

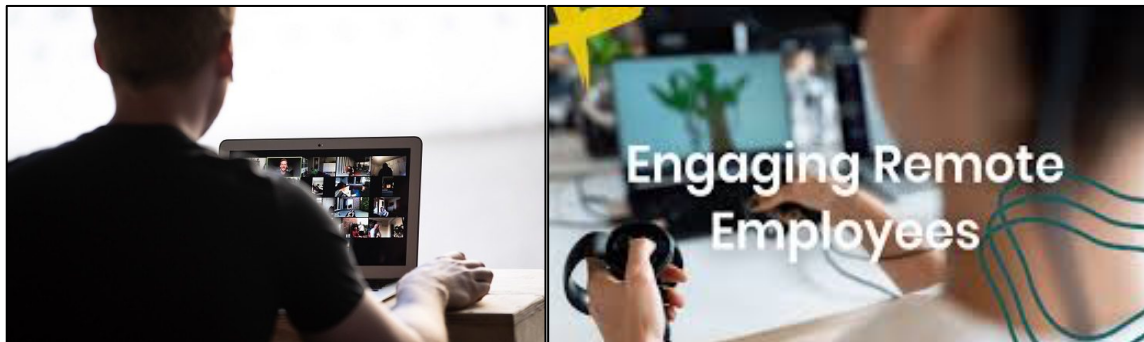


CHANGING BUSINESS LANDSCAPE DURING COVID 19 –SOME KEY ISSUES

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As the Covid 19 situation continues to unfold with its toll not only on the health of the people but also on the economy, businesses are having a challenging time in balancing out safety of their employees and getting the wheels of their business moving. In a recent survey of CEOs of leading companies in India most CEOs mentioned that supply chains have been restored to a large extent and they expect a U-shaped or a V-shaped recovery for the economy from the Covid setback sometime by the fourth quarter of this financial year. As companies get back to work, is it going to be business as usual or are there aspects which need to be borne in mind. Though factories are getting back to regular capacity and workforce begins to come back, some of the aspects mentioned below, amongst many others, could be relevant for organisations to consider.

1. Rules of engagement with employees



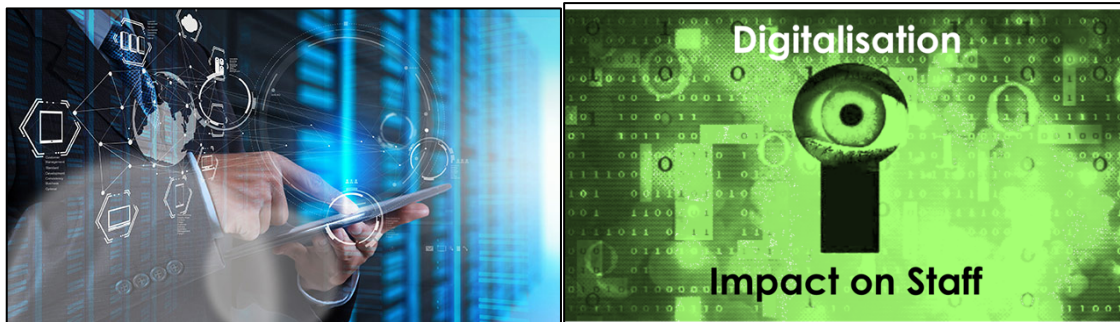
When Covid 19 broke out in India in March this year and the lockdown was announced, a large number of companies, other than the ones which were under essential services, switched to a Work from Home (WFH) policy. This was heralded as a major emerging trend in the way work was conducted since it would save on commute time and cost, free up expensive real estate and allow employees the luxury and flexibility to spend time with their families. Some companies acknowledged publicly that this trend would continue for a major part of their workforce. In fact a recent news report mentions that the largest lender of the country, SBI hopes to save Rs.1,000 crores from effecting his change.

It needs to be kept in mind that though the initial novelty of WFH was attractive for a number of employees however the sheen is now beginning to wear off. Being confined to their homes, in some cases one room or two room accommodation and balancing out domestic chores and meeting deadlines is not turning out to be exciting any more and more so with the fear of Covid hanging over one's head at all times. As one of the employees of our clients shared with me that she used to look forward to going to her office since it gave her a sense of freedom and also the opportunity to meet and interact with her co-workers which was both satisfying and motivating. Deadlines and pressures were a challenge however working in teams on site made it easier to meet up to her boss's expectation. And now being confined to the home, she feels that the expectation of her boss is the same

however she now needs to balance out a number of things at home and hardly gets any time to switch off which leads to frustration and a feeling of loneliness.

Though there are definite advantages of WFH on account of a clear business case, and this trend would continue on account of various factors, however organisations need to be mindful of the impact it is having on their employees. Expectations that this new normal would still result in the same and maybe more productivity may need to be re-evaluated. The expectations of clients and customers also needs to be set at realistic levels to appreciate that things are not normal. Lastly but not the least, employees whether on WFH or on site need to be counselled and treated with lot of empathy in this crisis. The top management at organisations need to use all their skills to manage teams remotely, keep them motivated and in a positive frame of mind.

2. Move to digitisation - the impact on systems and processes



The systems and processes which any organisation has designed would never ever have envisaged the situation which we are seeing today on account Covid 19 which has resulted in lockdown for a lengthy period, dislocation of labour, disruption of supply chains and employees not able to access their offices or place of work a long period of time.

Organisations which have moved to WFH have provided access to employees to work remotely. This has given rise to instances where attendance of such employees cannot be marked in the normal fashion since they would no longer or not regularly report for work at the company's office. Some organisations have put in place online or app-based attendance system along with attaching a photo of the employee. The existing biometric access control systems are also being relooked at to ensure that there is minimum/zero human contact to prevent infection. Online meetings and conferences are increasingly being held as opposed to physical meetings to communicate with employees and enable teams to continue working together. Hiring, induction, appraisals termination etc. are also happening offline. Organisations need to ensure that the necessary changes in their HR and operational policies and processes are carried out to better engage with existing and new employees working both at site and offsite and at the same time monitor their attendance and productivity.

The large scale shift to online mode of operating has led the organisations to move towards allowing access to data electronically rather than physically and making necessary changes to the database management system and related procedures for maintaining large parts of the data in electronic mode instead of hard copies. A lot of operational and financial transactions are also being handled online. Further, physical signatures of the documents not being possible are increasingly being replaced by digital signatures. Even signing of invoices and purchase orders are becoming digital instead of manual.

Organisations need to ensure that necessary changes on this account have been duly incorporated into their systems and processes after considering all applicable risks. The approval matrices designed earlier need to be reviewed and restructured in line with the current requirements of approving transactions or having been shifted to "online" mode completely Further workflow and processes need to be being reviewed to replace, manual controls with automated controls wherever required.

Further, as the level of digitization and exposure to cyberspace increases, organisations are getting increasingly exposed to cyber related threats which is emerging as one of the biggest risks to manage. There have been

several instances having been reported about huge disruption of processes and losses on account of cyber-attacks. A very recent report mentions about a 260% increase in cyber- attacks during lockdown..

In that context, organisations need to assess whether all their devices such as Mobile phones, tablets , laptops etc. are protected from cyber threats by a firewall, security patches and anti-virus and also assess the risk of breach of protocols and also revisit the cyber security set -up and strengthen their business continuity and security infrastructure .

The aforesaid aspects are only meant to be illustrative to highlight the increased risks which organisations are exposed to and the necessity of carrying out changes in the relevant business and operational processes to address such risks and also in revisiting the existing control framework. This would minimise potential losses on account of non-compliance of processes or breach of controls.

