

The Impact of COVID-19 on the Future of Work

THOUGHT PAPER

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REGARDLESS OF THE INDUSTRY, THE PANDEMIC HAS ACCELERATED CHANGE WITH RESPECT TO REMOTE-WORKING AND INNOVATION ACROSS ORGANIZATIONS.

In 2020, when COVID-19 spread across the world, most of us were caught unawares. While many, including Indian and US-based organizations, knew about the novel virus, almost no one expected the disruption it caused. Even as its impact became more widespread, one only imagined that the virus could turn into a potential barrier for international travels or if worse comes to worst, a huge revenue hit for companies that had any presence in China. **Little did we know that the virus would force us to completely transform our lives and with it the way we work. Forever.**

Close to 2 years since, organizations and their leaders continue to be pushed into adopting new approaches and strategies to maximize their workforce and as a result, their businesses.

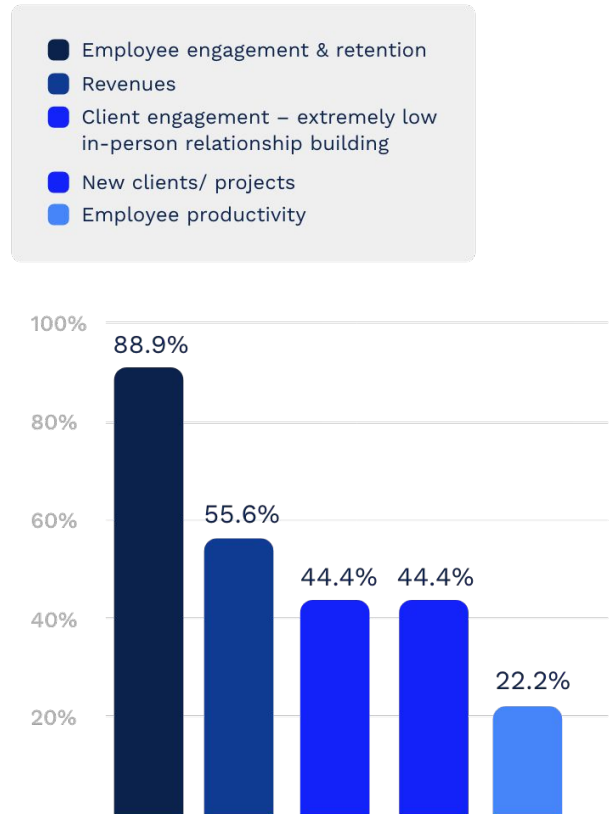
One of the most obvious effects of the pandemic has been the global shift to remote work. Barring the initial challenges, organizations and employees have slowly but successfully found their rhythm while working out of their homes.

This shift has challenged global notions of efficiency and productivity. For many established Indian companies, for instance, work-from-home was always in the pipeline, something to be explored in the future but had never been fully implemented due to fear of reduced employee performance. The pandemic has been persuasive enough to help organizations realise that the fear is unfounded from a productivity perspective.

To better understand the long-term impact of COVID-19 on employees, work, and business, we surveyed leadership members across multiple functions and industries. A few key insights emerged from our analysis that not only confirmed some of our hypotheses but also provided us with unique perspectives on how organizational leaders view work in the post-COVID world.

Employee engagement and retention, not revenue, has been viewed as the factor which has been the most impacted due to COVID19.

FIGURE 1
WHICH ASPECTS OF THE ORGANIZATION HAVE BEEN HIT THE HARDEST THUS FAR?



While **88.9% of the leaders** surveyed say that COVID has deeply impacted their organizations, the same number also agreed that employee engagement and retention have been affected the most. No doubt, revenues for organizations did take a hit but the sheer organizational unpreparedness with respect to employee engagement is what forced leaders to rethink their talent practices and focus on creating a more flexible and acceptable working environment. In the initial stages of the pandemic, many companies treated remote-working as a short-term solution, unavoidable due to the gravity of the situation. However, the crisis soon revealed that working from home was here to stay, long-term. Many organizations had to implement a major overhaul in terms of IT

infrastructure and related policies to ensure that they stayed afloat to fight another day.

Little surprise that start-ups were the fastest to adapt to this working model, making quick changes to survive the challenges of the pandemic. Larger, established organizations, on the other hand, took significantly longer to adjust to the changes brought about by the crisis since it required transforming deep-rooted perspectives about employee productivity and performance.

Moving forward: What's next?

While we are still recovering from the aftermath of a disastrous second wave in India, organizational leaders have a huge task at hand - preparing their workforce for what's next. This means long-term solutions that are future-ready.

100% of the leaders surveyed said that they are already leaning towards a hybrid working model that supports flexibility between working from home as well as office.

A majority of Indian, as well as global organizations, have slowly started moving towards enabling the hybrid working model for their employees. Contrary to common belief, this decision is not fueled only by the challenges posed by the pandemic. Many organizations were quick to realize that a hybrid model may result in long-term benefits like increased employee safety and reduced OPEX, especially for companies based in high-cost cities or metros. Based on the industry, the move to the hybrid model is driven by different factors such as:

- Evidence that employees can deliver their work from anywhere
- Access to a larger, global pool of talent to build one's employee base
- Huge savings on tangible and intangible resources for both, organizations and employees
- Increased automation to improve efficiency across functions
- Better work-life balance for employees

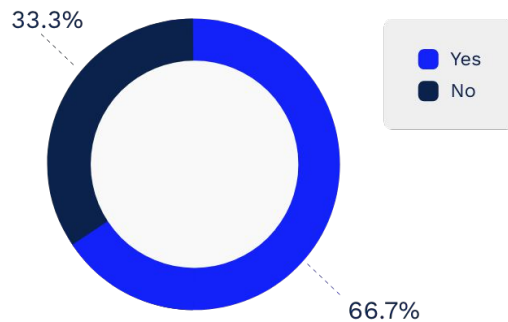
However, even while all respondents said that they will eventually move to a hybrid working

model, the vote was not as unanimous when it came to the benefits of working from home.

66.7% of the leaders surveyed said that they found working from home to be beneficial for their respective industries.

FIGURE 3

HAS WORKING FROM HOME BEEN BENEFICIAL TO THE INDUSTRY IN INDIA?



Like with everything, hybrid working also comes with its own challenges:

- Implementing a culture of continuous learning among employees might prove to be a challenge. With virtual learning opportunities, organizations can obviously ensure structured learning but unplanned, on-the-go learning moments/opportunities (coffee conversations) will take a hit. This could prove to be a hindrance for the younger generation of employees from the 2nd and 3rd tier cities.
- While working from home, in ideal circumstances, offers individuals more time with their families, a lack of clearly defined professional boundaries might impact people's personal lives. This can have a direct effect on employee well-being which in turn impacts employee performance. Without this clear boundary setting between work life and personal life, employees' mental health can take a significant toll in the coming days. The Great Resignation is a sign of things to come in the future.

Lastly, without a transparent, authentic, and inclusive culture, employees might struggle to find an emotional anchor to the organization. With remote working, work can become

extremely transactional in nature and therefore leaders must actively aim to create ample and frequent opportunities for employees to express themselves and identify the right values of the organization that they align with.

Wait and watch

The business environment today demands organizations to act quickly and decisively. But long-term decisions cannot and should not be made in a hurry. Patience is key. Many organizations are not really in a tearing hurry to restart work from the office, even if it is as part of a hybrid model. **100% of our survey respondents are certain about reopening work but in a phased and unhurried manner.** The upcoming holiday season also provides organizations some space to observe how things work out from a COVID third wave perspective.

This looming threat of the third wave of COVID-19 means that organizations will not be making any hasty decisions when it comes to reopening office spaces. While companies may be moving in the direction of hybrid models, it is still too early to accurately predict how it will impact the overall health of an organization. **Having said that, there is one prediction we are 100% certain of - The way we work from now on will never go back to what it was during the pre-pandemic days. That is almost done and dusted.**

About the Author



Anil is a seasoned Human Resource professional with the experience of working a significant amount of his career in scaling startups ground up. He brings more than 19 years of deep hands-on and consultative experience across

Human Resources. Throughout his career playing multiple roles, he has been deeply involved with VC investors, founders and executive leaders in the area of people practices which have helped organizations grow seamlessly. His key contributions have been in:

- Talent acquisition across the hierarchy and functions.
- Creation of frameworks for performance management and talent engagement.
- Develop frameworks which enable in building diverse, high potential and performing teams.

In addition to his successful stints with large organizations like GE Capital (now GENPACT) and Avaya, Anil has had impactful stints with start-ups as well where he has scripted success stories for each one and helped them scale quickly and seamlessly. His stints have been with Tavant Technologies (Software Solutions), Mu Sigma Inc (Data Analytics – Sequoia & GAP funded) and SuperProfs (EdTech – Kalaari funded). In his last role, he played the role of CHRO at Innoviti Payments (Fintech - a Catamaran, SBI & Bessemer funded company).

Anil's deep experience spans functions, industries and geographies. His first principles-based approach to problem solving and thought leadership is deeply valued by clients and leaders alike.

About PeopleAsset

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Anil Thankachan is the Co-founder, Director at PeopleAsset.

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