

Remote Work: Transforming India Into A Modern And Flexible Economy

Jayalakshmi Iyer Venkatraman

Student

B.COM L.L.B (Hons.)

Sastra Deemed University, Thanjavur, Tamilnadu, India

ABSTRACT

“Focus on being productive instead of being busy” as said by Tim Ferriss on the concept of remote work. With the times changing so has the work culture that is being followed in offices. With the pandemic we have brought our work to our homes but it is interesting to know that even before the pandemic many companies have adopted this concept of remote working for their employees. This shift has been a difficult transition for many with them not being used to this kind of work done. But with time they have all got comfortable with it and have started to prefer it for the advantages provided by it for both the employer and employee. Remote work is said to have created many opportunities for everyone who is in need of employment from the click of their finger. It has helped people to find jobs according to the skills possessed and sectors preferred. The idea of freelancing has been promoted as a way of employment in this new workspace as a profession. Overall as we can see the world as a whole is moving forward with such mindsets to incorporate everyone into the working system. My paper will focus on a mix of different aspects with remote work such as how it has changed with the time, how the Indian economic system is impacted with such an arrangement within the sectors. Some of the most important overall laws are also discussed within the paper along with a comparison to many different countries that have adopted for their own working class. This paper will be an analysis of many data and statistics from many surveys conducted internationally on this topic to see the development on this area.

KEYWORDS: Remote work, transition, economy, employment, opportunity a

I. INTRODUCTION

Remote working according to Cambridge Dictionary is said to be “the practice of an employee working at their home, or in some other place that is not an organization’s usual place of business.”

Work according to the olden times was only meant to be done physically in a traditional setting like an office or somewhere where it is considered as a place where there is productive activity with returns such as remuneration for the work or services provided by the employer. With the world having gone through so much as in both developmental and growth aspect the thinking if this traditional setting is transforming into a more diverse field of work with many ways to work rethinking this traditional setting in the minds of workers.

In 2000, the DOT Appropriations Act was enacted, which legitimized remote work and mandated companies to create telecommuting policies which was a big step in the evolution of remote work.

In fact, over 74% of business leaders polled in a Gartner survey¹ announced their plan to move employees to remote positions post COVID-19. Over the last decade, remote work has risen by 115%.

There are two main classification that is very interesting to note when we take the case of remote working:

1. Remote- first company operates and distributes with a fully remote set up. The workers can work and carry out their business from anywhere from the conception of the product or service to the end point of marketing and selling of the product from anywhere with easy access to resources.
2. Whereas a remote-friendly company has physical offices in a lot of different locations and branches but allows its employees and workman to work remotely according to individual preferences. This gives the employees a flexible place at their field of work so to maintain a balance between both physical and virtual work in a more distributed form with a better and quality work done.

Many top companies like Google, Facebook have adopted this strategy from the time the COVID 19 pandemic ever hit the world and created a huge impact everywhere mainly in the job sector. A Facebook official quoted the main concerns of a lapsed productivity and lack of accountability. With this strategy it is said that over half the workforce would go remote by 2025. Many professions like coders, testers and software developers can have a control over their work life balance with which they can continue their remote work practices. In industries for products and services, the most important is the client satisfaction that is necessary. In the future there will be a value based and fixed fee consultation online. Many companies are preparing to make this form of work of remote work a more permanent option and this option just provides for an easy collaboration with all of the employees working both inside and outside of the company.

The Bureau of Labour Statistics (BLS)² reported that 14 million finance professionals worked remotely, in 2018.

The Talent Tech Outlook 2022³ study by job site SCIKEY shows that remote working has now become the new normal with 82% employees preferring to work from home than going back to office as they have developed new habits in the two years of the pandemic.

II. EVOLUTION OF THE CONCEPT OF REMOTE WORK FROM THE PAST TO THE FUTURE

Remote work has become more common in India in recent years, especially due to the COVID-19 pandemic. Here's a quick overview of the past, present and future of remote work in India:

- i. **Past:** Before the pandemic, telecommuting was not very common in India. Some companies allow flexible work arrangements for certain employees, but most office jobs require employees to work on-site. However, this started to change in the early 2010s when more and more companies started experimenting with remote work and outsourcing jobs to remote workers and freelancers in India.
- ii. **Present:** The COVID-19 pandemic has significantly accelerated the adoption of remote work in India. As many companies have been forced to close their physical offices and switch to remote work to ensure the safety of their employees, Indian workers have started working more from home. This shift to remote work has led many companies to rethink their approach to work, with some opting for hybrid work models that allow employees to work from home part-time.
- iii. **Future:** Remote work is expected to continue to grow in India even after the pandemic subsides. Many companies have found that telecommuting can be just as effective as working on-site and offer many benefits such as cost savings, increased productivity and a better work-life balance for employees. As a result, we will likely see more companies adopting hybrid work models that allow

¹ <https://www.gartner.com/en/newsroom/press-releases/2020-04-03-gartner-cfo-surey-reveals-74-percent-of-organizations-to-shift-some-employees-to-remote-work-permanently2>

² <https://www.bls.gov/opub/mlr/2020/article/ability-to-work-from-home.htm>

³ https://www.scikey.ai/read-blog/1531_scikey-tech-talent-outlook-2022.html

for a combination of remote work and on-site work. However, there are concerns about the impact of remote work on the mental health and well-being of employees, so companies must find ways to address these issues to ensure the long-term success of remote work.

Remote work has existed in India for several decades, but it was not as common as it is today. Initially, remote work was mainly related to outsourcing, as many companies in the US and other countries started outsourcing to Indian companies and individual workers. It allowed Indian workers to work remotely from their home or office by providing services to foreign firms.

In the early 2000s, online marketplaces and freelance platforms emerged, providing a platform for Indian workers to offer their services to a global audience. This led to the growth of the gig economy in India, where workers took on projects and tasks on a freelance or contract basis.

In the early 2010s, flexible work arrangements, which also included remote work options, were on the rise. Some Indian companies have started offering telecommuting options to their employees, allowing them to work from home or elsewhere outside the office. However, this trend was not widespread and was limited to certain industries and workplaces.

The 2020 COVID-19 pandemic has led to a significant increase in remote work in India. As the government-imposed restrictions and movement restrictions to prevent the spread of the virus, businesses had to adapt quickly to allow employees to work from home. This has led to an increase in demand for digital tools and technology to support remote work, and many companies have begun to adopt hybrid work models that combine remote work with on-site work.

Nowadays, remote work has become more common in India and many companies are offering telecommuting options to their employees. The pandemic has accelerated the adoption of remote work, and it is expected to continue to grow, offering workers more flexibility and new opportunities.

III. THE CHANGING TRENDS OF REMOTE WORK IN THE CURRENT WORKPLACE SCENARIO

During the past two years it was an evolving time for the concept of remote work. Before the pandemic only about 6%⁴ of employees primarily worked remotely. Now by the end of 2023 it is expected to increase by 25%⁵ of employees. With this there has been a change in the remote work based on the current trends.

1. HYBRID MODELS TAKING CENTER STAGE

In 2021, combining remote work and on-site work will become the norm. Commuting is already difficult for many workers, and more and more people are starting to skip it altogether in order to be more productive and flexible in their work habits. At the same time, others would like to return to their workplaces, citing better interpersonal communication and face-to-face solutions. As a result, many organizations are moving to a hybrid model.

2. REDUCED CONFERENCE CALLS

Companies are now spending 20%⁶ of their boardroom budgets on collaborative conferencing phone technologies as they expand their remote work capabilities to support global meetings. But as more and more people get used to working from home, the disruptive nature of video conferencing is taking shape. During the pandemic, it is noticed that many companies realized that compensating for the lack of "human interaction" with conference calls can actually reduce team productivity, especially since most people

⁴ <https://explodingtopics.com/blog/remote-work-trends>

⁵ <https://explodingtopics.com/blog/remote-work-trends>

⁶ <https://www.forbes.com/sites/forbesbusinesscouncil/2021/03/19/10-remote-workplace-trends-to-look-out-for-in-2021/?sh=32ff4f552ffd>

spend time only on the phone. In 2021, more and more people should cut back on conferences and focus on work.

3. INCREASED RELIANCE ON ASYNCHRONOUS COMMUNICATION

Over the years, it has been noticed that companies that have managed remote work in the best possible way have discovered the benefits of asynchronous communication, which allows distributed organizations to communicate better. Better planned communication can reduce stress and improve time zone parity.

4. GREATER ADOPTION OF CLOUD BASED HR TECHNOLOGY

Cloud-based HR technologies are gaining traction as companies strive to provide a seamless experience for all their remote employees, keeping them engaged and productive. According to a report by Igitel Thoughts⁷, 90 percent of employees feel that remote work improves their morale. It is important that HR technology meets their requirements. New post-pandemic HR tools have built-in support such as virtual recruitment, employee engagement, employee learning, etc.

5. A GROWING RESPECT FOR NONWORK TIMES

One of the worst consequences of the pandemic has been how people have lost control over their work-life balance. A recent Kentik survey⁸ found that 51% of employees are concerned about their work-life balance. Employers must recognize these facts and establish clear rules and guidelines to avoid after-hours calls or questions that require an immediate response. In 2021, I think app blocking and email deletion will become more common as people settle into their remote work roles.

6. ENHANCED CYBERSECURITY

Cyber security is an even bigger concern for organizations. According to the Cisco Future of Secure Telecommuting report⁹, 82% of employers believed that "cyber security is now very important or more important than before COVID-19." There is a growing concern about how to access data remotely and how to secure it. Significant new investments in cyber security IT systems and infrastructure are expected.

7. REDUCED OFFICE SPACE LEADING TO MORE SAVINGS

The need for vast physical office space is becoming a thing of the past. Completely remote companies without a headquarters or organizational office are becoming a reality. Many companies plan a strategy where certain days are for meetings and collaboration and other days for remote work.

8. CHANGING PERFORMANCE ASSESSMENTS

Remote work has revolutionized performance management. Today companies are focusing more and more on the work done instead of the hours worked. Today, only 24% of companies teach their managers how to support remote teams, and this is increasing as performance expectations change. As a result, many companies are moving to a lean performance management model where reviews are ongoing rather than annual.

9. MORE FLEXIBLE WORK TIMES

Companies work remotely, but working hours have remained the same. This can be limiting for workers, as many have to deal with household responsibilities and care for their children. As a result, more and more companies are starting to evaluate whether they really need traditional working hours, and some are starting to offer flexibility to their employees until the work is done.

⁷ <https://thekeenfolks.com/12-thought-leaders-share-insights-on-business-digital-transformation-in-2022/>

⁸ <https://www.kentik.com/resources/ema-research-report-network-observability-netops/>

⁹ <https://www.cisco.com/c/en/us/products/security/future-secure-remote-work-report.html>

10. INCREASED DEMAND FOR RETRAINING AND RESKILLING

Skills shortages have widened as a result of the pandemic, and the rise in automation of work has catalysed demand for retraining and upskilling. A new report from Gartner¹⁰ shows that only 16 percent of new hires currently have the skills needed for their current job. I believe the most in-demand skills in 2021 will be artificial intelligence, machine learning, cloud computing, cyber security, healthcare IT and UX design.

IV. IMPACT OF REMOTE WORK ON THE INDIAN ECONOMY

The COVID-19 pandemic has significantly increased work from home (WFH) across the world, including in India. This change has had a significant impact on the Indian economy, which can be analysed through data and statistics.

- a. **WFH HAS BECOME THE NEW NORMAL FOR MANY INDIAN WORKERS:** According to a report by the Centre for Monitoring the Indian Economy (CMIE), the number of Indians working at home increased from 9.2 million in 2019-2020 to 28.7 million in 2020-21 to 212% increase¹¹. The reason for this change is the pandemic and the need to maintain social distance.
- b. **WFH HAS LED TO CHANGES IN CONSUMER BEHAVIOUR:** as more people work from home, the demand for online shopping, delivery services and home entertainment has increased significantly. According to a report by RedSeer Consulting¹², India's e-commerce sector grew by 40% in 2020 to reach \$32 billion, and WFH was a major driver of this growth.
- c. **WFH HAS HAD A POSITIVE IMPACT ON PRODUCTIVITY:** According to a study by social media management platform Buffer¹³, 98% of remote workers in India feel they are more productive when they work from home. This increase in productivity can be attributed to factors such as shorter commute times, fewer distractions and a more comfortable work environment.
- d. **WFH BROUGHT COST SAVINGS TO BUSINESSES:** With fewer employees working in office space, businesses were able to save on costs such as rent, utilities and office supplies. According to a KPMG report, Indian companies can save up to 70%¹⁴ of their real estate costs by adopting the WFH hybrid model.
- e. **WFH HAS CREATED NEW OPPORTUNITIES FOR WORKERS IN INDIA:** With the rise of the gig economy and growing demand for freelance work, WFH has opened new opportunities for workers in India to earn a living. According to a PayPal report, India is one of the top five freelance countries in the world with 15 million¹⁵ people working as freelancers in 2020.

Working from home has significantly impacted the Indian economy, creating both challenges and opportunities. While this led to changes in consumer behaviour and cost savings for businesses, it created new opportunities for Indian workers and increased productivity. The long-term effects of this change remain to be seen, but it is clear that WFH will be an important part of Indian work culture for the foreseeable future.

¹⁰ <https://www.gartner.com/en/newsroom/press-releases/2020-09-10-gartner-cautions-hr-and-recruiting-leaders-that-only-16-percent-of-new-hires-have-the-skills-needed-both-for-their-current-and-future-roles>

¹¹ <https://www.cmie.com/kommon/bin/sr.php?kall=warticle&dt=20220505124252&msec=676>

¹² <https://redseer.com/newsletters/looking-back-at-indias-internet-economy-in-2022/>

¹³ <https://buffer.com/state-of-remote-work/2023>

¹⁴ <https://assets.kpmg.com/content/dam/kpmg/in/pdf/2017/04/Indian-languages-Defining-Indias-Internet.pdf>

¹⁵ <https://www.thenewsminute.com/article/digital-payments-increase-32-47-customers-concerned-about-fraud-paypal-125003>

V. LAWS GOVERNING THE REMOTE WORK POLICY IN INDIA

At present in India there are no rules or provisions regarding the remote work/ work from home that is on the rise currently in the economy. But the laws and codes have been modified based on the recent changes being seen in the society with respect to this. Some of the important drafted laws are discussed:

1. **DRAFT MODEL STANDING ORDERS FOR SERVICE SECTORS, 2020:** The only mention of WFH in the Labour Law is in the Draft Model Regulations of the Labour Relations Law 2020. They direct employers of industrial enterprises with more than 300 employees to draw up rules of conduct for employees. Therefore, the employer can admit employees to WFH for a predetermined period by appointment or by agreement of the parties. However, this is hardly a valid guide for employers to develop a robust WFH framework for their employees. In addition, legislators must take into account the concerns of certain sectors regarding compliance with the WFH regulatory framework. The WFH rules may increase the compliance burden on the IT sector, which informally enjoys the flexibility of the draft WFH model regulations. In addition, complications can multiply when the model rules interact with state rules and regulations. Adopting the Omnibus WFH model without adequate oversight is therefore unwise.
2. **OCCUPATIONAL SAFETY, HEALTH AND WORKING CONDITIONS CODE, 2020:** This code defines workplace as where the employees work, which means the physical space where work is done. Any other location is not a business location; therefore, questions arise about the occupational safety and health of employees working outside the physical location. Also, the definition of "business" in the Prevention, Prohibition and Redress of Employment of Women Act, 2013 (POSH) is not as comprehensive as "workplace", which even includes transport used for work as a workplace. . Although the POSH Act has different objectives, it affirms the workplace as a fluid concept. As WFH becomes the new normal, the definition of "facility" may need to be expanded to adequately address the occupational safety and health of domestic workers. The ILO obliges governments to ensure that employers meet their duty of care and to provide a safe working environment as far as is reasonably possible without endangering physical and mental health. This includes assessing, managing and mitigating risks outside the normal workplace, including the worker's home. Therefore, the Code can address health and safety issues caused by WFH due to the pandemic.
3. **CODE ON SOCIAL SECURITY, 2020:** International definitions of telecommuting and telecommuting have not been established, but a definitive legal understanding of these terms in the Indian context is crucial. The ILO defines "telework" as a subcategory of "telework", although both are performed outside the default workplace. In addition, "working at home", although independent of the default workplace, may overlap with "working at home" as defined in the CSS, where the work is done in the employee's home. The CSS definition of "salaried worker" then includes "domestic worker", both of which are subsets of the CSS "unorganized worker". Such overlaps in definitions are not desirable, especially since different social security schemes are available in the CSS according to the specific category of employees. All labour legislation requires a physical presence at the workplace, which we emphasize in relation to the "Location" of the TTT Regulations. A similar challenge arises from providing day-care services within CSS in the context of WFH. Although the regulations and the draft regulation plan to physically secure kindergartens, there are no instructions on how the same could be transformed into a virtual context. Nursing/child care reimbursement rules could be proposed instead.
4. **CODE OF WAGES, 2019:** Relevant discussions on revising the salaries of WFH workers are said to have taken place since the formalization of WFH. Based on this, the decision to lower the salary of employees relocating from Tier I cities to smaller cities is being considered. In addition, companies can waive transport allowance and at the same time replace the WFH infrastructure. It is expected to hit the worst in the IT/ITeS sector of 4.3 million people who more or less switched to WFH in March 2020. Although it is important to consider the cost-related changes that companies

are experiencing, the effects of WFH are ambiguous and can be heterogeneous between individuals, depending on their underlying motivations. Reforming wages and benefits for domestic workers requires assessment of several factors, including human factors.

5. **SPECIAL ECONOMIC ZONE AMENDMENTS:** Last year on July 14, 2022, the Ministry added Rule 43A to the SEZ Rules and issued clear guidelines to allow home work/telework for eligible employees working in SEZ units ("Guidelines"). The amending rules bring significant changes to the guidance, making its implementation significantly easier for employers.

VI. COMPARISON BETWEEN DIFFERENT COUNTRIES ON THEIR REMOTE WORK/ WFH LAWS

1. **SPAIN:** Spain enacted teleworking legislation in September 2020. Remote work must be voluntary and reversible and must be done by written agreement, without prejudice to general labour laws or applicable collective agreements. The law clarifies who it concerns, i.e., workers who "telework" for at least three months, at least 30% of the employee's working day, or an equivalent percentage based on the employment relationship. It also differentiates between "remote work" and "work from home". Companies must provide the resources, equipment and consumables necessary to perform and maintain remote work. In addition, employees have, among other things, the right to compensation and reimbursement of equipment costs, the right to privacy and data protection, and the right to digital connectivity. At the same time, the law empowers employers to ensure that teleworkers perform their duties well.
2. **FINLAND:** Finland has been offering flexible work opportunities for many years. That's partly because of legislation that has allowed workers to adjust their work hours to be as flexible as possible since the mid-1990s. Finland's Working Time Act 2019 was recently amended, introducing major changes to create flexible working hours, flexible working arrangements and the introduction of 'working time accounting'. The law contains several features that increase flexibility. Employers and employees can agree on a flexible working time arrangement, provided that the normal working time is a maximum of 40 hours and the adjustment of overtime. The law also allows individual flexible working arrangements, where employees decide on the location and fulfilment of at least half of the working time, and which defines several aspects that such arrangements must cover (e.g., days in which working time can be divided, weekly rest). and fixed working hours). The law makes it possible to conclude working time contracts, where working time, earned holidays and financial benefits can be exchanged for free time. Timeshare contracts must include certain elements.
3. **THE UNITED KINGDOM:** The UK's approach to flexible working is based on three key pillars: competent workers offering changes to working hours, time and location; the employer's duty to "reasonably" process such a request and refuse only for predetermined reasons (for example, additional costs and the inability to reorganize the work of existing employees); and employee escalation in the limited circumstances of the Labour Disputes Committee. The UK approach is seen as light regulation and is based on dialogue and negotiation between employers and employees.
4. **THE EUROPEAN UNION:** In 2019, the European Union (EU) adopted the work-life balance directive, which applies to parents and guardians.
5. **SINGAPORE:** Employers can implement practices that help employees better manage work-life demands and increase productivity using voluntary "tripartite standards for flexible work arrangements" developed in collaboration with various stakeholders. Such employers are desirable employers and may use the logo in recruiting and marketing.

VII. CONCLUSION

Remote work has the potential to make the Indian economy more modern and flexible, offering several benefits to businesses, workers and the economy as a whole. If workers can work from anywhere, remote work can reduce traffic congestion, improve work-life balance and improve access to employment opportunities. In addition, telecommuting can give companies the opportunity to access a wider pool of experts and reduce the cost of maintaining physical offices.

However, to fully realize the benefits of remote work in India, it is important to address the associated challenges. This includes ensuring that employees have access to the necessary technology and infrastructure, implementing effective communication processes and ensuring that employees are not isolated or disconnected from their colleagues and teams. In conclusion, remote work has the potential to transform the Indian economy and offer several benefits to both companies and employees.

As India continues to adopt remote work policies and practices, it is critical to address the challenges and create an ecosystem that promotes remote working and empowers businesses to exploit its potential.

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