

Return to the Office Policy

December 19, 2024

Business Objective

Zoho's intent is to get people to come back five days a week into the office. On March 3, 2025, it will be five years since the flexible and remote office plan has been in place. The CEO and leadership want to put back in place a work-from-office (WFO) policy where the majority of full-time employees – across all our global offices – work from the office every day.

This is a policy document and not a discussion document. It has been reviewed and discussed by all concerned Zoho managers.

Timing & Execution

Zoho intends to give employees the time to adjust and make household arrangements that will facilitate this plan. We propose that this plan will take effect on Monday, March 3, 2025. Until then, we expect the current 3 days WFO policy to be followed by all teams.

FAQs

1. Why is the company doing this?

We have to do our best to safeguard and grow our business. The US remains the only large region in the world where employees are not back to work at the office everyday. The far larger India operation has long ago returned to this full-time office model.

With multiple new and recent hires in the US operations, this has shown in our performance. The chart below shows how the US business is lagging our global business, across all product areas. There are many reasons to explore, but one that has been uncovered is the lack of skills across specific business areas. We get this feedback directly from our customers.

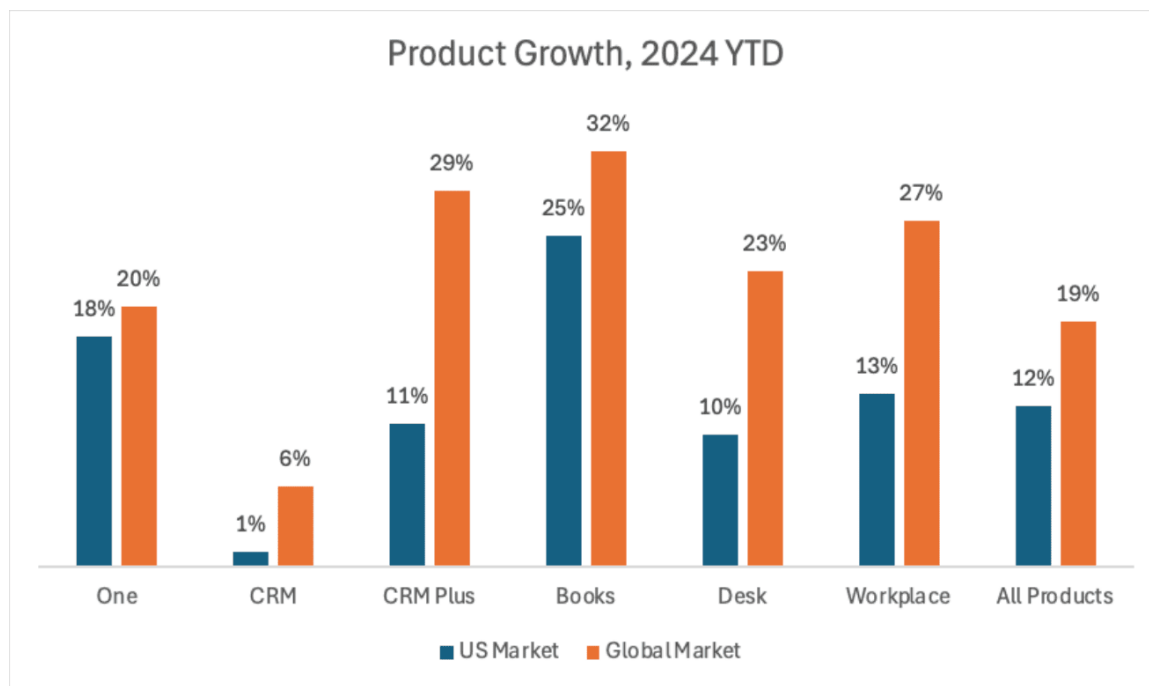
Getting teams to work productively together is a big part of getting the business back on track. Zoho was built over more than two and a half decades through on-the-job learning, under an "apprenticeship" type of model, where newer employees learn from seasoned ones. This is how the company has successfully developed skills across so many different areas, over time.

Also, as a company with young employees, we have found that remote-work, or even

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hybrid work, has been detrimental to people's development, skills development, and overall productivity.



2. Why now?

For a few years now, we have tried a policy of a 3-day work week at the office. We left it to individual managers and teams to administer this. This has just not worked. Most managers do not want to be administrators of such policies and are under pressure from employees when other managers offer more flexibility.

We have also found a clear correlation between performance and presence at the office. Most of our best performers tend to be at the office already. They share their knowledge, develop others, and contribute to company efforts, often outside their day-to-day role. This is essential to growing a company culture and building long-term organizational skills.

Some managers have also reported that they deal with WFH issues almost every week and are simply tired of dealing with this topic. They want employees to come in, preserve their relationships with them, and get on with the business rather than

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revisiting this issue time and again.

For this reason, we are now establishing this as a corporate policy.

3. What flexibility will the company offer?

Employees are expected to be in the office every day of the week. Normal workday hours (not a partial day) will be expected at the office. That said, Zoho will retain employee flexibility, as and where needed, as long as employees meet their own work commitments and that of their teams. Here are some examples of flexibility:

- Employee has to drop off a child at school/daycare (or pick them up in the evening). Employees may therefore come in late or leave early.
- Employee has to make some personal appointments during the day (eg, doctor's appointment).
- Employee lets their manager know that they won't be able to be in the office on a specific day.
- Employee cannot come into the office for other legitimate reasons (eg, earned leave, sick leave).

4. Will there be exceptions?

There will be very selective exceptions. These will be handled on a case-by-case basis, as decided by the manager, HR, and Zoho Leadership. We also expect to have a very small number of exceptions for medical reasons, concerning employee disability.

We may also have a small number of highly valuable employees in critical roles, who may have been hired under specific circumstances, and have an observable long-term track record of working effectively remotely. The above exception does not apply to employees who were hired under the presumption of working from the office. This will also be the rare exception and is not an out. We are simply being forthright about this.

Some Zoho teams, like account management, outbound sales, and content editing, were intentionally hired with the idea of staying remote to provide proper coverage in appropriate time zones, or to tap into talent that was not easily available locally.

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Employees of such teams will remain in place.

Zoho prioritizes in-person office presence as it plays a critical role in the growth and development of employees and teams. Employees who have been hired as remote employees are hired as individual contributors. They should not expect the same level of growth within the company.

5. Can an employee extend their back-to-office start date under specific circumstances?

Zoho will remain flexible for employees with very specific issues (eg, health, specific life stage issues, etc.) on the start date, again on a case-by-case basis. This will only be to delay the planned start date, in consideration of a reasonable postponement (up to a month). Over the longer term, all employees are expected to be back in the office full-time.

6. How will this be managed and enforced? Who is responsible?

Zoho intends to treat employees as adults who need not be monitored by tools like timesheets or clock-ins. We do not feel we should impose monitoring methods for all, just to address potential issues with a few. That said, this is now a clear policy that we expect all employees to follow, just like every other policy around ethics, confidentiality, or corporate compliance, and other areas.

As with any policy, managers have the responsibility to explain, maintain, and enforce them with employees. We recommend you do this by clear communication and by setting the right expectations. Be clear, but remain flexible where needed, while following and implementing this policy. Use your judgment for specific occasions since we depend on it. The HR team is available to support managers when dealing with this policy.

Should we find that this policy is being violated by individuals or specific teams, we may be forced to take additional steps for monitoring and enforcement. This may start with a warning with an expectation of behavioral change, but will become grounds for termination of employment or requesting a resignation. HR will drive this action based upon discussions with appropriate managers.

7. What are the consequences if employees do not comply?

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Zoho will work with individual employees with exceptional circumstances to understand specific concerns and offer some flexibility, like delayed starts. However, this will be the long-term policy for the company. Employees who do not want to adopt this policy cannot expect to work at Zoho. HR will be forced to ask for your resignation after sufficient consideration or proceed with a termination of employment.

Zoho will prioritize in-person office presence as it plays a critical role in the growth and development of employees and teams. Employees who have been hired as remote employees are hired as individual contributors. They should not expect the same level of opportunities for growth and leadership.

8. What about California employees?

Based on the size of remaining teams and their existing distribution within California, we will take this issue up separately with California employees.

9. What about ManageEngine employees?

This policy currently applies only to Zoho employees. The US leadership team will engage with ME leadership to determine the needs of their business and craft the appropriate policy.

Sridhar's Perspective

Below is a perspective from Sridhar that he shared in a chat.

"Let me give you my perspective from seeing this in India. After prolonged work from home, team engagement drops. Out of sight is often out of mind. That impacts not just productivity as measured but also creative output - brainstorming and those adhoc hallway conversations.

This is the reason we cannot have too many offices too. We need a decent number in each office to make it a collaborative group. The rare exception is a lone ranger who gets big things done by themselves. That is a rare exception and definitely not the norm.

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Also at a company level, we are back at the office in almost every geography except the US and for quite a while. Work from home is a distant memory in almost all our geographies now."
