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Agility and the transition from uncertainty to recovery: the Indian IT industry and COVID-19

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This paper reports a study of how the Indian IT industry navigated the COVID-19 pandemic. Agility emerged as the crucial determining factor aiding the industry's successful survival. IT organisations' agility, facilitated by the state's response to the pandemic and by both their anticipation of the lockdown and their technological capabilities, helped them overcome the crisis. The slowdown forced firms to downsize, reduce bench strength, freeze wages and intensify work, while deferring client payments. When the economy recovered, high attrition, termed 'The Great Resignation', forced employers to increase wages. Employers were unable to compel employees to return to the office, despite facing issues relating to organisational culture, data security and moonlighting. Remote working helped employees maintain work–life balance and save on cost of living, forcing employers to provide a hybrid option.

Keywords: *agility, COVID-19, employer–employee relations, IT industry, organisational performance, state*

JEL codes: *L86, J49, L25, F69*

INTRODUCTION

In January 2020, the COVID-19 outbreak caught the entire world completely off-guard. Within a brief period, a long list of countries declared an epidemic crisis, forcing the World Health Organization (WHO) to declare COVID-19 to be a global pandemic. COVID-19 has been one of the most challenging threats faced by humankind. The pandemic forced several countries to declare lockdowns, shutting in millions of people, firms and organisations, for several months. This caused a sharp decline in business and reduced global economic growth to between –4.5 per cent and –6.0 per cent in 2020, which partially recovered to between 2.5 per cent and 5.2 per cent in 2021 (Orlando et al. 2022). The unprecedented situation brought about by the COVID-19 pandemic resulted in the disruption of global supply chains (GSCs) (Xu et al. 2020). The main cause for this disruption was the lockdown and the various containment measures, raising questions about the future of global value chains (GVCs; Castañeda-Navarrete et al. 2021; Miroudot 2020).

COVID-19 has ignited arguments about the need to reshore production and promote resilience in countries that previously offshored (Castañeda-Navarrete et al. 2021). Firms and

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governments are under pressure to reorganise GSCs to make them shorter, more domestic or more diversified (Miroudot 2020). Consequently, post-pandemic governments are playing a much stronger role in orchestrating GVCs that are active in supporting local knowledge development and production (Gereffi et al. 2022). With the rise of protectionism and economic nationalism, some have questioned whether this is the end of globalisation (Gereffi 2020). However, the drivers and policy implications of supply chain disruptions during the pandemic are unclear (Ibid.). The impact on GVCs is not uniform (Castañeda-Navarrete et al. 2021). For instance, sectors which have a high share of occupations that can be performed remotely were less severely impacted (Orlando et al. 2022). Furthermore, the policy drivers of supply chains are different in importing versus exporting economies, advanced industrial versus developing nations, and the home versus the host countries of the large multinational enterprises (MNEs) that constitute global production networks (GPNs) (Gereffi 2020).

In this paper, we discuss the impact of COVID-19 on the Indian information technology (IT) services industry and its employees. We try to answer the following questions: how did the Indian IT industry and its clients respond to COVID-19? What was the role of the state in overcoming the crisis? What has been the impact of the pandemic on Indian IT employees?

However, before we do this, a brief review of literature on the response of the state and organisations is required.

THE RESPONSE OF THE STATE AND ORGANISATIONS TO COVID-19: INVOKING AGILITY

As mentioned earlier, the impact of COVID-19 on the global economy has been drastic and beyond the control of any organisations or governments. Nonetheless, to control large-scale infections, governments worldwide adopted a range of precautionary measures, such as travel restrictions, banning large gatherings, temporary shutdowns of factories and mandatory quarantines. These restrictions led to shortage of labour, raw materials and consumables (Xu et al. 2020), closing down most of the world's major economies for months (Gereffi et al. 2022).

To weather such a storm, the state can take on the role of a facilitator, regulator, producer or buyer. The state plays a facilitating role when it assists firms in GVCs to overcome challenges in the global economy through measures such as tax incentives, subsidies or industrial policies, while it can take on the role of a regulator by restricting GVC activities through price or export controls and trade restrictions. The state's involvement is deepened when it engages directly as a producer or buyer in GVC activities. When the state adopts a more indirect role in facilitating or regulating firms and GVC-level dynamics, state intervention can contribute favourably to resilience. However, when state interventions interfere with the normal functioning of a value chain, resilience can be undermined by the ensuing bottlenecks and disruptions (Gereffi et al. 2022; Noronha/D'Cruz 2016, 2022).

At the organisational level, businesses were forced to respond rapidly to ensure business continuity (Mont et al. 2021). Most business had to suddenly alter their way of doing business and adopt a more agile way of working. The ability to respond effectively to changes thus becomes imperative for survival, rather than being a choice (Ludviga/Kalvina 2023). In this regard, some argue that traditional organisational structures designed around routine operating tasks with a high degree of control and centralised decision-making are not agile enough (Arunprasad et al. 2022); only dynamically capable organisations can achieve operational agility by sensing and seizing new opportunities, and

accordingly, reallocating, redesigning and reengineering their processes and resources as per changing circumstances, to be more flexible and adaptable in times of uncertainty (El Idrissi et al. 2022). In this regard, having a high IT capability enhances business agility during periods of industry turbulence (Al-Omouh et al. 2020). For instance, organisations can leverage technology to deliver resources to individuals and disseminate information, improve the IT skills of the employees and help achieve remote work processes in an efficient way (Arunprasad et al. 2021). Indeed, organisational agility is related to employees' optimism regarding their organisation's overall performance and ability to succeed. During a crisis, employees of agile organisations will demonstrate higher work engagement, leading to higher well-being (Ludviga/Kalvina 2023).

Nonetheless, before the pandemic struck, many organisations proclaimed the benefits of remote working in terms of productivity (Collings et al. 2021; Noronha/D'Cruz 2019). However, work-from-home (WFH) was not implemented in organisations because of obstacles from organisational culture (Lamond et al. 1998). Managers' trust and control issues were considered the two main factors affecting managerial attitudes towards adopting WFH (Noronha/D'Cruz 2019; Scholefield/Peel 2009). Organisational cultures in which remote working can flourish need to be cultures of trust, flexibility and openness (Baruch 2000). A similar kind of debate is ensuing in the Indian context, with the COVID-19 pandemic forcing organisations to enable remote working on a large scale. This debate has arisen even in the case of the knowledge-based nature of work, which is known to offer more flexibility in moving to remote working (Collings et al. 2021). Furthermore, high-knowledge-intensity remote workers, by virtue of the greater power base associated with owning scarce cognitive resources, are in a better position to push for the legitimisation of WFH practices in their occupation (Daniels et al. 2001).

However, the impact of remote working on employee well-being is often less positive. Professional isolation has been shown to negatively impact job performance, and the negative effects increased as time spent working remotely increased (Collings et al. 2021). Besides this, social distance between members, high expectations from organisations to support them, the intensification of their work activity and work during non-working hours, the stress experienced by remote workers, the pressure of taking care of dependent family members, and the absence of a dedicated workspace, could heighten the sense of not being engaged at the time of the pandemic (Arunprasad et al. 2021; Noronha/D'Cruz 2008, 2019).

With this theoretical backdrop, we now discuss our findings, which are based on primary data as well as industry reports. We collected data through in-depth interviews with about 20 participants working with IT service and product development firms, comprising Indian companies and multinational corporations (MNCs). A brief background of the Indian IT industry reveals that, with globalisation and the rapid improvements in communications technologies, the decoupling of hardware from software opened a window of opportunity for countries rich in human capital, such as India, to become involved in the IT value chain (for details, see Noronha/D'Cruz 2016, 2022; Noronha et al. 2020). To this end, the Indian state created the enabling conditions for Indian IT firms to engage with global markets by particularly enhancing the quality of human resources and providing for tax holidays and infrastructure facilities (see Noronha/D'Cruz 2016, 2020, 2022).

FINDINGS

We begin by discussing how Indian IT organisations acted swiftly in setting up teams to implement business continuity plans (BCPs). However, the decline of business due to

uncertainty resulted in cost-cutting and intensification of work for employees. Later, we discuss the recovery phase and the resistance of workers to return to working from office.

The role of the state

At 8.00 pm IST on March 24, 2020, giving a short notice of four hours, the Indian Prime Minister, Mr Narendra Modi, announced a three-week stringent nationwide lockdown, starting from 12.00 am IST on March 25, 2020, without any warning to the general public. After the promulgation of the lockdown, the government invoked the Disaster Management Act 2005, which potentially prosecutes a person who is reluctant to comply with the directives of Central or State governments or is found culpable of adamantly obstructing the government employee from performing their duty (Kumar/Choudhury 2021). The lockdown restricted people from leaving their homes, and all transport services, except for essential goods, fire, police and emergency services, were suspended (Miyamura 2021). In this backdrop, the International Monetary Fund (IMF) estimated a decline in GDP growth of 1.9 per cent for the country in 2020, the lowest rate since the 1991 balance-of-payments crisis (Walter 2020). While national governments elsewhere have sought to weather the storm by providing massive stimulus packages designed to stave off economic collapse (Gereffi 2020), the government of India exhibited extreme parsimony. The first relief package announced after the lockdown included many items that were already committed to public spending. Additional expenditure amounted to only around 0.5 per cent of the GDP. Six weeks into the lockdown, the Prime Minister announced another package equivalent to 10 per cent of the GDP, but much of this was in the form of credit guarantees and other liquidity provisions that did not require additional fiscal outlay. The total additional public spending promised by all the relief measures announced by the end of May 2020 amounted to only around 1 per cent of the GDP (Ghosh 2021). Nonetheless, COVID-19 unevenly impacted different industrial sectors. The hardest-hit sectors were manufacturing, hospitality, wholesale and retail trade, and real estate and related business activities (Walter 2020).

Regarding the IT industry, though there was no fiscal stimulus, the government followed the earlier policy of creating enabling conditions (Noronha/D'Cruz 2016, 2022); this role continued as the government acted as a facilitator. The IT organisations were treated as essential services and were allowed to operate with some restrictions during the nationwide lockdown. The Central government allowed a fair amount of relaxation in the Software Technology Parks of India (STPIs) and Special Economic Zones (SEZs) guidelines by introducing online approvals, which allowed WFH, transfer of equipment to employees' homes and travel of essential staff during the lockdown. WFH norms were relaxed under the other service provider (OSP) regime. Employees at home were treated as an extended agent position of the OSP. Companies were exempted from seeking prior permission from the authorities and now had only to intimate the authorities before starting the WFH facility. This also meant removing the condition related to bank guarantees and relaxing the condition related to establishing connectivity through PPVPN. Organisations were allowed to use their enterprise VPN with Static IP connectivity. The Ministry of Corporate Affairs (MCA) permitted companies to conduct virtual Board meetings for approval of annual financial statements, Board reports, etc., while the Reserve Bank of India (RBI) provided relief to the industry by extending the realisation period of export proceeds from 9 months to 15 months for exports.

Consequently, according to the National Association of Software and Service Companies (NASSCOM 2021a), after the second wave of COVID-19 in April 2021, 98 per cent of

IT organisations had 90 per cent of their workforce working remotely. In fact, 92 per cent of IT organisations were committed to the hybrid working model beyond the pandemic.

Nonetheless, the Indian IT industry, enabled by the government's liberalisation efforts, tried to put in place BCPs to enhance agility.

Business continuity planning

Despite the uncertainty, there was a concerted effort to keep business going. Sensing that a lockdown was imminent, three weeks prior to the announcement and implementation of the lockdown, IT organisations worked on enabling WFH. BCP teams were set up to execute WFH plans in a timely manner while keeping clients informed and allaying their fears. Clients who were concerned about data security, especially those involved in banking and financial services, had to be convinced about the WFH model which involved employees sharing workspace with other family members. The global nature of the COVID-19 pandemic helped, as clients had neither the capability nor the time to move processes back to their home country offices based in either the US or Europe. Therefore, devices were updated, security controls checked and ports hardened, before they were moved to employee homes.

Continuity was ensured as IT organisations could mobilise people anywhere and were quick in adapting to the circumstances, given the tools and technologies they possessed. Further, unlike manufacturing, where the presence of employees is required on the shop-floor, the nature of work in the IT industry offered more flexibility in moving to WFH. As a participant mentioned, 'You just have a laptop and people just continue doing what they were doing'. To meet individual WFH needs, BCP teams equipped employees with laptops, CPUs, high-capacity computing such as RAMs and power backups, dongles, robust connectivity to support omni-channel engagement, VDI/VPN, noise cancellation aids, ergonomics and more. Laptops were delivered to the homes of employees, even in remote places. In the few cases where the organisations could not supply the infrastructure, employees were asked to procure the same locally and were accordingly reimbursed. However, only a few organisations provided employees with furniture or gave them a lumpsum to purchase the same. Some managers stated:

For the industry like ours, it was still much easier to manage because the only thing we carry is the laptop or the hardware. So, we had to only work out logistics of delivering laptops to employees' homes. We ensured that employees got appropriate connectivity anywhere in India.

So, workstations are your big screen and CPU, you know. They have high-capacity computing power to manage the drawings that we have. We have very heavy files, so, it takes more RAM, you cannot work on a laptop. That was easier to carry but we had to give them the complete CPU and your ... they need 2 screens to manage those drawings...large screens. So, whatever they had in office we had to take there ... we had to use the logistics to deliver it to these employees at their home. Second thing that we had to invest a lot to strengthening our security. Because, you know, cyber security was extremely critical because if you are working from home how do you ensure the data confidentiality?

One employee confirmed:

Okay, so, laptop was delivered to my house from the organisation, and I started working from the home. For initial 4 months, I did not meet anybody physically in the office. Everything was virtual on the Microsoft Teams call.

Moreover, employee engagement and communication were ensured to make employees feel secure and cared for while working remotely. In this regard, BCP teams put up guidance on

the company website that could be accessed by employees. Some organisations built apps that were meant to provide employees with assistance, like vaccinations, during the pandemic. Organisations tied up with partners from hospitals and isolation centres, forming dedicated COVID-19 response teams and enhancing employee COVID-19 insurance cover, in addition to taking steps to accelerate employee vaccination coverage.

However, this did not stop the decline in business, which resulted in cost-cutting measures and the intensification of work.

Increase in cost-consciousness

Despite the several aforementioned efforts during the first phase, the IT organisations faced a definite slowdown in new orders, particularly from the hospitality, manufacturing and retail and travel businesses that were hit badly. Though there were no cancellations or reshoring of business, there was a lot of uncertainty, with clients not wanting to renew product subscriptions. According to NASSCOM, global IT services spend fell by 4 per cent in 2020, adversely impacting demand across all sub-segments. Therefore, the global IT sourcing market saw negative growth (−0.8 per cent) to reach US\$120–122 billion. Global business process management (BPM) spending dropped by −2.4 per cent in 2020 to US\$198 billion, global corporate engineering research and development (ER&D) spending (US\$772 billion in 2020) and the global ER&D sourcing market (US\$89 billion) saw −6 per cent growth over 2019. The global software products market saw a 2.4 per cent decline in spending to US\$465 billion in 2020 (NASSCOM 2021b). In addition, there was also a sharp fall in project completions because of delays in the implementation of projects amid the COVID-19 pandemic and the resultant lockdowns. Not surprisingly, the industry witnessed the lowest-ever project completions in the fiscal year 2020–2021, with a mere Indian rupees (Rs.) 8.6 billion worth projects being commissioned (CMIE/Centre for Monitoring the Indian Economy 2023). Clients became cost-conscious and assigned finance personnel to their teams to control costs and negotiate with the sales teams of IT product organisations.

In pre-COVID-19 times, the clients' sales guys used to make a pitch to the marketing guys. If it is a human capital management product, they will make a pitch to the HR guys. If it is an ERP, they went to the tech guys or the business guys. During the pandemic when they started making pitches, we found finance guys sitting in to control costs. So, we had to train our sales guys to be finance-savvy. They were required to speak to the finance guys and tell them about the long-term benefits of buying our products.

Therefore, to retain clients, IT organisations deferred the settling of payments or offered products free of cost.

We told clients that we will defer your payments...we can push it for some time. You do not have to pay now. You could look at paying us when the economy recovers. Consequently, renewals almost got delayed by 1 month, 2 months, 3 months or 6 months, something like that.

Employees bear the brunt

Besides shifting work to home, in order to tide over the crisis, organisations downsized and froze hiring and wages in the initial months. The bench strength was cut, performance-related retrenchment undertaken and contractors released because of the uncertain future. Downsizing occurred where business ceased to exist, profitability reduced drastically and volumes declined. Some media reports suggested that between 150,000 and 200,000 IT

and ITES (IT-enabled services) employees lost their jobs (Business Standard 2020a) and support functions like transport and cafeterias were done away with to cut costs.

During ... March to June-July 2020, we did some restructuring. That restructuring could have meant that resources were asked to leave. I will ... run my business with a lower headcount, right. So, what I will do is, instead of 3 full-time employees, I reduce it to 1 full-time employee. You will also say why do I need a cafeteria if people are not coming to office.

In other more humane approaches, some organisations asked the clients to bear the cost of maintaining employees. There was also an attempt to redeploy employees rather than discard them to cut costs.

We did a lot of reorganisation. Some employees were redeployed to other departments where there was a requirement. Despite this, if employees were released, they were told to apply after a year or 6 months for another role.

So, we tried to utilise them wherever we could. But where there were ... some skillsets which are specific to the customer, I might not be able to redeploy them to other projects. We then spoke to customers that required to at least sustain them ... Some agreed to bear the cost of that employee because they knew that if they lost competencies developed specifically for them ... it will be exceedingly difficult to find these resources again. So, some clients said, 'Fine, we will not reduce but I cannot sustain this cost at this point of time. I need a 30% reduction in what I have been paying you'. This ensured that they did not downsize.

Nonetheless, most employees considered themselves to be fortunate that they were working in IT organisations and were not without work.

Intensifying work

Initially, WFH increased the intensity of work because employees feared layoffs and the bench strength was eliminated. Hours of work increased when a colleague or their family members were unwell. Further, back-to-back calls/meetings during COVID-19 added to the intensity of work. Later, work intensified as the industry recovered because replacements could not be found for those released earlier. The boundaries between home and office blurred. Employees missed lunch and had to work late while adjusting to the US time zones. The elimination of tea/lunch breaks added to their fatigue and reduced their well-being. Moreover, the organisational culture (see Noronha/Magala 2017) was such that employees were expected to reply to emails or answer phone calls post-office hours, inordinately extending their work days. Indian management believed that they had a right to use the hours of travel which employees saved by working from home.

Initially, there was uncertainty on job losses whether layoffs would happen. So, I think for the first 3 months, the employees did more than normal ... I personally know people who put in 14-hour days, etc.

I am a sales guy ... during the pre-COVID period, I go meet my clients, have a coffee – and then I go to another client, have a beer. Now, you Zoom into COVID. You cannot go out, cannot meet people. Now, with all these online meetings, you start getting slots, next customer, next customer, next customer, you keep going on. Talking to you in person will have much more impact. An online pitch takes me 3 to 4 calls to build a relationship. Virtually, I need to make an impression in the very first 5–10 minutes, otherwise I am going to lose the client. This requires me to read about the client before I talk to them. This increase in work causes fatigue.

In one or the other way, you indirectly ... are forced to reply to the messages 24×7. If not 24, then at least 15 hours a day.

Abroad there is a system that you are not supposed to reply to emails after business hours ... but my senior director in India, he loves to talk to people after 6 o'clock in the evening.

As work reduced, a lot of organisations, including us, stopped having any bench. The spare capacity was completely removed. Therefore, when the business started increasing in Q2, the capacity was the same ... So, the work hours increased for everyone. It shot up to 12 hours, 14 hours. Once you start in the morning 8:30 am you ... meetings continued into the late evenings 9 to 10 pm. In fact, for sales, it used to go to 2 o'clock in the night. We have meeting sometimes at night to manage the US time zone. So, it went pretty crazy initially. Now people realise that at least half an hour to eat during the day should be allowed. So, one needs to be sensitive between 1:30 to 2 pm.

However, managers denied that work intensification occurred because of micromanagement or remote-tracking, and argued that IT organisations maintained control through their processes, key result areas (KRAs), timelines and human supervision. What worked for them was organisational culture – the collaboration between teams and their managers and between team members themselves. Some managers argued that they scheduled calls for the entire team at the beginning of the day or at the end of the day and only made need-based calls.

For example, we have resisted any attempts to remote-track people, none of that, we did not do it because that was our culture. Human supervision worked more than anything else. I think the connect managers had with their teams as well as the collaboration that teams had, both worked.

Realising the gravity of the situation, to manage fatigue, some organisations mandated against online meetings on some days of the week or scheduled breaks in-between calls. Indian companies also helped their employees keep physically and mentally fit during the lockdown by advising them to observe a proper diet and to exercise regularly. Some companies recruited psychologists and set up helpdesks and dedicated helplines to address employees' emotional needs. Others proactively enquired about the well-being of their employees (and their families) and shared advisories.

So, we have in the last few months to a quarter or a year for that matter, we have focused a lot on well-being. We have focused a lot on the Zoom fatigue part or the back-to-back meeting part. Like, for example, today I am not even supposed to have this Zoom call. Here, we call it Hush Day. The last Friday of the month is Hush Day. You do not Zoom. You can only email people and pick up the phone and talk to them. It is a complete no to even fix Zoom calls ... Then we do something called as Zoom breaks. You have 10-minute meeting breaks between meetings. We also have set up a wellness site.

So, HR played a significant role to help people with managing work–life balance and all those things related to their daily life. Well-being is something they are really concerned about. That gives some HR sleepless nights.

Recovery phase from January 2021 onwards

However, by January–February 2021, business began to turn around. This was because the need to keep businesses running during lockdowns pushed enterprises to quickly adapt to digitisation, resulting in the unprecedented demand generation in the growth of the IT industry. The surge in demand first for hardware (largely laptops/notebooks), followed by networking and cloud technologies, enabled employees, enterprises and customers to stay connected anytime, anywhere. Thus, global technology spending (excluding hardware) increased to over US\$1.7 trillion in 2021, at nearly 9 per cent y-o-y growth, and is expected to reach US\$1.8 trillion at 6.5 per cent growth in 2022. The global sourcing market also witnessed significantly higher growth at 12–14 per cent,

reaching US\$238–243 billion in 2021 (excluding e-commerce). As a result, India's technology industry recorded a growth of US\$227 billion in total revenue in FY2021 (NASSCOM 2022). Not surprisingly, the growth in the industry's sales revenues accelerated from 2.9 per cent in the June 2020 quarter to 17.5 per cent in the June 2021 quarter (CMIE 2023). Besides this, while certain businesses suffered, others did better, neutralising the impact of COVID-19. For instance, while hospitality, travel, manufacturing, wholesale and retail trade, and real estate were hit badly, products related to healthcare and insurance boomed. Naturally, the IT industry added 445,000 net new hires in FY2021 – the highest ever – to cross the total industry workforce of 5 million (NASSCOM 2022).

This also resulted in high attrition, often termed as 'The Great Resignation', and wage inflation, with implications for organisations getting employees back to work.

I think I would put it as this is the third boom for the IT industry from the first Y2K one and the second one around 2008 to the one now. It has created opportunities for the labour market like it has never seen before. All the organisations post-COVID have good openings coming up, people can bombard the market with profiles, to the extent that even an average employee would see 2 to 3 job offers without too much of a problem.

Of course, for the organisations, this has resulted in increase in cost because ... similarly, this has led to a ... wage inflation of around 30%. This will have long-term consequences on how much of this demand is sustainable and how much of this will again plateau.

Employers demand work-from-office

Nonetheless, organisations were ready to open their offices by March 2022. They were all set to follow social distancing norms such as alternate seating and reduced workforce. Technologies including IoT, artificial intelligence and machine learning were leveraged to ensure social distancing. Chatbots and helpdesks were set up to address employee queries. Heating, ventilation and air-conditioning (HVAC) systems were refreshed, and contactless entry, Global Positioning System (GPS) and Bluetooth Low Energy (BLE), which enabled contact tracing, were also put in place. Offices were sanitised, changes were made in seating arrangements at offices to ensure that adequate social distancing measures were in place and alternate seating arrangements in vehicles were arranged. Some companies had plans to gradually call employees into the office for meetings or few times a week. Instead of bringing everyone back to the office, some companies endeavoured to rank the employees whom they wanted back in the office first based on factors like client preferences or functions that need the use of labs or R&D facilities which cannot be moved home. Some projects which deal with extremely sensitive customer data, like banking, insurance and healthcare-related projects, were also potential candidates for early movement to office. Other companies, like TCS, introduced the '25 by 25' model. Under this model, the company set the plan to call 25 per cent of its workforce back to the office by 2025. Work-from-office was also being considered for employees who joined TCS after 2020 and had never visited the office physically. As part of the 'Return to Office' initiative, all TCS employees were expected to work from office at least three days a week, with their respective managers following a roster.

The main arguments put forward for calling employees back to office was the inability to build an organisational culture when employees worked from home. IT organisations argued that the agility displayed during the pandemic was due to the organisational culture that had been created over the years and enabled collaboration. The synergy between people was high when employees worked from office. Organisations were unable to create individual bonding and social interaction within the team when employees worked

from home during the pandemic. This was particularly so for employees who joined during the pandemic and could not meet colleagues or visit the organisation. Often employees were distracted with household matters even during online meetings. Also, motivational events organised online were rendered ineffective due to lack of participation. Besides clients visiting the business premises wanting to meet employees and identify the face behind the name, they were also concerned about data security.

For us, at X, it is all about the campuses recreated. It is a college kind of environment where people meet each other and build long-term relationships. Beyond a point, the culture just cannot be built with employees working from home. It is something we must worry for the long term. We worked very well during the pandemic because we had built this social capital of working together over say 20 years. We worked under exceedingly difficult circumstances, when decisions were taken quickly, because each of us knew one another perfectly.

There is a genuine problem, right. Somebody joins you during work-from-home ... You have not even seen that person, right. These people started working. I do not know them, right. I have not met them. For them also, it is exceedingly difficult to understand the whole organisation because unless you meet and talk, it will not happen. We will have to have our offices for, customers visiting us. Somehow, they come here and see and meet and greet those guys and you know, see who is the ... face behind the name.

So, personally, when you come to office, your synergies are much higher. Because you work as a team, you interact with your colleagues, you are focused more when you are at office. For example, suddenly, people on the Zoom call stop responding. And for 2–3 minutes, you know, people are talking and they are not listening, and afterwards once the question is asked to them, they are not responding because they have... they got busy with something else in the house or, you know, daily affairs. So, that is not good for the other people who are on the call. Once you are face-to-face, you know, you get few things going faster.

Prior to the pandemic, the office space was secured. Neither were mobile phones allowed inside the office, nor could employees take anything out. The laptops and desktops were fully secured. There were a lot of restrictions. For example, if I am not managing the customer even as a sales guy, I cannot enter the office. I do not have access on my card. Even within the same facility, I can only enter the areas where I have been given access.

Moreover, the performance of certain roles like dealing with vendors or negotiating deals were hindered when undertaken from home and required face-to-face interaction.

Personally, yes, I want to go back to the office. My role is to meet vendors. Though everything is now easy on the virtual meeting, there are some limitations. In a Microsoft Teams meeting, we can see each other and we can speak, but it is different when we sit in front of the vendor. We can do a lot more face-to-face than when we meet on a Teams call. Because procurement ... is an emotional game: I have to read what is going on in the vendor's mind. Same way, this guy is checking what is there in my mind. That does not happen on the Teams call.

Moreover, initially, there was an increase in productivity in the IT industry but, after a few months, it dropped. The number of hours increased, but productivity did not increase because of the many distractions at home due to cramped housing conditions and small children around. In this regard, some managers argued that the option which did not hamper productivity should be selected.

So, I think to maintain the productivity which they had in office, employees must put in extra hours given that there are so many disturbances at home. This cannot be sustained, the 14 hours cannot be sustained forever. So, productivity dropped to the pre-pandemic levels, but it did not go up beyond that.

See, productivity did not increase a lot, because at home, right, your mind is now engaged with many things – it is not just the work you always think about, there are a few other things as well. And what happens when you go to the office, you detach yourself from other things and are committed only to the work for those 8 hours. For example, at home, if I am in a Zoom call and somebody knocks on the door, they disturb your momentum, and once you are distracted your quality suffers.

Besides this, there was a loss of productivity due to no proper connectivity at home, resulting in problems of coordination.

And for some of the employees where they do not have a good bandwidth, they must shift to another city ... like they cannot be at their home because their hometown does not have good bandwidth. So, they are shifting to a nearby city where they will get a good bandwidth.

Other argued that the best option in terms of productivity should be chosen and this could mean working anywhere including office.

What I feel is that the organisation should smartly select the option that does not negatively impact productivity ... wherever they see that the employee is able to continue remotely, they should allow. If I am able to deliver and able to fulfil the client expectation and your expectation, why should I come to office?

The management inclination to call employees back to office only got reinforced when firms such as Wipro, Infosys and TCS found some employees to be moonlighting or working for multiple employers simultaneously. While Wipro and TCS refused to entertain a 100 per cent WFH policy and terminated employees who were juggling multiple jobs, others like Infosys allowed employees who wished to take up platform/gig work in their personal time to do so, with the prior consent of their managers.

Employees resist returning to office

However, most employees refused to return to office. This was because working remotely gave them flexibility and allowed them to have some work–life balance. Besides that, they saved on rent, travel costs and, if they lived in their hometowns, cost of living. This was important because of the uncontrolled inflation.

About 2 weeks back one of my family members was not well and was admitted to hospital ... Because I am working remotely and carried my laptop, I was able to connect with my team and attend to the patient in my family.

Not too much has been written about the economic reason. To an average employee, there is a 30–40% increase in their salary because of remote work. Nobody has put this number down, but this, to me, is the cost of your paying-guest accommodation, cost of your food, cost of your transport, which you do not incur anymore because you are staying at your parents' place. So, no matter what you compensate, they will be very reluctant to let this go.

Besides this, WFH has allowed women to continue in the labour market after childcare leave.

Work-from-home has allowed a lot of women to return to work after maternity leave. Like, for example, we closely monitor the return from childcare leave, like how many people come back. Now that percentage has moved close to 97–98%. It was hovering around 60–65% before this model came into place. So, there are some definite benefits out of this.

See, in-between, we have tried getting people back, but it has never gone beyond 8–9%. But every time, there is a new wave, it goes back. Both ways ... look, I think we have also been very

conservative. We do not want to unnecessarily expose people to health risks. Secondly, we also do not see any extraordinary benefit in forcing people.

The inability to implement work-from-office was linked to the tight labour market scenario where increases in wages and high attrition rates became common. There were opportunities aplenty, and management could not force employees to come to office. Clients were cautioned that insisting on getting employees into the office meant the risk of losing people who were familiar with the processes. Not surprisingly, the current situation is termed as 'The Great Resignation'. Therefore, it was a challenge to go back to pre-COVID-19 times. Employees were unwilling to travel to other parts of the same city to work.

You cannot imagine the salaries employees are demanding. People with 6–7 years of experience are asking for something like Rs. 20–25 lakhs. That is unseen for us. We are hoping this will get stabilised, but we are struggling. Our costs have shot up through the roof. That is the reason they are now calling it 'The Great Resignation'. People are resigning. We had almost 55–60% employee turnover in our digital space. So, people are having like 3 or 4 offers at a time.

After the Delta phase when things started getting normalised, some clients wanted the engagements to go back to pre-COVID times. Some of them wanted employees to be at their office to do the work. And most of the employees were not ready to go back. You are not able to force them anymore and tell them that they need to come or else they leave. It is more that we are having to really ... beg them to come. You will not believe that a guy from Thane (an immediate neighbour of Mumbai city proper and a part of the Mumbai Metropolitan Region) is not ready to travel to another part of Mumbai. So, we had a very candid discussion with the client ... telling them that if you insist that employees come to office, there is a chance that you might lose the talent. Employees have become comfortable in their home ... it is going to be a challenge to go back to pre-COVID times.

Since not many employees wanted to return to office, organisations were forced to provide alternatives, which meant creating a hybrid model.

But we are very cognisant of the fact that you will have three models plus. You will have models where people are in the same location and they come in, then people who will come in on some days, and there will be a group of employees who will never come. There is no perfect solution. We will have to coexist with all three models.

CONCLUSION: UNDERSCORING THE CRUCIAL ROLE OF AGILITY

The three-week-long COVID-19 lockdown measures in India brought about immeasurable damage to the livelihood of a large section of its population, exposing the vulnerability of urban casual workers, many of whom are migrants (Walter 2020). The inability to work or access material means of subsistence resulted in attempts by many migrants to return to their homes, despite the suspension of transport services during the lockdown (Miyamura 2021). With no support from their employers or the government, many died of hunger, exhaustion and accidents as they walked home. This highlighted the vulnerability and precarity of workers (and their families) who lost not only their jobs but also their livelihood (Jha/Kumar 2020) because, while national governments elsewhere sought to redress the situation by designing massive stimulus packages to stave off economic collapse (Gereffi 2020), the government of India exhibited extreme parsimony (Ghosh 2021).

Nonetheless, COVID-19 unevenly impacted different industrial sectors (Walter 2020). Our findings emphasise the crucial role of agility in helping the Indian IT industry to tide over the crisis. Though there was no fiscal stimulus, the government played a facilitating role by declaring the IT industry an essential service, allowing the transfer of equipment to employees' homes and making limited travel during the lockdown possible. The IT industry, sensing the imminent lockdown, acted with agility and adapted quickly to the changing environment. In consultation with clients, BCP teams were set up to execute WFH and employees were provided with appropriate connectivity and infrastructure. Indeed, the high technological capabilities of the IT industry enhanced business agility (Al-Omouh et al. 2020). Therefore, 90–95 per cent of the 4.36 million Indian IT workforce successfully transitioned to a WFH model (Business Standard 2020b).

While organisational agility and employee engagement may have resulted in employees' optimism regarding their organisation's overall performance and ability to succeed during a crisis (Ludviga/Kalvina 2023), the uncertainty and slowdown in new orders forced organisations to downsize and freeze hiring and wages in the initial months. Not surprisingly, bench strength was cut, performance-related retrenchment was undertaken and contractors were released because organisations were unsure about the future. Clients became cost-conscious, and to retain them, IT organisations deferred payments or offered products free of cost. Therefore, to keep the business going, there was a concerted effort required by suppliers as clients wielded power in the IT GVC. This increased the intensity of work for employees working from home, especially when the industry recovered and replacements could not be found for those released earlier. Consequently, employee well-being was adversely affected (Collings et al. 2021). Further, the boundaries between home and office blurred and the organisational culture deteriorated (see Noronha/Magala 2017), with employees being expected to reply to emails or answer phone calls post-office hours, inordinately extending their work day.

However, as the economy recovered, the tables turned. High attrition, often termed as 'The Great Resignation', and wage inflation followed. This had implications for organisations getting employees back to work from office. The debate around WFH eroding organisational culture intensified. Managers held mixed feelings about WFH, alluding to issues of trust, control and productivity (Noronha/D'Cruz 2019; Scholefield/Peel 2009). Employers wanted employees to return to office for reasons related to building organisational culture, data security demands of clients, better supervision, use of existing infrastructure and moonlighting. However, as demand picked up, employees resisted the return to office because working remotely gave them flexibility and allowed them to have some work–life balance, in addition to saving on rent, travel costs and cost of living in times of uncontrolled inflation. Clients were cautioned that insisting on getting employees to the office involved the risk of losing talent that was familiar with the processes. In fact, given that management in some instances relented to employees' demand of WFH, it seems that high knowledge intensity, by virtue of the greater power base associated with owning scarce cognitive resources, provides a better position to push for the legitimisation of WFH practices (Daniels et al. 2001). In these circumstances, the hybrid model has emerged.

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