

# Working On Your Own Terms

Work for eight months a year or 12 hours a week, or be a part-time CMO or CFO – flexible employment models are becoming efficient retention tools for India Inc.

By APRAJITA SHARMA, Jun 7, 2022 | 7 min read



Fifty-year-old Puneet Khanna is a chief financial officer. Where, you ask? Khanna is not your regular CFO working full-time with a single firm. He is a 'virtual CFO' for six companies working specifically on "smart and well-defined" objectives. He also serves as a virtual CEO with France-based Edenred. He is earning three-four times higher than what he did before – his last 'full-time' stint was with Brightstar Telecommunications India Ltd (formerly Beetel Teletech) – and has enough time to play catch up with a game of golf at the golf course near his Gurugram home or at the Delhi Golf Club.

"I worked full time for over 25 years only to wonder what I am getting in return for toiling so hard. This is when I thought I need to get control over my time. Now I work as a virtual CFO. I can work from anywhere and have flexibility to take time off," says Khanna. He co-founded the firm, Don't Hire Be Virtual, in April 2018, which he says is seeing much traction post Covid with more and more companies looking to hire virtual CXOs.

Khanna started out on his own in 2018, much before the pandemic hit the world. At that time, organisations were sceptical to allow employees to work part-time or even temporarily, since they believed flexibility would impact productivity. Working from home or working from anywhere was unheard of. The pandemic kind of legalised flexible working models, and organisations world over are now using flexibility as a tool to retain talent.

Hybrid with flexibility is the ask of the hour and companies are capitalising on the trend with better employment models. According to a McKinsey report released in 2021, over 75% respondents say they would prefer working in organisations which offer hybrid models in the long run. Of the employees currently working in a hybrid model, 85% want it to be retained going forward. The report also states that employees could run the risk of losing good talent in the absence of a hybrid plus flexible work model. In fact, 71% of the employees interviewed in the McKinsey report say they are likely to look for other opportunities if flexibility is not available at their current place of work. But the demand for flexibility and hybrid is higher among the younger generation. According to the report, 59% of the younger employees (18-34 year olds) are more likely to call it quits rather than the older ones.

## Flexible Employment Models

- ▶ L'Oréal India's 'Liquid Workforce' enables one to work from any location.
- ▶ BCG offers employees flexibility to work for 8/10 months a year, and get paid accordingly.
- ▶ Axis Bank's 'GIG-A-Opportunities' follows the work from anywhere model.
- ▶ Intel has 'Freelance Nation', designed to retain high-performing employees by offering them a flexible work style.

The Changing Trends in Workplace Flexibility in India report by Indian HR services company CIEL HR also points to a similar trend. "Traditionally, salaries and incentives have been major factors for job change. Now, we see a phenomenal shift: Six out of 10 people are willing to forego high-paying jobs that require them to mandatorily come to office," says the report. Out of the 4.25 lakh jobs that CIEL has covered in its study, 5% are remote and 7% are hybrid, and the number, says CEO Aditya Mishra, is increasing rapidly.

Lack of flexible employment models has been touted as the main reason behind rising attrition rates and the 'Great Resignation' in IT. Attrition rates at Infosys and TCS touched record highs of 27.7% and 17.4%, respectively, in Q4 FY22. "It's no longer employers, but employees' market. The latter is on a higher pedestal, be it existing employees or interested candidates," says Himanshu Kishore, chief operating officer at Manya Education, a consulting firm in the foreign education space.

Roshni Wadhwa, CHRO, L'Oréal India, cites the example of a colleague who works in the digital marketing space and has opted for remote working. "He moved to Raipur during the pandemic and prefers to work from there. As an organisation we have accommodated his request as he is an asset we wouldn't want to part with."



"We even have women, who exited the workforce due to maternity issues, returning back to work for project-based roles."

Rajkamal Vempati, CHRO, Axis Bank



"Flexibility is a win-win for organisations as well. It enables companies to go geographically wide in terms of talent search."

Roshni Wadhwa, CHRO, L'Oréal India

## Retaining Talent Via Flexibility

Flexibility and hybrid even feature in organisations' employer-branding exercises. One of the earliest movers in this space is Axis Bank, which branded its flexibility initiative as GIG-A-Opportunities. A 'work from anywhere' model, it not just enables existing employees to move to flexible roles, but also seeks to generate employment opportunities for people in smaller towns. "Since these are 100% virtual roles (across functions), with some of them being project-based, short-term contracts, we even have women, who exited the workforce due to maternity issues, returning back to work, as well as retired people who want to work with us. The initiative has helped our workforce become diverse," says Rajkamal Vempati, CHRO, Axis Bank.

L'Oréal India calls its flexibility initiative, 'Liquid Workforce', while Hindustan Unilever (HUL) has 'You Work', which enables employees to move on to project-based roles. They are free to choose their hours of work and are even eligible for perks such as medical benefits.

Intel, meanwhile, has 'Freelance Nation', designed to retain high-performing employees who may want a more flexible work style. Selected candidates are eligible for telecommuting, working part-time and job sharing. Even sectors such as logistics and supply chain (where flexibility was unimaginable in the pre-pandemic era) are looking at hybrid work models. Allcargo Logistics has a hybrid model for select functional verticals. "WFH is an acceptable mode of work but approval from the manager is needed. Earlier managers would be sceptical about approving the request but now they are fine with it because at the end of the day, delivery matters," says Indrani Chatterjee, group chief people officer, Allcargo Logistics.

At Manya Education, few employees in corporate offices have been given full-time work from home, while others can take voluntary WFH. "I believe working from office is better as it helps in development that comes with collaboration. But, we are being liberal about it. In fact, our few high-performing employees work completely from home and their output is phenomenal," says Kishore.

## Gig Growing Big

Another trend that companies have been embracing widely is the gig culture. It is no longer just about blue-collar workers such as delivery boys and drivers, but has moved beyond to even senior leadership positions. According to a recent report by the Boston Consulting Group (BCG), the gig economy has the potential to service up to 90 million jobs in India. It can transact over \$250 billion in volume of work and contribute an incremental 1.25% to India's GDP over the long term.

The top sectors leveraging gig talent include consulting, pharma/healthcare, FMCG, IT/IT services and the development/non-profit domain. Large companies are emerging as the largest users (32%) of flexible talent, driven by greater comfort due to the new ways of working, the need for agility and flexibility, as well as focus on skills and expertise to drive initiatives (Source: Professional Gig Economy Report Card, Flexing It © 2021).

## The Gig Economy

- ▶ It can service up to 90 million jobs in India's non-farm economy alone.
- ▶ It can transact over \$250 billion in volume of work; add an incremental 1.25% to GDP in the long term.
- ▶ It could lead to 35 million skilled and semi-skilled jobs, and 5 million shared services roles like facility management, accounting etc.
- ▶ Construction, manufacturing, retail, transportation and logistics could account for over 70 million of the potentially 'gigable' jobs, going ahead.

SOURCE: BOSTON CONSULTING GROUP

# 75%

Of respondents surveyed by McKinsey prefer working in firms which offer hybrid models in the long run

# 71%

Say they are likely to look for other opportunities if flexibility is not available at their current place of work

Such a model gives an opportunity to small businesses to hire high-skilled talent like those in the fields of cyber security and digital marketing, who otherwise may not be affordable in regular rolls. "If a company has to migrate the accounting system from GAAP to IFRS, high-level finance folks will be needed for guidance. Companies prefer part-time roles for such specific tasks. Other situations such as raising capital or planning an IPO require you to hire people for a certain period, not full-time. Similarly, talent management or succession planning, etc are few other instances of part-time roles," says CIEL HR's Mishra.

Organisations are hiring senior talent as gig employees. BCG, says India recruiting chair, Suresh Subudhi, has significantly ramped up its gig hiring in the past couple of years. "We hire a lot of gig employees in training roles where we typically don't need a full-time resource. We also bump up our gig hires in finance during year-end for roles such as expense reconciliation, book closure and record keeping. We hire chartered accountants and cost accountants for these roles."

At Marico, gig hires have become common in senior roles in digital marketing, legal and finance. HUL has launched 'OPEN2U-Gig Work-The HUL Way', through which it supports freelancers with structured compensation, assignments, bonuses and other benefits similar to those of a full-time employee.

So, do flexible and hybrid employment models help organisations conserve costs? The CHROs of most companies prefer being tight-lipped. However, another McKinsey report states that a survey of 278 executives has found that on an average, these executives want to reduce office space by 30%. But, there's a flipside as well. Remote work is likely to put a dent in business travel, with the pandemic ushering in virtual meetings and video-conferencing. While leisure travel and tourism are likely to rebound after the crisis, McKinsey's travel practice estimates that about 20% of business travel, the most lucrative segment for airlines, may not return.

The writing on the wall is quite clear – flexible employment models are here to stay. After the 'Great Resignation' employees across the board are leaning on flexibility to woo their talent to stay on with them.