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Employee Engagement in IT & ITES Organizations -A Case Study of Mindtree

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Abstract : Employee engagement is generally the level of commitment and involvement an employee has towards their organization and its core values and beliefs. An engaged employee is presumed to be aware of business context, and work dynamics with colleagues and peer groups to improve performance within the job for the benefit and excellence of the organization. It is a positive attitude held by the employees towards the organization and its values. The paper focuses on how employee engagement is an antecedent of job involvement and what should company do to make the employees engaged. The scope of the study is limited to one organisation i.e. Mindtree which is one of the major player in the Indian IT services sector. The paper attempts to do an analysis of employee engagement strategies adopted by the organisation on the basis of the widely accepted Ten Cs model of employee engagement.

Keywords: *Job Involvement, Employee Engagement, Career, HR Interventions.*

I. INTRODUCTION

Over the past decade, and particularly in the past three years, employers and employees have faced human capital challenges and an uncertain economy. The economic downturn that started in 2008 has had a significant impact on companies and the resulting decisions made by management. These decisions have impacted employee engagement levels and perceptions globally, leading to changes in leading drivers of employee engagement. In uncertain times, organizations need to focus on harnessing the discretionary effort that engaged employees deliver. This makes the difference in how companies are affected during the economic

downturn, how quickly they emerge from it, and how strong they are in the future after the downturn passes. Employee engagement initiative has a direct impact on the organization results. Also employee engagement is directly influenced by growth of the organization, value addition experienced by employees and employee perception of the organization. When managers become disengaged, employees are 37% more likely to be frustrated with company systems, processes, and procedures. (FLS Research 2008-09) This paper is based on a case study of Mindtree. The paper has been divided into six sections. First section is all about introduction to employee engagement which elaborates the issues and its importance for organizations. Section two deals with the conceptual overview and the third includes the literature review. In section four strategies and initiatives linked to employee engagement has been described along with an analysis of different initiatives taken by the organization and its implications based on ten Cs of employee engagement model used for analysis. It also elucidates the impact of employee engagement initiatives on organizations performance and employee retention. The fifth section includes the implications and initiatives and the last section i.e. sixth section concludes the paper.

II. EMPLOYEE ENGAGEMENT- AN OVERVIEW

The concept of engagement has naturally evolved from past research on high involvement, empowerment, job motivation, organizational commitment, and trust. All these research streams focus on employees' perceptions and attitudes about the work environment. In some ways they are variations on the same fundamental issue. Obviously, all organizations want

their employees to be engaged in their work. But what can help them predict if their employees will “give their all”? Several standardized tools exist for assessing employee engagement and then providing feedback for making changes. These tools tend to have several common goals and characteristics:

- Create a simple and focused index of workplace engagement—Many organizations are using very short, simple, and easy-to-use measures that focus on the fundamentals of a great workplace. Instead of conducting broad culture or climate surveys with 100 or more questions, many organizations are opting for a focused approach that measures fundamental qualities of the workplace that likely will be important 10 years later (e.g., feedback, trust, cooperation).
- Allow for benchmarking—most organizations want to know how they compare with other organizations. Using a standard measure of engagement allows an organization to see how it measures up to other companies along a simple set of fundamental work qualities.
- Direct action—Engagement measures tend to be very actionable. This means that an organization can alter practices or policies to affect employees’ responses to every item in the measure.
- Show relationship to company performance—without a link to the company’s performance or other critical outcomes, measures of engagement have little value. The whole idea behind engagement is that it leads to enhanced performance. The link to performance outcomes is a necessary underlying assumption of all engagement measures.

Empirical research on "employee engagement" is relatively new. "Employee retention" has received the lion's share of the spotlight. This focus on retention however has spawned several studies on "engagement" - since retaining employees is dependent upon the need to "engage" them. Hence, engagement studies are beginning to take centre stage. One of the most significant threads in the current research is the discovery that employee engagement is linked to customer satisfaction which is linked to organizational

financial success. Employee engagement/satisfaction distinctly affects the bottom line. These findings are detailed in the studies referenced in this article. Engagement really happens at the team level - a framework called VOICE helps that process. VOICE is an acronym made up of its component parts i.e. V is for vision, which is an emotion as well as a financial connection as to why people should be part of this organization, O is for opportunity. Are there opportunities to grow and develop? , I is for incentive. If you do a good job do you get both financial and non-financial rewards? , C is for community. Do I like the people I work with? , C – Communication, which is about “telling people about what is going on, and gives them the confidence that people care and E is for entrepreneurship, defined as things such flexibility on how people can work”. “It’s about things like flexibility in time so people don’t feel they are being a slave to the organization.”

III. LITERATURE REVIEW

Let us have a look on how employee engagement is defined by some of the consulting firms:

- Employees' willingness and ability to contribute to company success. (Towers Perrin)
- Staff commitment and a sense of belonging to the organization. (Hewitt)
- Employee's commitment to the organization and motivation to contribute to the organization's success. (Mercer)
- Employees' exertion of "discretionary effort". . . going beyond meeting the minimum standards for the job. (Hay)
- Creating the sense that individuals are a part of a greater entity. (Best Practices, LLC)

A research and information company Melcrum, recently surveyed 1,000 corporate communications and HR professionals and conducted 40 case studies and found that many respondents credit offering employee engagement programs with the following benefits: More than 50% report improvements in employee retention and customer satisfaction, 33% report higher productivity, 28% report improvements in employee advocacy, 27% improved status as a "great place to work", 27% report increased profitability and 25%

report improved absenteeism. A snapshot of the corporations in this study shows that 74% began focusing on employee engagement between 2000 and 2004 and report performance improvements each year, 36% have a dedicated employee engagement program, 64% apply the philosophy to employee engagement to their people practices. The Forum for People Performance Management and Measurement at North-western University released their report in November 2004, The Impact of Employee Attitudes on Market Response and Financial Performance, which also links employee satisfaction to customer satisfaction and a company's financial success. This finding is true even if employees have no direct contact with customers. 110,000 surveys were mailed to media companies, with a 34% response rate. Below are key findings from the report:

- The key characteristic for explaining employee satisfaction is organizational communication as employee satisfaction is a key precursor to employee engagement.
- Organizational culture is a significant driver of employee engagement, where employees must be expected to work together and provide a voice for the customer within the organization.
- When individuals and teams compete to implement optimal behaviours oriented to the market and its customers, such competition can benefit both the organization and its customers.
- 64% apply the philosophy of employee engagement to their people practices.
- Organizations with engaged employees have customers who use their products more.
- It is an organization's employees who influence the behaviour and attitudes of customers, and it is customers who drive an organization's profitability through the purchase and use of its products.

Incentive programs, as a way to engage employees, have been found to increase organizational performance. The International Society for Performance Improvement released a study last year, Incentives, Motivation, & Workplace Performance, which showed that incentive programs can increase performance by as much as 44% among employee teams, 24% among individuals.

The study consisted of an analysis of 45 existing scientific studies which were also compared to current practices through surveys of 145 U.S. organizations that use incentive programs. As per the key findings of the study it was found that incentive programs improve performance, incentive programs engage participants and increase interest in work, incentive programs attract quality employees, longer-term programs outperform short-term programs, executives and employees value incentive programs and quota-based incentive measures work best. Best Practices LLC, a research and consultant firm, recently released a new benchmarking report "Employee Engagement and the Service-Profit Chain" which shares best practices for engaging employees in their jobs and companies. Based on primary and secondary research of leading worldwide corporations, the report's key findings are as follows: a reduction in turnover rates by just two percentage points can result in a savings of \$3 million annually, an effective performance management system is the cornerstone of engagement -- from goal-setting to reward, recognition and incentive programs, 75% of high performing companies hold managers accountable for engaging their employees. This is in comparison to 35% across the entire study group that holds managers accountable, high performing companies engage employees by cutting across functional silos to create a sense of connectedness through communities of practice, cross-functional teams, and by creating common work areas, high performing companies recognize employees for their suggestions, employ group brainstorming and utilize group list serves to enhance the feeling of connectedness, employee and customer loyalty attributes reflect each other, supporting the premise behind the importance of engagement which is based on a correlation between customer satisfaction and engagement, key factors in engagement are alignment of employees toward strategy, enabling employees to have the capability to engage themselves, and creating the sense of engagement -- creating the sense that individuals are a part of a greater entity and top performing companies rank cross-functional teams and councils as the most effective vehicle to help employees understand how their -- as well as team and/or business unit -- efforts contribute to corporate performance. The research above is powerful - not only for organizations seeking to ensure their financial success, but for those seeking to harness their people power. For employees, or those seeking employment, it offers a tremendous sense of

comfort. Their employers (or future employers), if enlightened by the type of research portrayed above, will be interested in finding ways to create an "engaging" workplace.

3.1. Ten Cs OF EMPLOYEE ENGAGEMENT

"The Ten Cs of Employee Engagement", Gerard H. Seijts and Dan Crim (2006) tries and understand the various dimensions that can add value to the engagement level of an employee which can make people stay in the organisation for long. The ten Cs is elaborated as follows:

Connect: Employees should feel that their work is being valued and should feel a sense of connectivity with their superiors. Having a gap can lead to employee isolation and a sense of non-belongingness to the organisation.

Career: People in the organisation should be provided challenging and meaning full work with opportunities for career advancement. Most people want to do new things in their job. Good leaders have to challenge employee; but at the same time they must instil the confidence that the challenges can be met. People should be given tools and knowledge to be successful to keep them engaged.

Clarity: Success in life and organisations is, to a great extent, determined by how clear individuals are about their goals and what they really want to achieve. Leaders must communicate a clear vision employees need to understand what the organisations goals are, why they are important, and how the goals can be attained.

Convey: Leaders clarify their expectations about employees and provide feedback on their functioning in the organisation. Good leaders establish processes and procedures that help people master important tasks and facilitate goal achievement.

Congratulate: Exceptional leaders should give recognition to the employees for good performance. Recognising their efforts by praising them and giving them an applaud can boost their morale and ultimately make them enthusiastic towards their work.

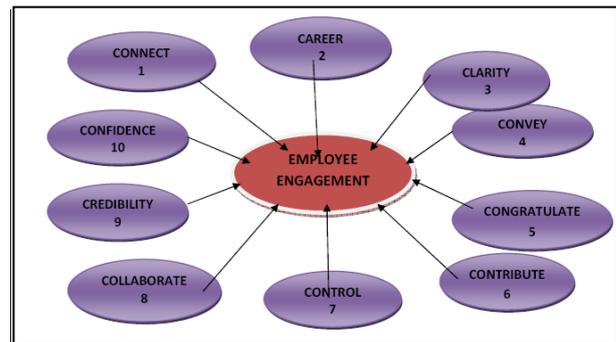


FIG: I -Ten Cs of Employee engagement

Contribute: People want to know that their input matters and that they are contributing to the organisations success in a meaningful way. Efficient leaders should make sure that the employees feel their efforts are being used in the fulfilment of the overall goal and objectives of the organisation.

Control: Employees value control over the flow and pace of their jobs .leaders can create opportunities for employees to exercise their control. Involving your people in decision making creates a culture wherein they can take the ownership of their own problems and can find solutions to them.

Collaborate: When employees work in teams and have the trust and cooperation of their team members, they outperform individuals and teams which lack good relationships. Great leaders are team builders: they create an environment that fosters trust and collaboration. Thus a continuous challenge for leaders is to rally individuals to collaborate on organizational, departmental and group goals, while excluding individuals pursuing their self- interest.

Credibility: Leaders should strive hard to demonstrate high ethical standards to their subordinates. People want to be proud of their jobs, their performance and their organisation.

Confidence: Efficient leaders help create confidence in a company by setting example of high ethical and performance standards. Instilling a sense of confidence is what is required from the leaders.

IV. EMPLOYEE ENGAGEMENT INITIATIVES

4.1. Case study-MindTree Enhances Employee Engagement with Cisco Soln

Life at MindTree is an adventure, a voyage of self-discovery. In this friendly, caring environment, employees have the opportunity to experiment and the freedom to explore - both as an employee as well as an individual. Their rock-solid value system is not imposed upon anyone - it is simply a part of life, an easy-to-assimilate set of guidelines that everyone at MindTree internalizes effortlessly. Each of the employees understands that growth can only be meaningful if it is inclusive; that is why they encourage one another to be the best that we can be, despite their limitations and shortcomings. Senior management here at MindTree is extremely approachable. Open interaction is encouraged, healthy competition rewarded, and outstanding performance recognized.

'Integrity means the world to us'; it is the very core of their existence. A breach of integrity is unacceptable at MindTree. They demand the highest standards of ethical behavior from our employees, from the senior most executive to the most recently hired trainee. And we hold ourselves to those standards - no matter what the cost. We insist - and take pride in - doing the right thing.

At MindTree, they place a premium on the ability to gain and share knowledge. Continuous learning is not only apart of their value system; it is a part of their psyche. Their learning initiatives are designed to achieve specific outcomes, for employees as well as for the organization.

The focus is on "learning," (which involves the acquisition, internalization and enhancement of knowledge by the learner), as opposed to "training," (which represents dissemination of knowledge by a trainer). Their approach to learning is, therefore learner-centric. Additionally, the company believes that all learning should be practitioner led; some of the finest minds in the industry partner with them to tutor and mentor MindTree Minds. All learning initiatives at MindTree are overseen by a dedicated group called C2; aligned to business goals and customer needs; and are in line with the diversity of the company's delivery mechanisms. These initiatives are also focused on building sustainable processes - sharing and knowledge

dissemination that enhance personal learning, while building self sustaining learning systems. Above all, learning at MindTree is measured by a clearly definable metric: effectiveness. Following are some of the initiatives:

- **Mentor and Buddy System**

Prior to any learning initiative, a specially assigned mentor assesses the preparedness level of each Campus Mind and customizes or shapes the program accordingly. Thereafter, a team of buddies interact with the Campus Minds to help them assimilate into the organization.

- **Outbound Learning**

Outbound learning sessions are a lot of fun. However, they also help us understand and enhance Campus Minds' interpersonal, decision making, conflict management, teamwork and leadership skills.

- **Learning Bee**

Learning bee is an intranet portal that allows you to view and register for ongoing learning opportunities. It works proactively: simply input your learning needs and receive updates whenever appropriate programs are scheduled to begin.

MindTree is an IT and IT services provider, which has gained recognition in recent times. Due to its focus on human capital development, it has consecutively been ranked as the No 1 enterprise in the Most Admired Knowledge Enterprise (MAKE) award ranking. The company, while moving forward with its HR initiatives, realised that open communication within the organisation set-up and interaction with each of the employees, or 'MindTree Minds' as they are referred to, was proving to be a challenge. Thus the company tries to create an environment through some engagement initiatives to connect to their employees. This internal annual event called the 'All Minds Meet Session' is an effort to communicate with each of the employees at MindTree about the organisation's health, important milestones achieved and growth areas for the times to come. "In the past, these interactions happened at one of the MindTree campuses itself, where everyone was physically present for a meeting each quarter. However, as MindTree grew in terms of locations and manpower, it was difficult to physically accommodate all the

employees inside one campus," says Ramesh Kumar T, Associate Director for Infrastructure Management at MindTree. The company was looking for a technological solution that would allow real-time rich media communication as a substitute for physical presence which was decided to be provided by Cisco. As far as the physical IT infrastructure at MindTree is concerned, it was already live with networking infrastructure and LAN from Cisco as the company has offices in Bangalore, Chennai, Pune and Hyderabad and are already using Cisco's LAN infrastructure, also looking for a similar IP multicast solution, which would be simple, lean, highly available, open and secure and meet our requirements."The IP multicast solution, when coupled with bandwidth conservation technology, reduced traffic and the number of servers needed by simultaneously delivering a single stream of information to thousands of employees India-wide. "Some of the examples of applications involving one-to-many and many-to-many communications include video and audio broadcasts, videoconferencing or collaboration, dissemination of stock quotes and news feeds, database replication, software downloads and website caching," says Kumar. Now MindTree employees participate in the company's quarterly meets sitting at their desktops. The live AV streams fed over a multicast solution have not only enabled them to connect with peers but have also helped them to reach a wider audience in the extended supply chain. There is a lot more, which the IT team has planned, with the multicast-based solution "In the future, we would be looking at integrating applications onto this solution, which would help us optimise the investment. Also, more and more internal events would be streamed using this solution," concludes Kumar.

It also has developed 'Career aspiration programmes', 'Mindtree certification' for becoming Mind Tree Certified Engineers and get promoted. Company has also made provisions for awarding and recognizing the employee achievements through 'Spot Awards' (for individuals and teams), Best Performer Award and Technical Appreciation Award.

It also practises a survey named as 'Mind Tree People Perception Survey' (MPPS) for collection of feedback from all departments regarding their functioning and project related advancements and requirements for facilitating contribution from employees.

4.2 Analysis using Ten Cs Model

Table I: Analysis using the Ten Cs Model of Employee engagement

Ten Cs	MINDTREE <i>Link 'Mind Tree Minds'</i>
CONNECT	This internal annual event called the 'All Minds Meet Session' is an effort to communicate with each of the employees
CAREER	Career aspiration programmes Mindtree certification for becoming Mind Tree Certified Engineers and promoted.
CLARITY	Internal annual event called the 'All Minds Meet Session' is an effort to communicate with each of the employees and Team meetings at all levels of projects.
CONVEY	This internal annual event called the 'All Minds Meet Session' is an effort to communicate with each of the employees
CONGRATULATE	Spot Awards(for individuals and teams), Best Performer Award, Technical Appreciation Award
CONTRIBUTE	Participate in the company's quarterly meets sitting at their desktops through LAN and Mind Tree People Perception Survey (MPPS) i.e. collection of feedback from all departments.
CONTROL	'All Minds Meet Session' as they talk about growth areas for the times to come
COLLABORATE	CISCOs' networking & LAN Infrastructure
CREDIBILITY	-
CONFIDENCE	participate in the company's quarterly meets sitting at their desktops through LAN

V. IMPLICATIONS AND NEW INITIATIVES

The analysis gives us very clear picture that the organisation is able to meet most of the criteria of Ten Cs to a greater extent. Mindtree employee engagement strategies are very strong in meeting the **convey, career, collaborate** and **confidence**. Strategies can be suggested to form some more communication forums including team meetings, conferences, monthly updates on corporate goals etc. to add more to the **credibility** component. Team building exercises like small team recreational activities e.g. bowling, skating; trips to cinemas etc. once in a month can also be introduced. Employee engagement is a direct reflection of how employees feel about their relationship with boss. Thus, quality of working relationships with peers, superiors and subordinates can be improved by providing more opportunities to collaborate. Though organisations are having their own models of practising employee engagement but to make the strategies more effective they can take into consideration the 10 Cs model of employee engagement and try to meet every 'C' as a parameter to the greatest possible extent. Strategies can

be suggested to form some more communication forums including team meetings, conferences, monthly updates on corporate goals etc. to add more to the **credibility** component. Team building exercises like small team recreational activities e.g. bowling, skating; trips to cinemas etc. once in a month can also be introduced. Employee engagement is a direct reflection of how employees feel about their relationship with boss. Thus, quality of working relationships with peers, superiors and subordinates can be improved by providing more opportunities to collaborate. Though organisations are having their own models of practising employee engagement but to make the strategies more effective they can take into consideration the ten Cs model of employee engagement and try to meet every 'C' as a parameter to the greatest possible extent.

VI. CONCLUSION

Acquiring skilled workforce is just not enough in today's changing economy like ours; instead a lot needs to be done to retain, involve and make them committed to the organization and its goals. Thus, engagement is a state where an individual is not only intellectually committed but has great emotional attachment with his/her job that goes above and beyond the call of duty so as to further the interest of the company. Organizations like Tata Tele Services are not only providing their employees a great infrastructure and other facilities but also freedom to make their work exciting and also are providing them an environment wherein they can say good-bye to a monotonous work. The company focuses on retention as an outcome of three HR focus areas – employee motivation, career growth and remuneration and compensation. Thus working in a safe and cooperative environment adds to the engagement level of an employee.

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