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GbS India: Should remote working continue after the lockdown?

Atri Sengupta, Manoj Kalra, and Dinesh K Murugesan wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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“Should we continue remote working once the lockdown is lifted?” Riya Sharma, the leader of the global service centre of Group Business Services (GBS) of Koninklijke DSM NV (Royal DSM), tossed this question out to the other members present in the meeting.

In mid-May 2020, the leadership team of GBS India was debating the company’s upcoming workplace policies in a review meeting. GBS India had made remote working compulsory for all employees as a risk mitigation measure during the COVID-19 pandemic on March 4, 2020, well before the country-wide lockdown became official in India. The company had modified its human resources (HR) policies to support the remote working initiative—for example, by providing laptops to those employees who were currently working on desktops, providing Internet facilities at employees’ homes, and so on. GBS was known for its employee-friendly policies, of which enabling employees to work from home (WFH) was a key element. However, despite considerable positive initial feedback from employees about WFH during the pandemic, there had also been some negative feedback about the new work system, and this worried the leadership team. In addition, business continuity could pose a challenge if all employees continued to work from home for too long Therefore, the leadership team needed to decide whether remote working would continue after the lockdown order was lifted.

Company Background

Royal DSM, headquartered in Heerlen, the Netherlands, was a global, purpose-led, science-based company that offered products and solutions for nutrition, health, and sustainable living, with the objective of creating greater well-being for all. The company was a global leader in producing nutritional products for both humans and animals. Its business verticals included DSM Nutritional Products (DNP) and DSM Engineering Materials (DEM). The company’s sales revenue (€10 billion in 2019)[[1]](#footnote-1) was generated from products and activities in four categories: (1) human nutrition, health food specialties, and personal care products; (2) animal nutrition and health products; (3) engineering materials; and (4) innovation labs. Animal nutrition and health products were the major revenue creator for the company. DSM-promoted innovation in the organization had resulted in the introduction of a series of new products, and Royal DSM earned 21 per cent of its revenue from products it had launched in the last five years. The company’s presence was global with 23,000 employees throughout the world. Because of its major focus on its ambitious growth target, Royal DSM set up GBS to manage non-core and support services.

GBS, the global captive shared services division of Royal DSM, was spread across six countries and headquartered in Hyderabad, India. It supported the parent company globally by providing employee shared services (HRSS), insight and data services (IDS), finance shared services (FSS), purchasing shared services (PSS), technology services (TS), and a project management team for supporting the shared services units introduced above (see Exhibit 1).

GBS was responsible for the effective functioning of Royal DSM globally. Shared services managed many standard processes and transactional activities (e.g., from payroll, invoice processing, and profit-and-loss reconciliation to technology, hardware, and software support) for DSM. This helped reduce Royal DSM’s overall operating costs and empowered the businesses to focus on what it did best. The expectation from Royal DSM was that GBS would support the company in achieving its growth trajectory plan for 2021. By 2021, Royal DSM aimed to create a growth-oriented organization that would create value for its stakeholders through purpose-led and performance-driven strategies. These strategies were aimed at reaching the company’s sustainable development goals in the domains of nutrition and health, climate and energy, and resource circularity. The company’s target for 2019–2021 was to achieve an annual increase in adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) of a high single-digit percentage; an annual increase in adjusted net operating free cash flow of 10 per cent; and, value-creating mergers and acquisitions.

GBS’s focus was on providing a high level of customer service and enhancing the customer experience to make it easier for Royal DSM employees to focus on their everyday work. GBS had made significant advances in implementing robotics and automation technologies to add speed and accuracy to its current processes and services, thus creating additional value for Royal DSM.

Following the pandemic-related lockdowns that were implemented across the world, GBS’s importance to Royal DSM increased exponentially. As a result, ensuring business continuity became a high priority for GBS during the lockdown, and GBS needed to guarantee a high level of performance among its employees during the crisis.

Work Arrangements at GBS India Before and During the Pandemic

GBS’s global service centre (GSC) was located in Hyderabad, India, in two separate offices in two different parts of the city. Both offices followed an open-plan design, with modular work stations and half partitions between the desks that enabled face-to-face seating arrangements. GBS also provided multiple facilities to its employees—for example, door-to-door transportation, free food, and medical facilities for employees and family members. The company fostered a friendly, harmonious culture in which celebrations of birthdays, milestones, and successes were prevalent.

GBS had 712 global employees, including 395 in India.[[2]](#footnote-2) In addition, 25 associates from different partner organizations were involved with GBS operations in India. Around 11 per cent of the GBS India employees belonged to generation X, and the rest belonged to generation Y. GBS India’s operations were designed in five shifts, matching the requirements of Royal DSM (see Exhibit 2). As it was dominated by young, generation-Y employees, GBS was an energetic and youthful company in which teamwork was always encouraged.

Unlike other organizations in India, GBS India had initiated a WFH policy prior to the announcement of the nation-wide lockdown. It had mandated WFH starting on March 4, 2020, when one of its employees was suspected to be infected with COVID-19 and sent to hospital for further processes. Fortunately, the employee ended up testing negative for COVID-19. This incident occurred three weeks before the Indian government announced the nation-wide lockdown. GBS India took a series of steps to mitigate the infection risk, and these acted as a rehearsal for the company in combatting the crisis. However, the pandemic brought a plethora of challenges to GBS, as it did to other organizations. First and foremost was the challenge of ensuring business continuity amid the lockdown. In order to mitigate the risks of the pandemic, GBS India put in place a comprehensive system to support remote working, which included procuring extra bandwidth, providing laptops to employees, and adopting new technologies. Prior to the pandemic, GBS India had allowed each of its employees to work from home for 24 days in a year, with a maximum of three WFH days in a month (see Exhibit 3). However, a complete remote working system represented a paradigm shift for both GBS employees and the company’s leaders. Systems that had been working smoothly in the traditional office setup—operations management, workload distributions and planning, people management, and teamwork—all became more difficult to achieve in a completely remote working environment.

Remote Working Experiences: Employees

Employees enjoyed the initial days of remote working during the lockdown. They liked having more freedom, more time to spend with their families, and ample time to carry out personal tasks along with their job duties. Young people, especially, found remote working appealing due to their ease and proficiency with technology. The happiness compass GBS used regularly to gauge its employees’ state of mind showed a picture of growing happiness among GBS employees, which was reflected in their productivity (see Exhibits 4 and 5).

However, a certain portion of employees felt differently. The GBS India leaders and people managers often received calls from these employees, who shared a diverse range of experiences of the new remote working system. These were mostly generation-X employees, along with a few from generation Y. For example, Aniruddh Thakur, a people manager, received a call from an employee, Raja Sharma, who bluntly stated, “I want to go into the office after lockdown. I heard the government will lift the lockdown after next week.” Thakur replied, “Although it has not been decided yet, we may extend the remote working. You will be informed shortly of the decision.” Sharma retorted impatiently, “No way! This is very suffocating! How long can one talk online? Everybody behaves so formally online. Nobody talks warmly now. I wonder why everyone is forgetting the relationships we used to share.” Thakur listened to Sharma silently, while he continued in frustration:

I cannot remember if I attended more than two meetings in a day during my days in the office. Now it is at least four a day online! If so many meetings were not needed then, why are they needed now? I think we all feel fatigued. Unnecessary meetings rob the time needed for actual work and make the days seem longer.

Thakur was concerned about Sharma’s rising level of frustration. Another employee, Nitish Ponna, echoed his feelings, stating, “I feel we attend too many meetings in a day for no reason at all. In the office, very few meetings were really essential for the work to be done.” Thakur received a similar call from Malik Ali, an employee in financial shared services. Ali was friendly but persistent in sharing his opinions with Thakur:

Boss! You know that maintaining accuracy is key to my job. It was easier to maintain accuracy in the office, where we used to help each other check it. Now this is much more difficult! Often, I find my colleagues are not available online when I need them. I need to coordinate with them first before I can do the actual work. Therefore, it takes more time to complete a job.

In another call to the people manager Ratna Prasad, Priya Bhardwaj exclaimed, “My mother-in-law thinks these days are holidays for me and thus expects me to take charge of all the household activities. Besides, both my kids want me to play with them and help out with their studies. I am exhausted!” Bharwaj continued, “When I was attending one online meeting with my team, my kids started screaming, and I had to log out of the meeting. I felt so embarrassed! I really do not know how to manage all these demands simultaneously. It is better to go into the office.” In a similar informal chat, Amrita Singh told Prasad, “My husband is also working from home now. Initially, I was enjoying working from home. But now his tantrums have become unbearable. Either he goes into the office or I should!” Prasad could relate to Singh’s dilemma. Amit Sengupta’s situation was similar. While working from home, he did not want to contribute to the household work in addition to his job. He was worried that he was being judged for working from home stating, “I have status in my society. I do not want my neighbours to give me a weird look. Also, my children in college will not take me as seriously if the remote working continues.” After hearing about these varied experiences, Prasad wondered whether the lockdown would increase the country’s divorce rate!

A few other employees reported that their managers were annoyed by background noises in employees’ homes during online office meetings. Regarding this, Singh asked Prasad,

How come my manager expects my family members to behave the way he wants in their own home? Don’t you think he is interfering in their personal lives? We didn’t ask you to bring the office to our home. I understand that the situation demands this but not at the cost of my family members’ personal lives.

Asif Baig, a people manager, was shocked by this request from Mahesh Sahani: “Can you provide me a set of office furniture for my home? I have acquired severe back pain sitting with my laptop on the bed or dining table. I cannot afford the ergonomically tested office furniture that we have in the office.” In addition, complaints about poor Internet connections and technological issues were rampant. Some employees griped about the growing electricity bills caused by air conditioners being on the entire day. Raman Kapoor asked Baig, “Can you please tell me why the bosses send job-related emails late in the evening? It was not so before! Is it company policy to do this in a remote working system?” Sandy Mathew reported, “Boss, there is no teamwork at all. We are only having meetings together. The engagement we used to feel at the office is gone now. We just finish our tasks like robots. It is highly stressful! If this continues, it will affect our performances adversely.”

REMOTE WORKING EXPERIENCES: Managers

The managers had their own apprehensions about the remote working system and argued in favour of restoring the traditional office setup as soon as the lockdown was lifted. All three people managers, Aniruddh Thakur, Ratna Prasad, and Asif Baig, also received a significant amount of feedback from the managers, most of whom were anxious about how to monitor their employees online. They feared that the desired performance level might not be reached without an effective monitoring system.

Jiva Murthy, a manager, described his remote working experience to Prasad, stating, “It is difficult to monitor their movements online, so how can I control them in terms of performance? I have asked my team to report to me through online meetings at least four times a day. Finally, I think they are in sync with me.” Another manager, Eashan Mehta, reported similarly:

Remote working is nothing but a holiday for them. Before, they had to devote at least eight to nine hours every day to office work. Now, I don’t believe they have enough tasks in hand to keep them busy all day. Therefore, to assess their readiness, I send them emails late in the evening and expect them to finish a task by the next morning.

Sayeed Habib reported to Thakur,

Previously, I read my team’s minds by observing their movements in the office, their body language, and having informal talks in the cafeteria and other places. Building and maintaining trust and relationships was easier then than it is now. I feel we are unable to connect on a personal level now.

Amit Modi said in frustration, “In the end, I will be held responsible for my team’s performance. I feel helpless when they are sitting somewhere else, as I do not know what they are actually doing.” His tirade continued:

If you need some information, you cannot get it immediately. If you need to discuss some ideas with your team, it is also not possible immediately. By the time you arrange an online meeting with your team, you have lost your idea. My lively group that was always full of novel ideas and motivated to excel now behaves like a robot team. If this continues, there will be no innovation, no motivation, and no engagement!

Another manager, Jack Jansen, said worriedly to Baig,

I do not know how to motivate my team now. They feel a conflict between family and work. Many do not have an additional room to set up as an office. Their kids often create disturbances during meetings. All these factors are affecting their performance adversely. On the one hand, online meetings and conversations create mental fatigue for us, while on the other hand, you are not able to see or understand the facial expressions of the members, which enhances the frustration further.

Arshad Ansari suggested a plan to Baig while giving feedback, stating, “Since they have idle time now, why not engage them with a series of e-modules? Give them targets for learning and link this learning to promotions. At least they could then justify their salaries.”

Some managers requested that the HR team put policies in place designed to guide the employees in how to work virtually. A few even suggested that the guidelines include directions on how to manage the home environment during office meetings.

Leadership Dilemma

Such a diverse range of feedback, both for and against remote working, surprised and confused the people managers. While 80 per cent of the employees had been able to adapt to the new way of working, the company could not ignore the remaining 20 per cent, who were unhappy and could negatively affect the company’s morale. Hence, the leadership team had to decide whether to continue with remote working after the lockdown order was lifted. If they did continue WFH, they would need to figure out how to engage all the employees within the new system. If they decided against remote working, they would need to redesign the office work environment in such a way that prioritized the employees’ health and safety over other issues amid the pandemic. GBS India had already witnessed the challenges that had emerged when one of its employees was suspected to be infected with the COVID-19 virus. The company easily recognized that the next part of its journey would not necessarily be smooth, and thus, it found itself at a crossroads. The irony was that both paths were uncertain. Under these circumstances, how could GBS India best ensure success in terms of its overriding concern of maintaining productivity levels to satisfy its internal customers—i.e., the Royal DSM leaders.

Exhibit 1: Details of Support Services at GBS India

1. *Employee Services (HRSS)*

HRSS provides appropriate support to all DSM employees throughout their careers at DSM. It is a central point of contact for payroll services, workforce administration services, compensation and benefits, global mobility services, services for learning programmes, e-learning and the company’s learning management system, recruitment and onboarding, talent management and support services, and employee exit services. The major role of HRSS is to ensure the smooth functioning of employees within the organization.

1. *Financial Shared Services (FSS)*

FSS aims to provide highly professional services to DSM, creating value in an efficient, active, ongoing, and accurate manner. Two FSS teams are responsible for effectively managing business performance, products and services, and customers, namely (i) order-to-cash for customer credit management and (ii) accounting to reporting (AtR) and inter-company reporting. The former includes tasks such as credit risk assessment, credit block handling, export document services, billing, collections and dispute management, accounts receivable, customer master data, and in-house cash management and hedging. The latter involves AtR services consisting of asset accounting (AA), general ledger accounting (GL), and period-end closing (PEC) services. Inter-company reporting facilitates the recording of transactions between the DSM entities.

1. *Purchasing Shared Services (PSS)*

PSS provides a standardized, transparent, and user-friendly purchase-to-pay process (P2P) to DSM. PSS manages purchase orders, checks associated tax rates, pays suppliers, ensures that money owed is paid into the customer’s correct bank account, and enables DSM to satisfy the payment terms of all its suppliers. PSS also manages the back-end activities of mapping all travel and related expenses in relation to credit card records, payments, and timely reimbursements.

1. *Technology Services (TS)*

TS provides the critical technology tools, systems, and data processing structures for managing communications across DSM, both for the customers and for the critical enterprise systems operating globally. The major focus of TS is to manage the specific tools and systems that enable DSM and GBS employees to collaborate on global projects, access and use the latest software for modelling, share knowledge and capabilities in conducting conference calls digitally across time zones, and much more.

1. *Insight Data Services (IDS)*

IDS was created in 2020 to generate a clear focus on customer products and leverage the activities and talents of GBS Technology Services. The major activities of IDS include reporting, preparing master data, and data analytics. It supports other shared service units of the GBS and DSM group businesses. IDS aims to deliver self-service descriptive analytics in terms of providing skills, leveraging capabilities, and supporting software.

1. *Service Management Team (SMT)*

SMT enables GBS to leverage expertise, streamline systems and processes, and create synergies across functions and global units. It is dedicated to achieving customer service excellence for DSM. SMT supports all shared service units to find better solutions to manage service level agreements, conduct service performance reviews, and identify demands and requirements. It also manages action plans to resolve complaints and deliver appropriate improvements. The Portfolio Management Team under SMT reinforces the demands of the customers by prioritizing needs and delivering within budgets and deadlines. All shared service units receive support from SMT with respect to managing quality, knowledge, and trainings in GBS; supporting vendors to enable seamless services to GBS; and managing the MyDSM portal and the Service Desk for DSM employees and business units to raise issues, service requests, questions, and complaints with regard to the functions (Service Delivery Units).

Source: Company files.

Exhibit 2: GBS India human resources details and working shifts

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Shift Timings** | **Female** | | **Female (%)** | | **Total Female** | **Total Female (%)** | **Male** | | **Male (%)** | | **Total Male** | **Total**  **Male** **(%)** | **No. of Associates** | **Total No. of Employees** |
| **Gen X** | **Gen Y** | **Gen X**  **(%)** | **Gen Y**  **(%)** | **Gen X** | **Gen Y** | **Gen X**  **(%)** | **Gen Y**  **(%)** |
| 5:00 a.m.–2:00 p.m. | 0 | 1 | 0.0 | 0.3 | 1 | 0.3 | 0 | 1 | 0.0 | 0.3 | 1 | 0.3 | 1 | **2** |
| 7:00 a.m.–4:00 p.m. | 0 | 8 | 0.0 | 2.0 | 8 | 2.0 | 0 | 28 | 0.0 | 7.1 | 28 | 7.1 | 2 | **36** |
| 9:00 a.m.–6:00 p.m. | 5 | 23 | 1.3 | 5.8 | 28 | 7.1 | 7 | 22 | 1.8 | 5.6 | 29 | 7.3 | 2 | **57** |
| 11:30 a.m.– 8:30 p.m. | 10 | 87 | 2.5 | 22.0 | 97 | 24.6 | 18 | 139 | 4.6 | 35.2 | 157 | 39.7 | 14 | **254** |
| 4:30 a.m.– 1:30 p.m. | 1 | 13 | 0.3 | 3.3 | 14 | 3.5 | 1 | 31 | 0.3 | 7.8 | 32 | 8.1 | 6 | **46** |
| **Total** | **16** | **132** | **4.1%** | **33.4%** | **148** | **37.5%** | **26** | **221** | **6.6%** | **55.9%** | **247** | **62.5%** | **25** | **395** |

Note: Gen = generation.

Source: Company documents.

Exhibit 3: excerpt FRom the work from home (WFH) and flexible work hours policy in the pre-pandemic period

**Scope of the Policy:**

* This policy covered all full-time employees of the company. It did not apply to contractors or temporary employees.
* This WFH facility was an additional benefit and not an entitlement.
* All flexible work arrangements were subject to ongoing review and might be discontinued at any point of time.
* The flexible work policy offered the following two types of work flexibility options to employees:
* WFH
* reduced working hours

**Guidelines for Availing this Policy:**

* The employees needed prior approval to avail WFH; however, the approval was subject to the discretion of the line managers.
* The employees availing WFH had to be accountable and responsible for their performance as well as committed to developing a suitable work schedule for effective operations management while working from home.
* The policy was applicable to certain types of jobs. Non-laptop users (or desktop users) were not permitted to avail themselves of the WFH option.
* The employees availing the facility had to ensure that the deliverables would be met.
* In this pre-pandemic WFH policy, it was the responsibility of the employees to ensure the appropriate logistics, e.g., arranging high-speed Internet connectivity and uninterrupted power supply, at their own cost.
* The employees had to ensure the protection of DSM confidentiality and data security, maintain professional etiquette in audio and video calls, and ensure no external disturbances at home while availing the facility.
* The employees had to adhere to all safety- and security-related rules of GBS India applicable to the home environment.
* The employees had to be sufficiently competent to work independently, with less supervision, while working from home.

Source: Company files.

Exhibit 4: Happiness index comparing conventional and virtual work arrangements at GBS

|  |  |  |
| --- | --- | --- |
| **Month** | **Number of Employees Participating in Happiness Survey** | **Happiness Score** |
| January 2020 | 2,062 | 74.0% |
| February 2020 | 2,159 | 73.8% |
| March 2020 | 1,351 | 74.2% |
| April 2020 | 1,450 | 82.9% |
| May 2020 | 1,277 | 85.3% |
| June 2020 | 1,472 | 85.1% |
| July 2020 | 235 | 91.9% |

Note: Participation in the happiness survey was not compulsory at GBS. The happiness score was calculated based on the number of employees who participated in the survey. During March-July 2020, the company followed complete virtual work arrangements.

Source: Company documents.

Exhibit 5: Comparison of Productivity in conventional and virtual work arrangements at GBS

**A screenshot of a cell phone

Description automatically generated**

Note: FSS CMSI = Financial Shared Services Credit Management Service Index; HRSS SLA = HR Shared Services Service Level Agreement; TS = Technical Services; PSS = Purchasing Shared Services; GbS = GBS.

Source: Company documents.

1. € = European Union euro; €1.00 = US$1.082 as of mid-May 2020. [↑](#footnote-ref-1)
2. The number of people available for work was considered up until May 2020. [↑](#footnote-ref-2)