



Hyderabad Software Enterprises Association

WORK FROM HOME SURVEY

18TH JUNE 2020

HYDERABAD SOFTWARE
ENTERPRISES ASSOCIATION

WWW.HYSEA.IN

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EXECUTIVE SUMMARY

The COVID-19 pandemic has forced the IT/ITES industry to work from home since March 2020.

As the premier industry association in Hyderabad, HYSEA wanted to estimate, with reasonable accuracy and with member inputs, the (Work from Home)WFH and WFO(Work from Office) percentages and how the future is going to look like. When representing the industry in different forums, an accurate estimate is very important. This data will be only used at an aggregate level and individual responses will remain confidential.

The survey has received an overwhelming response with 195 IT/ITES companies responding. These companies belong to IT services, IT Products and IT enabled Services. The size of the companies ranges from Micro(0-100 employees), Small(100-500 employees), Medium(500-1000) and Large(>1000 employees).

This survey analysis the data based on two key factors:

- Nature of company's business &
- Size of the company.

Summary of Survey Findings

Across all sizes and nature of businesses, nearly 80% of companies in Hyderabad have said, 90% or more of their employees are working from home at this point in time. IT services companies took the lead with 85% of them managing $\geq 90\%$ WFH while only 68% products and ITeS companies managed this WFH percentage.

Nearly 76% of large companies, across nature of business, have more than 90% of employees working from home. For MSMEs, nearly 80% of companies managed similar WFH%. Smaller companies had lesser dependencies and challenges in moving work to home.

After 90 days, across the industry, the WFH% is projected to fall from current levels to about 60%. This means the business leaders are hoping to see approximately 40% of work force returning to office, subject to conducive conditions.

Majority of the companies polled across sizes and nature of business have reported productivity levels higher than 90%. This should make Hyderabad IT industry proud of its workforce and leadership.

The three biggest issues being faced by the IT/ITES companies, in terms of WFH, are related to Broadband, Power cuts and Cyber Security.

Risk perception by companies and employee reluctance are the major reasons for Companies across the board going slow on WFO, followed closely by Transport readiness.

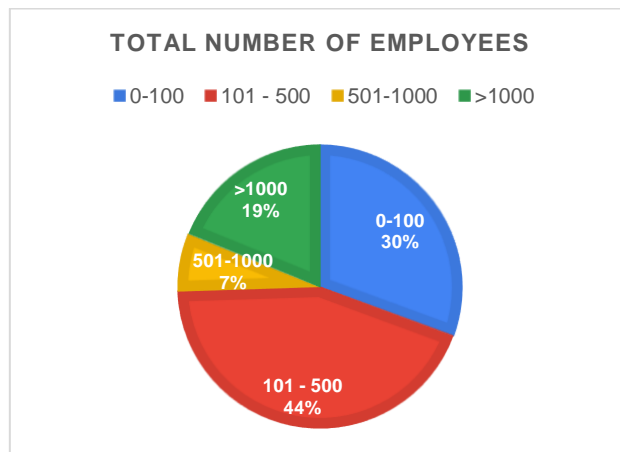
HYSEA, as a responsible industry body, will work closely with the Govt of Telangana and bring to their attention the issues that are impacting WFH and Return to office and try to seek solutions.

SECTION I

COMPANY SIZE ANALYSIS:

The distribution of the employee headcount of the participating companies is defined Micro(0-100 employees), Small(101-500 employees), Medium (501-1000 employees), and Large as employees greater than 1000:

Employee Count	No. of Companies
0-100 (MICRO)	30%
101 – 500 (SMALL)	44%
501-1000 (MEDIUM)	7%
>1000 (LARGE)	19%

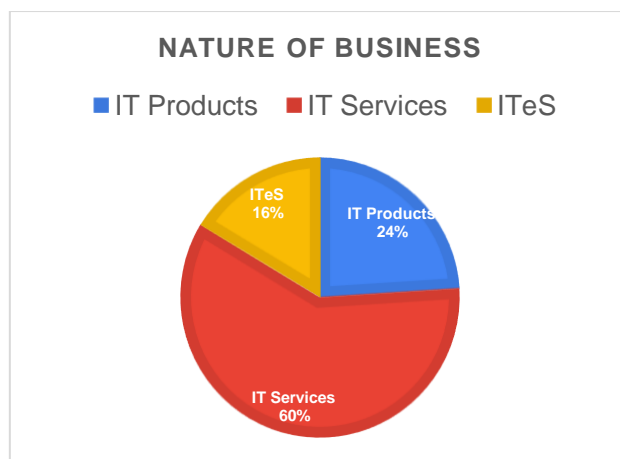


SECTION II:

NATURE OF BUSINESS

The participating companies are primarily form three groups based on the nature of the business: **IT Services companies, IT Product companies and IT enabled Services.**

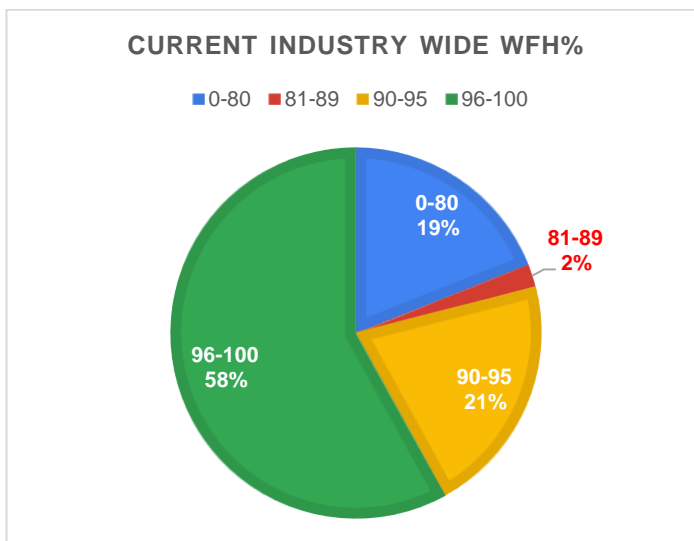
Nature of Business	% of Companies
IT Products	24%
IT Services	60%
ITeS	16%



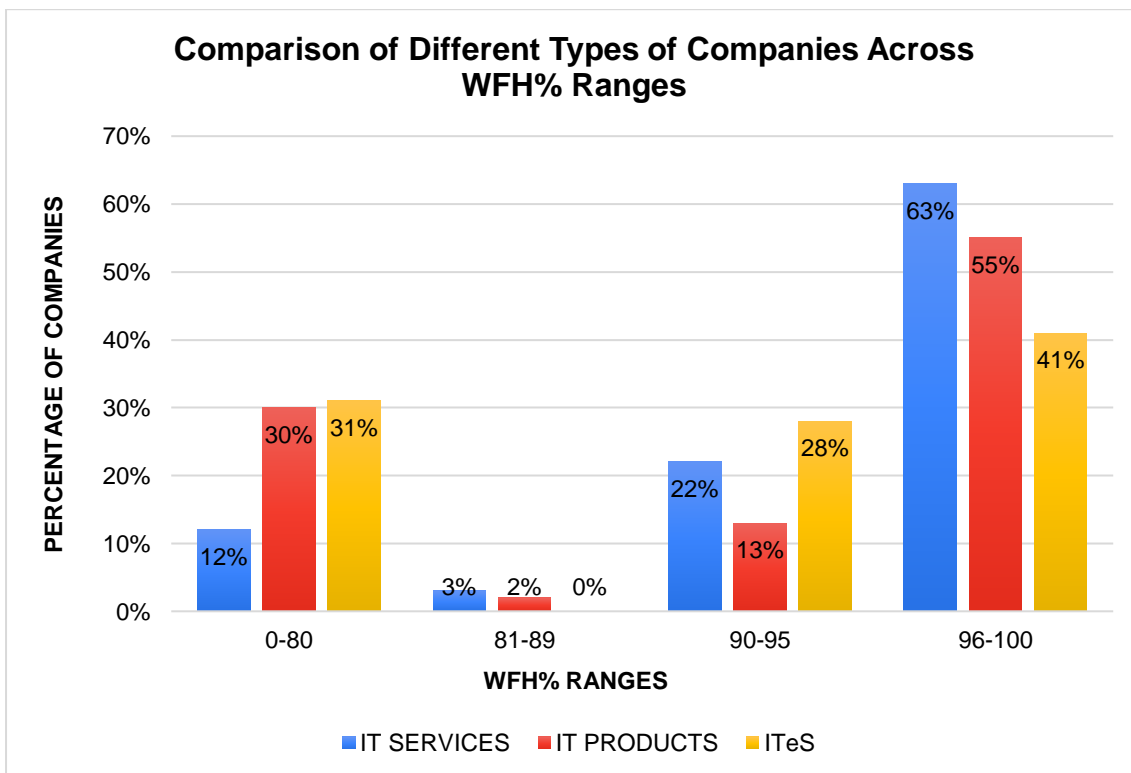
SECTION III. CURRENT WORK FROM HOME(WFH) ANALYSIS:

Across the Industry, nearly 80% of companies are saying that 90% or more of their workforce is working productively from home. The respondents include all sectors of the IT Industry, including IT Services, IT Products and IT enabled Services.

Industry Wide - Current WFH% as on the date of this survey	
WFH%	% of Companies
0-80	19%
81-89%	2%
90-95%	21%
95-100%	58%

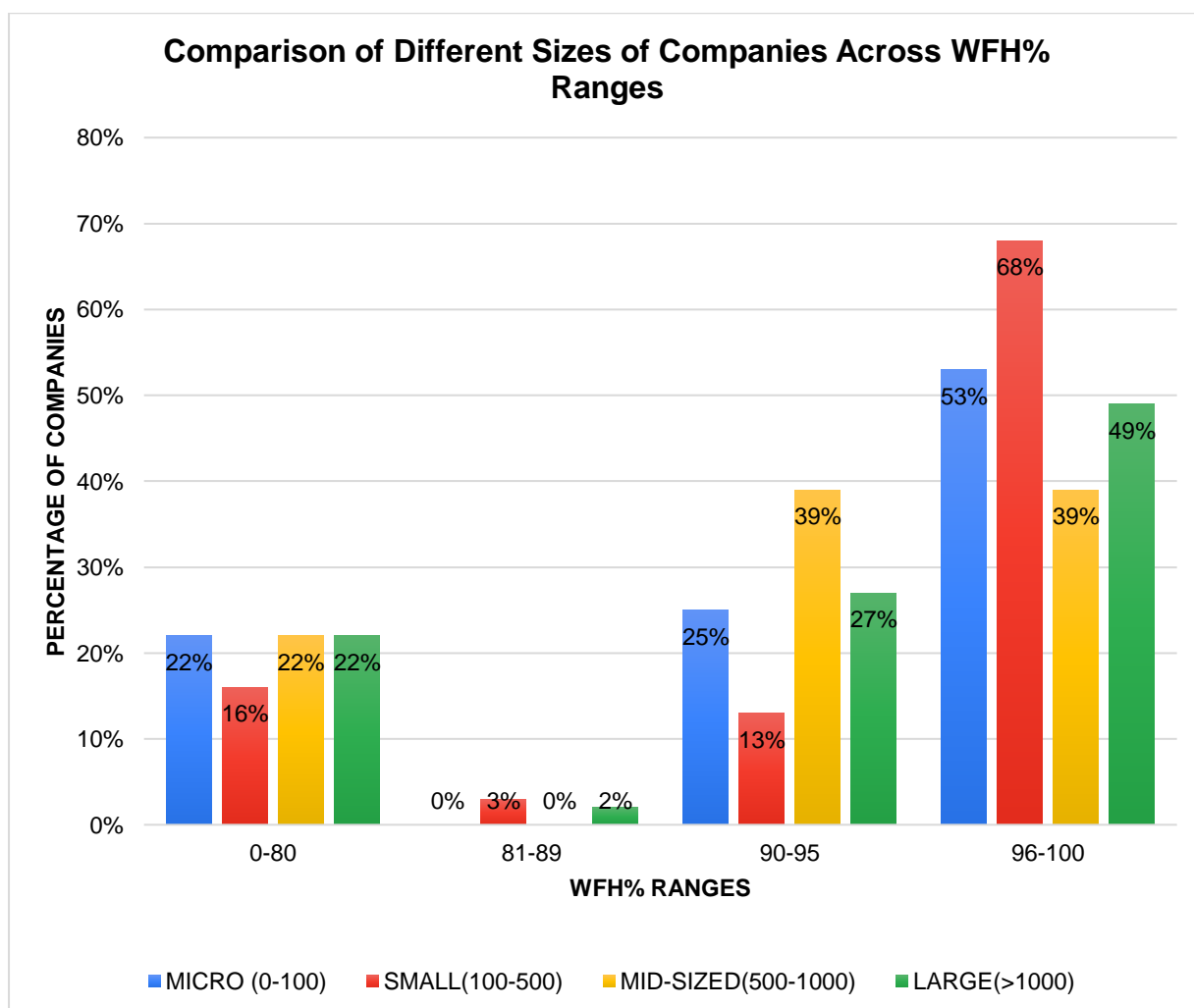


Analysis of WFH% across types of companies: 85% of IT Services companies saw more than 90% workforce operate from home. Only 69% of ITeS companies and 68% of IT Product companies achieved 90% WFH.



Analysis of WFH% across different sizes of companies: Regardless of size, three quarters of all micro, small, mid-sized and large companies saw a consistent 90% and above WFH numbers.

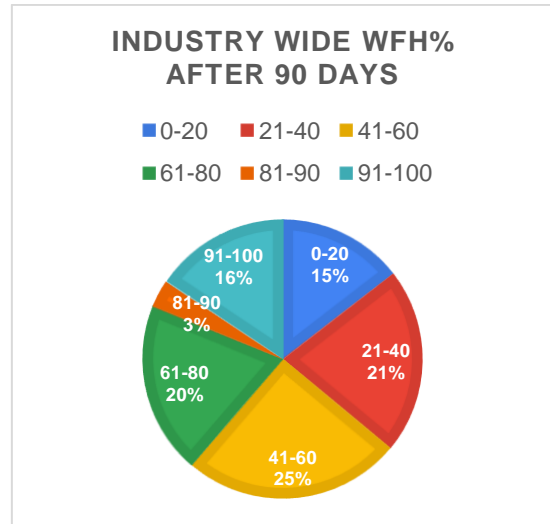
WFH%	MICRO (0-100)	SMALL(100-500)	MID-SIZED(500-1000)	LARGE(>1000)
0-80	22%	16%	22%	22%
81-89	0%	3%	0%	2%
90-95	25%	13%	39%	27%
96-100	53%	68%	39%	49%



SECTION IV

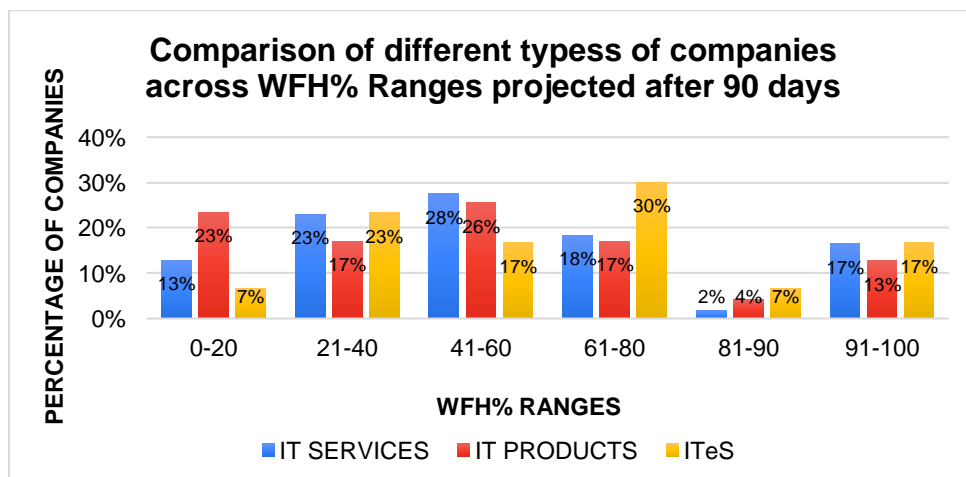
PROJECTED WFH PERCENTAGE AFTER 90 DAYS: Only about 19% of IT/ITES companies will continue to WFH with 80% workforce. Rest of the companies are intending to increase the WFO count by 48% from the current numbers.

INDUSTRY WIDE WFH% AFTER 90 DAYS	
WFH%	%COMPANIES
0-20	15%
21-40	22%
41-60	25%
61-80	20%
81-90	3%
91-100	16%



NATURE OF BUSINESS-WISE WFH% AFTER 90 DAYS: A quarter of IT Product companies project 80% return to Work from Office in 90 days' time. While 40% IT Services companies and 30% ITeS companies plan to operate 80% from office in the same time period.

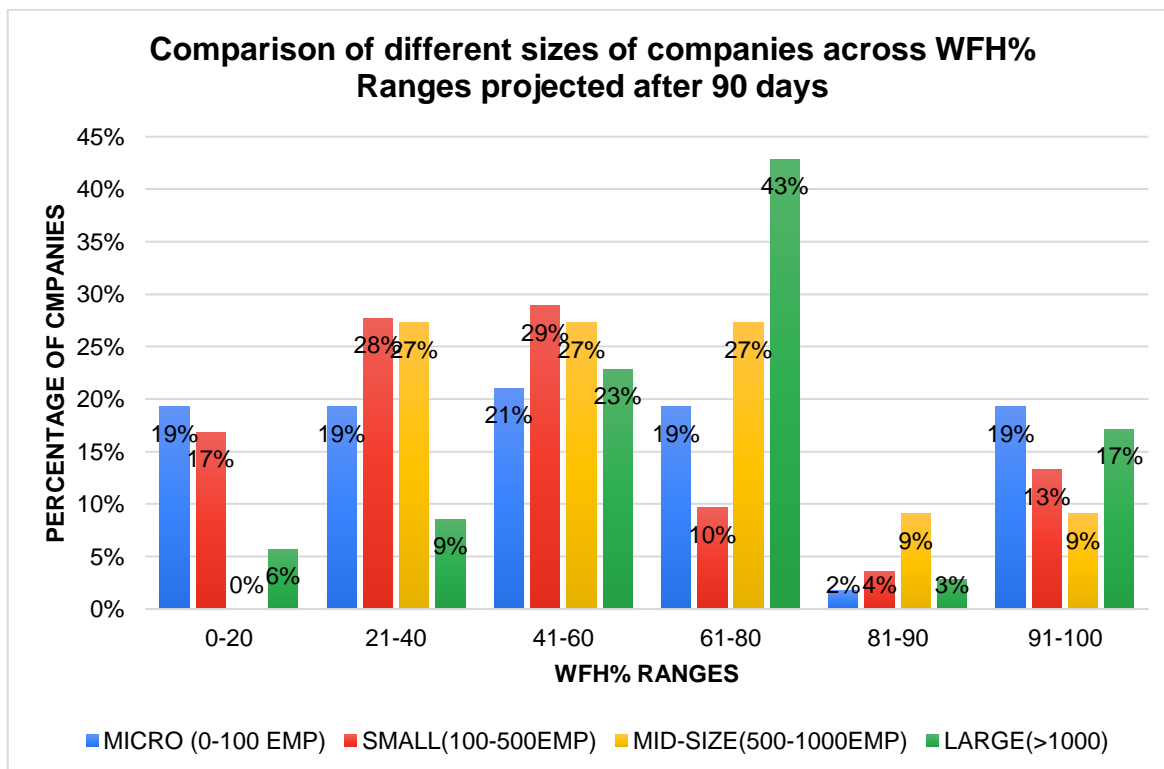
WFH%	IT SERVICES	IT PRODUCTS	ITeS
0-20	13%	23%	7%
21-40	23%	17%	23%
41-60	28%	26%	17%
61-80	18%	17%	30%
81-90	2%	4%	7%
91-100	17%	13%	17%



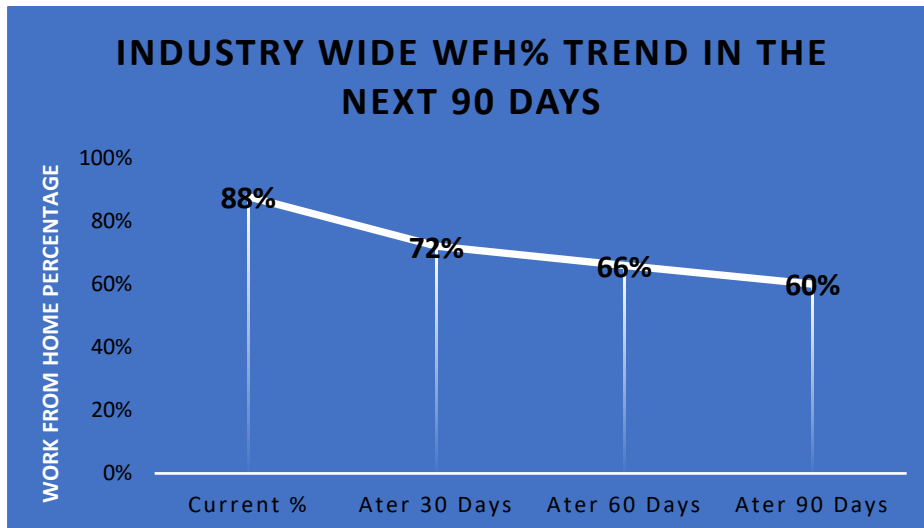
COMPANY SIZE-WISE WFH% AFTER 90 DAYS:

Micro, Small and Medium sized companies project a greater percentage of WFO than Large companies.

WFH%	MICRO (0-100 EMP)	SMALL(100-500 EMP)	MID-SIZE(500-1000 EMP)	LARGE(>1000 EMP)
0-20	19%	17%	0%	6%
21-40	19%	28%	27%	9%
41-60	21%	29%	27%	23%
61-80	19%	10%	27%	43%
81-90	2%	4%	9%	3%
91-100	19%	13%	9%	17%

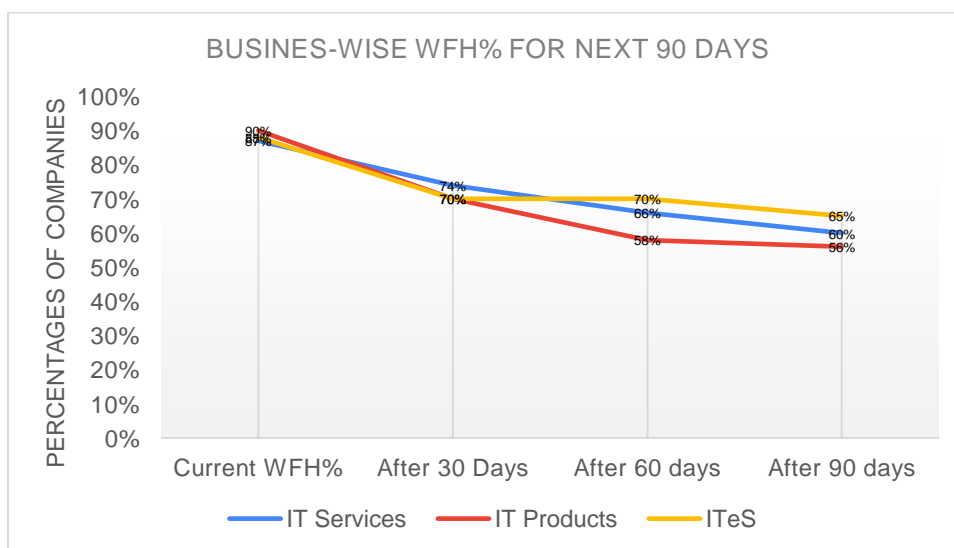


SECTION V: TRENDS ANALYSIS OF WFH PERCENTAGES (Using weighted average across sizes): Industry wide trends indicate an aspiration to steadily increase WFO, subject to conducive conditions as outlined in Section X. Across the industry the average WFH percentages decrease from the current 88% to 60% in the next 90 days, projecting a 40% WFO percentage. **Baseline current date is taken as 18th June 2020.**



NATURE OF BUSINESS - TRENDS ANALYSIS: Across all types of companies, a steady decrease in work from home % is anticipated. After 90 days, businesses intend to return to office, leaving only 55%~65% of workforce operating from home.

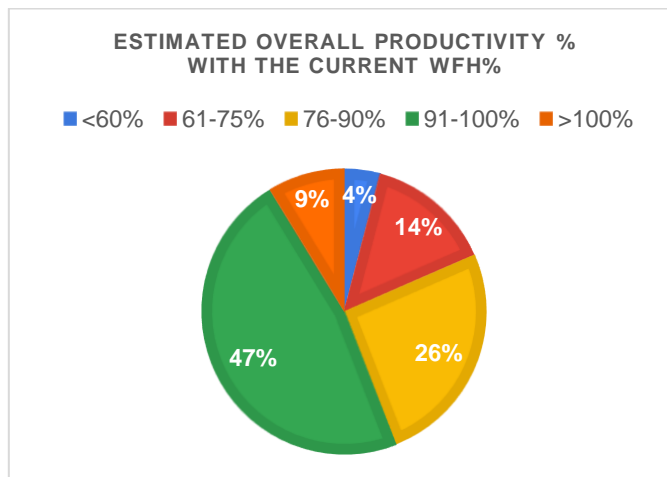
WFH% →	CURRENT (18-06-20)	AFTER 30 DAYS	AFTER 60 DAYS	AFTER 90 DAYS
IT SERVICES	87%	74%	66%	60%
IT PRODUCTS	90%	71%	58%	56%
ITeS	88%	70%	70%	65%



SECTION VI

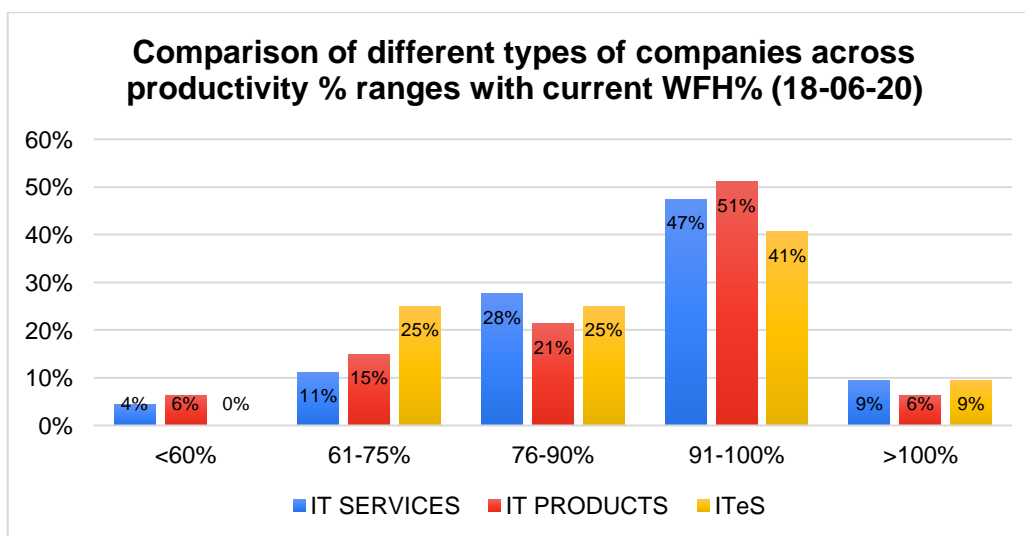
PRODUCTIVITY ANALYSIS: IT/ITES Companies have seen high productivity levels even while operating from home. Majority of companies, across categories, have reported productivity levels of higher than 90%. Only a miniscule 4% companies have reported productivity drop below 60%.

INDUSTRY WIDE PRODUCTIVITY WITH CURRENT WFH%	
Productivity%	%COMPANIES
<60%	4%
61-75%	14%
76-90%	26%
91-100%	47%
>100%	9%



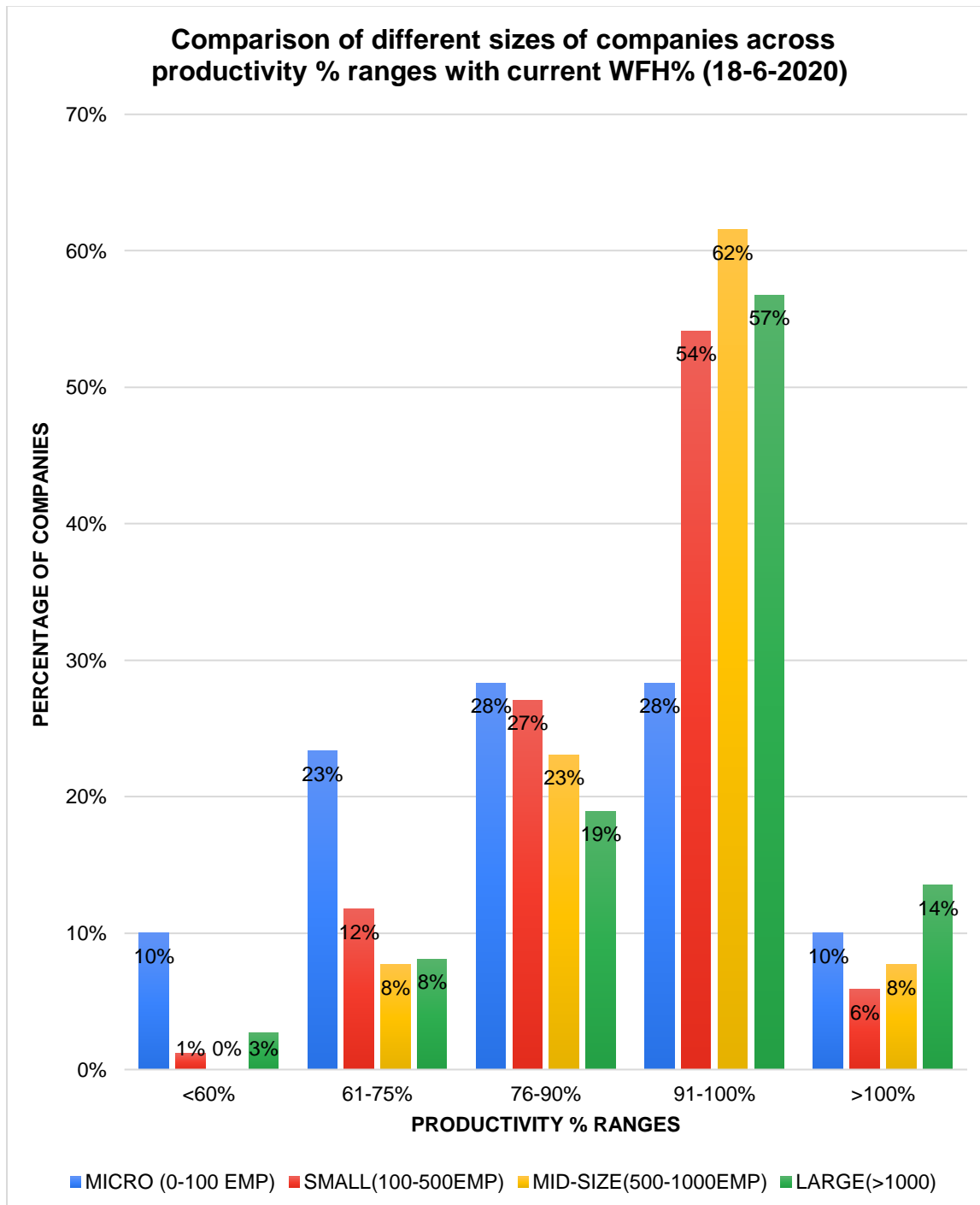
BUSINESS-WISE PRODUCTIVITY IMPACT: In IT services, 84% of companies saw productivity levels of 76% or more. An average of 8% of IT Services, IT Product and ITeS companies registered greater than 100% productivity levels.

PRODUCTIVITY%	IT SERVICES	IT PRODUCTS	ITeS
<60%	4%	6%	0%
61-75%	11%	15%	25%
76-90%	28%	21%	25%
91-100%	47%	51%	41%
>100%	9%	6%	9%



COMPANY SIZE-WISE PRODUCTIVITY PERCENTAGE WITH WFH%:

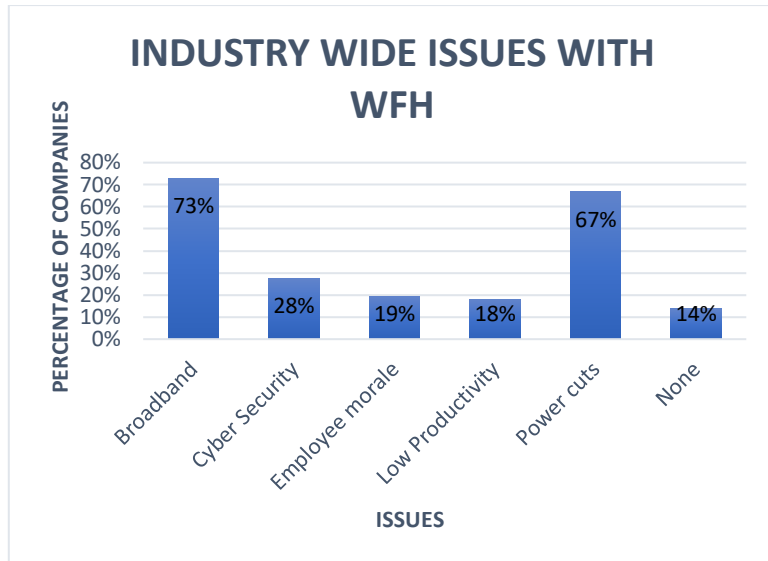
- Majority of companies have achieved > 90% of productivity regardless of their size
- All companies have minimally achieved 75% or above productivity
- Interestingly some companies have also reported > 100% productivity due to WFH



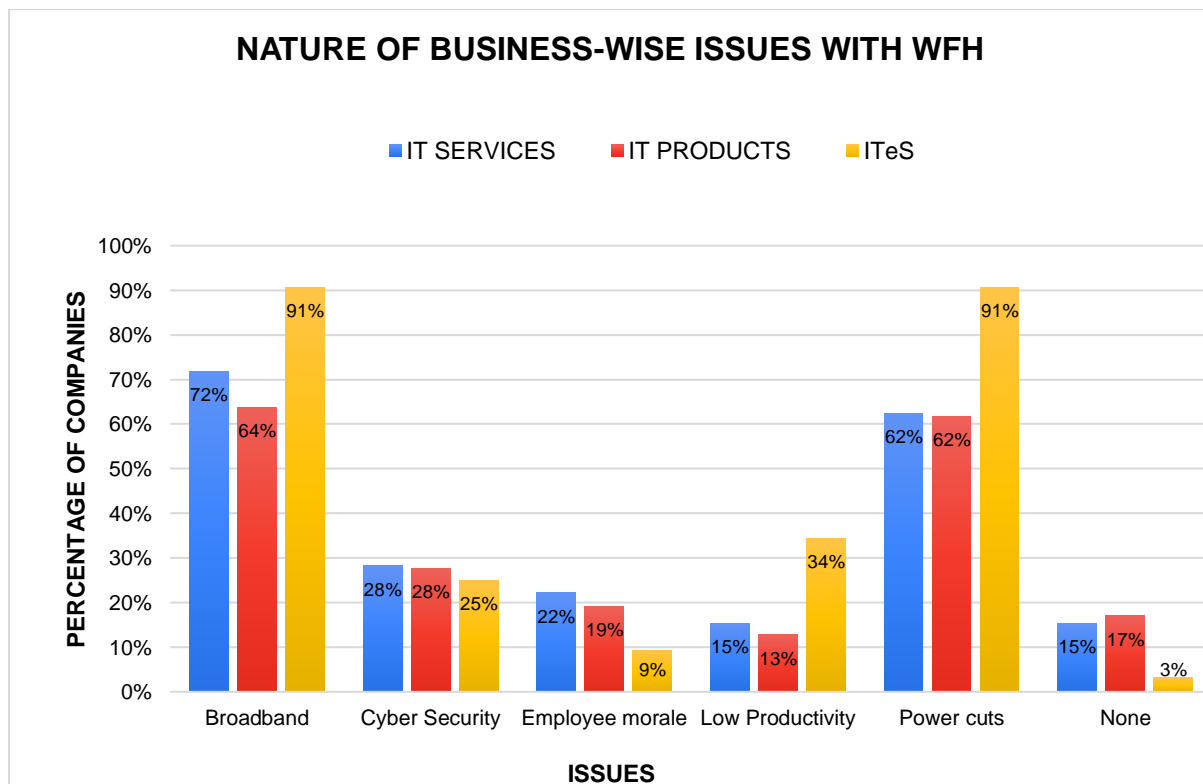
SECTION VII

ISSUES BEING FACED, WITH CURRENT WFH OPERATIONS: The three biggest issues being faced by the IT/ITES companies are related to Broadband, Power cuts and Cyber Security.

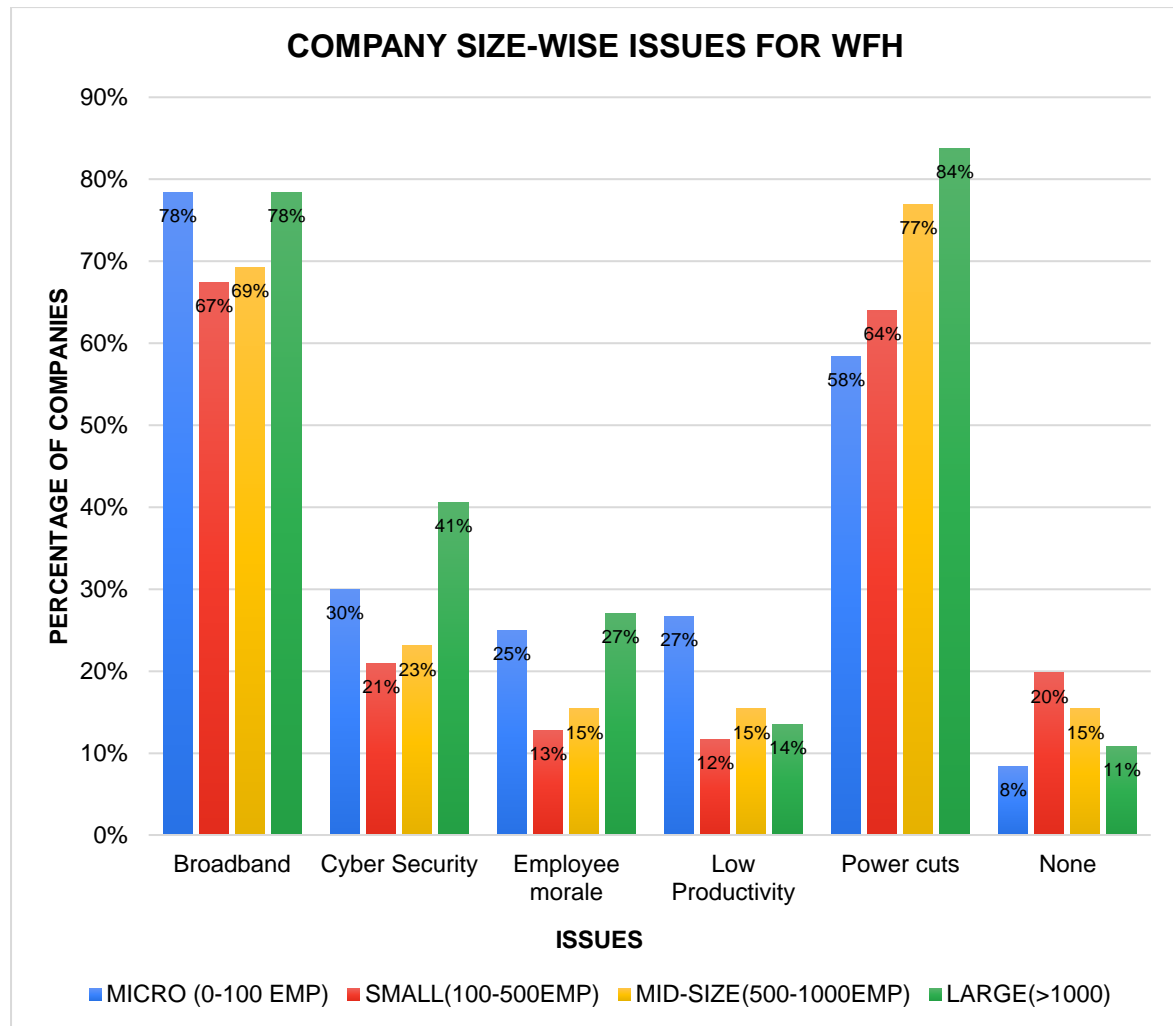
INDUSTRY WIDE ISSUES WITH WFH	
ISSUES	% OF COMPANIES
Broadband	73%
Cyber Security	28%
Employee morale	19%
Low Productivity	18%
Power cuts	67%
None	14%



BUSINESS WISE ISSUES FOR WFH: While cyber security and employee morale are significant issues facing the Industry, the key concerns are around Broadband availability and Power cut issues. ITeS Industry as per the survey is most impacted by the Broadband and Power cut issues.

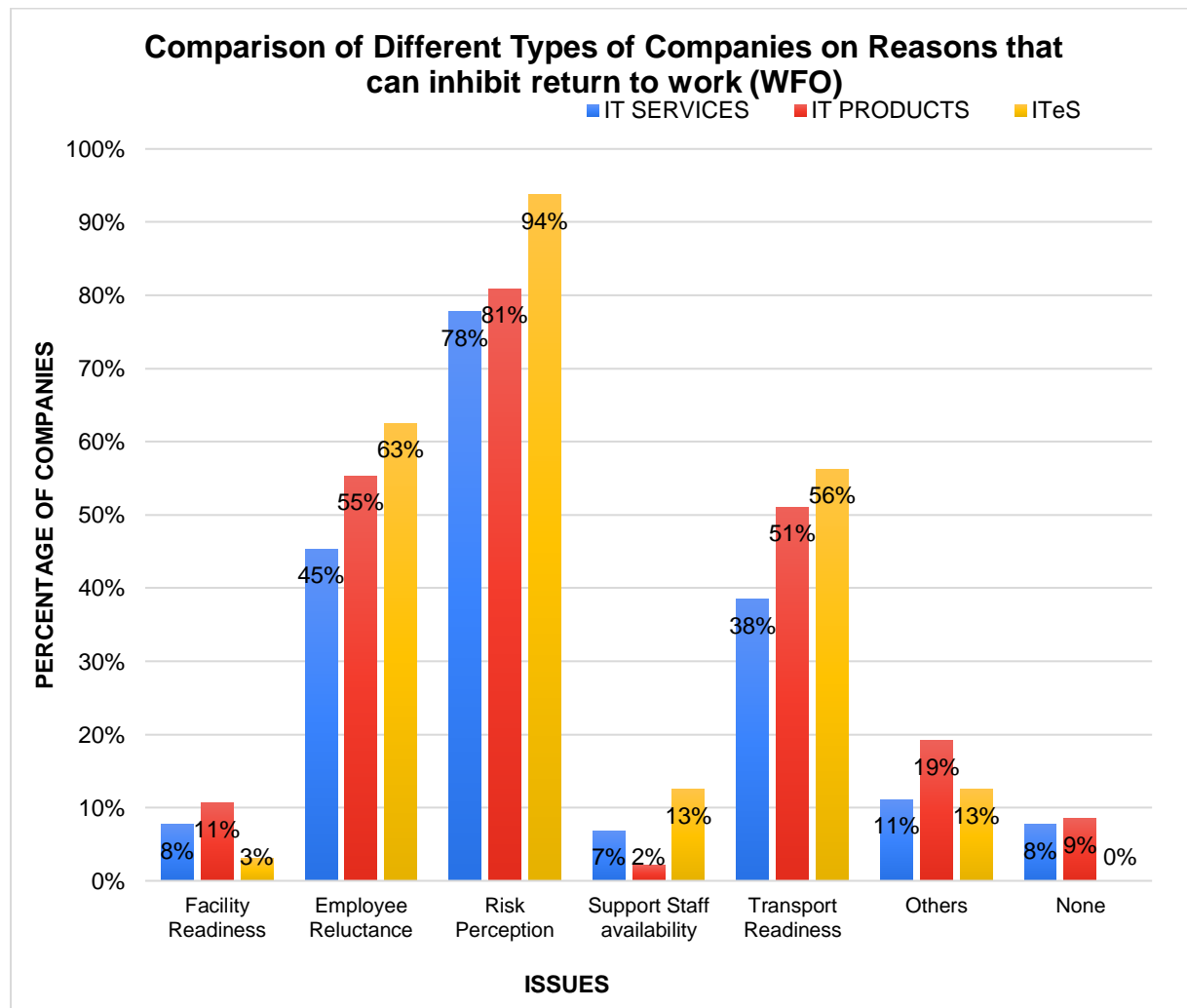


COMPANY SIZE-WISE ISSUES WITH WFH: Power cuts and Broadband issues challenge the companies of all sizes. Cyber security issues pose a greater challenge to larger companies. Low productivity is a key concern of micro sized companies.

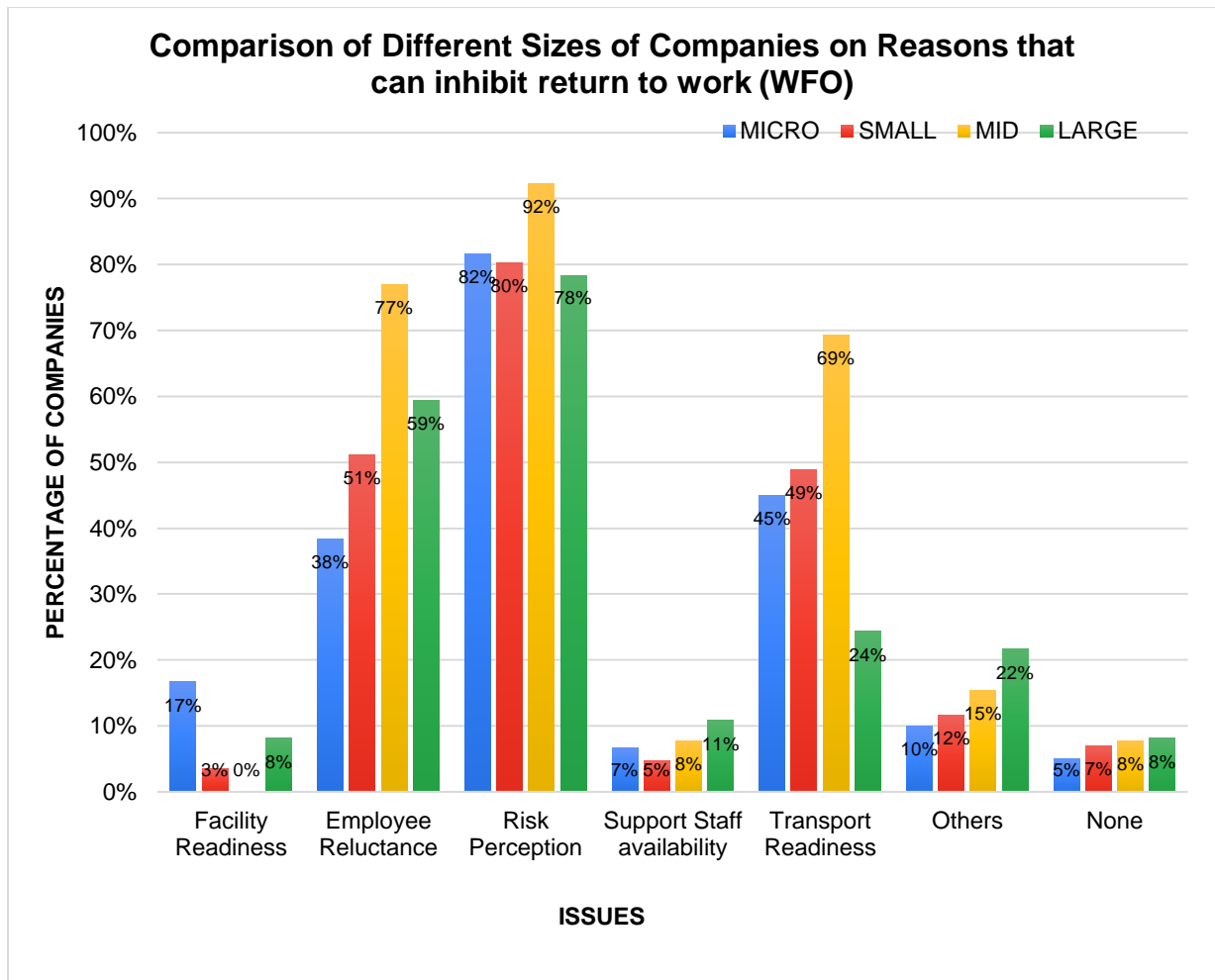


SECTION VIII

REASONS THAT CAN INHIBIT RETURN TO OFFICE (WFO): Risk perception and employee reluctance are the major reasons for Companies across the board going slow on WFO. Transport readiness is the biggest challenge on the logistics front influencing the decision on WFO.



COMPANY SIZE-WISE REASONS FOR GOING SLOW ON WFO: Micro, Small, Medium and Large companies have all reported Risk Perception, Employee Reluctance and Transport readiness as key inhibitors in getting back to office.



Conclusion:

The IT/ITES Industry in Hyderabad shifted to WFH in a very short time, overcoming many obstacles. The operations were stabilized quickly despite challenges such as lack of proper broadband / internet connectivity and power cuts. Industry then went on to achieve more than 80% productivity overcoming several constraints. The Industry rose to the challenge posed by COVID-19 situation and created a viable infrastructure for the 5 Lakh+ associates to Work from Home and remained operational, serving global clients. The fact that more than 90% employees are working from home shows the resilience of the industry.

Productivity remained high (>90%) for majority of companies across all sizes and nature of business.

Measures to improve broadband availability, stable power and cyber security, jointly by the government and the Industry will go a long way in improving productivity, considering substantial WFH percentages will remain for the foreseeable future

For the industry to return to office, the main challenges are the spike in cases, increasing risk perception and the consequential employee reluctance to come to office. Lack of public transport is also posing a hurdle. Joint efforts by the Industry and the government are needed to create risk free atmosphere mainly in terms of Medical facilities, making testing and treatment easier, better quarantine facilities and safer PG accommodations.

Disclaimer

This survey is confidential and solely intended for CEOs/Center heads of HYSEA member companies and is not meant for further distribution. This survey provides a general understanding of the current situation the IT/ITES Industry is facing in Hyderabad, and should not be used for making business, legal or any other decision. The percentages and ranges shown in the survey are subject to standard statistical sample errors.

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