The Next Normal Impact on Organizational Dynamics by Telecommuting Practices in Information Technology Industry of Sri Lanka

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Abstract: **The information technology sector is the fourth largest export earner of Sri Lanka. The output of ICT services are highly important for the economic stability of the country. The ICT sector currently services over 300 companies in different industry verticals. The export revenue of the industry was increased since 2007, USD 213 million to USD 1089 million in 2019. The ICT sector s created more than 150,000 employment opportunities in 2020, which is expected to increase over 200,000 employment opportunities by 2022. With the Covid 19 pandemic, the IT infrastructure requirements were increased island wide in all sectors. The pandemic has become an eye opener for many industries and new strategic imperatives were implemented. The pandemic encouraged most of the industries to trial telecommuting strategy and the majority of the companies moved to the remote working concept. Especially in the IT sector telecommuting has become new normal after the first wave of the corona pandemic in Sri Lanka. Most likely, most IT organizations will stick to giving their employees the opportunity of remote work even if the pandemic is over. However, there could be gaps in telecommuting practices and the productivity of employees by remote work is still questionable. This paper provides an opportunity to have a basic understanding on the gaps of the telecommuting practices and how they could affect the employee productivity. The reviews from different papers and articles on telecommuting practices at the global level and in the Sri Lankan context are also included in this study. The literature review emphasize the empirical discussions related to the IT sector both internationally and locally about the challenges and the suggestions which other researchers made. Finally, the paper concludes by discussing the overall reviews and by making suggestions to overcome the situation in the long run, and also highlighting the further research areas related to the topic.**

*Keywords***: Covid 19, Employee Productivity, IT Industry, Sri Lanka, Telecommuting**

I. INTRODUCTION

The information Technology industry has become the key among all the other industries since IT has become crucial for all other sector developments. ICT is considered as the most essential and emergent sector worldwide. New inventions and the technological enhancements have limited human intervention and most of the projects were run using IT support through machinery (Minsela , 2018). Due to globalization and the increase of the online business platforms targeting profit benefits has influenced the IT infrastructure enhancements (Iedeals & Montellas, 2017). The IT support

and services have become essential for all types of businesses during the past two decades. Most of the business ventures are looking for online platforms while they run the normal operation. Most business models have widened up their businesses by using online channels, not only targeting the local customers but also targeting the customers in other geographical areas. Due to this the technological improvements have become crucial, and the demand for the IT support and services have increased over the past two decades.

With the Covid 19 pandemic situation, most companies have come up with new business models that could function with less human intervention. Certain companies have limited their staff and initiated their online platforms. The banks have strengthened their online platforms and encouraged the customers to use the online platforms without visiting branches. Most of the other sectors also have enhanced their online payment gateways and online business portals. The internet penetration in Sri Lanka was increased by eight hundred thousand users, which is an increase of 7.9% between 2020 and January 2021 (Kemp, 2021).

The majority of the ICT sector organizations in Sri Lanka have changed their operation by giving the employees to work from home. The IT sector did not have a considerable impact from Covid 19 compared to other sectors in Sri Lanka since the employees have functioned remotely. From the Covid 19 first wave in Sri Lanka, the sector was fully in operation, remotely catering to the increasing customer demands. Telecommuting has been identified as a positive approach after the corona pandemic in Sri Lanka.

Even though the organizations have seen the benefits of telecommuting in the current situation, there could be drawbacks in the long run.

II. LITERATURE REVIEW

Majority of the organizations in the ICT sector in Sri Lanka have come up with the concept of working from home after the covid pandemic first wave. Organizations have realized the benefits of telecommuting practices and this has become new normal in the IT industry now. The concept of telecommuting provides a financial benefit directly to the employer. The building rentals and infrastructure costs, utility

costs and many other costs could be eliminated since the employees function remotely. At the same time, employees also get some sort of benefit by telecommuting, such as saving time and money by not traveling to the workplace (Gorlick, 2020). They could also reduce the costs of office clothing, outside food, and other work related expenses. Also this helps stop spreading diseases to others at the office.

However, there could be certain disadvantages working from home since the employees will have to bear the electricity cost, internet costs, etc. Due to this some of the employees had to bear an additional cost component by telecommuting (Lupu, 2017). Further without a proper working environment the employees will not be able to perform the job properly. There is a high dependency on employee performance of the IT equipment and other facilities which the employees are using. Loss of employee productivity could occur due to lack of equipments with the employees. Also this could create frustration and dissatisfaction among the employees (Gorlick, 2020). It is important that all employers ensure that their employees who are working remotely have proper access to the required IT equipment to maintain their performance and productivity (Donadio, 2020).

There are number of concerns have been raised with telecommuting practices, whether this is affecting on teamwork, knowledge sharing, motivational factors, training and development, the efficiency of remote work, online meetings and etc. These areas have to be considered to get better output by the employees (Almuth McDowall, 2010).

The trust and the quality of work by the employees could be questionable while performing the jobs remotely. Employers need to have control of the employees up to a certain level since there can be chances where certain employees misuse the telecommuting practices. The employees can be monitored through system idle notifications or by web cam monitoring but still there can be instances where the sensitive information handle by employees who are working remotely are not safe (Battiston, 2017).

Employees are getting the benefit of planning their day as they want by telecommuting practices. They get the opportunity of work-office life balancing, such as taking care of the family and the kids (Lupu, 2017)employees are able to serve more time by working from home since this eliminates the delays due to road traffic and unwanted stress rushing to the office on time (Messenger, 2019). However, employee's capacity of work and the workload could be monitored while the employees are performing their job at workplace. Some researchers have found that the employees working hours are longer while they work from home than their working place (Donadio, 2020). This could affect the employee's mentality in the long run. The extension of the workload could increase the stress of employees. Employers need to discuss with their employees and get their feedbacks to avoid overloading them. Proper work schedules should be implemented depending on the responsibilities which the employee handle (Spataro,

2020). Unrealistic workload and pressure on employees could reduce the productivity of the employees.

Some of the researchers have found that telecommuting could reduce employee efficiency compared to workplace operation. A study done in Japan discovered that the average employee productivity when employees working from home can be reduced up to 68.3% compared to the workplace productivity (Morikawa, 2021). There could be a negative impact on the efficiency due to lack of interactions, communication gaps, knowledge flows and other management gaps. Less communication among the team members and less engagement could lead lack of knowledge and information sharing. This could affect the performance of the employees in a negative way (Bohns, 2017). When it comes to fresher's they mostly learn through the guidance and supervision under their senior staff members. The interaction with their senior staff provides the knowledge, skills and a better idea of handling the work. The employers will not be able to get the full output of the employees by telecommuting due to a lack of intervention (Bonet, 2017). This could also affect the team spirit since the employees do not meet frequently. Especially this could affect the newcomers to the organization. The perception of the newcomers could be misinterpreted by others due to a lack of personal intervention (Donadio, 2020).

Teleworking also gives employees autonomy to choose a place to work, not necessarily by sitting on a chair at the workplace. Employees are able to perform their work at any suitable place which is convenient for them (Collins, 2009). If the employee doing the work in a peaceful area, this sometimes enhances the creativity of the employees. This is important for those who are into software developments.

As per the labour regulations the employees safety measurements have to be considered by the employers at workplaces. While the employers work from home, the health and safety measurements are difficult to monitor by the employers. In the case of teleworking, the employers are responsible for complying with the occupational safety guidelines and ensure the safety of the employee (Spataro, 2020). Remote work from home may limit the access of employees for a comfortable chair, designated work environment with proper temperature and other work related benefits. This may have an impact on job performance. By sitting long hours on an uncomfortable chair may cause physical health issues. This affects both job performance and job satisfaction (Vischer, 2007).

There could be both positive and negative impacts on employee productivity by telecommuting practices. For certain employees, this will support enhancing their work and personal life balance. Due to the autonomy employees are getting, the employee turnover rate could reduce benefitting the organizations (Butakhieo, 2020). T Sometimes, due to the high tendency of long working hours, there could be negative impacts on the employees which could lead to less productivity of the employees in the long run. There could be

health impacts by using mobile devices and other telecommunication equipments for long hours per day (Eurofound and ILO, 2017). Also in cases such as adopting new technology and requirement of new equipment purchases for office needs in personal level may reduce the work interest of employees (Lister, 2019).

III. DISCUSSION

Remote work has become a normal concept in the majority of IT organizations in Sri Lanka. The employers have seen the benefits of telecommuting since there is a huge cost saving through the same. Even though the organizations have seen the benefits, most of the organizations have not though about the negative impacts which could occur during the long run. Some of the researchers have found that the employee productivity working from home is less than working at the office. One researcher has discovered from his study that employee productivity is reduced by telecommuting up to 68.3% compared to the workplace productivity (Morikawa, 2021). Only a limited number of studies have proved that remote work is productive during the corona pandemic. However depending on the industry and the occupations, the results could be different. Another researcher has found that the workers who had experience in remote work have increased their performance after corona pandemic and the workers who did not have prior working from home experience reported a huge decline in their performance (Etheridge, Tang, & Wang, 2020).

With the boom of technology enhancement and remote work concept, most of the IT organizations in Sri Lanka have reduced their workspaces. KPMG estimates that around 70% of the CEOs of the large corporates have now decided to reduce their business spaces giving autonomy for their employees to work from home (Dias & Eliatamby, 2020).

Telecommuting could improve employee productivity by better work-life balance. The productivity of the employee also could depend on the home situation of the employee. For an example, a good performer at the office might not perform while being at home. The home situation might have a huge impact on employee performance. An inappropriate working environment could create a dissatisfied employee (Godart, 2017). Since the working environment is different from each employee to another, while telecommuting, the organizations should periodically get employee feedback to ensure that the employee's needs and problems are considered and resolved. This will be essential for employee performance.

However if the organizations ensure that they provide all the required equipment to the employees to work remotely, it would support the employees to perform without any complexities (Collins, 2009). Employee satisfaction working remotely increased in better managed firms (Bloom, 2015).

The labour cost can be reduced by hiring unemployed workers with skills. However fully remote working may reduce employee performance. In order to deal with this constraint,

internal rules and regulations could be modified, but a trade-off between productivity and security is inevitable (Beckmann, 2016).

IV. CONCLUSION AND RECOMMENDATIONS

Employee performance highly impacts on organizational performance. While changing the working models of the employees, the employers should at least do a pilot study before implementing the same in the long run. The performance management system should be aligned with the organizational objectives and the business development plans and the business operation should be decided based on the employee working model since all these decisions will affect employee productivity and end of the day this will affect the organization performance (Beckmann, 2016). A high level of employee productivity expectation is one of the key elements in any organization as this affects the business growth, profitability and the future of the business (Bohns, 2017). An employee who possesses a high level of efficiency will bring a positive impact to the organization (Bandura, 2006.)

The confidentiality of the data is at risk when the employees function remotely. . The organizations should come up with an employee monitoring system while giving the autonomy to the employees to work from home. The monitoring systems have to be implemented without tarnishing the privacy of the employees.

The resources required by the teleworkers should be provided by the organizations to eliminate the shortcomings. The infrastructure facility is one of the key elements increasing employee productivity. The employee's wellbeing may increase the productivity of the employee and as the end result this improves organization productivity (Battiston, 2017).

Some researchers have found that teleworking has affected on teamwork drastically due to lack of interaction. Even though the employees work remotely, the organizations should arrange face to face meeting sessions for employees once in a while to talk and build the team spirit.

The paper highlight the impact on employee productivity by telecommuting practices in the ICT industry of Sri Lanka. The paper is focused on the possible positive and negative impacts which could arise in the future in the IT industry.

The IT sector improvements matters to all the other sectors in Sri Lanka, hence the productivity of the IT sector employees matter to all other industries in various other ways. Telecommuting has become popular in Sri Lanka after the corona pandemic and still, this concept is somewhat new to most industries. Due to the importance of the specific area, further researches could be conducted to understand whether the telecommuting concept will be beneficial to the IT industry in the long run.

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