

# A Study on New Trends in Compensation Packages in IT Industries During Lockdown and Work from Home in Bangalore City

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## **ABSTRACT**

Work from home during COVID-19 time has become the new normal for companies in the IT sector. But work from home is not a new concept. Instead, it has evolved with the evolution of technology; the three main pillars which influence employee engagement is work, workplace, and work culture. With the change in the workplace for the IT sector post COVID-19, it is crucial to transform existing policies to strategically enhance employee engagement. The City of Bangalore has positioned itself to help market the software industry. But work from home is not a new concept. Instead, it has evolved with the evolution of technology.

**Keywords:** IT Industry, work from home.

## **INTRODUCTION**

Bangalore is a worldwide technology centre and the largest technological hub in India. As of fiscal 2016–17, Bangalore accounted for 38 percent of total Indian information technology exports worth \$45 billion, directly employing 10 lakh people and indirectly employing another 30 lakh. The city is dubbed the "Silicon Valley of India" because of its technological prowess. Electronic City, ITPL, Bagmane Tech Park, Embassy Golf Links, Manyata Tech Park, Global Village Tech Park, and Embassy TechVillage are just a few of the notable technology parks in the area. Apart from these locations, there are various additional areas in the city where IT firms may be found. Infosys, wipro, hcl technologies, sap labs, accenture, tcs, oracle, ibm India, sonata software, mind tree, and intuit India are just a few of the significant information technology businesses in the region. The city of Bangalore is also regarded as the "startup capital of India," and it will be home to 44 percent of all Indian unicorn startup businesses by 2020, according to the World Economic Forum. The city of Bangalore has strategically placed itself to assist in the marketing of the software sector. This is also one of the reasons why Bangalore has become a popular destination for conferences, seminars, and exhibits related to the software industry of worldwide repute. In reality, Bangalore, India's "Technopolis," will host one of the world's major information technology events this year, for the fourth consecutive year - the Bangalore IT.COM 2001 Conference and Tradeshow.

The population density of Bangalore city has risen dramatically during the previous 10 years. In 2011, there were 4,378 persons per square kilometre of land area (km<sup>2</sup>). In the year 2001, the figure was 2,985. Bangalore's population is expected to reach 12,326,532 by the year 2020, according to current estimates.

Approximately 745,999 people lived in Bangalore city in 1950; the population has expanded by 1,741,586 people since 2015, representing a 4.04 percent annual growth rate. Although the population growth in Karnataka is slowing, the increase in Bangalore is accelerating. The population density of India's Silicon Valley has increased by 47 percent in the last decade as a result of employment possibilities in different non-information technology and information technology businesses, which have drawn individuals from all across the country.

Working from home during COVID-19 has become the new normal for businesses in the information technology industry. Work from home, on the other hand, is not a new notion. Instead, it has progressed in tandem with technological advancement. This new work environment was initially used during the oil crisis of 1970, when the existence of computers resulted in the introduction of "telecommuting" for white collar positions for the first time. However, with the advancement of computers in the 1980s, high-level managers and executives began to use work from home more and more frequently. Work from home has become more popular as a result of the rapid transmission of information through fax and telephone. Additionally, in the United States, the government gave incentives to businesses that allowed physically challenged people to work from home. At the moment, it is prominent in the information technology industry, and post-COVID-19 situations have shown a growing acceptance of the work from home culture. Therefore, measures for increasing employee involvement in the new work environment must be devised in conjunction with this.

Working from home during the COVID-19 shutdown has been a positive experience for many people. The next portion of the paper delves into the perspectives of people who were compelled to work from home during the COVID19 shutdown. Some of the most significant advantages of working from home have included the ability to complete some of the housework and child care that has become necessary as a result of the lockdown, as a result of school and childcare facility closures, and as a result of the lack of opportunities to outsource housework such as cooking and cleaning. The opportunity to spend more time with children/grandchildren was seen as the most important beneficial effect of being permitted to work from home during the COVID-19 shutdown by both mothers (78 percent) and dads (84 percent). That the percentage for dads is so high is especially intriguing since it suggests that more fathers may be asking homeworking or flexible working arrangements after the lockout. Respondents also mentioned being able to spend quality time with their spouses as one of the most beneficial aspects of working from home during the shutdown, with 71 percent of dads and 51 percent of moms stating that this was the true. The fact that 30 percent of the respondents were able to work from home during this time period seems to have helped their mental and physical health.

Engaged employees are those who are committed to their jobs and have a good and joyful attitude toward their jobs, workplace, and workplace culture. Employee engagement is defined as the work-oriented commitment shown by an employee toward their jobs, workplace, and workplace culture. It is a method that aims to achieve more productivity than the average productivity of an employee via a variety of engaging activities and an environment that the firm gives to the employee. Work, the workplace, and the workplace culture are the three primary pillars that affect employee engagement. Following the implementation of COVID- 19, it is critical to modify current policies in order to strategically increase employee participation in the information technology industry.

It is not an actual workplace simulation, but rather a workbench equipped with all of the tools and equipment required for the job. Virtual working environment It does not have a physical presence, but personnel are linked to one another over the internet or an intranet. This product's entry into the market

was primarily intended to enable workers from multiple geographical locations to collaborate on the same platform.

To minimise the government's deficit, New Delhi lowered subsidies for gasoline and fertilisers, sold a tiny fraction of its stakes in several state-owned firms, and auctioned off radio bandwidth rights for 3G telecoms, among other measures. After running a budget deficit of 6.8 percent of GDP in the previous fiscal year, the Indian government hopes to lower that figure to 5.5 percent of GDP in FY 2010-11. Broad poverty, poor physical and social infrastructure, a lack of non-agricultural work prospects, insufficient access to quality basic and higher education, and the difficulty of integrating migrants from rural to urban areas are among India's long-term concerns. In terms of service production, India ranks 13th. Employing 23 percent of the labour force, the services sector has seen rapid expansion, with a growth rate of 7.5 percent between 1991 and 2000, compared to a growth rate of 4.5 percent between 1951 and 1980. As of 2007, it accounted for 55 percent of the country's gross domestic product (GDP), an increase from 15 percent in 1950. Information technology and business process outsourcing are among the fastest growing sectors in the country, with a cumulative revenue growth rate of 33.6 percent between 1997-98 and 2002-03 and a contribution of 25 percent to total exports in 2007-08. Between 1997-98 and 2002-03, the sector experienced a cumulative revenue growth rate of

33.6 percent. Increased specialisation in the IT sector, as well as the availability of a large pool of low-cost, highly skilled, educated, and fluent English-speaking workers, on the supply side, have been matched on the demand side by increased demand from foreign consumers interested in India's service exports, or those looking to outsource their operations, according to the Indian Institute of Technology. The contribution of the Indian information technology sector to the country's gross domestic product (GDP) climbed from 4.8 percent in 2005-06 to 7 percent in 2008. In 2009, seven Indian businesses were named among the world's top 15 technology outsourcing companies, according to the Financial Times.

When the Covid-19 outbreak arrived on the shores of the United States and measures like as lockdowns were being considered, the \$180 billion information technology industry faced a significant issue in terms of business continuity. After more than a month, industry leaders believe it has turned out to be a blessing in disguise, and that it will result in a greater number of people working from home in the post-coronavirus era. They credit the changing environment to cost and productivity improvements resulting from WFH (Work From Home), and it is not only the information technology industry that is enjoying the benefits of this trend. It is expected that companies in the services sector, including banks, would have fewer employees working from their offices in the future. The country was placed under a three-week lockdown starting on March 25, which was then prolonged by another 19 days until May 3 in order to halt the spread of coronavirus infections. As the promised date draws closer, there is a greater likelihood that the lockdown will be prolonged in several neighbourhoods that have been hotspots in recent weeks.

At the moment, many workers commute great distances to their places of employment in cities that are plagued by traffic congestion and high levels of air pollution. During the lockdown, Rajesh Gopinathan, Chief Executive and Managing Director of TCS, explained that the IT industry's model had been based on employees trooping into cubicles, often in specially erected or hired campuses for work for decades, but that the lockdown resulted in a rapid shift to the WFH model.

WNS CEO Keshav Murugesh and former Chairman of IT industry lobby group Nasscom said the association responded to the challenge by assisting its members in transporting more than 25 lakh desktop computers from offices to associates' homes within a fortnight, ensuring that business could continue as normal. Companies are realising cost savings as well as increased efficiency as a result of

their employees working from home.

Due to the nature of COVID-19 and the desire to foster social distancing, many state governments and the federal government have issued various warnings for encouraging people to work from home from time to time. All commercial and industrial businesses in India that are not involved in the provision of critical services must be closed as of the implementation of shutdown (which takes effect on March 24, 2020), according to the government. It should be noted, however, that the closure caused by the lockdown does not imply that companies are compelled to shut down all of their activities and are allowed to apply work from home policies wherever feasible. It will also not result in any overtime payments being paid to employees who are required to work from home since the closing of offices does not constitute the proclamation of a holiday. For industrial businesses that need some physical presence of workers or staff to preserve their continuity, such firms may continue to function after obtaining the necessary licences from the relevant local administrative authorities as an exemption to lockdown.

### **CARRIER IN IT**

Today, India's large pool of highly trained software engineers serves as a beacon for software buyers throughout the world. It is impossible to overstate the benefits provided by this large and diverse pool of talent. As of March 2001, India had more than 410,000 software experts who were actively employed. On an annual basis, about 75,000 new software engineers are ready to enter the sector out of a total of 122,000 engineers who are taught each year. Others choose to relocate abroad or join end-user businesses. Newly qualified workers are most often obtained from educational institutions, such as the prominent Indian Institutes of Technology (IITs). Private sector institutions also provide training to tens of thousands of additional technical employees each year. Other nations are also increasing their desire for Indian qualified personnel, which is good news for the Indian economy.

### **INDIA'S IT INDUSTRY**

The deregulation of the Indian economy in the early 1990s had a significant impact in the development of the country's information technology sector. The deregulation measures implemented by the Indian government have resulted in significant local investment as well as an influx of international money into this sector. IBM was compelled to depart India in 1970 as a result of hefty import charges. However, during the early 1990s, a large number of global information technology corporations, notably IBM, have established operations in India. During the ten-year period 1992-2002, the Indian software industry expanded at a pace that was twice as fast as the growth rate of the American software sector. Some of the most important factors contributing to the significant expansion of India's information technology sector are as follows:

1. There is a plenty of qualified people available.
2. Cost savings on telecommunications and internet services.
3. Import tariffs on software and hardware items have been reduced.
4. There are cost advantages.
5. Providing encouragement for government programmes.

In addition, the Indian information technology industry must broaden the scope of its activity and investigate potential in other nations.. The improvement, on the other hand, must also be qualitative rather than just quantitative in character. In particular, the skill level of information technology experts is in need of development, and the Indian information technology sector faces a significant degree of

difficulty in this area. In order to achieve higher performance and increased production, the Indian information technology business must also collaborate with academic circles and other industries in the country, among other things. experts believe that business process outsourcing service providers in India should shift their operations to a more knowledge-based approach in order to compete more effectively. One of the most serious challenges confronting the Indian information technology sector is the lack of qualified human resource personnel to meet the demand. Because of the difficulties associated with outsourcing in nations such as the United States of America, the Indian information technology sector is also experiencing difficulties.

With earnings of US \$ 39.6 billion, the Indian IT-ITES industry has risen to become the country's biggest private sector employer, providing direct employment for 1.6 million professionals and indirect employment for more than 6 million people across other sectors. The rapidly increasing information technology and information technology-enabled services (ITES) industry in India has opened up new avenues of opportunity for women as well. Increasing the number of women in the information technology and business process outsourcing (IT-BPO) workforce is considered a vital enabler for the sustained development of the sector. IT-ITES development is built on the foundations of knowledge, competence, and experience. The development of internal capacities for knowledge management, as well as the development of collective expertise in the information technology sector, will thus be critical for any firm. Managing knowledge is a process that involves a multi-period decision framework, beginning with investment in research and development and progressing through diffusion of knowledge to the creation of innovation and, finally, realising the value of innovation and inventions through commercialization.

### **STATEMENT OF THE PROBLEM**

The study is being done to determine how COVID 19 will affect the compensation packages of IT industry personnel. Being an unanticipated crisis, COVID 19 has shook the entire world. Despite the fact that the idea of working from home has become increasingly popular in the IT industry

There are now no jobs for the workers. During this pandemic condition, there were significant layoffs. The report also discusses the pay arrangements for IT workers who were working full-time and with a far greater workload than typical during the epidemic. The allowances required by the employee have been provided by a small number of coworkers. Certain IT industries have adopted the notion of remote work

### **OBJECTIVES:**

1. To study the emerging trends in compensation packages in the IT industries.
2. To examine how the COVID-19 lockdown affected work-from-home policies and compensation schemes.
3. To evaluate how employees feel about their pay packages.

### **HYPOTHESIS :**

Ho1: The compensation arrangements for IT employees during this pandemic condition are unaffected by COVID 19.

Ha1: In this pandemic circumstance, COVID 19 has an effect on the IT staff.



**RESEARCH METHODOLOGY**

The research is empirical in nature and is based on both primary and secondary sources of information. While main data was gathered using structured questionnaires (through Google forms) from 50 employees based on convenience sampling, secondary data was gathered from various sources including internet, books, and journals. Using basic statistical tools like averages, correlation, and so on, the data were analysed and interpreted.

**DATA ANALYSIS: Work from home and its effects**

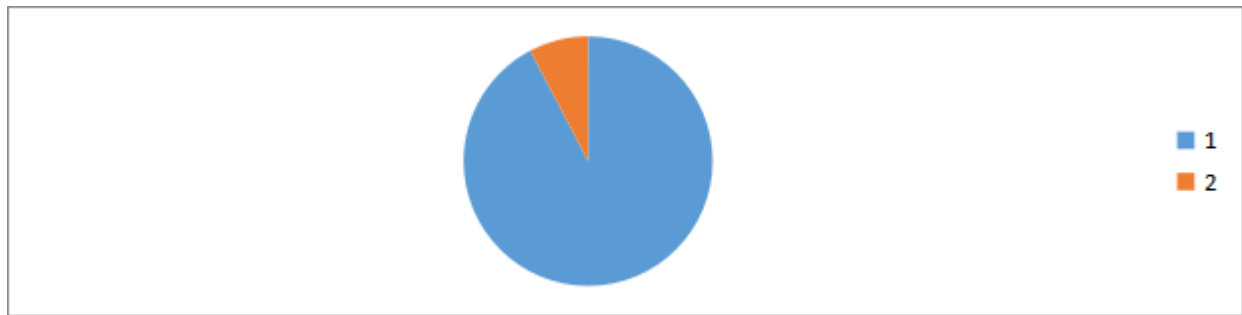
Since a few decades ago, organisations have allowed employees to work remotely from any location, but this policy has not been widely adopted. It is well recognised that working from home has both advantages and disadvantages for employees. Positively, employees appreciate having flexibility in both time and place. The freedom to work at their own pace allows employees to reduce the amount of time they spend travelling to and from the office. The lack of monitoring increases the employee's level of autonomy, allowing them greater freedom in terms of choosing their working hours and schedule. Additionally, they have the flexibility to manage their personal and professional lives by attending to their own needs and demands while working at their leisure.

**COVID-19: The Cascading Effect at Bangalore in 2020**

- The unemployment rate in India was over 6% in January 2021. Compared to the prior month, this was a huge improvement.
- A complete lockdown was about to have a negative effect on an economy as big as India's. In April 2020, the unemployment rate rose to around 24%.
- This may be the result of a decline in demand as well as the labour disruptions experienced by businesses.
- The Indian economy suffered a GVA loss of more than 9% as a result of that particular month.

Only 2 (4% of the 50 respondents) said "Yes," while the rest 48 (96%) said "No" when asked if their employer would pay them more if they chose to work from home. From the managers and individual contributors categories, we saw a similar tendency. The answer pattern suggests that while the firms are allowing WFH, they are not providing additional financial rewards to the staff. Organisations must make strategic policy decisions in this situation that are in line with their goals. Given that they have a well defined WFH policy and stronger control mechanisms, employers that wished to reduce the cost of office space may offer their staff some extra advantages that would encourage productive work.

		Does your company offer additional compensation if you want to work remotely?		total
		yes	No	
Employee's job description	individual employee	30	2	32
	Manager and above	16	2	18
	Total	48	4	50



1 =  
No      2=Yes

### FINDINGS AND SUGGESTIONS:

According to the results of a survey, seven out of ten (72%) workers in Karnataka claimed to have lost their jobs as a result of the COVID-19-induced shutdown. The typical compensation for Work From Home is Rs. 20,000 each month in the Bangalore. The typical extra money pay for a Work From Home in the Bangalore is Rs.21,699, with a reach from Rs.19,398 – Rs.24,000. Pay rates gauges depend on 22 compensations by Work From Home representatives in the Bangalore.

The Coronavirus pandemic has been impacted the IT employees by compensation shorts, in the analysis done above with the assistance of survey the finding is that there is a decrease in the compensation of the workers. The employees advancement is been impacted during this pandemic circumstance as the organization's income is been impacted. In a great deal employees have been affected with cutbacks, even the public authority has mentioned the organizations not to eliminate their worker's. The organizations can give the employees web stipend as a gigantic expense is feeling quite a bit better for the businesses in type of upkeep of the organization, for example, maintenance of building, Labour charges, power and transportation.

The Union government of India and also Govt of Karnataka has mandated that all employers in commercial, retail, and industrial firms must pay their employees during a lockdown. The pay must be paid on time and in whole, with no deductions. However, this is only applicable to employers whose offices are shut down during the lockdown. If your home-based firm is still operating and your employees are working from home, their pay may be withheld if no work is being done.

At least 20,000 software engineers lost their employment in Bengaluru, according to the Karnataka State IT/ITeS Employees Union (KITU). The lawsuit is being contested on numerous levels by former IT workers. Others have not approached, but the labour commissioner is now hearing their case, a senior KITU office bearer said under the condition of anonymity.

The hypothesis H1= The compensation arrangements for IT employees during this pandemic condition are unaffected by COVID 19 is Rejected and Ha1= In this pandemic circumstance, COVID 19 has an effect on the IT staff -Accepted

### Software Services Exports from India during 2019- 20:

Two main divisions were made in the software services sector. The two primary service categories are computer services and ITES/BPO services. A 15 percent rise over the prior year (Rs. 858608 crore) was predicted for the total value of software services exported from India in 2009–2010, which was estimated to reach Rs. 992,141 crore. Exports of computer services increased by 3.9 percent over the prior year, totaling Rs. 1,100,172 crore in 2019–20. In line with this trend, ITES/BPO services made up

31 percent of all software services exported in 2019–20 (up from 27 percent in 2018–19).

**TABLE1: Software Service Exports from India 2019-20**  
(Survey Response and Final Estimates for 2019-20 – A Snapshot)  
(Rs crore)

Particulars	2018-19	2019-20
1 No. of companies	1815	6115
2. Total Exports of Software Services	858,608	992,141
2.1 IT services	538,395	614,678
2.2 Software Product Development	26,958	33,230
2.3 BPO Services	236,039	278,507
2.4 Engineering Services	57,216	65,726
3. Total Exports of Software Services (including commercial presence)	966,639	1,100,172
3.1 Mode 1 (cross-border supply)	746,650	862,661
3.2 Mode 2 (consumption abroad)	1,029	1,191
3.3 Mode 3 (commercial presence)	108,031	108,031
3.4 Mode 4 (presence of natural person)	110,929	128,289
^ Responses by the largest 20 companies ensured industry representation in the survey coverage.		

According to industry reports, representatives' explanations for doing two jobs while applying for a number of openings include:

- having more money available
- fulfilling responsibilities
- To boost their financial resources for a project or reserve,
- to learn more about their line of employment, or
- to match their zeal.
- to combat fatigue

Even though the majority of people now work from home, the epidemic has also boosted the number of cases of people holding down two jobs because it is now simpler for employees to manage a second job or business without their important boss's knowledge. In the year 2020, the economy began to sputter, which resulted in a sizable number of layoffs as a result of the Corona virus outbreak that prompted a lockdown.

Similar to The public authority had strongly encouraged them not to implement such reforms during the 21-day lockdown, but the IT and ITeS organisations have started cutting pay rates and laying off workers in disobedience of that request. According to the Karnataka State IT/ITeS Representatives Association, a number of data innovation (IT) firms and those in the IT-enabled sector have proactively started wage reduction and conservation initiatives. The Association issued a statement in which it strongly denounced the unlawful and callous demonstration by the administrations, offered support to the affected employees, and advised them to oppose any orders from the administration to leave. According to the general secretary of the group, they received complaints from roughly 50 people who worked for different organisations.



**CONCLUSION:**

With earnings of US \$ 39.6 billion, the Indian IT-ITES industry has risen to become the country's biggest private sector employer, providing direct employment for 1.6 million professionals and indirect employment for more than 6 million people across other sectors. The rapidly increasing information technology and information technology-enabled services (ITES) industry in India has opened up new avenues of opportunity for women as well. Increasing the number of women in the information technology and business process outsourcing (IT-BPO) workforce is considered a vital enabler for the sustained development of the sector. The population density of Bangalore city has risen dramatically during the previous 10 years. Work from home during COVID-19 has been the new normal for enterprises in the information technology industry since 2011. Work from home, on the other hand, is not a new notion. Instead, it has progressed in tandem with technological advancement.

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