dropped, creativity, brainstorming and networking suffered, engagement levels fell and attrition increased.

Our interviews confirm that **employees are the *one* constituency that has not fully been able to take Covid in its stride, or to reach a new post-Covid equilibrium**. They are struggling with excessive WFH but many are finding it difficult to return to office, having 're-settled' their work-life balance.

At another level, **they are seeing new job opportunities** – in many sectors, the war for talent is the worst it has been for years – but are struggling to find a sense of belonging in a remote-work environment.

Attrition has become a serious challenge everywhere, but particularly so in certain segments – IT workers, and, within healthcare, the nursing segment.

The net result of all this is that **organisations face a genuine threat to their culture getting eroded. This may be the one question to which CEOs and other business leaders have no clear answers.**

HR issues will remain at the epicentre of many of the day-to-day challenges facing organisations today. Digital transformation/tech adoption is a part of the 'solution' but the way humans work and the way businesses *need them to* are both changing.

As the subsequent chapters of this report demonstrate, **work is no longer 'a place to go to' but 'a thing to do'**.

Where work occurs is not just in the office or the shop-floor but in a much wider, often amorphous space. One's 'time at work' is no longer linear or fixed.

"
Corporate India and its leadership have demonstrated exceptional resilience, finding ways to take Covid in their stride. However, there is a now a genuine threat of organisational cultures getting eroded. "

IMA's collaborative study with Google Workspace, based on extensive discussions with CEOs, CFOs, COOs and CHROs of leading companies in India, examines the remarkable shifts that are underway in how and where work gets done – and tries to suggest a way forward.

IMA

CHAPTER 2: THE FUTURE OF WORK AND WORKPLACES

Compared to the pre-Covid world, where an individual's physical presence was the norm and opportunities to work remotely were viewed as a perk, today's businesses have been forced to become location-agnostic. A general consensus is emerging that remote-working is quite sustainable. For many positions, hybrid work has either already become the norm, or soon will be.

> " *Remote-working is not just unavoidable but also quite sustainable. Hybrid work has either already become the norm, or soon will be for many positions* "

Our interactions with clients, and a recent IMA India survey[6], indicate that **hybrid models are here to stay**. In time, the focus may even shift from *managing* WFH to *leveraging* WFH. For instance, as of July 2021, the average company had 48% of its workers fully working from home and another 31% doing so a partial basis.

Respondents expected these ratios to decline over the following 12 months to still-high levels of 21% and 27%, respectively. Expectedly, services companies – particularly IT and ITeS – have higher-than-average WFH shares, both currently and projected. However, even manufacturers on average expected ~15% of their workforce to work fully from home, and 22% partially, a year down the road. This suggests that **most firms are more open than ever to flexible models**. Tellingly, even industrial behemoths like **Maruti Suzuki**, which previously had a strictly work-from-office culture, find that hybrid models work well for several of their white-collar functions.

WFH shares: Current and Forecast

Full	Today	48%
	In 12 months	21%
Partial	Today	31%
	In 12 months	27%

Source: *IMA India's Q2FY22 BCPI Report*

[6.] IMA India's quarterly Business Confidence and Performance Index (BCPI) survey, Q2FY22 edition

With well-defined KPIs in place, they will continue to permit WFH in select functions/departments. In the longer term, this could profoundly impact urban economies, transportation systems and consumer spending, among other things. It may, for instance, prompt a large-scale migration away from large cities towards the suburbs and smaller towns.

> **"** *Location flexibility has become a prime factor for attracting talent, including women who may have left the workforce because of family obligations* **"**

Productivity has held up thus far…

On the whole, the WFH/hybrid experience has been positive with regard to productivity and employee engagement. Especially in the initial months of the pandemic, workers put in longer hours and there was significantly less absenteeism than pre-crisis.

A major 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. Hybrid work has also enabled access to non-traditional talent pools, such as those residing in smaller towns, where companies may not even have an office.

Location flexibility, in fact, has become a prime factor for attracting talent, including women who may have left the workforce because of family obligations, but are able to work remotely. For a host of businesses, these benefits have reduced or even eliminated the need to return to office; some have given up real estate , anticipating that a reduced share of employees will come in regularly.

An October 2020, IMA India survey found that the average company planned to reduce its workspace requirements by 10.8%, and that 13% of companies intended to reduce it by 25% or more[7].

At a global level, 70% of CEOs say that WFH has had no negative impact – or may have even increased – productivity levels[8]. Our discussions with member companies from a wide range of industries appears to confirm this view.

In particular, roles that require cognitive thinking and independent/project-based work have seen a productivity boost, with employees better able to manage their time and energy. Not having to make a long daily commute has been a blessing for many. For the **GMR Group**, online meetings have sped up decision-making by eliminating the 'time lag' involved with setting up and following-through on physical meetings.

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[7] IMA India, "The Q3 FY21 Business Confidence and Performance Index Report"
[8] Fortune and Deloitte, "2021 Fortune/Deloitte CEO Survey"

Meeting briefs are shared ahead of time, and decisions – rather than getting pushed back – are taken on the spot. For **Max Life Insurance**, online agent-advisor meetings have proven highly effective, and productivity-enhancing. Like most businesses, **Vedanta** began to run its Board meetings online out of necessity, but finding the practice to be quite efficient, intends to continue it.

For many businesses – from tech providers such as **Concentrix** to diversified conglomerates like the **Aditya Birla Group** – what helped maintain productivity in a WFH setting were the technology investments they had made prior to or at the start of the pandemic.

These range from unified, cloud-based dashboards and collaboration suites such as Google Workspace, to sleeker digital customer interfaces (both B2B and B2C), supply-chain automation and the use of analytics at every point along the value chain. In some cases, tech investments have been part and parcel of a broader shift in the business model.

> *Future technology investments will need to be tightly aligned with emerging work-flows, processes, supply chains and customer needs*

Fortis Healthcare and **CK Birla Healthcare**, for instance, quickly saw the need to enable safe access to its healthcare services and consequently, moved into tele-medicine in a big way.

Going forward, issues around productivity – and the associated technology investments – may need to be carefully examined in the context of changing business models and the reality of hybrid work.

In particular, they will need to be tightly aligned with new or emerging work-flows, processes, supply-chains and customer needs. Beyond a point, however, some industries (e.g. financial services) may be more amenable than others (e.g. construction) to 'digitisation.'

The future of hybrid: A choice rather than a necessity

For now, remote/hybrid work is often a necessity but it may soon become a choice. However, the *degree* to which businesses are able to institutionalise such models depends on the nature of the work but also the peculiarities of each role. **InfoEdge**, for instance, estimates that ~70% of all of its meetings, particularly those of a transactional nature, can continue to be run online but the remaining ~30%, which involve brainstorming and creative/collaborative work, are better done face-to-face. To an extent, it will also be influenced by personal choice.

At one extreme, factory jobs, or those that require physical interaction with clients, cannot be performed remotely. In some sectors, regulatory constraints or end-client requirements – such as where employees handle sensitive data or where offices are located in Special Economic Zones – also limit the scope for remote work. At the other extreme, certain jobs – particularly higher-management roles, or ones built around independent delivery – have almost no locational constraints.

Finally, there are roles that fall between these two book-ends: ones that demand a certain level of physical interaction, and which therefore are suitable for hybrid (2-3 times a week in office) work in its purest sense.
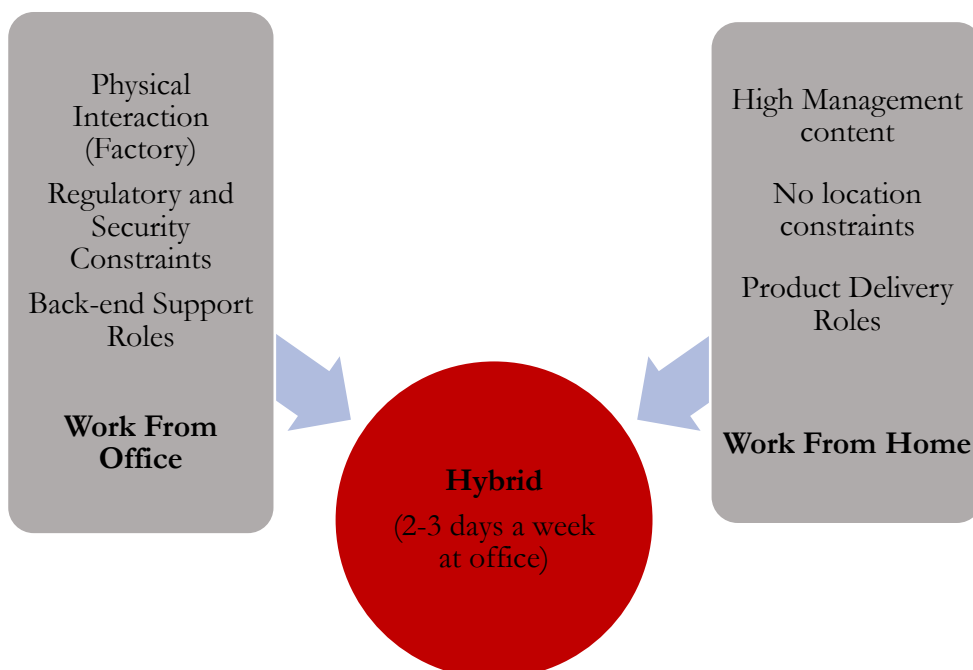
While strategising around their future work models, organisations will need to ensure that these align with employee expectations. Internal surveys run by our member companies, including **EXL**, indicate that the workforce is fairly evenly split between three groups, though in some companies, there is a markedly stronger (75:25) preference for WFH.

The first are those who would like to come into office virtually every day. The second, which includes people who may have returned to their home towns during the pandemic, prefer to work entirely from home, and in many cases from a different geography. The third group falls in the middle: those who seek the flexibility of coming in perhaps 2-3 days a week.

The problem is that there is often little or no correlation between *the type of work arrangements an employee wants* and the *roles to which they are assigned.* This may require companies to re-align their talent internally to match jobs with personal preferences. **The change-management issues this will create are likely to prove significant.**

Varied approaches on 'return to office'…

Companies are adopting varied real-estate strategies as they prepare for a more 'hybrid' future. Some are giving up space in anticipation of a smaller average headcount, while others are retaining the current footprint but provisioning for fewer workers and thus greater social distancing.

> "*There is often little or no correlation between the type of work arrangements an employee wants and the roles to which they are assigned*"

What some companies, including **CSS Corp** and **Concentrix**, are *additionally* doing is to set up or lease satellite centres, including in smaller towns where they employ remote workers. These spaces are often designed as community hubs, allowing workers to enjoy all of the facilities offered in a typical office setting – IT security, power backup, internet access, etc – without having to move cities to join/re-join one of the company's main offices.

…and re-thinking the workplace

Regardless of how many (or how few) workers eventually return to the office, many workplaces will need to be re-designed. For their part, leaders will need to stay flexible and truly *listen* to what employees are saying about their own needs/requirements. The ideal is for the workspace to be in sync with the broader operating model in terms of size, number of desks, layout, etc.

The ideal is for the workspace to be in sync with the broader operating model in terms of size, number of desks, layout, etc. What are, in many cases, make-shift approaches to workplace design will have to transition to more planned approaches, keeping in mind some macro-levels priorities:

- **Safety must be the highest-priority metric:** A systematic approach to disease-prevention is critical. This may include, for instance, a touchless interface at receptions, anti-microbial surfaces, desks that are 6 feet apart, better ventilation systems and interactive food-management processes.

  Airlines like **IndiGo** and airport operators like **GMR** are relying on automation, including rapid baggage synchronisation, facial recognition systems, queue management, automated check-ins etc, not only to raise productivity but to reduce the need for physical touchpoints.

- **Companies will need to balance individual and team needs while rethinking productivity:** Multi-modal and ancillary spaces can add an 'oomph' factor to offices and promote social engagement and collaboration. Fixed-design elements such as walls and defined seating arrangements will need to go.

- **Offices will need to morph into spaces of inspiration and serendipity:** By building community-driven cultures, business leaders will foster a sense of belonging and resilience in the future workforce. Pods and booths, coffee-work spaces and terrace-gardens can become points of work and socialisation.

- **In some cases, offices will also serve as a welcome 'alternative' to the home-office:** An internal campaign at **InfoEdge** encourages employees to 'Take a break from WFH.' The company projects the office as a place to meet and connect, and additionally, teams are bonding over tea/coffee during in-person catch-up sessions.

- **Flexibility will be the guiding principle for office design:** Research by Steelcase suggests that in India, workplace utilisation rates are as high as 1.67x over three shifts, but this may need to change. At a holistic level, business leaders will need to rethink their assumptions about what makes for an 'effective' workspace.

CHAPTER 3: MANAGING THE WORKFORCE OF TOMORROW

As the previous chapters explain, the dynamics of the workplace are transforming. The shape and character of the workforce itself is rapidly evolving, with Gen-Zs (those born after 1996) increasingly coming into prominence.

What this means, especially in a cloud-based world of work, is that driving innovation and collaboration will be major challenges. So will building and preserving organisational cultures while ensuring high levels of productivity. Over 70% of executives believe that a fundamental workforce/talent transformation is underway[9]. Thus, while companies focus on finding a new 'equilibrium', it is essential for them to stay agile and adaptable.

Evolving employee expectations

For now, the spotlight for most companies is on business continuity and growth. However, shifting employee expectations, ambitions and perspectives must also form a vital part of the planning matrix.

> " *Particularly for younger generations, work is not a 'place to do' but a 'thing to do'* "

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[9] Deloitte, "Future of Work 2021 - Learnings from the Covid 19 Impact"

Younger workers expect more from their employers and are also less optimistic about the future than older generations – particularly Gen-Zs. According to a 2017 study, **over 60% of people globally believe that stable, long-term employment is endangered**[10]. Gig employment is fast replacing full-time work, and Indians in particular are looking to a future based around free-agent structures. Millennials and Gen-Zs are less 'passive' than older generations were.

They are more aware – and far more concerned – than their parents about issues around sustainability and equity. A Deloitte study[11] found that **fewer than 50% of younger workers believe that businesses have a positive impact on society**. They are also deeply concerned about rising inequality.

As a result, diversity, equity and inclusion (DEI) have gained a central focus in strategic planning – and this has only intensified since the pandemic began. **Vedanta**, for instance, has long prioritised the issue. Currently, 20 of its 200 top leaders are women, and it aims to achieve gender-parity in the years to come.

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[10] PWC, "Workforce of the Future: The Views of 10,000 Workers"
[11] Deloitte, "A Call for Accountability and Action: The Deloitte global 2021 Millennial and Gen Z Survey"

Lifestyle changes/imbalances resulting from the pandemic have affected how people think and respond to different situations. Research indicates that vulnerable and diverse groups, including women, minorities and those who identify as LGBTQ+, have had the hardest time balancing work and home[12]. Mental health issues are rife, particularly in developing countries like India. Across age groups – including within the Millennial and Gen-Z cohorts – **women report much higher levels of stress than men, both pre- and post-pandemic**.

> "*Vulnerable and diverse groups, including women, minorities and those who identify as LGBTQ+, have had the hardest time balancing work and home*"

A post-Covid survey[13] highlights major gaps in employer and employee perspectives. By and large, organisations believe that they are empowering their people through skill development, robust expectations-management, clear guidelines for workflows, and that they are supporting their physical and emotional health. Most employees believe the opposite.

Today, most companies in India, and especially large conglomerates such as the **Adani, Aditya Birla** and **Reliance** groups, are discovering that must manage multi-generational workforces with varied expectations and world-views. Gen-Zs, they find, typically do not want to be 'boxed' into any single area of expertise and, above all, demand flexibility in their work.

> "*Gen-Zs, typically do not want to be 'boxed' into any single area of expertise and, above all demand flexibility in their work*"

However, it can be a challenge for larger, more structured businesses to absorb, grow and retain young minds in this changing environment. So is getting older workers to adapt and embrace new technologies. At the same time, employee loyalty and engagement have been steadily eroding – a trend that accelerated in the last 18 months.

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[12] McKinsey & Co, "Diverse employees are struggling the most during COVID-19 - here's how companies can respond"
[13] IBM, "COVID-19 and the future of business"

Some possible solutions to these multiple dilemmas include:

- **Enhancing skill-development and training**, particularly at the bottom of the age-pyramid. Done right, this can help build a sustainable human resource base for the longer term. Companies such as **Accenture** have invested heavily in intuitive, hyper-personalised, cloud-based learning platforms that offer courses, games and case-study content that aid learning and development.

- **Strengthening the overall employee value proposition (EVP)** and – equally – bolstering the EVP offered to specific target groups. The **CK Birla Group**, for instance, is bolstering its mentorship programme for young talent, and including them in its leadership/governing councils.

- **Bringing a stronger focus to issues around DEI.** An IMA India study[14] finds that the most progressive organisations not only have a dedicated D&I function, but also a formal D&I policy and specific reporting around this issue. This is strongly correlated with improved business and HR outcomes (see table below).

- **Communicating regularly and deeply** through multiple channels.

- **Deepening employee engagement** through carefully vetted initiatives – though this can be a double-edged sword. For instance, most companies now run large (even global) town-halls, attracting hundreds or thousands of participants. Yet, while *participation* is up, this often comes at the cost of meaningful *interaction and inclusion*.

- **Dedicating more resources to employee health, safety and well-being, particularly mental health. CSS Corp**, for instance, has worked to foster positive employee engagement through two initiatives: CHEER (Communicate, Highlight accomplishments, Energise teams, Engage employees, Recognise achievements) in 2020; and the SAFE (Support, Awareness, Facilitation, Emergency) framework in 2021.

[14.] IMA India's 2019 Diversity & Inclusion Benchmarks Report

- **Investing in HR-focused predictive analytics**. New AI-based systems can provide insights on performance and behavioural parameters, and can help predict an employee's likelihood of leaving the organisation – or even the right timing for a promotion.

- **Accelerating tech adoption across the workplace.** In a hybrid/remote environment, technology can help employees stay connected, collaborate better, make the most use of their time and be more productive.

Today's cloud-based tools are designed to fade into the background, handle routine and repetitive tasks, or eliminate the need to perform them in the first place, letting employees get to the core of their jobs faster.

What impact do D&I initiatives have?

Areas where D&I initiatives had a visible, positive impact…	Companies that have set up…		
	Dedicated D&I Function	**Formal D&I Policy**	**D&I Reporting**
Employee engagement	✓	✓	✓
Employer branding	✓	✓	✓
The company's market reputation/brand value	✓	✓	✓
The firm's competitive advantage	✓	✓	✓
Customer alignment	✓	✓	✓
Overall attrition	✗	✓	✗
The company's reputation among regulators	✗	✗	✗
Attrition among minority groups	✗	✗	✗
Firm-level profitability	✗	✗	✗

Source: *IMA India's 2019 Diversity & Inclusion Benchmarks Report*

Collaboration: driving future business performance

In a purely physical work-space, collaboration is easy enough to achieve. Ironically, it is often just as easy to achieve in a purely *digital* environment – though there are exceptions, such as where a project hinges on continuous, dynamic, creative interaction. It is in the grey zone of hybrid work – where some team members might meet physically while others join in virtually – that companies are struggling.

Key Drivers in Workforce Management

Driver	Score
Fostering a positive workplace culture	100
Enabling & better recognising performance	94.7
Stronger employee engagement measures	93.5
Making jobs more meaningful	88.9
Providing greater work flexibility	83.7

Source: *IMA India's FY22 Attrition Benchmarking Survey*

Going forward, this could prove to be one of the defining challenges of the 'phygital age' – because collaboration lies at the heart of business performance. Importantly, it is also what younger workers *seek* from their jobs: one study found that 74% of millennials value collaboration, especially in small groups[15] .

More than ever, it is not individual performance but collaboration and team-work, complemented by a flexible approach to business, that will drive organisational success. Flexibility enhances employee productivity, feelings of well-being, and ultimately, business outcomes[16].

[15] Inc., "The (Millennial) Workplace of the Future is Almost Here - These 3 Things are About to Change Big Time"
[16] Google Workspace, "Create What's Next: The future of collaboration and productivity"

The goal, for most organisations, is to build an eco-system of complementary talents and skills – or, as one of the CXOs we interviewed put it, a football team rather than a cricket team.

In football, players rely on other's specialisations and expertise. The person who passes the ball after negotiating several obstacles is just as vital as the goal-scorer.

A winning team moves forward under a common vision. In contrast, in cricket, a stand-out individual performance can – and often does – win matches, regardless of how the team as a whole has done.

> "
> *What many organisations are looking to build are a 'football team' rather than a 'cricket team'* "

Advancements in technology offer viable solutions to many of the issues around collaboration. Platforms such as Google Workspace act as powerful drivers of change, enabling new, more streamlined ways of working.

For instance, they reduce emailing and other 'busywork' (work that has already been completed, but continues to occupy team bandwidth), enable teams to quickly connect over messaging/video platforms, eliminate version-control issues and remove the need to toggle between multiple apps. (On average, employees switch between business apps and tools 25 times a day[17] – and over 70% of employees regard email as one of the biggest drains on their productivity[18].)

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[17] Asana, "Anatomy of Work Index 2021"
[18] Mail Manager, "The Email and Document Usage Management Benchmark Report"

This saves precious time on a daily basis, adding up to a lot of time cumulatively each year. A 2019 survey found significant gains in employee efficiency, over a three-year horizon, from using the platform[19], as well as a positive cost-benefit trade-off. Real-time, collaborative environments such as these enable active, positive interaction, which increases overall productivity and reduces or eliminates downtime as well as maintenance requirements.

Performance management

Covid-19 has shifted the goal-posts on performance management, moving it increasingly from effort-based to output-centric metrics. At the same time, there is a new focus on empathy, with employers discarding the idea of 'productivity by policing.' Monthly/quarterly reviews and one-on-ones with direct reportees remain de rigueur, but 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.

Organisational culture

The other big challenge stemming from remote/hybrid work – and one that is less amenable to tech solutions – is the ability to build and maintain an organisational culture. As companies have discovered, technology has enabled once purely-physical activities, from recruiting and on-boarding to training, to be moved seamlessly online.

Where the complications begin is when employees settle in for the long-haul. Online meeting platforms such as Zoom or Teams, though efficient in terms of running meetings and getting core tasks done, lack a certain realism.

There are limits to how much peer bonding can happen over a video call, or the degree to which one can drive loyalty towards and engagement with the organisation. On a related note, many employees believe that there are now 'too many online meetings.' Burnout and 'Zoom fatigue' are very real issues. In response, some companies, including **Max Life Insurance**, are cutting back, and even declaring one day a week to be 'a no meeting day.'

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[19] Google, "The Total Economic Impact of Google Workspace"

Carrying a common company vision, mission and culture across different, geographically dispersed work environments is a priority for nearly any business leader. But it is easier said than done. Larger businesses with multiple verticals tend to have touchpoints around the country for both remote and on-site activities.

The nature of the workforce/workplace today, with irregular workflows, varying working conditions and vastly different expectations, make it a challenge to ensure consistency in how messages get delivered and how culture gets built and communicated.

Technology can help only to a degree when it comes to plugging the gaps and ultimately, it comes down to strong, continuous engagement, including physical interaction.

About This Research Exercise
This research paper is developed by IMA India in collaboration with Google Workspace and is based on conversations with CEOs, CFOs, COOs and CHROs of Indian and foreign companies, as well as desk research carried out by IMA's in-house team. The paper is meant for the exclusive consumption of IMA's Peer Group Forum members and Google's clients, and may not be copied, shared or distributed without explicit permission.

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ABOUT GOOGLE WORKSPACE

Everything you need to get anything done, now in one place: introducing Google Workspace. Whether you're at home, at work, or in the classroom, it's the best way to create, communicate, and collaborate. Google Workspace seamlessly brings together messaging, meetings, docs, and tasks—all built with trusted Google security and running on the cleanest global cloud. Familiar tools; fewer distractions; more time to make it happen. https://workspace.google.com/

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