



# STRATEGIC HRM BEST PRACTICES AND OPERATIONAL EXCELLENCE IN IT INDUSTRY DURING AND AFTER THE COVID-19 INCIDENT

Akhilesh Kumar Das<sup>1</sup>, Raj Tomad<sup>2</sup>

<sup>1</sup>Director, Tredence Analytics Solutions Pvt. Ltd. - India

<sup>2</sup>COO, Caresathome Health Management Pvt. Ltd. - India

## ABSTRACT

The COVID-19 incident originated in October-2019 and spread from China to the region of Wuhan and spread across the world heavily starting January 2020, killing millions of people due to the failure of the respiratory system in human beings caused by a virus called Corona. As of August 1, 2020, more than 17.5 million cases have been reported across 188 countries and territories, resulting in more than 679,000 deaths. More than 10.3 million people have recovered. WHO, on the 3rd of November-2019, announced the Coronavirus outbreak as a pandemic [7] for the world, after resisting and waiting for the classification of its deadliest effect for months as the number of cases has increased day by day worldwide and case count soared well past 100,000.

With the cases increasing day by day across the world, this Pandemic has changed the world's lives to stay and work differently as the current COVID-19 scenario would continue for some time as predicted [1]. This situation has also changed the working model of the corporate world, Research organizations, Academic Institutions, and NGOs must act and work differently.

As expected, IT departments of the Industries and Software development companies have also started effecting by dull work, loss of employee morale, productivity, performance, and profits & revenues [2]. The use of IT services in any kind of Industry or by the people is something that cannot be ignored, and it must continue to serve everywhere and for everyone without any interruptions, HR departments have taken all that great initiatives and measures to maintain the Operational excellence of the IT Companies and related departments. As this Pandemic would continue for some time and its impacts will last for some time now, a later requires greater care coming and working either from Office or WFH.

Psychological danger and safety, employee morals, working from home and being productive, health and safety, daily checks on availability and working conditions, awareness, new announcements and precautions on corona/COVID-19 disease, health & Hygiene tips and family health benefits, more engagement at work while WFH, living with changes, connections & engagements, Telemedicine Consultation Helpline and Working from Home Ergonomics and turn around help for the employs and their dependents are some of the primary majors that HR Departments [3] of the IT Companies are taking with utmost priorities that will continue during and after this Covid-19 Incidents.

## 1. INTRODUCTION

There has been an increasing focus on HRM's best practices in Organizations across the globe. Nevertheless, Covid19 has changed the business dynamics of the IT Industry across the world, and HRM think tanks have taken a new route and strategic decision to make the IT organization sustainable in the present Covid-19 crisis. The impact is going to stay in the industry and would be a new norm. Our study aims to do an in-depth comparative analysis of the numerous factors involving HRM initiatives, policies[11], and strategic decisions to give operational excellence to IT Companies.

### 1.1 Objective

To do in-depth comparative research and analysis of various cultural dimensions within the organization that IT Companies are following during the Covid19 crisis [12], comfort, health, fearlessness, trust, fame, and reputation



to the open global workforce in a cross-cultural working environment to globally distributed teams and collaborations.

## 1.2 Scope

Coverage from the world's best IT (Informational Technology) companies on how they are working for their employees to save their workforce and adapting new strategies [14] to protect, train, and enable environments and how People Departments have taken up and helped the employees for a sustainable and secure career within the organization which has given the excellency to the companies during Covid19 crisis during and after.

As a part of our research work, we interacted with employees of the IT divisions and related HR wings of Deloitte Consulting Group-India, IBM Global Services-India, Maersk Global Service Centre- Bangalore, ISRO – Bangalore & Yes Bank Limited- Hyderabad to know more on what precautions they have taken and the major announcements that have affected the IT operations.

## 2. BACKGROUND

Due to Covid-19, most IT Companies have advised employees to work from home (WFH) and support employees to be productive and benefit the company's profits. Companies are also evaluating what is working and for whom with remote work and designing the working environment structure and giving comfort to them.

### 2.1 Old Practice

In the beginning, for the IT Companies, there were months into the remote work, and they were looking into the verdict- if the situation would be improving or if it is going for a long time to come. It was going well for many but not for all, it is difficult for many, and whether employees like working from home or hate it, this widespread change holds surprises for businesses and employees alike.

### 2.2 Hindrance with the new situation

As learning for businesses, conventional wisdom has long been held because of WFH (work from home), employee contributions, and company profits that physical offices are crucial for employee productivity, collaboration, and attracting talent. In addition, of course, without them, it is hard to replicate informal office interactions that buoy morale. However, many organizations now realize that digital tools such as virtual calls, file-sharing apps, and instant messaging also enable collaboration and connectivity, without the excessive cost of leasing office space.

## 3. EXECUTIVE SUMMARY AND STRATEGIC HRM BEST PRACTICES

As the executives in the IT Private companies and Government agencies developing plans for bringing back employee workplaces amid the COVID-19 Pandemic events, this plan is wishing to consider considerable loyal interventions that might help mitigate the health risks to workers, staff, consumers, and customers.

## 4. OPERATIONAL EXCELLENCE IN IT INDUSTRY

During this COVID-19 crisis, many IT Companies are finding new leaders in unexpected places because of changes and unavailability of resources at the distinct levels of organizational hierarchy, in org charts. IT managers are nowadays defying the issues, problems, and frustrations of these tough times to achieve their objectives. Most of the Blucher IT firms are straightening this by dividing four talent-management practices to thrive beyond the Pandemic event. These IT Companies are also revisiting the playbook of chief HCM professionals to understand how the crisis has changed the game.

Most HR professionals are trying to understand the COVID-19 situations that are an understatement. Now, more than ever, they are focused on how IT companies are reimagining their HRM practices to build new organizational resilience and drive the values for the employees and staff.

HR Professionals are also finding the employees safe while helping them with connectivity, medical & health support, and caring all the way to support their family members during this stressful time. On one end, IT companies are planning to restart operations; on the other hand, they are working to maintain their morale high and make them productive for remote staff trying to see how and when to get their all employees back to Office working towards natural environments.

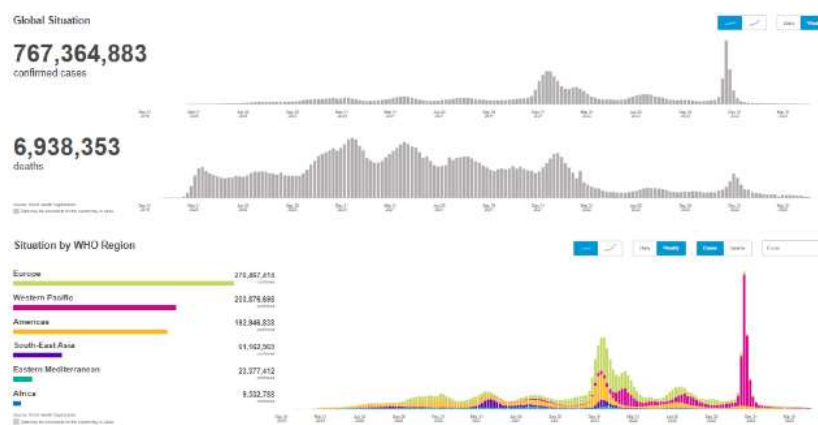
These current circumstances are with companies and with all of us we never had this before, but as the COVID-19 crisis is accelerating day by day all over pre-existing trends in various areas of talent management that are part

of the HR Department – many employees had a fear of losing their job. Many have been changing companies and HR Professionals in both stations (leaving or joining) working to find and hiring the right workforce for various functions, learning, growing, managing, and rewarding performance, tailoring the employee experiences, and optimizing workforce planning and strategies to recover and acting in those areas to rebuild a strong, powerful, and durable talent strategy for the post-pandemic world.

## 5. COVID - 19 INCIDENT AND ITS EFFECTS

COVID-19/Coronaviruses are a family of viruses that cause illnesses from common cold issues [19] to more severe diseases such as - Middle East Respiratory Syndrome (MERS-CoV) and severe acute respiratory syndrome (SARS-CoV). A novel Coronavirus (nCoV) is a new strain that has not been identified previously in human beings. Coronaviruses are highly zoonotic, and they are transmitted between animals and human beings. There are common signs of infection that include respiratory symptoms, signs of fever, cough & cold, shortness of breath, and finding breathing difficulties. In extreme and severe cases, the infection can cause pneumonia, severe acute respiratory syndrome, kidney failure, and even death. Senior citizens and patients with pre-existing medical conditions (such as diabetes, heart disease, chronic diseases, and related prolonged diseases) appear to be more dangerous and vulnerable to becoming severely ill with these new Virus situations. Covid-19 has affected every part of daily life.

Globally, as of **6:07 pm CEST, 31 May 2023**, there have been **767,364,883 confirmed cases** of COVID-19, including **6,938,353 deaths**, reported [8] to WHO. As of **29 May 2023**, a total of **13,375,580,553 vaccine doses** have been administered.



Chart#1- WHO Covid-19 Dashboard [4]

### 5.1 How has Covid-19 changed business dynamics?

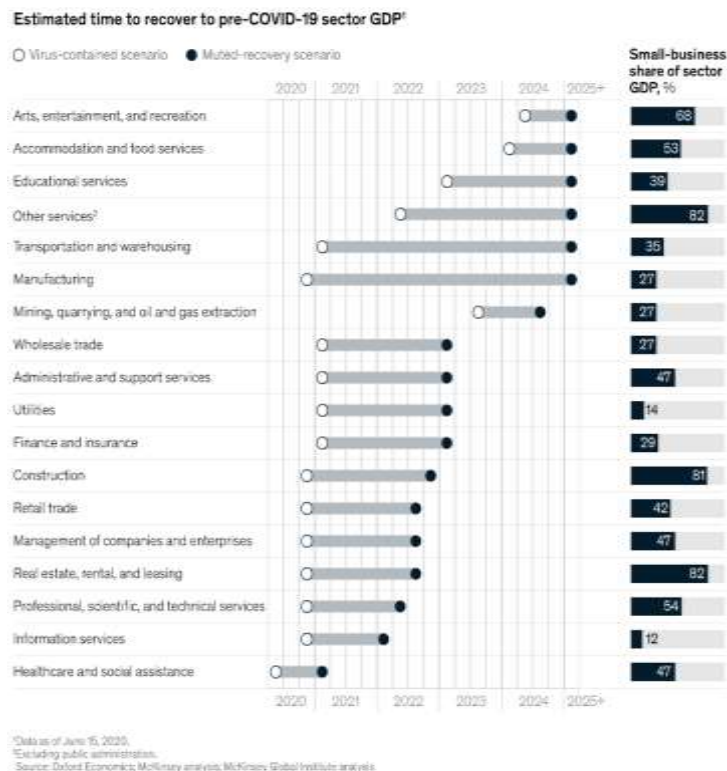
Starting May'20, all the countries prepare to emerge from the lockdown imposed to combat the COVID-19 Pandemic [6], but businesses are still struggling to recover from its after-effects and knockdown effects. The lockdown led to massive economic disruption, with hundreds of companies forced to shut shop. The continued safety measures have made remote working and digital operations the new normal. Globally IT Companies [9] are taking primary steps to support their IT Operations by helping the employees and staff and protecting them from contributing to the company to make the Business Units (BUs) profitable. HR Departments of the companies are also taking steps[18] to make sure that businesses should continue, and to do that, they are rapidly transitioning from offline to online, which requires a completely novel approach to IT business strategy.

Some of the industries such as Software Development and IT Service providers, Retail, Supply Chain, Electronic, Medical research, Pharma & Healthcare, Digital Transformation, Cybersecurity, Hospitals, Insurance companies, Travel, Media, Entertainment & Advertisement, and Financial sectors are heavily dependent on IT and Software services as without them they cannot (almost impossible) run their Businesses.

### 5.2 How it has a long-term impact?

As per SME's opinions, surveys, and research – because of COVID-19 incidents, economic recovery in hardest-hit sectors [17] could take more than five years from now, and even predictions are the industries would take years to recover their original normal situations. Most of those industries are IT Companies and services providers, and their recovery may take even longer than what is expected.

In a muted recovery, it could take more than five years for the most affected sectors to get back to 2019-level contributions to GDP.



Chart#2- Industry (economic) recovery

### 5.3 Critical factors of this situation and policies

Some of the Critical key factors & related policies associated with the current situations that need appropriate attention by the Companies and HR departments of the IT Companies are:

- Refocusing on operational excellence to have the greatest impact.
- Global production and supply chain disruption and improvements
- People measures and restrictions – actual contributions and categorizations.
- Managing the workforce needs careful consideration – the utmost priority of the HR team.
- Increasing customer uncertainty [5] – managing consumer requirement
- Regulatory and legal issues – vary from Industry and regulation.
- Financial matters and tax – countries have different regularities.
- Claims and compliance – timing, and regulations are the factors.
- Customer engagement – the key to sustainable businesses
- Service resilience – maintaining the supply and demands.
- Working capital – required to run operations in providing the services.

## 6. RESEARCH QUESTIONS

### 1. Support from organization and well-being

- a) Is your organization mature to support?
- b) Does your organization provide you with IT support for remote work?
- c) Does your organization adhere to basic health precautions?

### 2. Employee engagement and communication

- a) Does your organization have a new communication strategy?

### 3. Learning and Developmen

- a) How much your organization supports e-Learning and webinars?
- b) Does your organization provide financial support?



#### 4. Compensation and benefits

- a) Has your organization changed the salary increment decision?
- b) Has your organization changed the short-term, long-term, and sales incentives?
- c) Is there any change in insurance policies in your organization?

#### 5. Promotions

- a) Has your organization deferred the promotions across the level?

#### 6. Recruitment

- a) Has your organization changed the new recruitment plan?
- b) Has your organization laid off some employees?
- c) Has your organization started taking contractual/freelance employees?

### 7. METHODOLOGIES: PRIMARY AND SECONDARY RESEARCH

**Primary Research:** We spoke to around seventy-five people who are working with different IT companies in different cities at distinct levels of seniority in the organization and gathered data on HR policies in their organizations. We prepared fifteen important questions after brainstorming within our group and then took the survey. We got their responses on Google Forms and used that data to generate the report.

**Secondary Research:** We browsed the internet and went through many pages to read relevant articles, reports, and interviews of HR professionals and senior executives of the companies. We also focused on various suggestions and predictions given by executives and business owners of IT organizations. Collected the information, and data and reported them along with the references. Secondary research helped us in understanding how the policies are shaping up for the future and how companies are changing their mental blocks because of the Covid-19 impact.

### 8. RESEARCH, REVIEW, AND ANALYSIS

As the situation was worsening in India because of Covid-19 incidents starting in January 2020, all IT companies have been taking many initiatives and precautions to protect and support their employees and workforces, helping them by continuous awareness about the pandemic & their effects, safety measures, and precautions that they take, mental & physical health's, environmental Hygiene, helping in managing personal finance and job securities. We have done in-depth research, reviews, and analysis on the current situations doing reviews of major magazine articles, surveys from our companies, and company colleagues that give us insight about the practices that companies are following up and the plans that they have shortly for their employees and workforces.

#### 8.1 Surveys

We have surveyed to capture the following elements from our friends, families, professional private groups, companies, and company colleagues

- *General Awareness*
- *Support from the organization and well-being*
- *Employee engagement and communication.*
- *Learning and Development.*
- *Compensation and benefits.*
- *Promotions*
- *Recruitment*

**The following questions cover all the above aspects:**

- Is your organization mature to support it?
- How sensitive is your manager regarding your health than he/she was earlier?
- Is it easy to take leaves than it was earlier?
- Does your organization provide you with IT support for remote work?
- Does your organization adhere to basic health precautions?
- Does your organization have a new communication strategy?
- How much your organization supports e-Learning and webinars?
- Does your organization provide financial support?
- Has your organization changed the salary increment decision?
- Has your organization changed the short-term, long-term, and sales incentives?
- Is there any change in insurance policies in your organization?





- Has your organization deferred the promotions across the level?
- Has your organization changed the new recruitment plan?
- Has your organization laid off some employees?
- Has your organization started taking contractual/freelance employees?

## 8.2 Plans ahead

HR Professionals, and business leaders of IT companies, should be planning for the next stage of the Coronavirus disease (Covid-19) pandemic[13] situations that are going to impact the economy, public health & lives, and social environment and may take more day-to-day work situations.

Factors we should consider when planning for future situations and impacts of the current COVID-19 crisis:

- ✓ Companies would have budget shortfalls and require reconsiderations for temporary budget cuts.

## 9. RESEARCH RESULTS

Our project research results are based on Coverage from the world's best IT (Informational Technology) companies on how they are working for their employees to save their workforce and adapting new strategies to protect, train, and enable environments and how People Departments have taken up and helped the employees for a sustainable and secure career within the organization which has given the excellency to the companies during Covid19 crisis during and after.

Our research survey includes - General awareness of Covid-19, daily and weekly checks on their work status and situations, updates & availability for coming to the office and commute falsities, Personal experience & feedback on Covid-19 situations, and what practices will not change after Covid-19.

### 9.1 What old practice will not change Literature Survey (WFH)

Working from home, also called telecommuting or telework, is becoming an increasingly widespread practice. In the United States (US), the proportion of employees who work primarily from home has increased three times in the last 30 years, from 0.75% in 1980 to 2.4 % in 2010.

During that time, the wage discount (after controlling for observables) from primarily WFH has fallen from 30% in 1980 to 0 in 2000<sup>2</sup>. Home-based workers span a wide variety of jobs, ranging from sales assistants, and realtors to managers and Software engineers with a correspondingly wide range of incomes as shown below Chart-3.

Having employees work from home [16] leads to two critical questions. The first one is, is it a useful management practice for improving productivity[10] and profitability? This critical issue lacks systematic evidence and consensus. The second question is whether WFH help to address the concerns over the deteriorating work-life balance. The share of households in the US with children where all parent(s) are working has increased from 40% in 1970 to 62% in 2012 (Council of Economic Advisors 2014).

There is a lot of uncertainty related to the effects of WFH in the research literature and practice.

To evaluate the efficacy of WFH as a management practice, Ctrip, China's largest travel agency with 16000 employees and a NASDAQ listed company, conducted a Randomized Control Trial (RCT). The research started on December 6, 2010, and lasted for nine months, which the employees know in advance.

Ctrip finally decided to run a nine-month experiment on WFH starting on December 6, 2010. The management of Ctrip asked the 996 employees in the airfare and hotel department from the Shanghai call-center whether they would be interested in WFH for four days a week, with the fifth day in the Office. Of these 249 employees are qualified to take part in the experiment based on some criteria like minimum tenure of six months, broadband access, etc.,

The company found several striking results. The observation was the performance of the home workers went up by 13% over nine months of the experiment. The improvement came from a 9% increase in the number of minutes they worked during their shifts. This was due to reductions in the breaks, time off, and sick days taken by the home workers. The remaining 4% improvement came from increasing the number of calls per minute worked. The Attrition rate fell sharply among the home workers, dropping by 50% over the control groups. Also, Homeworkers reported substantially higher work satisfaction and had more positive attitudinal survey outcomes. One downside of WFH is that conditional on performance, the reduced rate of promotion of about 50%.

The success of the experiment led Ctrip to offer the option to WFH to the entire firm. The employee performance, in the long run, increased to 22% increase from 13% during the experiment.



## 10. ARGUMENTS

If you see the present state/condition of COVID-19 as of today, it seemed to have entered the third stage or community transmission stage. Cases close to 90,000 are getting registered per day.

## 11. CONCLUSIONS

This Pandemic taught us about unfortunate events that can happen at any time to any region around the world, can damage the lives, culture, and economy of the countries, and can adversely affect the performance of the companies. People departments need to take precautions to protect their employees, workforces, and all other environments.

### 11.1 Why do we need to think about it as a situation that brings permanent change.

We have witnessed much death in the last 8-9 months, and changes have been imposed on all of us to take safety precautions to be protected from the Coronavirus. We cannot go back to the same normal situations that we were in till last Nov/Dec'2019, and we need to be convinced that this Pandemic has changed everything- our lifestyle, mental & physical health, financial donations, social and professional working life. We would be pessimistic about our future and that everything would be fine later, but there will always be a lag in everything, including the uncertainties about career, health, and other happenings of life that people wanted to cherish, be happy, and move forward in life with growth.

### 11.2 What will remain forever after this Pandemic?

- Traveling life will change – testing before and after travels.
- Always would have a fear of getting sick – dealing with unknowns.
- Greetings from would change among the people.
- Regular vaccinations protect health.
- Anxieties, worries, health issues, insecurities, lag in career.
- Reduction in face time with doctors, teachers, bosses & peers
- Avoiding mass transit and public transportation
- Formats of Public gatherings, parties, pubs, theatres, rituals(happy/sad)
- Format of the education system – merely be on an online platform
- Increase in operational costs – cleanness, expended infrastructure costs.
- Home – health and hygiene costs to increase per person.
- Business travel will not be the same.
- Working/studying remotely – presence, performance, and outcomes would change.
- Changes in Households and Individual perceptions about many things would change.

## 12. REFERENCES

1. Giles Colclough, Penelope Dash (MD), & Lieven Van der Veken (MD), *Understanding and managing the hidden health crisis of COVID-19 in Europe*
2. Dr. Laura Watkins & Vanessa Dietzel, *COVID-19: Briefing note #100, April 13, 2022*
3. Hancock & Bill Schaninger, *HR says talent is crucial for performance—and the pandemic proves it*
4. WHO, *WHO Coronavirus (COVID-19) Dashboard*
5. Piyush N. Singh, *Outmaneuver Uncertainty to Reinvent Your Business | Accenture.*
6. Dr. Tedros & WHO, *rolling updates on coronavirus disease (COVID-19) Updated 31 July 2020*
7. Susannah Luthi, *World Health Organization declares coronavirus outbreak a pandemic.*
8. Surbhi Gloria Singh, *Covid-19: Here's a timeline of events since the lockdown was imposed in India.*
9. Nishant Sharma, *Indian IT Firms' Covid-19 Working Model Is Here to Stay*
10. Paloma Lopez-Garcia and Bela Szörfi, *The impact of the COVID-19 pandemic on labour productivity growth*
11. Thomas Cummins & Gallagher's Human Resources & Compensation Consulting, *COVID-19 Human Resources Policy Survey Report (as of March 8, 2020)*
12. Vishalli Dongrie, Saptarshi Chatterjee & Parizad Sirwalla, *Cutting through crisis KPMG in India's COVID-19 HR practices survey report.*
13. WHO, *Coronavirus disease (COVID-19) pandemic*
14. Mike Swigunski, *4 Strategies to Embrace Remote Work In 2022*
15. Nicholas Bloom, James Liang, John Roberts & Zhichun Jenny Ying, *Does working from homework? Evidence from a Chinese experiment*
16. Dana Maor, Michael Park & Patrick Simon, *COVID-19 recovery in hardest-hit sectors could take more than 5 years*
17. Ayushi Pundir, *Steps Taken by Indian IT Sector Companies During COVID-19 Economic Crisis*
18. John Derse, *HR Issues for Employers During COVID-19*