

# A Critical Analysis on the Impact of Work from Home Policy in India

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## ABSTRACT

*The sudden outbreak of the pandemic, the works places across of the world were forced to take up work from home or remote working as a strategy for overcoming the operational difficulties due the strict lock down across the world. After an year of the being under the forced circumstances, slowly the employers are encouraged to adopt this work from as a permanent policy in the years to come. Many big Indian companies including Tata Steel, Infosys, Maruti Suzuki, Philips etc are evaluating the job roles that will enable WFH permanently In this context we present a critical analysis on the work from home policies understand the merits and demerits of such changed work environment especially from an Indian context in this paper. The study focuses on critically analysis the impacts of WFH policy from environmental and economical point of view.*

**Keywords:** *Work from Home (WFH), Pollution, Unemployment.*

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## 1.0 Introduction

The sudden outbreak of the pandemic, the works places across of the world were forced to take up work from home or remote working as a strategy for overcoming the operational difficulties due the strict lock down across the world. The idea of remote workplace is not new. The term 'telecommuting' was first coined in 1973 by Jack Niles in his book - Telecommunications - Transportation Trade-off [1]. However, the modern data remote work policies where formulated and adopted by companies after 1999 fuelled by the growth in the Telecommunication technologies.

Though various studies have focused on the benefits of such remote workplace and historically it had been adopted by various organizations to cut down on operation, major employers always had an inertia in adopting remote work policies at a large scale. Yet, tech giants like Facebook and Google were remote friendly companies ( company that not only has physical offices in different locations but also allows its workforces to work remotely according to company policy as well as individual preferences ), they preferred to as few as possible to work from home raising several concerns of lapsed productivity and lack of accountability. However, world has seen radical shift the work philosophies as the pandemic in 2020 had forced all the organizations to switch to work remotely. This forced circumstances, had allowed to the employers and employees to test and understand the benefits of the Work from Home (WFH) policies that a major fraction of the employers are encouraged to think WFH policies on a permanent basis. Many big Indian companies including Tata Steel, Infosys, Maruti Suzuki, Philips etc. are evaluating the job roles that will enable WFH permanently [2].

In this context, the paper focuses on critically analysis the impacts of WFH policy from environmental and economical point of view. This paper is organized as follows: section 2 looks at the previous academic literature on Work From Home policies, section 3 details the analysis and discussions and section 4 presents conclusion.

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## 2.0 Previous Works

As discussed before, the idea of work from home had been there in the picture for a significantly long time. And, only few researchers have shown interest in understanding the various aspects related to WFH scenario from an academic.

As mentioned above, the earliest work to discuss the idea of remote was done by Jack Niles in his works. The work discusses how telecommuting developments can help in bringing the workers together by communication instead of the physical presence and thus providing an alternative to urban transportation [3].

Further few works which came up later, talks about the possibility of switching to a WFH mode taking the advantage of innovation in Telecommunications and how it is relevant for quality of work life or work -life balance. Shamir and Salomon (1985) analyses of the differences along these aspects between working at home and working at a normal workplace, and speculation about the possible consequences for the individual of the transfer of jobs from employers” premises to employees' homes [4].

As the technology grew, the focuses of the academic literature in understanding the efficiency of teleworking. Delanoeije et al 2019, examined how a teleworking day affects daily work-to-home conflict and daily home-to-work conflict based on boundary theory and the study suggested that employees experienced less work-to-home conflict but more home-to-work conflict on teleworking days compared to non-teleworking days[5]. However, the academic literature on teleworks were limited.

The unprecedented pandemic scenario has led to various changes in our lifestyle and that certain of these changes are expected to be permanent. The current responses in the business world hints that WFH policy is such permanent change for the future. These events have motivated several researchers to take a looks the WFH scenario from an academic angle. The pandemic year has seen a slight increase in the work related to telework. Mongey and Weinberg 2020 has tried to categorize occupations by a measure that captures the likelihood that jobs can be con- ducted from home [6]. Purwanto et. al 2020, identify and obtain information about the advantages and disadvantages of working at home ( Work From Home ) during pandemic COVID- 19. The results of the study suggests that there are several advantages and disadvantages to the WFH program, the advantages are that the WFH activity is more flexible in completing work, does not follow office hours, does not need to spend money to pay for transportation costs or gasoline costs , can minimize the level of stress experienced besides traffic jams traffic from home to the office, have more free time. The disadvantage of WFH is that it can lose work motivation to bear electricity and internet costs, can cause data security problems [7].

Cicala 2020 documents an increase in residential electricity consumption while industrial and commercial consumption has fallen during the COVID-19 pandemic in the United States using hourly smart meter data from Texas reveals how daily routines changed during the pandemic, with usage during weekdays closely resembling those of weekends [8]. The study suggests that the increase in residential consumption is found to be positively associated with the share of the labour force that may work from home.

Daniel et al 2020 presents new estimates of the share of jobs that can be performed from home. The analysis is based on the task content of occupations, their information and communications technology requirements, and the availability of internet access by country and income groupings [9]. The studies like Baker 2020[11], Gottlieb 2020 [12] , Holgersen et al 2020 [13] also looks into categorizing the jobs which can be converted as work from home.

Khazan 2020 [10] suggests how work from home is here to stay permanently changing the work culture in the society. Taking these trends as a motivation, the current paper analyses the impact

work from home policy is impacting the Indian society from an environmental as well as the economic perspective. The study stands out as there had not been any study taking the Indian context. Being a high populous developing country with a significant proportion of population in the employable age, makes it an interesting context to explore.

### **3.0 Impact of WFH Policy on India**

The study makes use of the available secondary source of the data to make a thorough analysis on the impact of WFH policies from an environmental and economic aspects in a country like India.

#### **3.1 Environmental impact of WFH.**

As a country, India has faced a skewed growth. Most of the development were concentrated in certain cities and states of the country. Specifically, cities like Mumbai, Chennai, Kolkata and later Bangalore started growing at exponentially faster rate compared to rest of the country. Various geographical as well as political factors have played greater role catalysing the growth while attracting major business investment into these cities. It has happened so that these cities have been the major employment hub causing large scale migration of the population into cities causing further expansion of these cities. To have a better clarity on the notion, let us consider the detailed case of Bangalore, the capital city of the southern state of Bangalore.

Bangalore is one of the fastest growing cities in the world. In the 1970s, the city was known for its splendid lakes, numerous parks, and lush green trees and proved to be a paradise for anyone who chose to live here until the city underwent a massive socio-economic change. Till 1970s, the city catered as a major hub various hub for manufacturing industries creating employment opportunities for many [14].

The liberalisation of the Indian economy in the 1990s provided a new impetus to the already thriving industries of Bengaluru. The city attracted large-scale private investment from across the world and this phase witnessed a significant rise in the GDP growth rate of Bengaluru. When India grew at an average rate of 7.93% between 1993 and 2004, Bengaluru clocked a GDP growth rate of 20.76% in the same period. IT sector exports, of which about 40% is contributed by Bengaluru, has helped India immensely in bridging the trade deficit [14].

This fast paced growth of the city was accompanied by the large scale migration into city causing a population boom leading to wide infrastructure-related issues that have really affected the image of Brand Bengaluru and further resulting in various traffic congestion, deteriorating air quality, poor waste management, water scarcity and poor road maintenance have made life in Bengaluru difficult. In the past four decades, Bengaluru has witnessed a reduction in the number of waterbodies by 79% and green cover by 89% according to one estimate [14]. As per the 2011 census was 96.2 lakh people. Of these, a staggering 44.3 lakh people are classified as migrants, based on migration data recently released by the Office of the Registrar General & Census Commissioner.

This unplanned and uncontrolled growth in the city have led to emergences of various business and technology hubs scattered in various part of the cities [15]. As per the statistics, 16 tech parks in the city housing more than 5000 companies situated in various parts of the city. Added to this, residential areas in the city are also unplanned and scattered. This unplanned city layout in the major reason for daily traffic congestion. In addition to the traffic congestion, this increasing population has been a constant reason for the changing climate in the city as well as the wide-spread pollution. A major part of these problems are due to the working population who are majorly migrants daily commuting to work.

The lockdown has resulted in forcing these work force to stay at home and work from home

keeping the roads free during the entire period of initial lockdown in the country in the month of the April and May 2020. Further lockdown forced a large proportion of these migrant population to get back to their native places. An analysis of the air quality data has revealed that the lockdown has contributed towards reduction in air pollution by 28% [16]. This analysis can easily help us infer that a strong correlation exist between the commuting working population and pollution in the city as the emission from the vehicular pollution is a key contributor to air pollution in Bengaluru, which is the most traffic-congested city in India. Similar trends were clearly visible in the rest of the country also.

Further, such work from home opportunities can motivate the employees from migrating to the cities while encouraging them to stay back the rural home towns. This can help the real estate crisis in the major cities. Added to this, while any organisation is adopting work from home policies for a significant fraction of the their employees, the needful huge office and other real estate infrastructure base needed for such WFH employees falls down. This can positively contribute to environment in conserving the trees and lands with the lower demands for sky scrapers for catering these corporate workforce.

Thus, keeping the work-force at home engaging through remote work can work as solution to rising environmental issues in the country.

### **3.2 Economic impact of WFH**

From an economical perspective, there are merits as well as demerits for with the implementation of WFH policy.

From positive angle, while the WFH can save a lot of unnecessary expenditures incurred by the employees in commuting to the office, it increases the money in the hands of the public which can in turn increase the spending capacity of the such fraction of the population. This in turn can help in incentivising in these employees spending to boost up the economy.

Further, from an employer's point of view, he can save a lot on the infrastructural and operational cost of engaging these employees in the work place. Hence, positively contributing the employers profit.

While, the WFH does benefit the employees as well as employers in a positive manner, it can indirectly cater various other problems. It is important to note that most often, these huge infrastructure maintained by the employers creates a large number indirect blue collar opportunities involved in maintenance and security services of these facilities. If the de-scaling of these real estate facilities occurs due to the adoption of work from home policies, a lot of these blue collar employment opportunities will be affected bring a lot of unemployed people into the economy. Creating further employment opportunities can pose a relevant problem while the economy still struggling to create opportunities for the existing unemployed lot.

Additionally, these WFH policies can cause a dip in the demand for automobile market as the people will be encouraged to stay at home. Thus, the already struggling automobile market in the country which plays vital role in the economy can be severely affected further because of such policies. This can further stimulate in creating unemployment in the society.

Hence, we can clearly observe that while WFH policies can economically benefit the employees and employers in direct profit generation, indirectly it can negatively affect the economy in a macroscopic scale as it can lead to unemployment in many of the indirectly related sector and hence causing instability.

### **4.0 Conclusion**

From the analysis, we can conclude that while WFH policy can positively influence the society in addressing the environmental problems, it can severely affect the economy as it can lead to

wide scale indirect unemployment problems in the society. Thus, the government and organisations coining the policies for WFH should take at most care in bringing down the negative impacts of these policies.

Certain recent surveys and studies have tried to understand the employees perspectives on such WFH policies. A major fraction of the employees currently engaged in WFH, though excited to work from home in the beginning, have highlighted how the scenario has gotten monotonous and their difficulties in being efficient and productive. Additionally, a lot of employees have reported the increased working hours and prolonged meetings schedules which has come about due to WFH and blurred the line dividing their personal and work life. Thus, affecting the work- life balance of these employees. Some of the surveys highlights experiences of the employees regarding they tried to overcome the shortcomings of the WFH scenario by opting to work from cafes or co-working spaces to increase their efficiencies and productivity.

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