

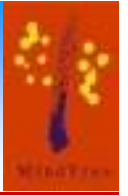


Challenges & Pitfalls in Building a Fair Organization - The Indian Context

Agenda

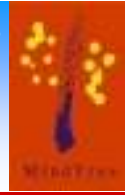
- Ensuring fairness in Mergers & Acquisitions
- Role of Communication & Transparency in fostering fairness
- Building Employer Brand on fairness as a Value

Ensuring Fairness in M&A - The Preamble



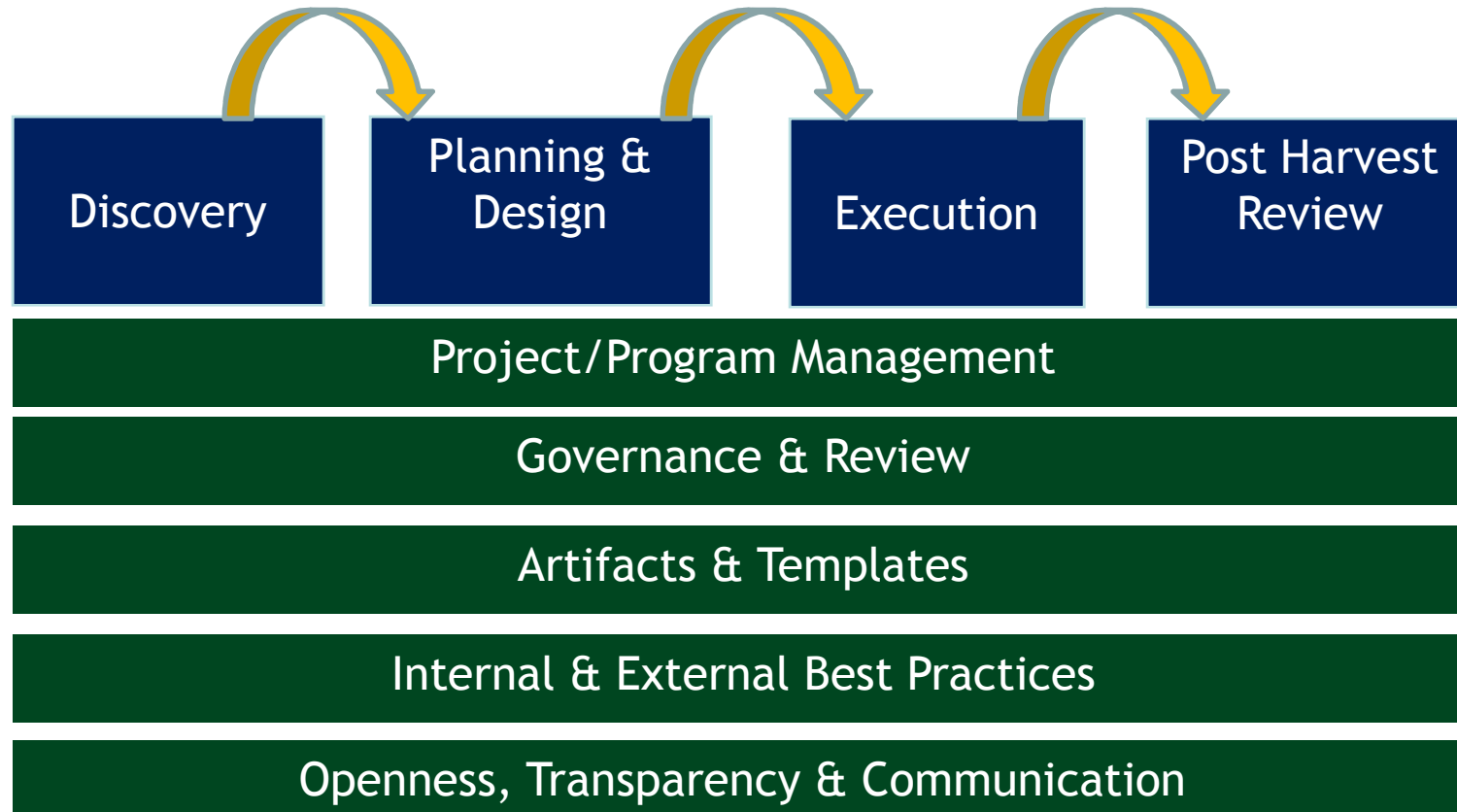
- What is our philosophy on M&A?
- Why did we do this particular deal? How will we measure success?
- What are the organizational culture(s); how much are they aligned?
- Whose fairness are we concerned about?
- Finally - whose word counts?
- It is your battle - abdication is not a solution

Ensuring Fairness in M&A - The Approach

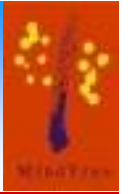


- Ensuring a successful M&A integration is like executing a software development project:
 - It needs a structured methodology/process
 - Rigor of execution at each phase is essential for final success
 - Time spent on initial phases is the key to meeting timelines and results
 - You can leverage internal/external best practices. Yet each project is unique
 - You can't expedite the result by putting more people on the job

Ensuring Fairness in M&A - Suggested Methodology

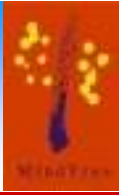


Discovery Phase



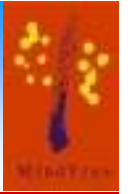
- Some part of these activities should be under-taken as a due-diligence process even before signing on the dotted line
- Activities include
 - Thorough understanding of policies, practices, systems, organizational design details etc
 - Understanding the current landscape and levers of engagement & dissatisfaction
 - Appreciation of cultural nuances
- Output/Deliverables from the phase
 - Gap analysis
 - Identification of hot-buttons
 - List of do's and don'ts

Planning & Design Phase



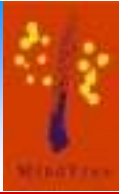
- Plan activities, ownership and timelines for various integration activities
 - Transition plan with timelines and ownership for each activity
 - Identifying parameters to measure the success of the integration effort
 - What are the key wins that we want to give to people
 - Critical Success Factors - big ticket items that will influence the success
 - Constitution of steering committee to take important decisions
 - How will grievances be identified and addressed?
- Design integration details
 - Fleshing out options for each critical gap area identified during discovery
 - Evaluation of options & making a recommendation
 - Helping the steering committee or the executive team to take the decision
 - Getting a buy-in from senior people from the team being integrated

Planning & Design Phase



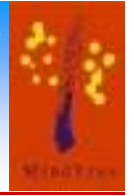
- Output from this phase
 - Transition plan (with timelines and ownership)
 - Parameters to measure success of integration
 - Constitution of steering committee
 - Decisions with buy-in from the executive team on each critical gap identified

Execution Phase



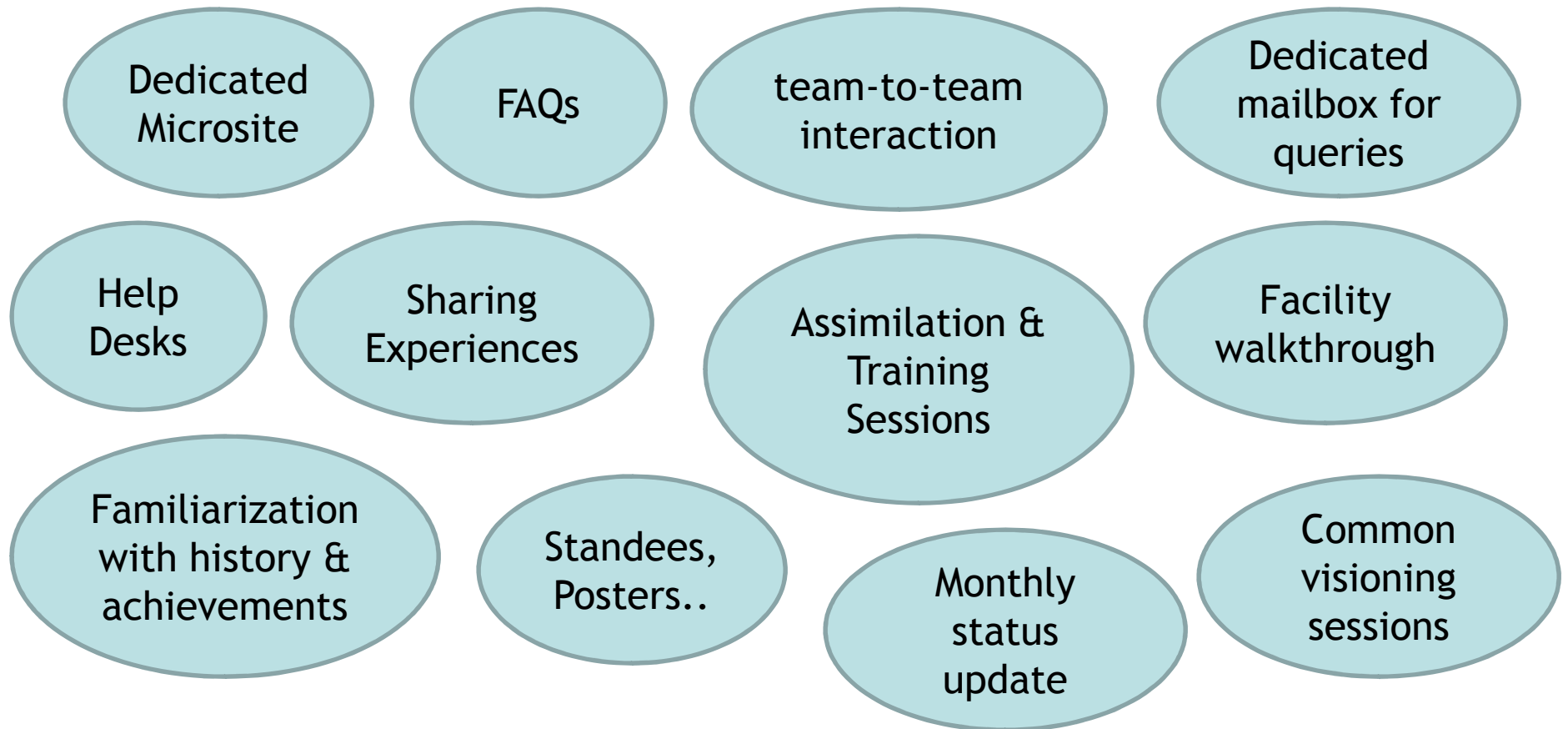
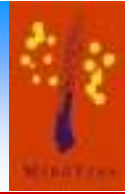
- Actual rollout of the integration activities:
 - Communication of the philosophy, approach, plan and regular status updates to people being integrated and also to existing people in MindTree
 - Rollout of new employment terms
 - Migration/Creation of data, records etc
 - Training and familiarization with new policies, practices and systems
 - Assimilation into the MindTree Culture
 - Publishing FAQs on the transition
 - Making available help-desk for people to get their issues, queries and grievances addressed

Ensuring Fairness in M&A - Some Learnings



- Be clear on the tenets and principles
- Approach the M&A without biases and ego
- When presented with a challenge - think creatively ([Example](#))
- Fairness is disposition of the mind - you can't create a win for all items; present the change as a package
- Have a senior person from the organization being integrated head the steering committee overseeing integration
- Touch and involve as many people as possible
- Leadership teams have to lead from the front
- Guard against complacency - a cookie-cutter approach will not work

Ensuring Fairness in M&A - Role of Communication

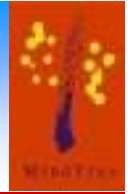


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All about the Integration

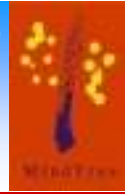


Ensuring Fairness - Role of Communication



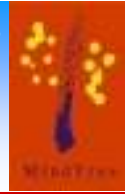
- Philosophy & Guiding principles are the foundation
 - The 95:95:95 principle; Emotional security
 - Top Management has to lead by example
- Invest in practices and systems that facilitate open communication
 - MindTree has 20+ platforms to facilitate communication
 - Simultaneity of communication in a global organization is a key enabler
 - One-way broadcast is of limited value; interactivity is the key
- Communication has to be memorable for it to be registered
- Fairness of an organization is put to test every working day
 - Approachability, openness, transparency, knowledge and actions of “my manager” personifies fairness
 - Empowerment to an individual for grievance addressal (MindSpeak)

Can Fairness become a Brand Value?



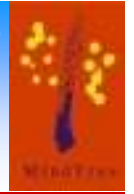
- Let us have a quick test ...
- Biggest impediments in achieving the goal
 - Culture; Inclusion & Empowerment
 - Performance Management
 - Reward & Recognition
- Can these areas become pillars for differentiation? Imagine the power of our Brand promise?
- Why are we unable to conquer these frontiers?
 - Too many priorities; diffused focus
 - Focus on incremental improvement than fundamental reengineering
 - Boxed approach of following “Best practices”
 - Lack of passion & commitment in turning things around

Fairness in Performance Management - A MindTree Experiment



- Moved away from one-size-fits-all approach. Different templates for different groups
- Lack of clarity on expectations/goals
 - Tight integration with SAP; forces objective setting within 30 days
 - Standard objectives templates for common roles
- Once a year ritual than ongoing feedback; score is based on assessment by the last manager and suffers from recency effect
 - My diary feature for capturing performance logs, conversations, results through the year
 - System forces performance feedback within 30 days
 - Final annual score is derived from scores through the year
 - Score is a function of “What you did” and “How you did it”
 - Tool to solicit instant feedback

Fairness in Performance Management - A MindTree Experiment



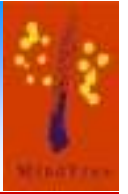
- Perception based final rating; bucketed ratings; bell-curves
 - Final rating/score is a system computed score. No one manager can change it
 - Extra Credit for involvement in institution building
 - Moved away from bucketed ratings (4 rating scale) to a 5 point continuum score. No more comparisons - no more heartburns
 - No bell-curves; watch for manager biases
 - Ensure credit for the work through the year than the last project (recency-effect)



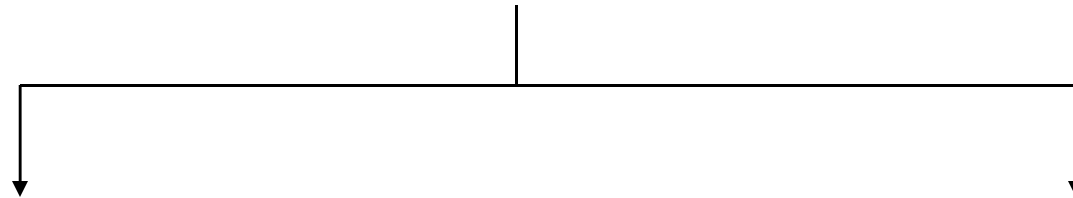
Imagination Action Joy

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Grade Rationalization - Key Issue faced



- Certain grades/levels in a company we integrated were getting mapped to 2 different MindTree levels
- For example grade/level T2 in the company typically comprises people with 1-3 years experience
- It would have been mapped to the following 2 MindTree levels



- MindTree Level C1
- Typical experience 0-2 years

- MindTree Level C2
- Typical experience 2-4 years

- Let us discuss some potential issues this would have created

