# MBA Project on

## HR Technology transformation: Redefining conventional processes and workflows in Employee Engagement and Retention - A Case Study on Umwelt.ai

**Submitted by**
K Praveen Kumar (M22MS037)

**Submitted to**
Dr. Deepak Kumar Saxena

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## 1. Executive Summary

In today's highly competitive business environment, engagement and retention are top priorities for most organizations. Employees who are engaged are more productive, creative, and engaged with their organization's objectives.

HR tech solutions help organizations create an engaged culture and attract and retain the best talent. HR tech solutions have changed the way organizations think about employee engagement and employee retention. They provide insights, streamline processes, and improve the overall employee experience.

Organizations are increasingly transitioning away from traditional annual performance reviews in favor of ongoing and continuous feedback and performance management systems that are powered by Human Resources technology. These tools allow managers and employees to establish objectives, monitor progress, and receive feedback in real-time. By providing timely recognition and feedback, HR technology encourages employees to take responsibility for their performance, which in turn increases engagement and motivation. Additionally, performance management systems provide organizations with data-driven insights that enable them to identify and reward top performers, provide tailored development opportunities, and improve retention efforts.

HR tech solutions provide tailored learning and development options to meet the individual needs and career ambitions of employees.
The integration of employee well-being, work-life balance, and employee engagement and retention strategies into HR tech platforms is becoming increasingly important. These solutions are designed to assist employees in managing stress, maintaining a healthier lifestyle, and achieving a harmonious work-life balance. By focusing on employee wellness, organizations can reduce burnout, increase job satisfaction, and increase retention rates.

HR technology offers a range of benefits, including the capacity to collect and analyze large amounts of employee data through the use of advanced analytics tools. This data can be used to gain insight into employee engagement levels, turnover rate, and the success of various retention strategies. Predictive analytics can be used to identify potential disengagements or flight risks, allowing for more proactive interventions. By utilizing data-driven decisions, organizations can create targeted strategies, optimize retention efforts, and foster a positive employee experience.

HR technology empowers employees by providing them with self-service portals that enable them to manage and access HR-related information on their own. This includes the ability to view and update personal information, examine pay stubs, ask for time off, and conveniently access benefits information. The self-service functionality of HR tech increases transparency, reduces administrative burden, and allows employees to take control over their work-life requirements. This results in increasing employee engagement and satisfaction.

HR technology is becoming increasingly important as organizations strive to foster an engaged culture and attract and retain their best talent. By integrating HR tech solutions, organizations can improve communication, personalize learning, manage performance, and promote wellness initiatives. Data analytics and predictive analytics enable organizations to make informed choices and execute targeted strategies. Adopting HR tech can help organizations to bolster their efforts to engage and retain their employees, creating a motivated and devoted workforce in a constantly changing business environment.

## 2. Introduction

Conventional Employee engagement involves one on one conversations, annual surveys and feedback during year end quarterly, half yearly or annual performance appraisals. This is a tedious process for the HR partners and also involves a lot of biases towards the employees.
Also, Employee engagement might be very difficult because most of the employees take it as a mere repetitive exercise and some employees might not engage properly with their HR partners due to fear of apprehension and some HR partners might not be open to constructive feedback from the employees.
So, this is a major challenge for the companies in keeping their employees motivated and retaining the talent.

Great Employee Experience leads to loyal and satisfied Employees. When employees are provided with exceptional employee experience, they are more engaged, want to stay with the comoany for long and are more productive.

The study is focused on Umwelt.ai which is a new generation People Analytics & Engagement Platform revolutionizing the way engagement is managed at the workplace by helping Leaders listen to, analyze and act on employee feedback in real-time. They help organizations improve business performance, employee retention, and productivity by focusing on behavioral science, humanized interactions, touchpoints, artificial intelligence, and data.

Umwelt is basically the environment the way it is perceived by the people living in it. Every living being in the world has an umweltum, so we all interact and collaborate with each other and we are all dependent on each other.

They help organizations configure touch points to listen to their employees continuously throughout their journey anywhere, anytime through a conversational Bot, gain intelligent actionable insights in real time and enable HR Partners to take actions that matter, proactively for better business performance, employee retention, productivity, and engagement.

At Umwelt.AI, they have developed Nikki, a virtual engagement assistant who listens to, analyzes, and enables HR Partners to act on employee feedback in Real-time, using behavioral science, NLP, ML, and RPA. Nikki identifies employees who may be unhappy, under stress, or about to leave, and provides HR partners and leaders with real-time actionable insights to take proactive and data-driven actions. Everything they do is designed to help people driven organizations increase employee engagement, performance and retention by leveraging psychology and modern technology.

# 3. Methodology

### 1. Appraisal of Umwelt.ai and Interview with the founder

The reason for choosing Umwelt.ai as the subject of study was its expertise in Employee engagement solutions. Its founder and CEO Mr. Vishal Chopra had more than 20 years of experience in HR, management consulting and HR Technology.
The solutions they bring in are intertwined with latest technologies and personalized no clutter solutions are offered to the companies based on their requirements with configurable conversation pieces using behavioral sciences.

### 2. Interview Readiness

Before the interview, an extensive examination of umwelt.ai's website, blogs and other available resources was undertaken to acquire a comprehensive understanding of the organization's history, the products and services they offer, its founders, their background and the company's standing in the industry.

### 3. Executing the Interview process

In order to enable remote communication, the interview with Mr. Vishal Chopra, the founder of Umwelt.ai was conducted virtually through Google meet.
The interview began with an overview of the study's aims and objectives, which was then followed by a sequence of inquiries intended to obtain perspectives on Umwelt's objectives, solutions, feedback from HR partners and contributions to HR tech.

### 4. An Analysis of Data

In detail, the recorded session was transcribed subsequent to the interview and thematic analysis was conducted to draw noteworthy insights from the interview data and resources from across the web are scoured for insights on HR technology and employee and engagement.

# 4. Findings

## 1. Challenges faced by the companies

Disengaged employees pose a trillion-dollar workplace problem. According to Gallup State of the Global Workspace Report, unengaged employees cost the world $8.8 trillion in lost productivity in 2023. In addition, a record number of people have left their jobs since the beginning of the pandemic. The trend is called the Great Resignation and while it has slowed in recent months, many workers continue to leave their jobs voluntarily.

Like disengaged employees, employee turnover costs organizations huge sums of money. The cost of replacing an employee can be 0.5 to 2 times of an employee's salary, depending on the position he holds and covers recruiting and training. However, employee turnover also leads to lost productivity, wasted time and money associated with hiring a replacement, missed sales opportunities, and lower employee morale.

Keeping employees engaged and loyal is not a new thing, but with the generational shift in the workforce, organizations need to find new ways to keep employees satisfied and technology is the key.

## 2. Transforming Employee Engagement: The Impact of AI and Technology in HR

Employee engagement as a vertical within the HR ecosystem has a critical impact on productivity, cost, and overall company performance.
Employee engagement goes beyond superficial gestures like birthday celebrations; it involves providing learning and growth opportunities, aligning employees with the company's vision, mission, policies, and processes, and addressing their needs effectively. However, many companies lack insights into their employees' sentiments and concerns, relying more on consumer data.

AI technology allows companies to bridge this gap by automating tasks traditionally handled by HR business partners. By leveraging conversational AI and behavioral sciences, companies can engage with employees, analyze sentiment through natural language processing (NLP), and provide real-time insights, such as predicting employee turnover risks.

This approach optimizes HR business partners' time, allowing them to focus on strategic problem-solving while leveraging technology for scalable engagement and data-driven decision-making. Ultimately, the goal is to enhance employee satisfaction, retention, and overall organizational performance through AI-powered solutions in the HR domain.

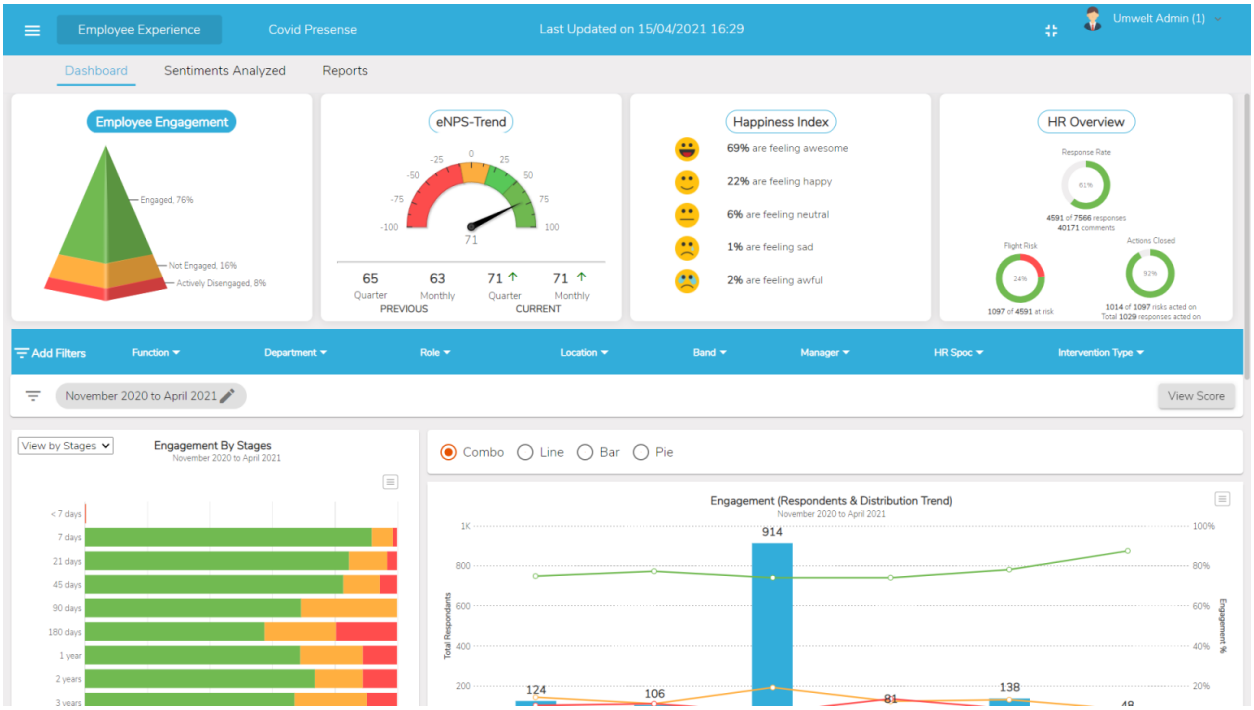
### 3. Key features of Umwelt.ai's product

a. Auto Reach outs: Connect with employees anywhere anytime throughout their journey (On-Boarding to Post-Exit).

b. Humanized Interactions: They not only help leaders listen to employees but also respond empathetically through humanized and personalized interactions.

c. People Science: Ask Intelligent questions personally from their extensive People Science Framework or build your own to understand State of Mind and collect actionable feedback.

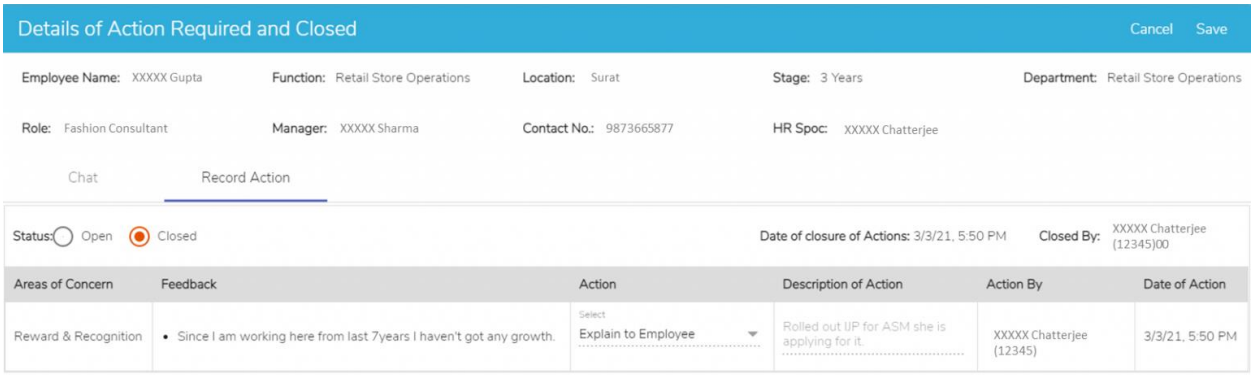
d. Real time insights: Get Real time insights into Engagement, eNPS, Mood, Risk of Leaving and Employee Sentiments (Text Analysis)




e. Advanced Segmentation: Deep dive on performance of Factors and Drivers affecting engagement for all possible segments on a single screen

f. Predictive Analytics: Reap benefits of Artificial Intelligence and Machine Learning to take Proactive Actions.

g. Proactive Actions: Win your people by taking personalized actions to uplift their motivation, inspire them and retain them




h. Real, fast and easy integrations: Integrate seamlessly with existing HR Systems like SAP, Oracle, Workday and more, and communication channels like EMail, SMS, WhatsApp within less than a Day.

i. Enterprise Ready: Highly Secured, Flexible, Scaleable & Accessible

## 4. Umwelt's Approach to Enhancing Employee Engagement and Cultivating a Listening Culture

Umwelt.ai is dedicated to enhancing employee engagement and cultivating a culture of inclusivity by leveraging innovative approaches and cutting-edge technology. Recognizing the complexity introduced by the mix of generations in the workforce, Umwelt.ai emphasizes the importance of listening to employees, a common desire shared across different demographics.

To address this, Umwelt.ai has developed four distinct triggers to facilitate automated conversations with employees at various stages of their journey within the organization. These triggers encompass journey-based conversations, periodic engagement with a broader employee

base, one-time interventions for timely feedback, and automated exit interviews to proactively identify and address potential retention issues.

By automating these conversations, Umwelt.ai ensures that interactions are highly personalized, focusing on meaningful dialogue rather than traditional annual feedback surveys. This approach fosters a culture where employees feel heard and valued, leading to greater engagement and satisfaction.

Furthermore, Umwelt.ai's people analytics capabilities, grounded in behavioral science, enable HR business partners to gain deeper insights into employee sentiment and engagement levels. By focusing on key metrics such as overall engagement, mood, and Net Promoter Score (NPS), Umwelt.ai empowers organizations to take targeted actions to improve employee experience and drive positive organizational culture.

An essential aspect of Umwelt.ai's solution is its emphasis on actionable insights. Unlike traditional feedback mechanisms, Umwelt.ai ensures that feedback is not only anonymous but also confidential, meaning employees know who will be acting on their feedback. This transparency fosters trust and engagement, as employees are more likely to provide candid feedback knowing it will lead to tangible improvements.

Umwelt.ai's approach to enhancing employee engagement and promoting a listening culture revolves around leveraging AI and technology to automate personalized conversations, analyze data-driven insights, and take targeted actions to address employee needs effectively. By doing so, Umwelt.ai adds value to organizational culture and empowers HR business partners to become strategic drivers of employee engagement and retention.

5. **Ensuring the Reliability and Honesty of Employee Feedback: Addressing Concerns and Mitigating Risks**

Umwelt.ai prioritizes the reliability and honesty of employee feedback through a multifaceted approach centered on trust, transparency, and actionable insights.

Firstly, Umwelt.ai understands that trust is essential in fostering open and honest conversations. Rather than focusing solely on identifying problems, Umwelt.ai encourages HR partners to reflect on solutions during conversations. By framing discussions in a solution-oriented manner, employees feel more comfortable sharing their thoughts and concerns. For instance, using emojis and familiar chat interfaces like WhatsApp creates a relaxed atmosphere, encouraging employees to express themselves candidly.

Secondly, Umwelt.ai ensures transparency by clearly communicating who has access to the feedback data. Employees know precisely which individuals within the organization are responsible for reviewing and acting upon their feedback. This transparency builds confidence among employees that their feedback will be handled appropriately.

Lastly, Umwelt.ai emphasizes the importance of actionable insights. By promptly addressing feedback and implementing relevant actions, Umwelt.ai demonstrates a commitment to continuous improvement. This proactive approach not only fosters a culture of trust but also encourages employees to provide honest feedback knowing that their input will lead to meaningful change.

Despite potential concerns about fear or apprehension among employees when providing feedback, Umwelt.ai's emphasis on trust, transparency, and actionable insights mitigates these risks. By creating a supportive environment where employees feel valued and heard, Umwelt.ai ensures the reliability and honesty of the feedback provided, ultimately driving organizational success.

## 6. Ensuring Fairness and Confidentiality: Umwelt's Approach to Handling Bias Concerns

In tackling issues of fairness and bias within the workplace, Umwelt adopts a comprehensive approach centered on confidentiality and problem-solving through HR partners.

Umwelt functions as a conduit for conveying employee concerns to HR partners tasked with resolving such issues. Through weekly calibration meetings, HR partners receive insights derived from employee conversations, fostering experiential learning and problem-solving. During these sessions, Umwelt guides HR partners on effective strategies for addressing identified challenges.

Crucially, Umwelt maintains strict anonymity protocols to safeguard employee identities. Feedback shared with HR partners is devoid of any personally identifiable information, ensuring confidentiality and trust. Furthermore, Umwelt refrains from directly disclosing feedback to managers, reinforcing its commitment to employee privacy.

HR partners engage in anonymized discussions with managers, focusing on solutions rather than problems highlighted by employees. This approach encourages reflective dialogue and empowers managers to address concerns constructively. Umwelt's emphasis on solution-oriented conversations facilitates a collaborative approach to resolving issues of bias and promoting inclusivity in the workplace.

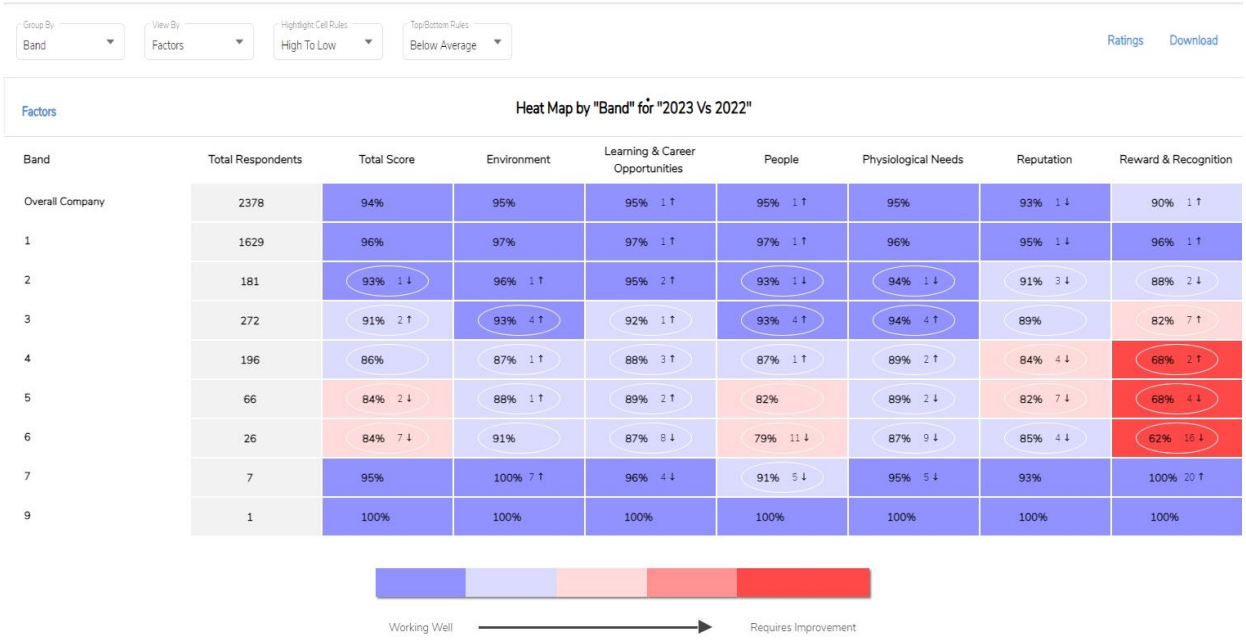
Ultimately, Umwelt's framework prioritizes transparency, confidentiality, and actionable insights, fostering a culture of trust and accountability within organizations.

## 7. Key Differentiators: Umwelt's Competitive Edge in Employee Engagement Solutions

a. Industry Experience and Expertise: Umwelt combines technological prowess with HR professionals' (the founders themselves having a vast experience in HR), firsthand industry insights, enabling tailored solutions to clients' unique challenges.

b. Configurability and Customization: Umwelt's platform, Nikki, offers high configurability levels, allowing for deep customization to align with each client's distinct culture and needs. This personalized approach ensures relevance and effectiveness.

c. Depth of Analytics: Unlike competitors such as Infeedo, Umwelt provides comprehensive analytics beyond engagement and leave metrics. Their platform offers strategic insights through automated heat maps and DIY analytics tools, empowering organizations to make informed decisions.




d. Action-Oriented Focus: Umwelt places a strong emphasis on actionable insights, enabling HR partners to drive proactive solutions. With a dedicated action analytics page, Umwelt

prioritizes the implementation and tracking of initiatives, resulting in tangible outcomes such as a significant reduction in attrition rates.

Ultimately, Umwelt distinguishes itself by prioritizing humanized interactions, predictive analytics, and proactive actions, positioning itself as a strategic solution partner rather than a mere technology enabler.

8. **Evolution of Umwelt's Product: Initial Reception and Current Feedback from HR Partners**

Umwelt's journey since its inception has been marked by continuous transformation and refinement of its product offerings. The initial launch garnered significant attention, particularly from high-end retail brands like Vero Moda, Only, and Jack and Jones, all facing challenges of high early attrition common in the retail industry.

Upon implementation of Umwelt's employee engagement solutions, these brands experienced tangible results within the first three months, with a notable reduction of over 35% in attrition rates for employees within the 0-180 day timeframe. This proactive approach relieved HR partners of the time-consuming task of reactive problem-solving, enabling them to focus on strategic initiatives.

The transformation brought about by Umwelt's technology is evident in the increased efficiency and effectiveness of HR processes. Conversations that previously required manual effort and lengthy feedback cycles are now automated, with response rates exceeding 80% within the initial phase. This streamlined approach has led to a shift in employee perception, with over 90% of front-line staff perceiving interactions with Umwelt's solution as humanized, despite its technological underpinnings.

Over the years, Umwelt has prioritized configurability and customization, tailoring its solutions to meet the unique requirements of each client. This flexibility has reduced dependence on manual servicing and empowered organizations to automate various aspects of their HR operations.

Moreover, Umwelt's lean organizational structure, devoid of layers of account management and customer success, has streamlined communication and solution delivery. Clients have highlighted Umwelt's deep understanding of HR challenges and its ability to provide immediate solutions as key differentiators from competitors like Infeedo.

As Umwelt continues to evolve, its commitment to leveraging technology to address HR challenges remains unwavering. The seamless integration of behavioral science expertise and technical acumen underscores Umwelt's dedication to delivering innovative solutions that drive tangible outcomes for its clients.

## 9. Client Acquisition Strategy: Umwelt's Approach to Identifying and Engaging Potential Clients

Client acquisition is an evolving aspect for Umwelt.ai, blending insights from both HR and tech realms. While acknowledging that Infeedo has excelled in marketing, Umwelt.ai has relied predominantly on organic growth driven by customer referrals. Their growth story to date has been a testament to the trust and satisfaction of our existing clients, propelling us forward.

However, recognizing the need to expand the reach, they have recently embarked on a marketing journey, leveraging tools and integrations to proactively engage with target personas. Initiatives such as email marketing, personalized outreach on LinkedIn, and Google Ads have marked our foray into a more structured marketing approach.

Their focus markets include India, the US, and the Philippines, with a growing emphasis on the US due to the magnitude of challenges and opportunities it presents. Having established their foothold in India, they are now directing their efforts towards penetrating the US market, leveraging the experience and use cases to address broader challenges.

From a product standpoint, Umwelt.ai has continuously invested over the past five years to enhance its offerings, ensuring competitiveness with industry peers. They understand the dynamic nature of client expectations and prioritize development efforts based on customer feedback and market demand.

Ultimately, their approach revolves around building solutions that align with the needs and preferences of our paying customers. While they recognize the importance of staying ahead in marketing, their foundation remains rooted in delivering value-driven solutions and fostering lasting relationships with their clients.

## 10. Challenges in Penetrating the US market for Umwelt: Navigating Behavioral Science Dynamics

In navigating the US market, Umwelt encounters both opportunities and challenges, particularly in understanding and leveraging behavioral science dynamics. While human nature remains fundamentally consistent, minor cultural differences necessitate a nuanced approach.

From a technological standpoint, Umwelt's framework is highly configurable, mitigating potential challenges in adapting to varying cultural nuances. However, the key challenge lies in comprehensively understanding the US market landscape and effectively positioning Umwelt's solutions.

Targeting large enterprises in the US presents a significant opportunity, given the market's readiness to adopt technology-driven solutions and its willingness to invest in HR technology. Unlike in India, where the adoption of technology may face resistance, US companies prioritize ROI and efficiency, recognizing the cost-effectiveness of technology over manual processes.

Moreover, the demand for HR technology solutions is already high in the US, driven by the need to optimize HR operations and reduce costs associated with manual processes. Umwelt's challenge lies in effectively differentiating itself from competitors like Quadrix and positioning its solutions as superior in terms of value and effectiveness.

Effective marketing and positioning strategies tailored to the US market will be critical in overcoming these challenges. While behavioral science principles remain universal, the application and emphasis may vary between regions. Umwelt's conversational configurability will play a vital role in addressing these nuances and resonating with US-based clients, ultimately driving adoption and success in the market.

## 5. Managerial implications

Organizations can benefit from adopting similar HR tech solutions to automate personalized interactions, analyze sentiment, and provide actionable insights in real-time. By prioritizing employee engagement and leveraging technology-driven solutions, managers can foster a culture of inclusivity, improve organizational performance, and drive strategic decision-making.

**Personalized Engagement Plans:** Conventional engagement strategies often involve one-size-fits-all approaches, which may not effectively address individual employee needs. HR tech can enable the development of personalized engagement plans by leveraging data analytics to understand employee preferences, motivations, and career aspirations. This allows managers to tailor engagement initiatives to suit each employee, leading to higher satisfaction and commitment.

**Continuous Feedback Loops:** Traditional performance reviews conducted annually or biannually may not provide timely insights into employee satisfaction and engagement. HR tech solutions offer platforms for continuous feedback and performance management, enabling managers to identify issues early on and take proactive steps to address them. Real-time feedback fosters a culture of transparency and communication, which enhances employee engagement and retention.

**Learning and Development Opportunities:** Employee engagement is closely linked to opportunities for learning and growth within the organization. HR tech platforms offer robust learning management systems (LMS) that enable employees to access training materials, online courses, and skill development resources conveniently. Managers can use these tools to create personalized learning paths for employees, aligning their development goals with the organization's strategic objectives.

**Predictive Analytics for Retention:** Identifying and retaining top talent is critical for organizational success. HR tech solutions equipped with predictive analytics can analyze various data points such as employee performance, turnover rates, and engagement levels to identify flight risks. Managers can then take proactive measures, such as offering career advancement opportunities or addressing workplace concerns, to retain valuable employees and mitigate turnover.

HR tech plays a crucial role in enhancing conventional employee engagement and retention strategies by offering personalized solutions, facilitating continuous feedback, supporting remote work, fostering learning and development, leveraging predictive analytics, and promoting work-

life balance. By leveraging these technologies effectively, managers can create a positive work environment where employees feel valued, motivated, and committed to the organization's success.

## 6. Conclusion

HR tech plays a pivotal role in transforming the conventional employee engagement and retention strategies. These tools enable organizations to establish strong programs focusing on rewards and recognition, wellness and more. This comprehensive approach contributes to cultivating a motivated and engaged workforce and companies can be successful in implementing the 5C strategy of Care, Connect, Coach, Contribute and Congratulate in employee engagement.

In today's dynamic business landscape, where employee satisfaction and loyalty are paramount, organizations are increasingly turning to innovative HR solutions to enhance their people management practices.

Through the integration of advanced technologies such as artificial intelligence, machine learning, and natural language processing, Umwelt.ai has redefined conventional approaches to employee engagement. By providing personalized, real-time interactions and actionable insights, Umwelt.ai enables organizations to create a culture of inclusivity, trust, and continuous improvement.

It is important to leverage HR tech to address challenges such as disengagement, turnover, and bias effectively. Umwelt.ai's approach, grounded in behavioral science and humanized interactions, emphasizes the significance of listening to employee feedback, fostering open dialogue, and proactively addressing concerns. By prioritizing client satisfaction and delivering value-driven solutions, Umwelt.ai has positioned itself as a strategic partner in driving organizational success.
By harnessing the power of data-driven insights, predictive analytics, and personalized experiences, organizations can cultivate a motivated and engaged workforce poised for long-term success in an ever-evolving business environment.

In essence, HR technology plays a pivotal role in shaping the future of work, driving organizational performance, and fostering a culture of continuous innovation and growth. As organizations navigate the complexities of the modern workplace, embracing HR tech solutions like Umwelt.ai will be essential in unlocking the full potential of their most valuable asset—their people.

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