

Building a Great Place to Work®

By Anita Borate & Joyoti Banerji

Since last year, the markets in India have picked up and many companies are on a growth trajectory once again, but does employee sentiment echo the same? Are organization actions in sync with employee expectations? Our study of more than 400 organizations in India points to some interesting findings.

Inspired by the vision of 'Making India a great place to work', the Institute has been conducting workplace studies and recognizing the best companies in India for the past 7 years. **"India's Best Companies to Work For"** Study, conducted by Great Place to Work® Institute, India in collaboration with The Economic Times, is by far the largest workplace study in India.

These studies have given us valuable workplace insights, which have become increasingly important in the last three years with radical shifts in the economic landscape not just in India but across the globe. In 2008, when the economy was growing at the rate of over 9%, the manifestation of this hyper growth was palpable in never seen before salaries, promotions and job mobility. All of this underwent a sea change as a consequence of the global recession in 2008-2009, resulting in a shift in employee expectations and leadership challenges. Today, the volatile market sentiment poses unique dilemmas before business leaders and human resource managers.

Though we hear about recovery from the global economic shock, businesses and especially employees still seem to be facing the repercussions of this, in the form of salary freezes, fewer promotions, reduction in benefits and even downsizing. But did that stop organizations from seeking employee feedback in the midst of such turmoil? We think not. This is evident from the fact that 427 companies registered to participate in our Study this year. Out of them, 395 met our eligibility requirements and were, therefore, considered for being ranked as one of India's Best Companies to Work For in 2010. Only 50 out of them made it to the coveted Top 50 in our Study- roughly one in eight who participated, making this perhaps the most exclusive list of best employers globally. The coverage is across 20 sectors encompassing not only Indian and multinational companies in the private sector, but also public sector and not-for-profit organizations.

Key Trends in Best Companies

As the nature and complexity of work has changed considerably in the last few years, combined with enhanced social demands, work life balance has now occupied a significant space in corporate India's people agenda. We have studied the trends in employee survey responses of the Top 25 companies in the last seven years and have observed that employees' perception about work life balance has increased by a phenomenal 13% in comparison to 2004. It is interesting to note here that apart from work-life balance, employee's feel more positively about flexibility at work and 84% of the employees in the Top 25 companies have responded positively to the statement, 'I am able to take time off from work when I think it's necessary'. It was also observed that the best workplaces are focusing on providing unique and special benefits that cater to different employee segments e.g. day care centers and

lactation rooms for working mothers, education assistance, ESOPs as tool to retain middle to senior managers, concierge services and health awareness programs etc.

The study also revealed that the best workplaces have increasingly made efforts to keep employees informed about important issues and changes. Additionally, these organizations have recognized the importance of encouraging their employees to contribute suggestions and ideas. In the best companies, employee involvement and openness to feedback is a not a onetime initiative, but a way of life.

Our studies across the globe reveal that the toughest facet of managing workplace dynamics is ensuring fairness in the form of equity, i.e., balanced treatment for all in terms of rewards and impartiality, i.e., absence of favoritism in hiring and promotions. The best workplaces however differentiate themselves on this very aspect, which is evident from the fact that the score of Top 25 companies is 133% higher than that of the bottom 25 on the statement, 'I feel I receive a fair share of the profits made by this organization' and 83% higher on the statement, 'Promotions go to those who best deserve them'.

Industry Trends

During our last study, we did not observe any significant impact of the downturn on employee responses and the average scores for most industries had in fact, increased. This year however, as most organizations were still taking corrective actions to deal with the downturn, most of which were related to employee compensation, benefits and career growth, the impact was of a higher magnitude. Managing employee expectations was a critical challenge for leaders. A decline has been observed in the average scores for most industries, the largest being in the construction and real estate industry (7%) followed by FMCG (6.5%) and IT & ITES (6%). However, average scores have increased in the following industries - Media & Entertainment, Hospitality and Biotechnology and Pharmaceuticals. In particular, hospitality industry scored higher on all counts vis-à-vis other industries. Their scores were exceptionally high on areas related to equity in profit sharing, employee support in times of need and involvement of employees in important decisions.

Organizations have built great workplaces by leveraging their unique value proposition in a manner that aligns the needs of the business with those of their talent profile. Media and Entertainment companies have succeeded in making fun at work a unique value proposition for their employees. This is evident from their score on this element which was 9% higher than the average. Biotechnology and pharmaceutical companies have established high levels of management credibility and 85% of the employees in this industry agreed to the statement, 'Management is competent at running the business.'

Demographic Trends

A common trend across industries is that women continue to have lower positive perceptions about workplace experiences in comparison to men. This has become increasingly important given the fact that the percentage of women in the workforce is on the rise and is projected to increase significantly in the years to come. The biggest gaps perceived by women are in areas related to the roles they are offered within the organizations, appreciation of their work and opportunities for recognition available

to them. Initiatives like mentoring programs for women aspiring to take up leadership roles, external leader speak sessions, diversity training programs etc. have distinguished some of the organizations as great places to work for women.

Another interesting trend observed in most companies is that the employee perceptions drop after spending 6 months in the organization. It highlights the challenge in managing new hire expectations and the possible gap in employer brand promise and the actual experience. The drop in positive scores is seen largely in aspects related to credibility of the commitments made by management, openness in communication with seniors and recognition of work.

Key observations and learning

1. Ability of an organization to attract talented employees seems to influence overall perception of employees about the organization in a big way. In fact, 80% of the employees in the Top 50 companies agree to the statement, 'Management does a good job of attracting talent for key positions'.
2. It is not enough to be open about sharing information and being personally accessible. Leaders of the best workplaces realize that they need to be open to responding to difficult questions from their employees. This is evident from the fact that more than three fourth of the employees in the Top 50 companies feel that they can ask their management any reasonable question and get a straight answer.
3. The best workplaces have differentiated themselves by ensuring highest level of management credibility. Employees want to work for management that is trustworthy and keeps its commitments. Interestingly, the score of Top 25 companies is 92% higher than that of the bottom 25 on the statement, 'Management's actions match its words' and 90% higher on the statement, 'Management delivers on its promises'.
4. Workforce is mobile and markets are dynamic like never before. In such a scenario, talent retention and loyalty to the organization are the key factors that the best employers take into account when designing and implementing their people initiatives. What are the factors that contribute to this loyalty? We find that fair treatment irrespective of position, the opportunity to make a difference, pride in the organization and a high sense of commitment by all employees to common organization goals have a significant influence on the employees' willingness to work in the organization for a long time.

Thus, we truly believe that a great place to work[®] is one where employees trust the people they work for, have pride in what they do and enjoy the company of the people they work with.

Being a great workplace is not a onetime affair. It is not enough to have great people practices unless they meet employee expectations and needs. Even the best workplaces need to revisit their plans and constantly seek employee feedback to be aligned to employee expectations. In fact, only five organizations have the distinction of being a part of the Best Workplaces List continuously for the last six

studies - namely Classic Stripes, NTPC, Godrej Consumer Products, Intel and FedEx. This year's Top 50 list has emerged from organizations belonging to 17 different industries with employee strength in the range of 100 to 33,000 proving that there is no correlation between being a great workplace and belonging to a particular industry or size. Any organization can become a great place to work; all it takes is the intent and commitment to be one.

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