



LEADING WITH
IMPACT
INNOVATION
INTEGRITY

NASSCOM[®]

The background of the slide is a long-exposure photograph of a city at night, showing light trails from traffic on a multi-lane highway. The image is overlaid with a graphic design consisting of a yellow rectangular box on the left side and a teal rectangular box at the bottom. The title text is placed within these boxes.

FUTURE OF WORK IMPLICATIONS FOR INDIA'S TECH INDUSTRY

JUNE 2022



LEADING WITH
IMPACT
INNOVATION
INTEGRITY

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we work closely with clients to embrace a transformational approach aimed at benefiting all stakeholders—empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact.

Our diverse, global teams bring deep industry and functional expertise and a range of perspectives that question the status quo and spark change. BCG delivers solutions through leading-edge management consulting, technology and design, and corporate and digital ventures. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, fueled by the goal of helping our clients thrive and enabling them to make the world a better place.



NASSCOM[®]

NASSCOM is the industry association for the technology sector in India. A not-for-profit organization funded by the industry, its objective is to build a growth led and sustainable technology and business services sector in the country with over 3,000 members. NASSCOM Insights is the in-house research and analytics arm of NASSCOM generating insights and driving thought leadership for today's business leaders and entrepreneurs to strengthen India's position as a hub for digital technologies and innovation

FOREWORD

The COVID-19 pandemic has had widespread ramifications on economies and businesses across the globe and precipitated great shifts in the way we interact with each other, both at work and socially. While some of these shifts, for example, fully remote working, have been transitory in nature, there are others, such as an ongoing transition to a hybrid work model, that are likely to be more enduring. Inevitably, the shifting landscape will impact the future of work and compel organizations to rethink how they want to position themselves in the hybrid landscape.

The technology industry is no stranger to changing and evolutionary trends and has in the past molded itself to the contours of a shapeshifting landscape. Today, it stands at the brink of another disruption as it graduates from the recent sudden shift to fully remote work to now a hybrid work model – a blended model where some employees return to the physical workplace while others continue working remotely. It has been observed that greater than 70% of employees prefer hybrid work while correspondingly, a similar sentiment towards hybrid work has been expressed by both IT companies as well as tech service buyers. This preference stems from the fact that while talent in technology firms is looking for flexible working options, it also values the importance of a physical office. Further, in addition to untapped talent in tier 2 and tier 3 cities, swathes of people permanently moved to their hometowns during the pandemic. The hybrid work model can help the tech industry optimally engage with and leverage this talent.

With scales tipped in favor of a hybrid work, it is imperative for technology leaders to leverage the hybrid workforce and envisage virtual delivery models that optimize the onsite and offshore mix. In this NASSCOM and BCG report, 'Shaping the Future of Work in India's Tech Industry' we highlight the challenges that the new future of work paradigm is likely to engender and identify the four key dimensions that require immediate attention from leadership. These four key dimensions have been further divided into thirteen themes that will enable leaders to take an intentional and holistic approach towards designing an organization that is geared to thrive in the 'Future of Work'.



Debjani Ghosh
President
NASSCOM



Vikash Jain
Managing Director &
Senior Partner
BCG



Nitin Chandalia
Managing Director and
Partner
BCG

TABLE OF CONTENTS

1 0 1 1 0 0 1
0 1

1 0 1 1 0 0 1

0 1 1 0 0 1 0 0 1

CHAPTER 01

**HYBRID WORK
MODELS ARE
DEFINING THE
FUTURE OF WORK**

6

CHAPTER 02

**KEY THEMES IN THE
JOURNEY TO FUTURE
WORK MODELS**

13

CHAPTER 03

WHAT IS ACCOMPLISHED?

14

CHAPTER 04

WHAT IS BEING EXPERIMENTED?

23

CHAPTER 05

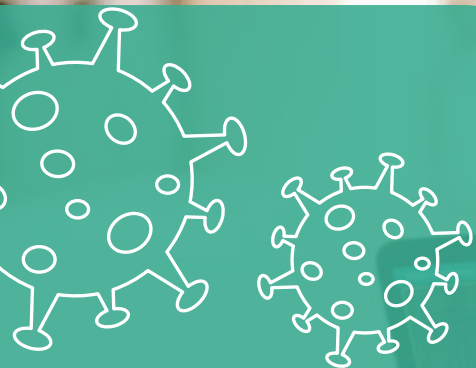
WHAT LIES AHEAD

47

CHAPTER 06

**IMPERATIVE FOR ORGANIZATIONS
TO PLAN AND IMPLEMENT**

62



The Tech industry is on the cusp of another evolution

1st Phase

Two decades ago

Outsourcing centered around the transition of tasks from in-house to offshore centers with focus on cost arbitrage

2nd Phase

Last decade

Tapped into hybrid models of on-shore, near-shore & offshore to deliver work of increasing complexity

3rd Phase

2020-21

Accelerated shift to remote working to enable business continuity in the light of COVID-19

4th Phase

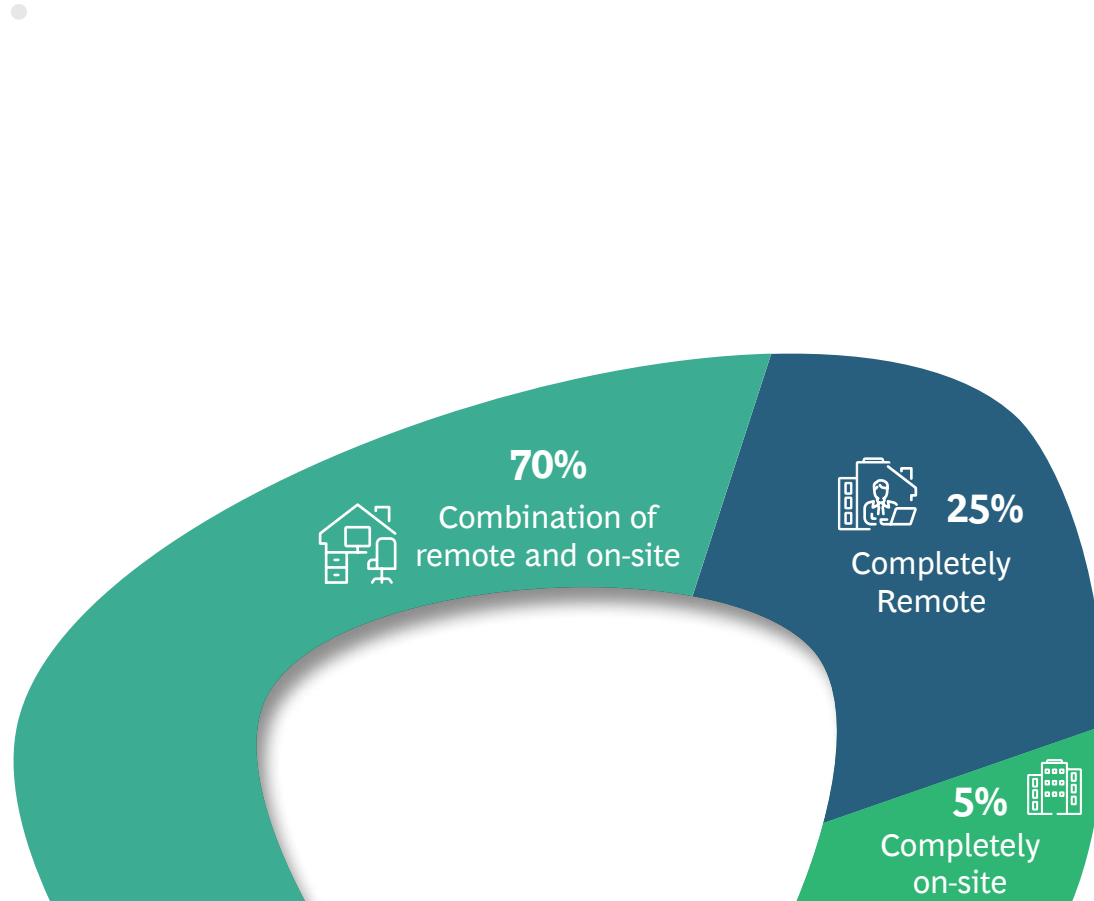
The New Reality

Leadership imperative to shape the future of work
Leverage **hybrid workforce** (i.e. work from anywhere) for **virtual delivery** models that optimize onsite and offshore mix

Source: BCG Survey of Tech Services Outsourcing Buyers

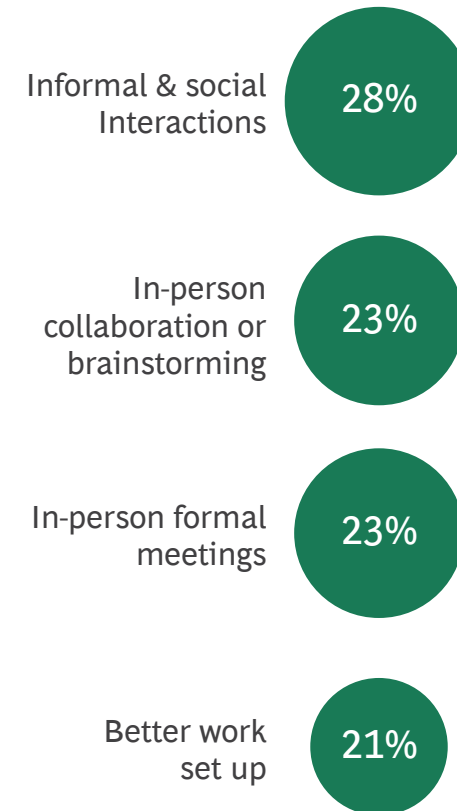
Employees are comfortable with a hybrid working model

Talent in technology firms is looking for flexible working options in the future...



How people in Digital fields want to work if given the choice?

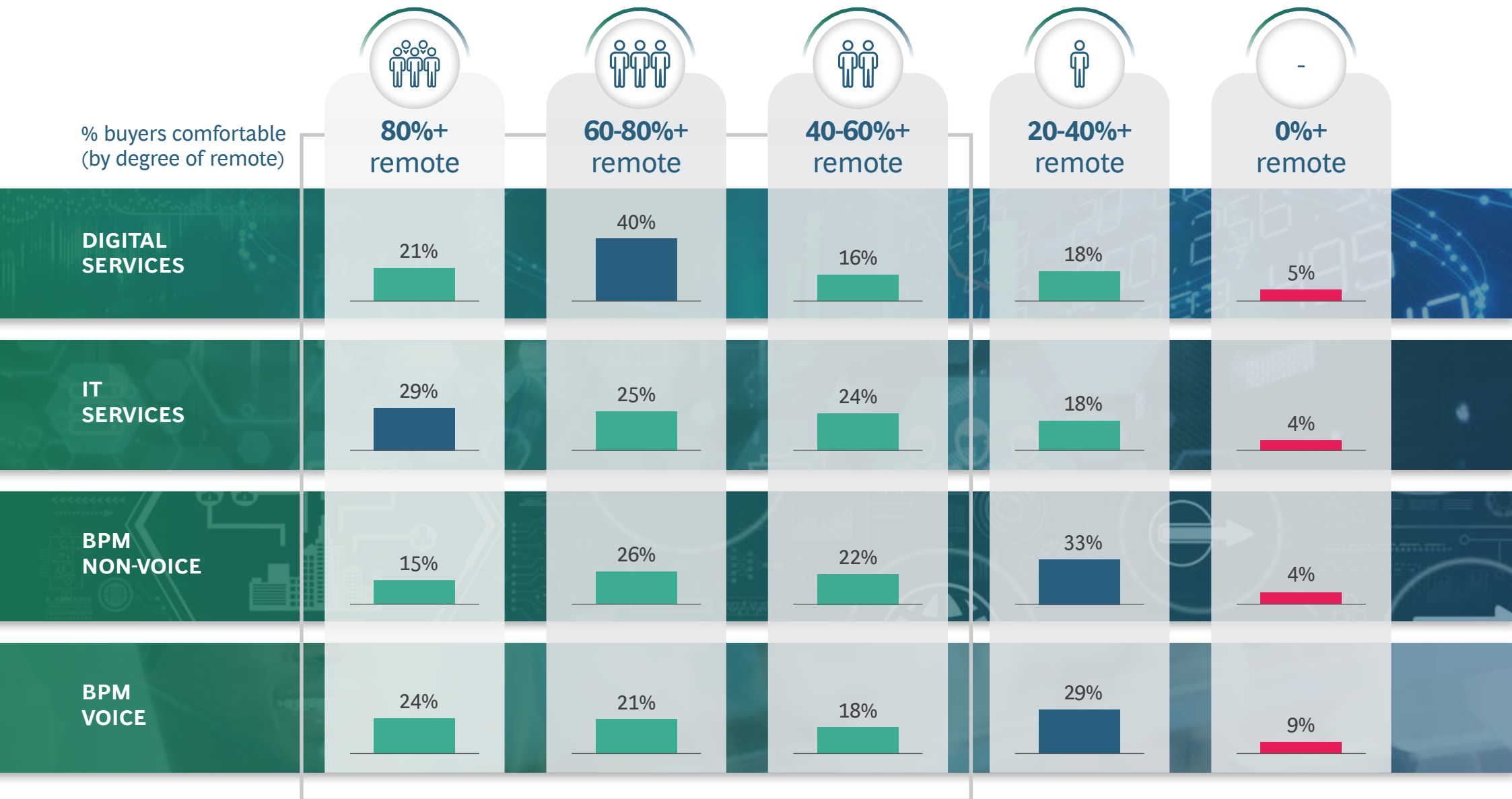
...but value the importance of office as well



Top reasons employees miss the workplace

Source:
1. BCG / The Network proprietary web survey and analysis
2. Future Forum Pulse

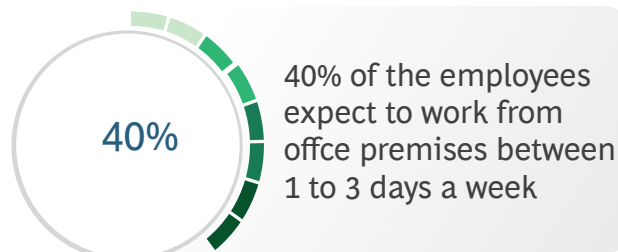
~70% of Tech services buyers are comfortable with hybrid models



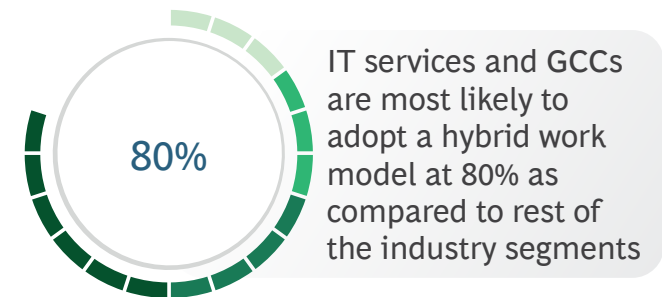
Source: BCG Survey of Tech Services Outsourcing Buyers

Both employees and employers are looking forward to hybrid work model

>70% of employees prefer hybrid work



80% of IT services & GCC prefer hybrid work



Employee interest in return to workplace



Cumulative percentage of workforce return to office timeline

Note: *Adjusted for 3rd wave
Source: 1. NASSCOM Return to Workplace Survey, Oct'21

The future of work helps solve for traditional constraints, but it also introduces new challenges that need to be actively solved



Rethinking the talent acquisition and management strategy and approach

Is HR equipped to tap into new talent pools, drive talent management & retention in distributed setup?



Complexity in onboarding and integrating freshers/ junior resources within teams

What are the substitutes for “frequent & informal” touchpoints for peer learning & mentoring from seniors?



Complexity around building culture and employee engagement

What interventions are needed to build culture and employee engagement in hybrid working? How does leadership behavior come in to set the right example?



Challenges with remote delivery on areas requiring lab infrastructure

How will the workforce requiring access to lab equipment operate remotely? Can a hybrid operating model work for this?



Change in utilization of office infra and opening satellite offices

What does the office of the future look like? What is the trade-off between lower real estate costs in Tier 2 cities & higher overhead of multiple satellite offices?



Transition from time-based quantification to outcome-based productivity measures

Will employees remain productive in the long run? How to enable real-time, transparent and data-backed productivity measures?

Leaders need to take an intentional and holistic approach across four dimensions when designing the Future of Work



HOW WE WORK



HOW WE LEAD



HOW WE ORGANIZE



WHAT WE NEED



Customer Relationships
Virtual go-to-market
Direct, personalized relationships



Leadership
Train leaders for remote mgmt.
Resilience, adaptation, empathy



Ways of Working
Agile & iterative, Collaborative
Embracing innovation at work



Space, Design, Location
Satellite offices; Hub & spoke model, Space redesign



Employee Work Models
New work models (fully remote, hybrid)
Asynchronous, location-agnostic



Culture
Foster and evolve culture affiliation, mentorship, bonding



Organization
Redefined roles, Governance
Employee wellbeing & wellness



Tools & Technology
Lab ecosystem, Collaboration & monitoring tools, Cybersecurity



Productivity
Enabling transparent productivity measurement; output vs time based



Societal Leadership
Sustainability (carbon footprint)
Diversity and inclusion



Talent
Access to new and diverse talent
Manage attrition for top talent



Learning & Development
Continuous learning, upskill workforce, Frontline enablement

Key questions on the minds of technology service organizations

HOW WE WORK (& DELIVER)

1. **Hybrid work model:** How do different models come together to affect the best-fit hybrid setup for the overall organization?
2. **Re-thinking shoring (customer proximity):** Which roles (& share) continue to remain onshore?
3. **Delivery team architecture:** How will pyramid structure evolve to maintain quality, productivity?
4. **Re-imagining innovation cycle:** What changes are required to bring innovation at work?

HOW WE LEAD

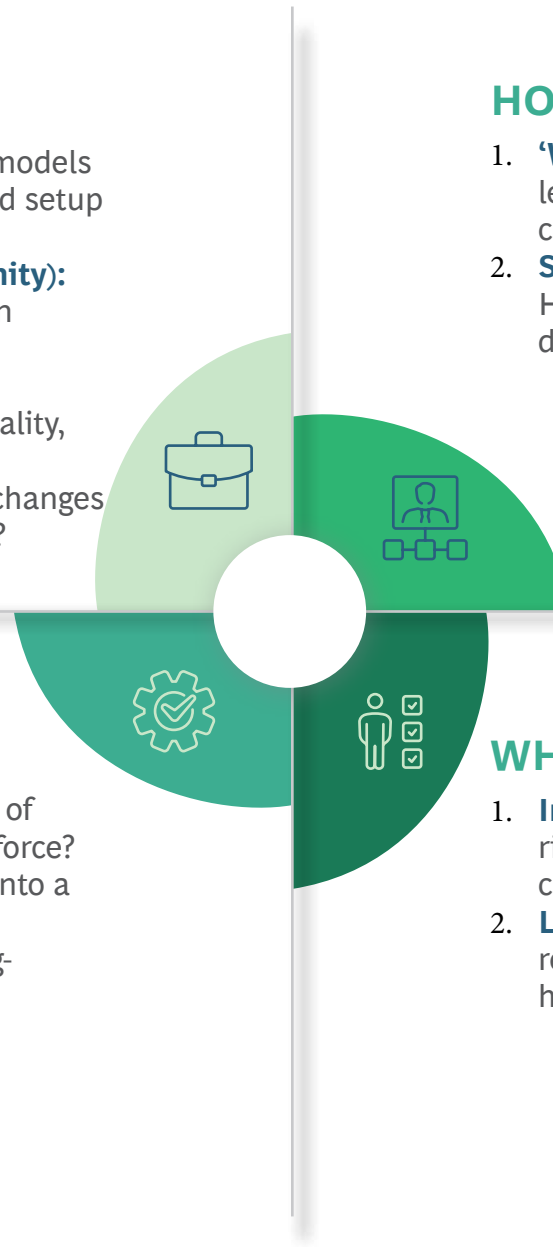
1. **“Winning” Leadership behaviors:** What leadership behaviors help strengthen the chain of culture?
2. **Social engagement & personalization:** How can leveraging data & analytics help drive an efficient engagement strategy?

HOW WE ORGANIZE

1. **Hyper-distributed agile:** How can ways of working evolve to support a hybrid workforce?
2. **Talent pool:** How does hybrid help tap into a wider talent pool?
3. **Gig economy:** How does the growing gig-economy impact the talent strategy?

WHAT WE NEED

1. **Information Security:** What are the new risks posed by a hybrid workforce and what capabilities need to be strengthened?
2. **Lab Ecosystem:** What innovations are required to bring the Lab ecosystem to hybrid and remote operating models?



14 themes important, when transitioning to Future of Work



What is established?

Themes related to new work model that are widely accepted across the industry



What is experimented?

Different elements that are currently tried and tested by organizations to shape the new work model



What lies ahead?

Elements that lie ahead in future and require organization's consideration

HOW WE WORK

Hybrid is the way forward

Project work model

Strengthening chain of culture

HOW WE LEAD

Evolving role of first line managers
Sustaining unstructured employee engagement

HOW WE ORGANIZE

Team structure

Expanding access to talent pool

Enabling Innovation
Equitable experience for remote & on-site workers
Embedding gig workforce

WHAT WE NEED

Onboarding & training new hires
Redesigning workplace
Enabling lab ecosystem

Ensuring IT security

Hybrid work model is well accepted by leaders in IT service organizations

“There is no one solution fit for all companies and no one solution fit for employees within one company. 100% people working on shop floor will return and all others can work in hybrid model from home starting on a 60:40% model.”

_Global VP, ER&D airline company

“There is no doubt that future of work is hybrid. We will have to preserve the learnings from the pandemic and integrate into a new model.”

_HR Director, GCC global bank

“Anyone, Anywhere is going to be real.”

_COO, leading IT service company

“In our organization, by default everyone is hybrid.”

_COO, IT solutions company

“We are aligned on the thinking of hybrid work model. We cannot write this off easily that working from office is not essential.”

_COO, IT solutions company



However, future model of work is not binary, and many variations based on degrees of hybrid are possible

Need to provide employees with a range of hybrid models...

Degree of remote realization by employee (% time remote)



Fully co-located

In office 100% of the time

Hybrid / Flexible remote

On-site on-demand

Go to office only as needed

Scheduled remote

Fixed schedule i.e., alternate days or 2-3 designated days a week in office

Connected remote

Once-a-month attendance for affiliation or other purposes

Fully remote

No requirements to ever go into the office

Different implications by remote model

- Facilities within 1 – 2 hours of employee residence
- Mechanism to coordinate remote vs. in office days to maintain target capacity levels
- Facilities within 3-4 hours of employee residence
- Dedicated measures for engagement
- Last mile IT support to be ensured

...& coordinate across workforce to realize **effective remote %**

20%

Fully co-located
(0% remote)

+

60%

Scheduled remote
(2 days/week in office = ~40% remote)

+

10%

Connected remote
(2 days/month in office = ~90% remote)

+

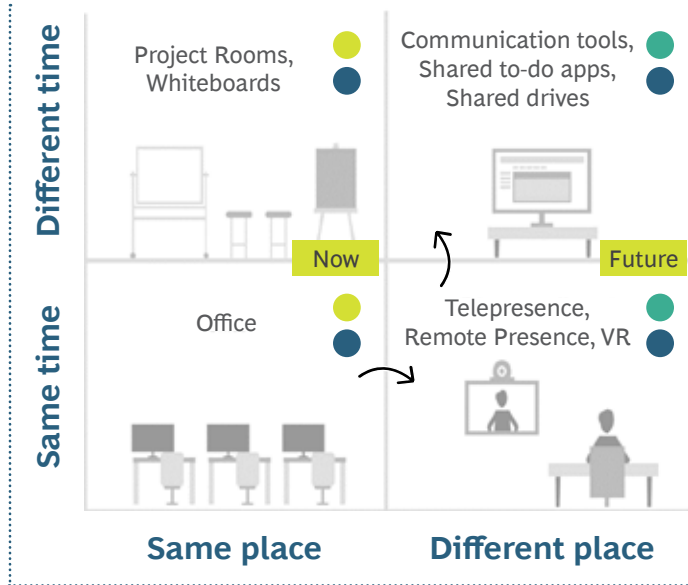
10%

Fully remote
(~100%)

~45% effective remote

Hybrid delivery also allows for asynchronous work models with greater flexibility around timing of bandwidth availability

The future of work is a mix of synchronous asynchronous work model



- Pre-COVID
- During-COVID
- Post-COVID



Implications & considerations of asynchronous work models



Employee satisfaction

Flexible work models and relaxation of the 8-hour day norm

5 + 3 model may be preferred by parents and caregivers



Increased efficiency

Staggered shifts to optimize for demand peaks

For BPM voice & ADM roles, higher efficiency possible through staggered shifts



Improved hand-off processes & in situational knowledge base

Interruption free working hours; and drives better documentation (improving institutional knowledge repository)

Asynchronous working drives up written communication, streamlines meetings, etc.



Customer satisfaction

Wider range of working hours (potentially shorter TAT for customers)

Easier to provide round the clock coverage



Best fit team structure for hybrid work model

OVERVIEW

With the transition to a new work model, organization structure is expected to undergo some changes to make the work more collaborative and engaging for employees.



KEY CONSIDERATIONS



Fluid organization structure for work that is creativity driven; where more reliance is placed on the potential of individual employees



Modular platform organization is desired where the focus is placed on organizational efficiency and teams are working in a single workstream



Co-existence of fluid and modular structure depending on the project requirement and constituency of the team

Traditional organizations focus on “Accurate execution”, while technology organizations are typically Fluid and Modular

Scale and Nature of the business are key drivers that define future hybrid organization structure



Scale of the business

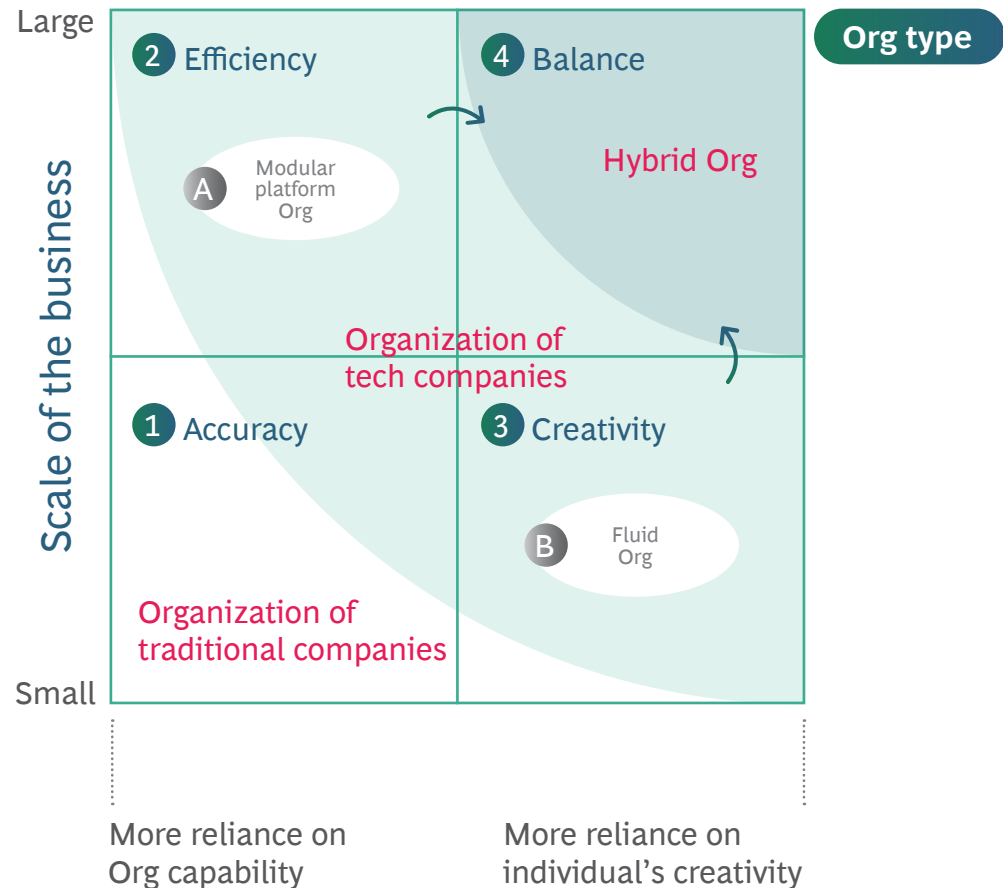
Scale is related to number of employees, business footprint, company development stage



Nature of the business

Business nature that has more reliance on Org capability or individual's creativity

Typical Org types in tech industry



The organization type decides the structure

Purpose of Org

Illustration

Characteristics

A

FLUID ORGANIZATION

- Creativity-driven, to unlock the potential of employees

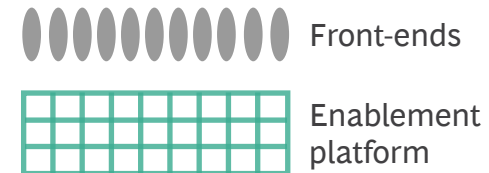


- Flat organization structure with blurred boundary
- Talents proactively form interdisciplinary teams across organizational boundary to meet business needs

B

MODULAR PLATFORM ORGANIZATION

- Efficiency-driven, to improve Org efficiency and adaptability



- Modular capabilities packed in enablement platform that front ends could leverage
- Modular capabilities could be regrouped and evolve according to business needs

WHAT LEADING PLAYERS ARE DOING

A global software technology services company

Group Net Organizational structure

For an organization, there is no distinctive choice between fluid and modular organizational structure. An organization can have fluid or modular structure according to the business requirement.



INNOVATION / SOLUTION



The company create 'Group Net' where people from cross functional teams come together to solve very specific problems



One such Group Net determines how to build and improve the speed/quality of getting new business in the firm.



Representatives from resource management team, delivery team etc. come together and operate in a fluid structure.



There is no hierarchy, and everyone works at the same level. Key structures are identified that require a group net – new business area, top 10 accounts etc.



Implementing the hybrid work model across job roles

OVERVIEW

Organizations have started opening their office spaces. For implementing the hybrid work model there is a need to decide the roles that should be on-site and others which could be performed remotely.



KEY CONSIDERATIONS



Dual role of workplace: Place to deliver work and place to collaborate & innovate; balanced mix of asynchronous and synchronous activity



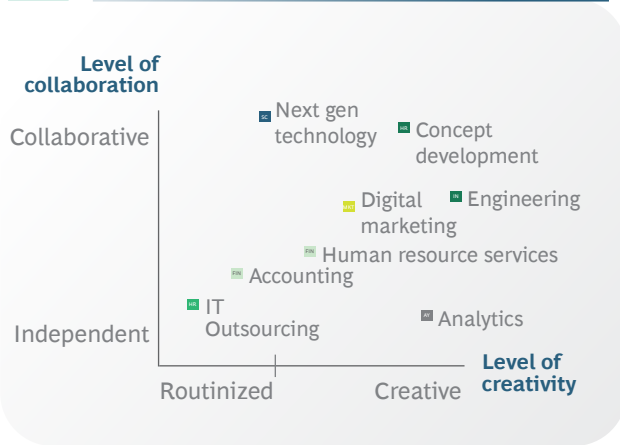
Workforce personas for clustering job roles basis employees' preferences & job requirements and modelling relevant work models



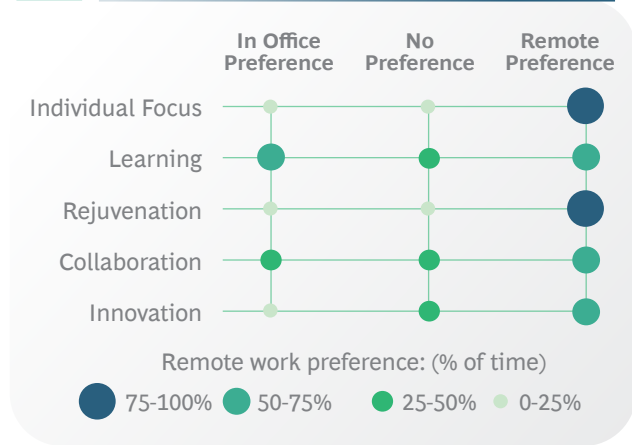
Providing autonomy to individuals for deciding right model based on career progression, project lifecycle, client constraints etc.

Job requirements across workforce personas are key to determine best-fit hybrid models for organizations

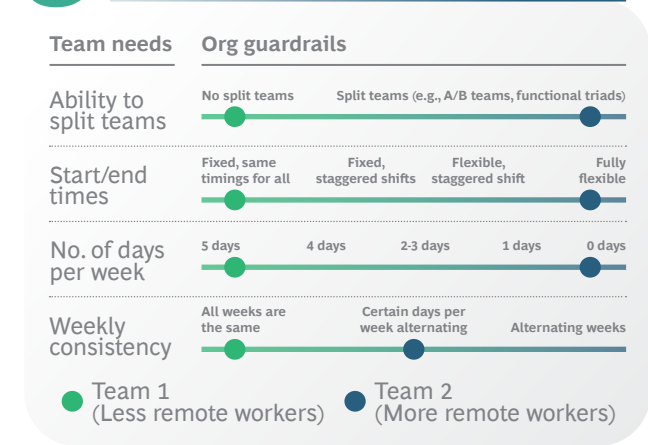
1 Identify main clusters which account for majority of jobs



2 Identify a range of work models based on employee preferences



3 Map job clusters to best-fit hybrid model based on key dimensions & enterprise-level constraints



Pattern-based professional

Accounts processing, Human resources processing etc.



Flexible professional

Digital marketing, web application development



Guiding leaders

Leaders and managers with people management responsibilities



Hourly digital connectors

Phone based customer service-oriented agents



Stewards and keepers

Database administration, network security etc.

WHAT LEADING PLAYERS ARE DOING

Global Capability Centre of a multinational investment bank

Changing role of workplace in quadruple of work, workforce, workplace & work-culture

Future model of work rests on four pillars – work, workforce workplace and work -culture. The future of workplace should combine two elements – place to deliver work and place to collaborate & innovate. With this change, organizations are identifying the roles that are expected to return to office.



INNOVATION / SOLUTION



For **effective collaboration** people returning to office 3 days a week should match with others' schedule as well



Created **personas** for employees based on unique characteristics, e.g.: day in the life of a developer, customer service people etc.



Planned the return of employees at workplace looking into specific personas and the **work pattern** that were more closely aligned

WHAT LEADING PLAYERS ARE DOING

Indian global Information technology solutions and services company

Autonomy to people for deciding the best work model

Future model of work rests on four pillars – work, workforce workplace and work -culture. The future of workplace should combine two elements – place to deliver work and place to collaborate & innovate. With this change, organizations are identifying the roles that are expected to return to office.



INNOVATION / SOLUTION



There are tasks that work well when performed at home as it allows people to balance the personal & professional commitments



Some tasks work better in office – collaboration, creating a new team of people, innovation etc.



The decision on the operating model lies with the individual based on multiple factors – career progression, lifecycle of the project, client constraints etc.



Allowed people to define the model that works best for them. What is right for the customer & what is right for employees – the resultant model is best for the company



Evolving role of first line managers

OVERVIEW

The role of managers is expected to change in new work setup. Managers should adapt to the new ways of working and integrate their teams.



KEY CONSIDERATIONS



Adopting best management practices at scale: Run regular reviews, build one on one connect with the team members, set clear expectations, and give immediate feedback to the members



Unlearn and learn with the fresh hires who can grasp newer technologies faster as they are remote natives having done majority of their studies in online mode



Mentorship role of managers is shifting to Community of Practice as young employees love to learn from peers rather than coaching/ advice from their managers

“Winning” behaviors, leadership needs to model during hybrid work



Trust and devolving job autonomy

- Providing employees with greater autonomy over work methods and timing of their work
- Creating sufficient opportunities of interaction for employees in order to foster trust and transparency and provide guidance without creating mistrust



Level the playing field

- Emphasis on comparable feedback frequency and detail for remote and in-person employees
- Employ objective, data-backed performance measures
- Ensuring all employees in office must dial into calls
- Leaders should avoid being ‘in office’ at all times



Digital social intimacy

- Utilization of virtual tools for coaching and feedback
Celebration of success in remote settings by sharing stories of success, offering personal comments to remote employees, etc.
- Randomized peer catch-ups and small group discussions
Celebration of personal highlights over virtual get-together



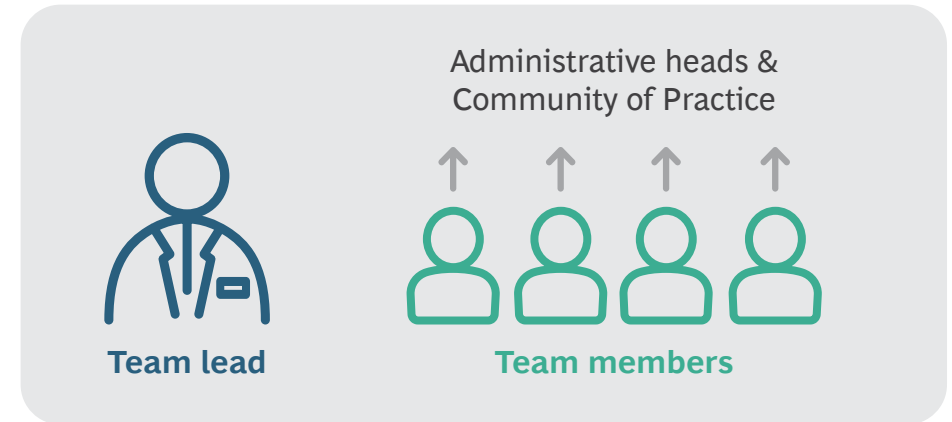

More localized decision-making

- Actively empowering employees to step up and voice opinions
- Integrating lower level employees into key meetings and decision-making activities
- Creating opportunities to train employees dealing with external stakeholders in decision-making

Flattening pyramid team structure to adapt to new model of work and evolving role of leaders



Changing Pyramid
Team structure



Evolving roles



Mentorship



Role shifted to
Community of
Practice & HR



People Management



Role retained by the **team lead** + create a culture of psychological safety



Topic Leadership



Learning and solving problems with **Community of Practice** and peers



Individual Contributor



WHAT LEADING PLAYERS ARE DOING

Indian global Information technology solutions and services company

Evolving role of a leader

Today, there is no one fixed way of doing a work. In this change, leaders are the most important piece. Role of leaders is changing at the organizational level for adapting to the hybrid work model.



INNOVATION / SOLUTION



Managers should create a **sense of psychological safety** (fairness, equity) so that trust is maintained in career management, L&D, career progression



Team leaders are contributing increasingly to deliverables and playing the **role of the administrative head** of the team.



Community of Practice has adopted the mentorship role for employees. Young employees love to learn in a community construct

Sustaining unstructured employee engagement

OVERVIEW

With 24 months of working from home, employee engagement has suffered the most. Organizations are designing alternate mechanisms to restore the similar level of engagement.



KEY CONSIDERATIONS



Lack of face-to-face interaction and connection among the employees has affected the engagement within the organization

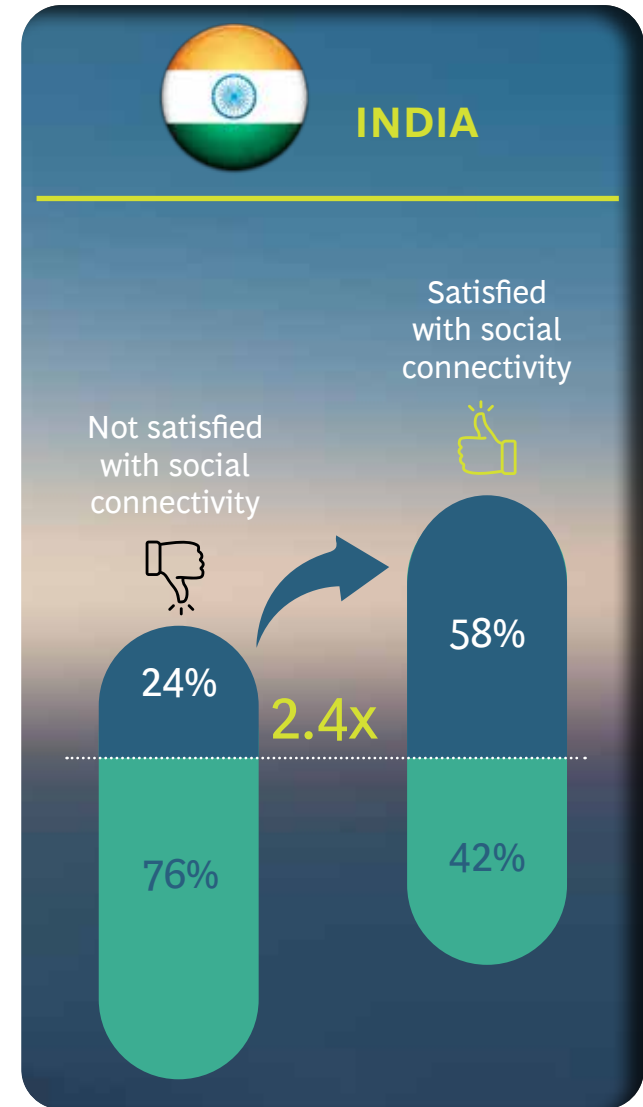
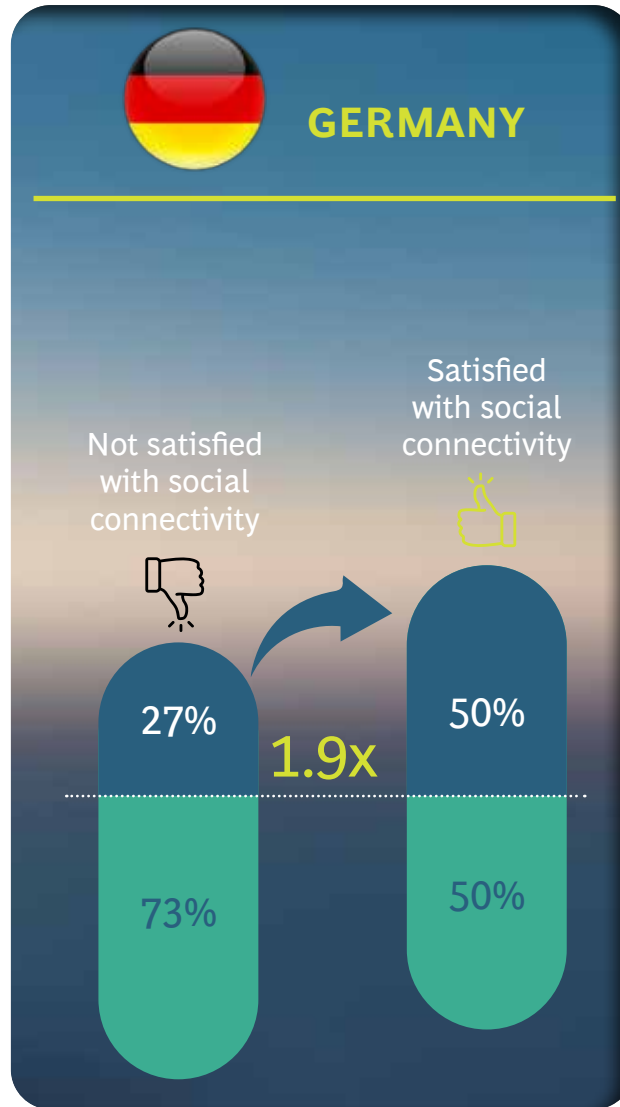
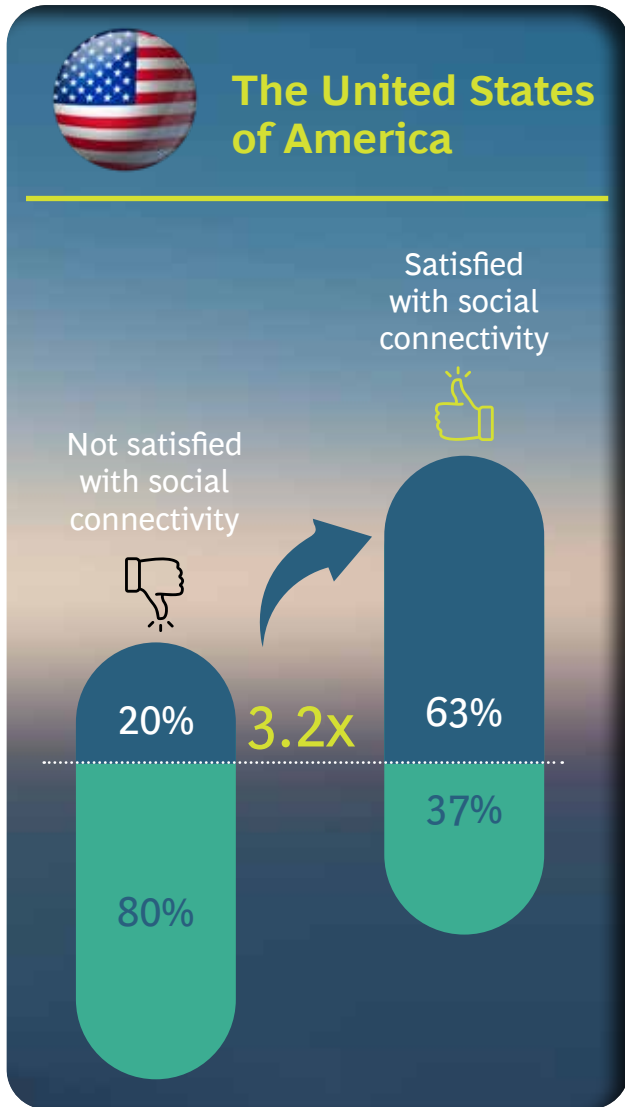


Alignment with the brand is required for the employees, more importantly for the remote hires who haven't got a chance to interact informally with their peers



Leaders should accentuate the elements within the teams so that employees feel engaged in small groups, which can later be unified at the organizational level

Social engagement & connectivity critical to maintaining productivity in a hybrid work environment



● As productive as or more productive than before COVID-19 ● Less productive than before COVID-19

Source: BCG COVID-19 Employee Sentiment Survey, May 21–June 13, 2020 (N = 12,662 in the US, Germany, and India), unweighted, representative within ±3% of census demographics. Note: Respondents were asked to rate satisfaction on the question: “Overall, how have you felt about your level of connection to your colleagues during the COVID pandemic?” and “How productive have you been across different aspects of work during the COVID pandemic compared to before?” These results illustrate observed correlations between responses to both questions

In a hybrid setup, employee engagement interventions can be personalized by leveraging data and analytics

WHAT IS ONA?

Organization Network Analysis (ONA) is a management tool offering insights into formal and informal relationships employees hold with each other by visualizing employee engagement levels

HOW DOES IT WORK?

Network analysis based on multiple data sources:




- Readily available communication patterns across emails & other productivity, monitoring tools
- Employee input using regular surveys, focus groups & discussion forums
- Social network analysis i.e. LinkedIn etc.

THINGS TO WATCH OUT FOR?

- Discretion on usage of data to avoid privacy breaches (balancing level of aggregation vs. disaggregation, data masking etc.)
- Compliance with applicable regional regulations



Need for focused engagement measures

 Informal leader Highly engaged	Low
 Intermediary Moderately engaged	Medium
 Disengaged 'at risk' Highly disengaged	High targeted steps to be taken

EXAMPLE



A Leading consumer goods firm

Used ONA to explore

- prevalent network of connections
- extent of inclusion as perceived by employees

Analyzed internal survey and conversations on internal social platform to derive insights

Identified individuals who could benefit from communicating more with specific individuals

Identified key topics for discussion among employees to improve diversity and inclusion

WHAT LEADING PLAYERS ARE DOING

Indian global Information technology solutions and services company



Connected @Workplace

With the current combination of accelerate growth and attrition, half the company is expected to be new in near future. Organizations are building mechanism to sustain the employee engagement level.

INNOVATION / SOLUTION



The fresh hires are young people who are used to building connect remotely – **virtual education in college**. We need to **learn from them** and provide them a platform to engage.



Pre-COVID, the company had various **self driven SIGs** – locational, book lovers, movie buffs etc. where people used to engage freely.



During COVID, the company implemented **Connected @ Workplace** which has become a very engaging community. Many SIGs have adopted the platform and conduct regular activities – cooking, walkathon, music events etc.



Offering choices to employees to be in tier 2/3 cities

OVERVIEW

Organizations are planning to relocate or open new satellite offices in tier 2/3 cities given the availability of vast talent pool and shift of employees to their home locations



KEY CONSIDERATIONS



Realization of benefits of working from home: Employees can balance their personal and professional commitment effectively; re-locating back to the office location will create some level of resentment



Minimize the impact of disconnect among employees: Companies have the option of opening satellite offices in selected tier 2/3 cities based on employee survey and place of relevance



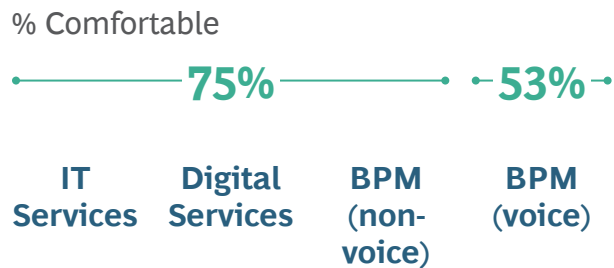
Long term strategy for companies: With the resumption of in-person work, employees are expected to come back to the base location first and then slowly transition to the hybrid work model from tier 2/3 offices

Companies believe access to wider talent pools is the primary benefit from adopting hybrid delivery model



	FROM	TO
Location	Hiring largely constricted to Tier-1 metros	Accelerated expansion to Tier 2 and Tier 3 cities with 20-30% lower salaries
Flexible contracting models	Rigid 40 hours/week model	Higher adoption of pay-on-demand models i.e., gig workers/free-lancers
Diverse talent pools	Certain talents pools i.e. women caregivers, differently abled groups not sufficiently tapped	Increased traction on tapping & retaining diverse talent pools

Companies tested on comfort level with employing talent in Indian Tier 2/Tier 3 cities

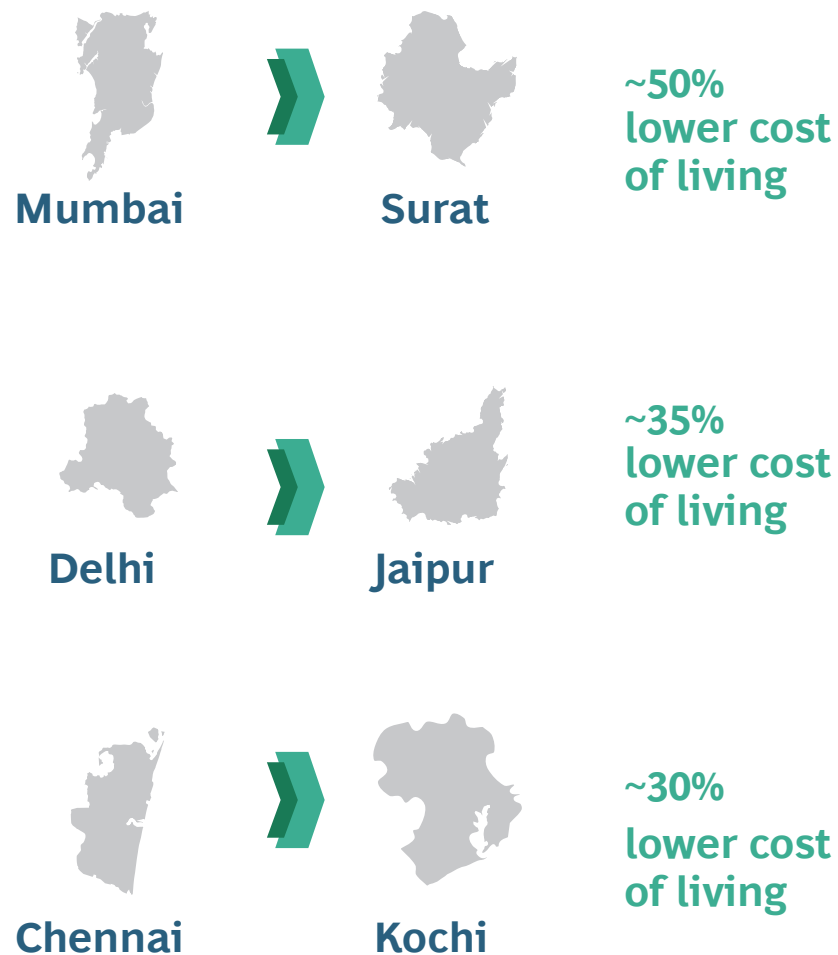


Need to rethink talent strategy (sourcing, recruitment, compensation & retention) to effectively leverage a wider talent pool

Source: Press search; BCG analysis, BCG Survey of Tech Services Outsourcing Buyers

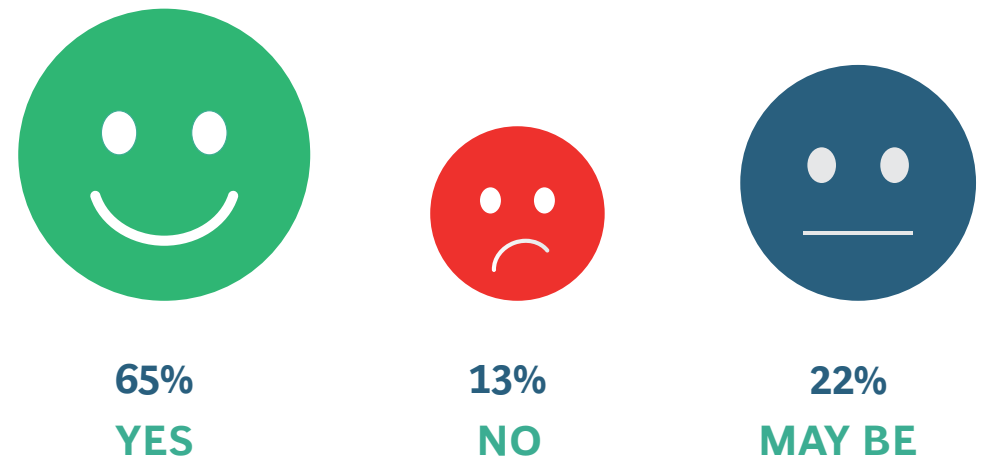
Stronger employee value proposition potential by tapping into Tier 2 talent pools

Cost of living is 30-50% cheaper in tier 2 cities than metros



Voice of employee survey indicates ~65% want to move out of metros ...

Do you want to shift to a tier 2/3 city?



Source: Press search, BCG analysis, BCG employee sentiment survey; N= 3271

WHAT LEADING PLAYERS ARE DOING

A multinational IT services and consulting company



Future location strategy

The remote construct shifted a large employee base to their home location. A significant proportion of employees today come from tier 2/3 cities in India.

INNOVATION / SOLUTION



The company created a **T+3 location strategy** which also includes expanding into tier 2/3 cities.



Employee's demography is checked, and a set of cities is identified based on the **available talent pool and growing industry presence** in these cities.



Indore, Chandigarh, Warangal, Kochi etc. are the tier 2 cities of high potential for the company and it expects to narrow down to 2-3 cities for launching new offices.

WHAT LEADING PLAYERS ARE DOING

Indian global Information technology solutions and services company

Location strategy

Organizations are planning to change their geographical footprint and shift the focus to Tier 2/3 towns

INNOVATION / SOLUTION



The company expanded to several new offices in last 18 months – Coimbatore, Nagpur, NCR, Kolkata etc.



It is offering more choices to employees for hybrid work model. The locations were picked based on employees' survey results



People need to connect with each other occasionally and come to any company location (if not the base location) so that they feel connected to the brand





On boarding and training new hires

OVERVIEW

Technology engineering work is highly domain specific and has a steep on the job learning curve. During the remote work setting, many new engineers were joining the team and it was a challenge for them to start working on specific projects.



KEY CONSIDERATIONS



Massive hiring of fresh tech talent:

Companies need more than 1.1 lakh out-of-college hires in 2022, due to the green shoot growth and high industry attrition



Remote education of fresh hires: Work readiness of fresh hires will not be same as before, given they have completed most part of their education in a remote setup



Identifying touch points to provide the office experience to new hires, e.g. first day onboarding, training, teaming etc.

WHAT LEADING PLAYERS ARE DOING

A leading IT consulting company

Developing new talent pool

Organizations such as ER&D which require highly domain specific skills, have a need to train the new hires in these skills so that they are ready to work effectively. They are reshaping their talent acquisition and training strategy for new hires

INNOVATION / SOLUTION



Right talent pool is required to execute ER&D projects. Hence, the company started early engagement with a lot of universities and colleges for doing upfront and proactive training



Since future employees are distributed across the country, experts can remotely/in person impart domain specific knowledge - define the curriculum and get the students trained with foundational knowledge





Redesigning the workplace of future

OVERVIEW

With the shift to hybrid work model, all the employees are not expected to return to the offices. Organizations are re-designing their offices to accommodate to the new work model



KEY CONSIDERATIONS



Create activity-based workplace by restructuring the office and freeing up the fixed office space



Neighborhood work zones and connection hubs can be created for teams to connect and collaborate effectively



Immersive experience for employees joining discussions remotely: Relevant workspace needs to be created for streamlining the hybrid work model

Developing an activity-based workplace to provide purpose-built zones



1

Neighborhood work zone

Workstations and phone rooms available for individuals and teamwork activities



2

Focus zone

Quiet areas to support and signal time needed for heads down time



3

Collaboration zone

Well-equipped teaming areas for group work, digital connections, and formal meetings



4

Work café

Blend social spaces with productivity enablers to promote a casual work setting



5

Wellness zones

Rejuvenation zones to support healthy work cadence



6

Third Place

Semi-social environment for “alone, together” time



7

Home Office

Ergonomically supportive home office with limited distractions



Redesigning workplace on principles of learning culture, resilient infrastructure and adaptive ways of working



LEARNING CULTURE

Physical space design to influence behavior & support responsive culture

- Design for flexibility
- Organize spaces by activities not departments
- Design with focus in mind



RESILIENT INFRASTRUCTURE

Spaces that enhance employee's productivity and work satisfaction

- Factor in Wellness
- Provide spaces that build trust
- Challenge the culture of permanence



ADAPTIVE WAYS OF WORKING

Growth minded & adaptable to address the changing needs of employees

- For hybrid work, treat in-person & remote workers equally
- Enable optimized use of space
- Support omni channel service delivery



A leading technology firm invests in infrastructure enabling hybrid remote meetings to be more immersive and engaged

The company developed the 'meeting hexagon', which makes man-technology interaction easier and utilizes sensing and display technologies. It is equipped with sound-absorbing panels, 360° cameras, interactive whiteboards and colored light cues indicating if the space is available or in use. The hexagon allows multi-dimensional interaction between live tech info walls and off-site as well as on-site participants.

WHAT LEADING PLAYERS ARE DOING

A multinational IT services and consulting company

Redesigning the Workplace

Future model of work rests on four pillars – work, workforce, workplace and work-culture. Organizations are redefining the office spaces to make the hybrid work more collaborative



INNOVATION / SOLUTION



In a hybrid model, the workplace is expected to see a shift from the place of delivering work to a **place for connecting & collaborating with people**



The company planned to provide relevant workplace tools and infrastructure like **different types of conference rooms, meet hubs** etc. to make the hybrid model streamlined.



These support **greater collaboration** and are inclusive environments for team members who may not be able to attend the discussion in-person

Enabling lab ecosystem in hybrid work setup

OVERVIEW

Labs are essential part of daily workflow in various organizations. Changes are required to bring the lab ecosystem to the employees in hybrid working model.



KEY CONSIDERATIONS



Hardware equipment in a lab are bulky and difficult to carry: Organizations need to find a solution for continuously carrying out the lab processes



Reimagining lab processes: Reduce the time required for being available in the office for carrying activities in the lab setup



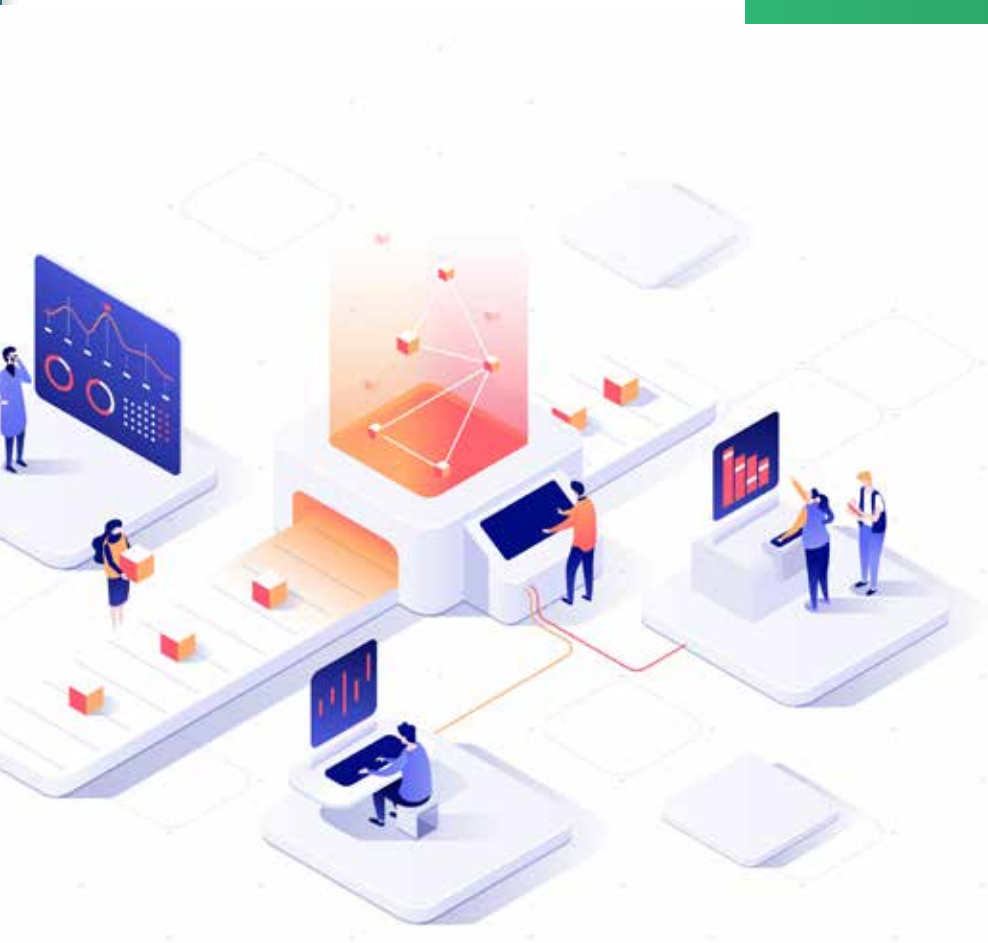
Innovating lab processes: Using remote access software and technical tools for carrying out the lab activities remotely

WHAT LEADING PLAYERS ARE DOING

A leading IT consulting and business outsourcing services company

Enabling lab ecosystem

Labs include a lot of hardware that have high power electric components and it is a challenge to make them available to employees in a remote setting. Organizations are innovating to bring the lab equipment in different work models



INNOVATION / SOLUTION



For a client in the power industry, the labs had bulky hardware and control systems. The company **built emulators** for power equipment and control systems and used digital tools & process models for the turbines.



Software like **LabView, Matlab, Simulink** etc. were used and the emulators were connected to the HMI (human-machine interfaces) for simulating the testing of the development and features.



It helped in **providing real time remote access** of labs to the employees effectively.

WHAT LEADING PLAYERS ARE DOING

A global ER&D company in electricity and gas utilities space

Rethinking processes involving labs

Processes that are performed in lab include steps that can be performed remotely. Employees are adapting to the changing model of work and rethinking the chain of actions to be undertaken within the labs.

INNOVATION / SOLUTION



In a pre-covid setting, people were not aware if the work can be done remotely Now, **people are forced to think how lab interactions** can take place.



Previously, if 1-10 steps were performed in the lab, now people are **reimagining how only step 1 & 2 can be performed in the lab** and rest can be performed from home.



For the steps required to be functioned in a lab setting, **optimization and utilization of the visits to office** was efficiently planned.

Strengthening the chain of culture

OVERVIEW

Organizations should sustain the chain of culture in hybrid work model as a lot of new hires have joined remotely and have never been to the physical office or interacted with their peers.



KEY CONSIDERATIONS



High growth coupled with high attrition has weakened the organization's chain of culture



Building culture remotely: Fresh hires are used to connect virtually as they have attended some part of their college in online mode



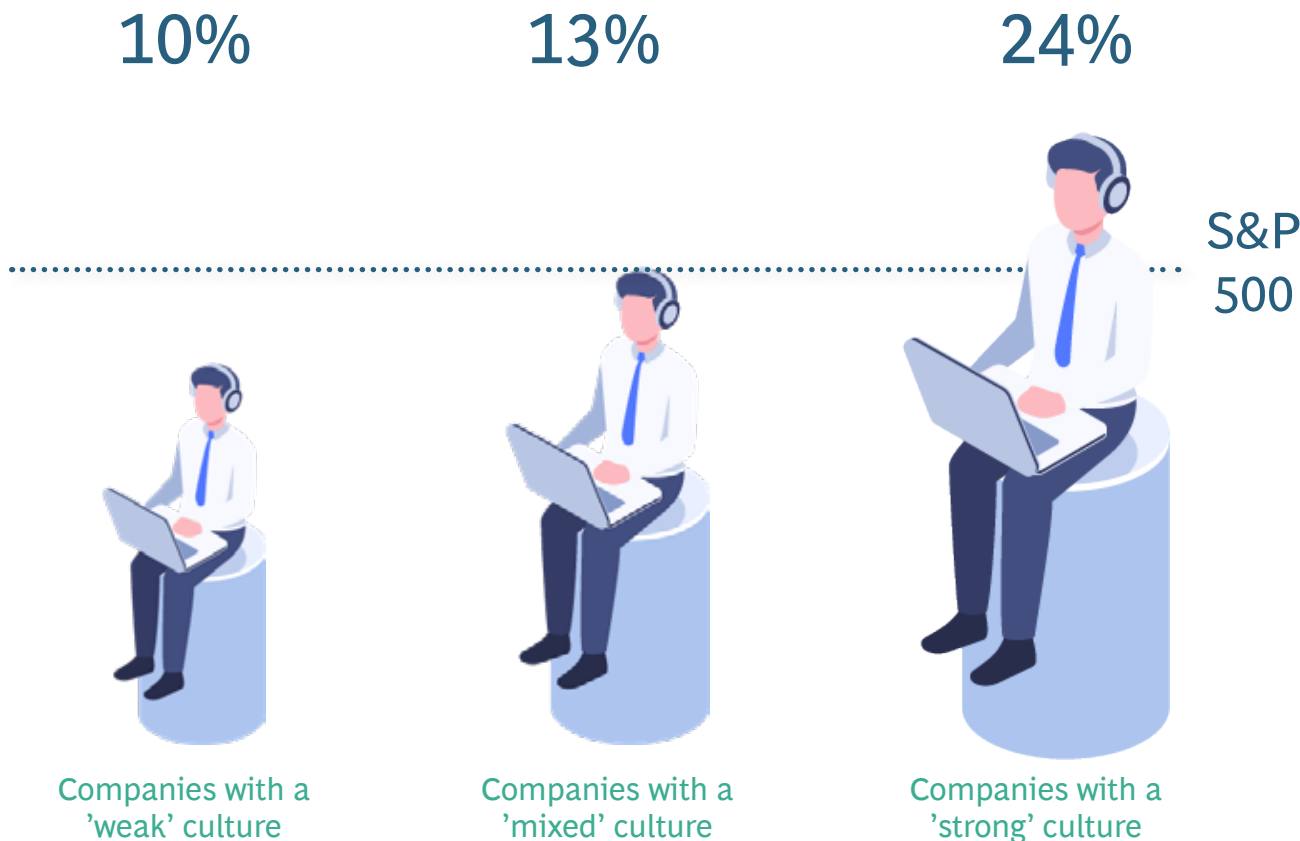
Leaders should instill a sense of pride, purpose and wellbeing among the employees

Changing perspective towards employees: Organizations should treat people as adults and trust them to develop a trust based culture

Why is it important to get culture “right?”

Companies with a clearly defined and embedded culture outperform peers ...

5 year average Total Shareholder Return (%)



1. Gallup top quartile engagement companies vs. bottom quartile, LinkedIn research
Note: TSR = total shareholder return. BCG surveyed 75 public companies and administered the culture diagnostic, which consists of 7 dimensions: structured/flexible, controlling/delegating, cautious/risk-permitting, planning/doing, diplomatic/direct, individualistic/collaborative, internal/external. When a company's results are at either end of the spectrum for only one or two dimensions, it has a weak or ambiguous culture. When the results are at either end for three or four dimensions, a company has a mixed culture. When the results are at either end for five or more dimensions, a company has a strong culture. Source: BCG analysis

... strong culture and highly engaged employees lead to better results

10+%
Higher staff productivity



10%
Higher customer satisfaction



70%
Higher likelihood to accept an offer



25-60%
Less staff turn-over



Leaders accentuate employee behaviors to build a strong chain of culture

Culture is transmitted and built when employees...



Leaders must build new muscles to foster connections and build culture



Articulate

Discuss and document culture (behaviors, norms, routines, etc.) and how it is manifested Use this not only in onboarding new hires, but as an opportunity to build a more purposeful culture for the entire company



Activate

Walk the talk: Individuals follow what they see if manifested in leader actions Find frequent and consistent opportunities to role model aspirational culture in day-to-day work and engagements



Embed

Identify and address what gets in the way of living the desired culture / demonstrating the right behaviors including:

- Performance management
- People processes
- Operating model
- Specific leaders

WHAT LEADING PLAYERS ARE DOING

A multinational IT services and consulting company

Team rituals framework

With the onset of remote work setting, the chain of organizational culture appears to be broken as more and more new hires are joining the organization virtually. Organizations are reacting to protect the chain of culture.

INNOVATION / SOLUTION



The firm designed a model on the principle of 'trust-based culture'



It created a team ritual framework e.g., team norms, working pattern etc. to help the teams further the culture



This enabled the team leader to incorporate the organizational culture within respective teams and enhance the social connect among the members





Enabling innovation

OVERVIEW

Organizations should embrace the importance of innovation in hybrid work model and provide systems for enhancing creativity & innovation at work.



KEY CONSIDERATIONS



Innovation is a collaborative process which functions well when people are co-located in a synchronous work environment

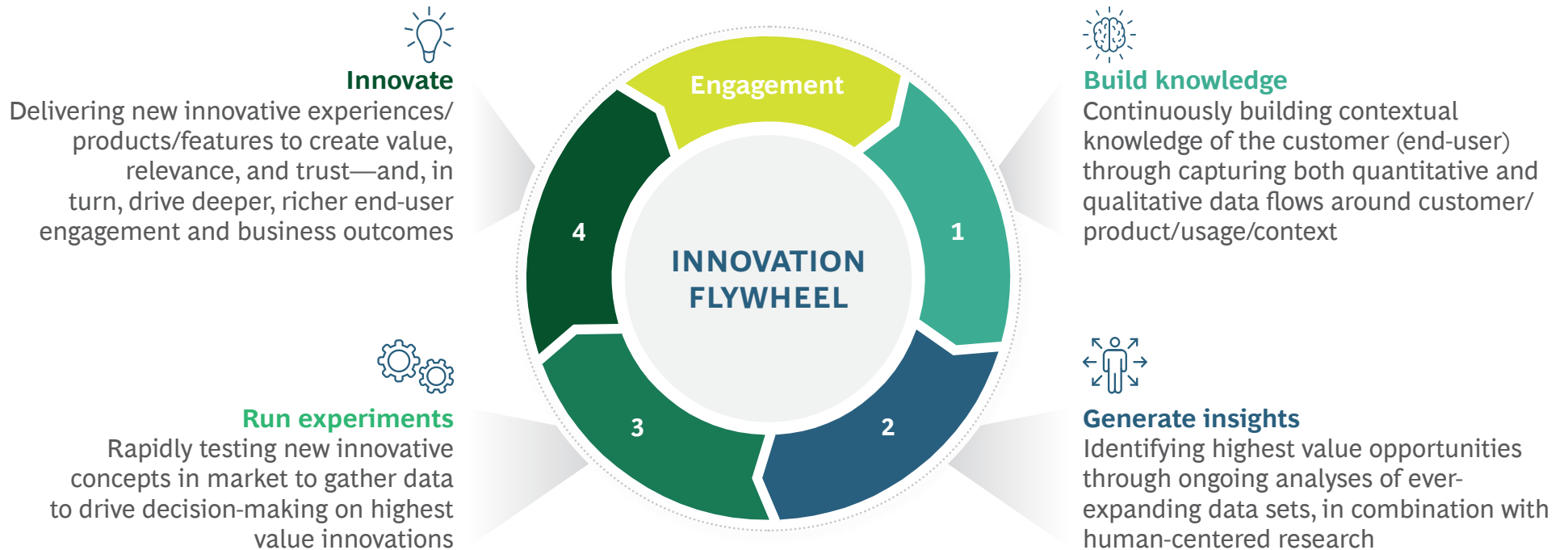


Negative impact on innovation due to onset of remote work as people in a team are available from different model of connectivity



Innovation is happening at all levels of an organization and managers should induce a culture of creativity among the team members

Enabling innovation flywheel to spin in the hybrid work model and generate innovation at speed and scale



Empowerment of multi disciplinary teams and singular focus on objective



Culture of transparency and celebration of creativity, design thinking & innovation



Continuous learning and systematic risk reduction through build-test-learn loops



Open, modular platform architecture optimizing flexibility and speed

WHAT LEADING PLAYERS ARE DOING

A leading ER&D company in automotive and aerospace industry

Reimagining Innovation Cycle

During COVID, innovation is one of the most impacted element at work. Innovation historically has been synchronous process with creativity at its core. Changes are required in a hybrid work model to enable innovation.



INNOVATION / SOLUTION



With innovation, **time to market is critical** as it provides organizations with a competitive advantage

The company **reimagined the innovation cycle** and broke it down into two aspects:



- creativity which requires people to be **synchronous** i.e. work together, and
- **asynchronous** activities including development and testing the innovation that can be carried out from anywhere



It has **enabled the innovation cycle to get faster** and at the same time retain the efficacy of innovation at work.



Equitable experience for employees

OVERVIEW

With the adoption of hybrid work model, organizations at any given point of time will have two different set of employees – one working remotely and other working from office. It is imperative to ensure fair and equal treatment for both the employees.



KEY CONSIDERATIONS



Apprehensions about disparity at work can arise in the mind of remote working employees when compared with their peers



Collaboration, productivity, pay, performance management are critical elements of disparity among the employees



Role of team leaders is critical in solving the problems and creating a fair experience for both sets of employees

Developing enablers to provide equitable work experience for in-person and remote workers



Participation in collaboration settings

- When I am remote for a meeting, I am listened to just as much as those in the team room
- I can see and engage with all the same visual and audio content as those in the room



Opportunities for Learning and Development

- I feel that I have effective learning tools at my disposal and am continually growing
- Regardless of whether I am in-person or remote, I have access to informal mentorship opportunities



Productivity

- I get my work done just as fast remotely as I do in-person at the office
- My team's meetings are efficient/only scheduled when necessary
- Collaboration tools are used in fit-for-purpose contexts



Performance management and evaluation

- I am evaluated on outputs, not time spent on a task
- There is a consistent process for evaluating my performance that is not dependent on 'face time'



Affiliation

- Regardless of how often I work in-person or remotely, I feel a connection to the community
- I can build 1:1 relationships with my day to day working-level colleagues and broader leadership



Predictability and sustainability

- I work a similar number of hours whether I am working remotely or in-person
- There are consistent 'checks and balances' across my team to ensure sustainable work hours



Pay and Benefits (gross and net)

- When I am remote, my benefits and perks are equal to those of my in-person colleagues





Embedding gig workforce

OVERVIEW

The remote work setting has opened the access to wider talent pools. Organizations have started to leverage the new/alternate talent pool e.g. gig workforce.



KEY CONSIDERATIONS



Developing comfort with managing unorganized workforce: Managers need to be trained for working with on-demand or gig employees and ensuring similar productivity level



Atomization of projects: Identifying projects and relevant skill requirements for breaking it into small tasks, that can be fulfilled by the available gig talent pool



Compliance and regulatory concerns: Organizations can either assume liability of the gig employees or outsource it to third-party vendors for managing the regulatory and security obligations

Increased expectations around 'gig' on-demand service delivery models anticipated

73%

buyers expressed interest in on-demand flexible capacity models

i.e. buyers can scale up and down capacity as needed, and delivery agents' schedule is highly flexible depending on client demand and agent availability

Source: BCG Survey of Tech Services Outsourcing Buyers, Expert interviews

Value proposition for 'gig' service market is driven by three key elements



Improved handling of demand variances

Flexibility of handling intra-day & seasonal demand variances efficiently



Higher end-customer satisfaction

Improved end-customer satisfaction with better service levels due to optimum staffing levels



Better economics

- 20% lower cost for demand peaks and troughs
- Better economics for customers with pay per use model



Ramp up during the peak holiday season, easily meeting 2x demand, is one of the reasons to bring on-board uberized vendor



Uberized model resulted into unlocking up to 20% savings. We saved by staffing optimally during demand troughs

WHAT LEADING PLAYERS ARE DOING

A multinational IT services and consulting company

Developing platform for gig workforce

The remote work setting has opened the access to wider talent pools. Organizations have started to leverage the new/alternate talent pool e.g., gig economy.



INNOVATION / SOLUTION



For gig workers companies have to ensure a continuous supply, maintain a network, design output or time-based payouts and plan for the liability of any concerns.



The company recently launched its exclusive Freelancers network to tap on the gig workforce.



It engages through platform vendor where gig workers will register themselves individually and announce their rate cards. The company will pay directly to the vendor. This allows platform vendor to address all regulatory requirements as well



IT security

OVERVIEW

Organization need to pressure test and re-look at their IT security in light of changing workforce mix with the hybrid models and increasing digitization in business

KEY CONSIDERATIONS



Client security requirements are relaxed to accommodate the shift in working model. However, certain regulated industries require strong IT security constraints



Adoption of cloud has increased significantly, thereby exposing the system to threat of malware, hacking, data loss etc.



IT infrastructure investment for organizations has increased as well for allowing the employees to connect from any location

Six pillars of a comprehensive cyber security framework



1

Security Operations and Monitoring

Day-to-day management of security capabilities and real-time continuous monitoring i.e. SIEM¹, SOC², GRC³ etc. Assessing, detecting and responding to threats through threat modeling, analytics, PT⁵, VA⁶, active defense, forensics, incident management, etc.

2



Identity and Access Management

Access and privileges to the right person at the right time (role-based access control & least privilege)

3



Endpoint Security

Protection and detection of any intrusions to all endpoints

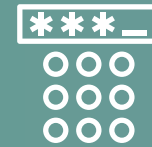
4



Application Security

Secure development and protection of enterprise applications (i.e., ERP, Business solutions, load balancing, etc.)

5



Data Security

Manage and protect data (in transit/ at rest) and stored information (i.e. digital signature, data masking, data retention, data classification, DLP4, etc.)

6



Infrastructure Security

Ensure network and infrastructure are secure (with VPNs, network segmentation, intrusion prevention, and access controls)

1. SIEM = Security Information and Event Management 2. SOC = Security Operation Center 3. GRC = Governance, Risk and Compliance 4. DLP = Data Loss Prevention 5. PT = Penetration Test 6. VA = Vulnerability Assessment



PATH AHEAD...

Organizations are rolling out a Hybrid work model as they start calling employees back to work



What is certain to change?



Client Priorities:
~70% of IT and Digital services buyers are comfortable with hybrid models



Employee Priorities:
>70% employees prefer hybrid model, as they seek more flexibility in how they work



Ways of Working:
Agile & iterative and Collaborative working became the norm through Covid-19, and will continue going forward



Open questions to be answered?

How we work?

- How does hybrid look like across different job roles?
- What is the best fit team structure for the hybrid model?

How we lead?

- How do we enable our first line managers to lead the new workplace?
- How do we ensure social engagement and connectivity amongst employees?

How we organize?

- How do we use the hybrid model to create a differentiated value proposition for talent?
- How do we ensure equitable experience for employees?

What we need?

- What does our future geographical footprint look like?
- What does the future workplace look like?

Organizations need to build their value proposition around **three fundamental pillars**

Value proposition



Access to Talent

Capability to leverage hybrid work models to get the right talent at the right time (niche skill sets, lower attrition, rapid upskilling)



Variabilization of delivery

Support variability in contractual agreements and capacity delivered (forecasting, quick ramp ups, gig economy)



Operational Resilience

Resilient operations and readiness to handle unpredictability (geographical spread, BCP, robustness of remote infra.)



While managing expectations around cost implications...



... and concerns around information security

Big bang approach not feasible, journey to be undertaken in modular steps with “fail-fast-learn” approach

Design & prioritize initiatives
(benchmarks, data backed analyses, business case)

Launch pilots
(One center, one service line etc.)

Scale and Industrialize

Agile way of working—rapid iterations, co-creation

Continuous improvement

Measure, “fail fast” & codify learnings

Detail initiative to scale
(change management, interdependencies)



The information contained herein has been obtained from sources believed to be reliable. NASSCOM and its advisors & service providers disclaims all warranties as to the accuracy, completeness or adequacy of such information. NASSCOM and its advisors & service providers shall have no liability for errors, omissions or inadequacies in the information contained herein, or for interpretations thereof. The material or information is not intended to be relied upon as the sole basis for any decision which may affect any business. Before making any decision or taking any action that might affect anybody's personal finances or business, they should consult a qualified professional adviser.

Use or reference of companies/third parties in the report is merely for the purpose of exemplifying the trends in the industry and that no bias is intended towards any company. This report does not purport to represent the views of the companies mentioned in the report. Reference herein to any specific commercial product, process or service by trade name, trademark, manufacturer, or otherwise, does not necessarily constitute or imply its endorsement, recommendation, or favouring by NASSCOM or any agency thereof or its contractors or subcontractors.

The material in this publication is copyrighted. No part of this report can be reproduced either on paper or electronic media without permission in writing from NASSCOM. Request for permission to reproduce any part of the report may be sent to NASSCOM.

USAGE INFORMATION

Forwarding/copy/using in publications without approval from NASSCOM will be considered as infringement of intellectual property right



For information or permission to reprint, please contact BCG at permissions@bcg.com.

To find the latest BCG content and register to receive e-alerts on this topic or others, please visit bcg.com.

Follow Boston Consulting Group on Facebook and Twitter.

©Boston Consulting Group 2022. All rights reserved.

ABOUT THE AUTHORS

Vikash Jain

Managing Director and
Senior Partner
BCG New Delhi
Jain.Vikash@bcg.com

Nitin Chandalia

Managing Director and
Partner
BCG New Delhi
Chandalia.Nitin@bcg.com

Amit Kumar

Partner
BCG New Delhi
Kumar2.Amit@bcg.com

Pulkit Saxena

Project Leader
BCG New Delhi
Saxena.Pulkit@bcg.com

Sangeeta Gupta

Head of Strategy
NASSCOM
Sangeeta@nasscom.in

Achyuta Ghosh

Head of Research
NASSCOM
Achyuta@nasscom.in

Neha Jain

Senior Analyst
NASSCOM
njain@nasscom.in

Pramod Idiculla

Lead, Future of
Work initiative
NASSCOM
Pramod@nasscom.in

ACKNOWLEDGMENTS

The authors thank and acknowledge the support provided by Siddharth Modi (Senior Associate, BCG) and Aditya Jalan (Senior Associate, BCG) in preparing this report.

We would like to extend our gratitude to NASSCOM member organizations, industry stalwarts and leaders from the IT & BPM sector for sharing their rich experiences with us and enabling others to learn from their knowledge. Their expertise has been invaluable to this exercise.

A special thanks to Sucheta Desai for managing the marketing process and to **Jamshed Daruwalla, Saroj Singh, Pradeep Hire, Seshachalam Marella and Soumya Garg** for their contribution towards design and production of this report.



LEADING WITH
IMPACT
INNOVATION
INTEGRITY

NASSCOM[®]