SAP HCM - Performance & Competency Management Solution

Efficient & Cost Saving Tool

August 27, 2011

L&T Infotech

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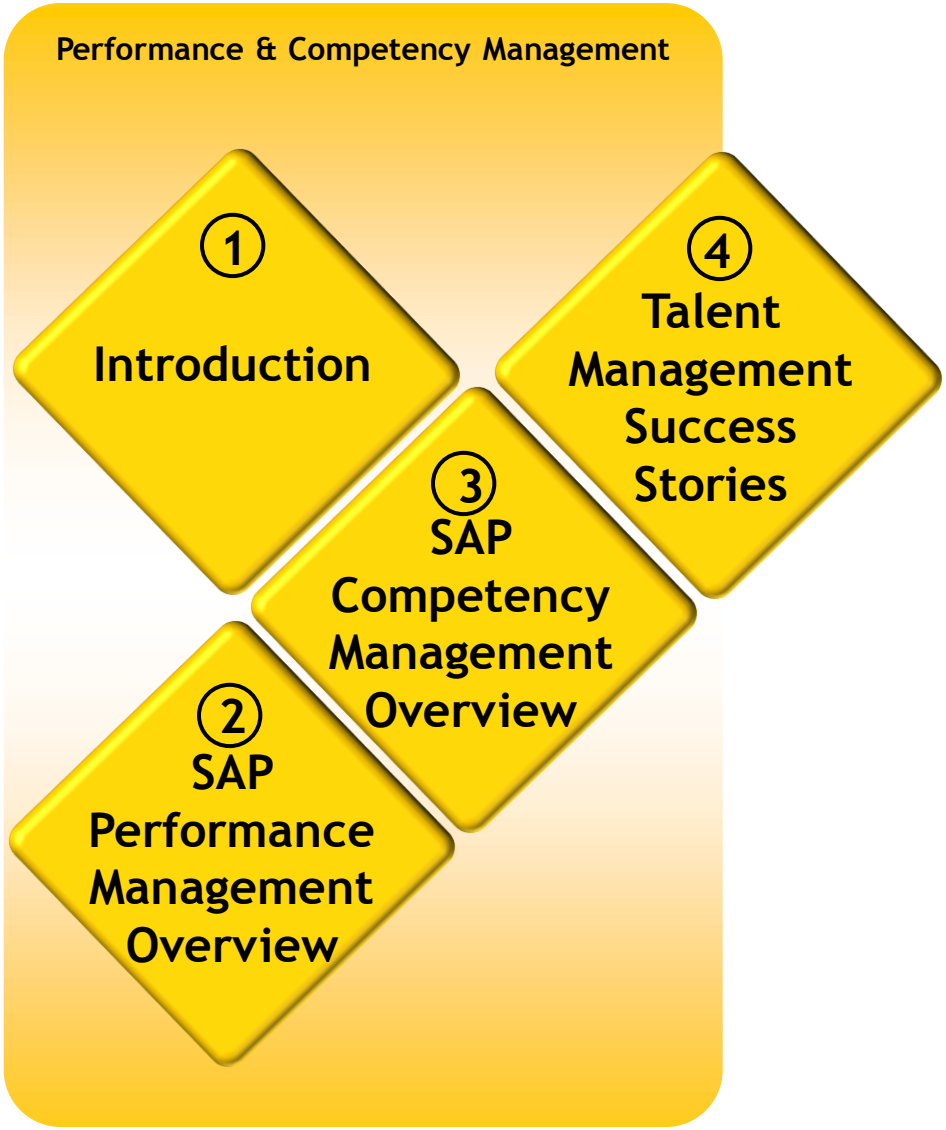
Agenda



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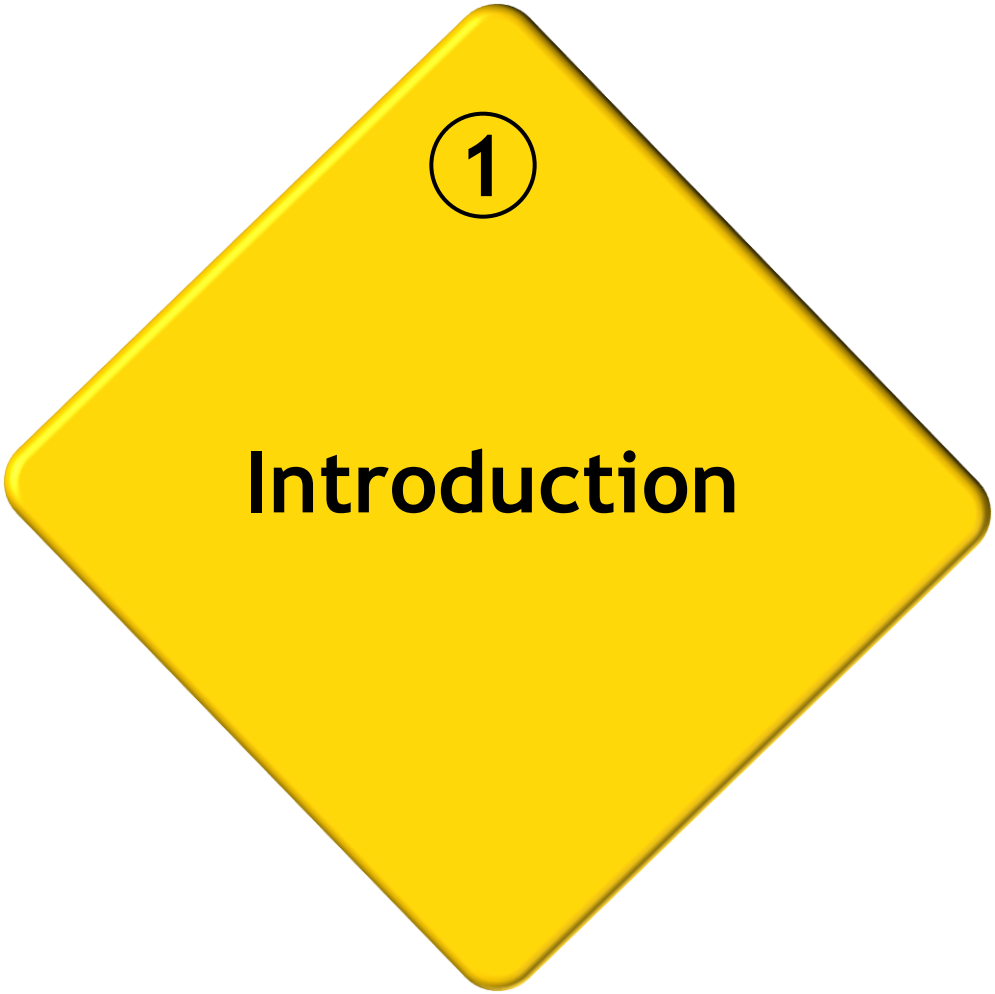

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Understanding across HCM Value Chain

- Expert Finder
- Manager Self-Service
- Employee Self-Service
- Employee Interaction Center
- Collaboration Tools

- Recruiting and Talent Management
- Performance Management
- Compensation Management
- Learning
- Training & Events Management
- Skills/Qualification Management
- Shift Planning

Workforce Planning

- Workforce Cost & Headcount Planning & Simulation
- Employee Succession Planning
- Balanced Scorecard

Relationship Management

Lifecycle Management

HCM

Talent Management

Workforce Analytics

- Pre-defined Key Performance Indicators
- Business Warehouse
- Management dashboards

- Organizational Management
- Personnel Administration
- Payroll
- Claims , Loans
- Time Management
- Reporting
- Global Employee Management

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Talent Management Process

Talent Management:
What is included and what's the ultimate goal?

Functional Silos

Integrated Processes

Traditional Approach:

- Point solutions, redundant silos
- Process flow limitations
- Not aligned with business goals
- Lack of comprehensive talent view

Integrated Approach:

- Fully integrated solutions
  - Grow up as you like
- Performance - strategy alignment
- Flexibility and control throughout
- Comprehensive view of talent and goals

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Employee Performance Management

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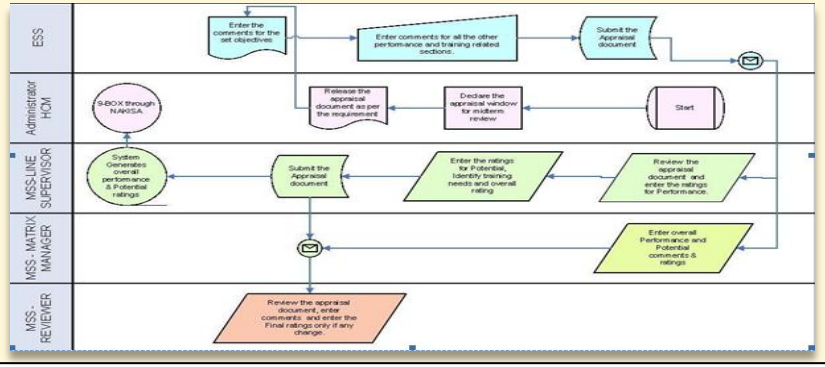
Performance management System -Increased User satisfaction

HR Manager

- Automation of entire process of Objective setting & evaluation
- Saves time for Talent Team
- Track & Manage workflow from HR Desk(no need for persistent follow ups)

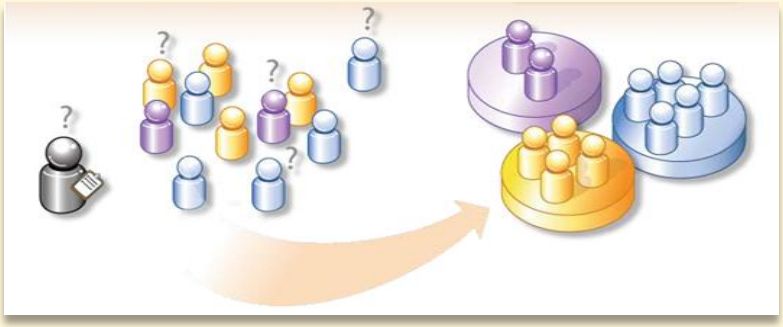


Employees

- Web Based & Easy to Use (increased participation of employees & managers)
- Saves Time (Appraisal status reports for monitoring)
- Improve Quality and Completion rates

Manager

- Identifying Potential – System does it for HR users !
- Succession Planning – Managers can visualize the changes before decision making



Talent Manager

- Integration with BI
- Dashboard & Statistical Analysis

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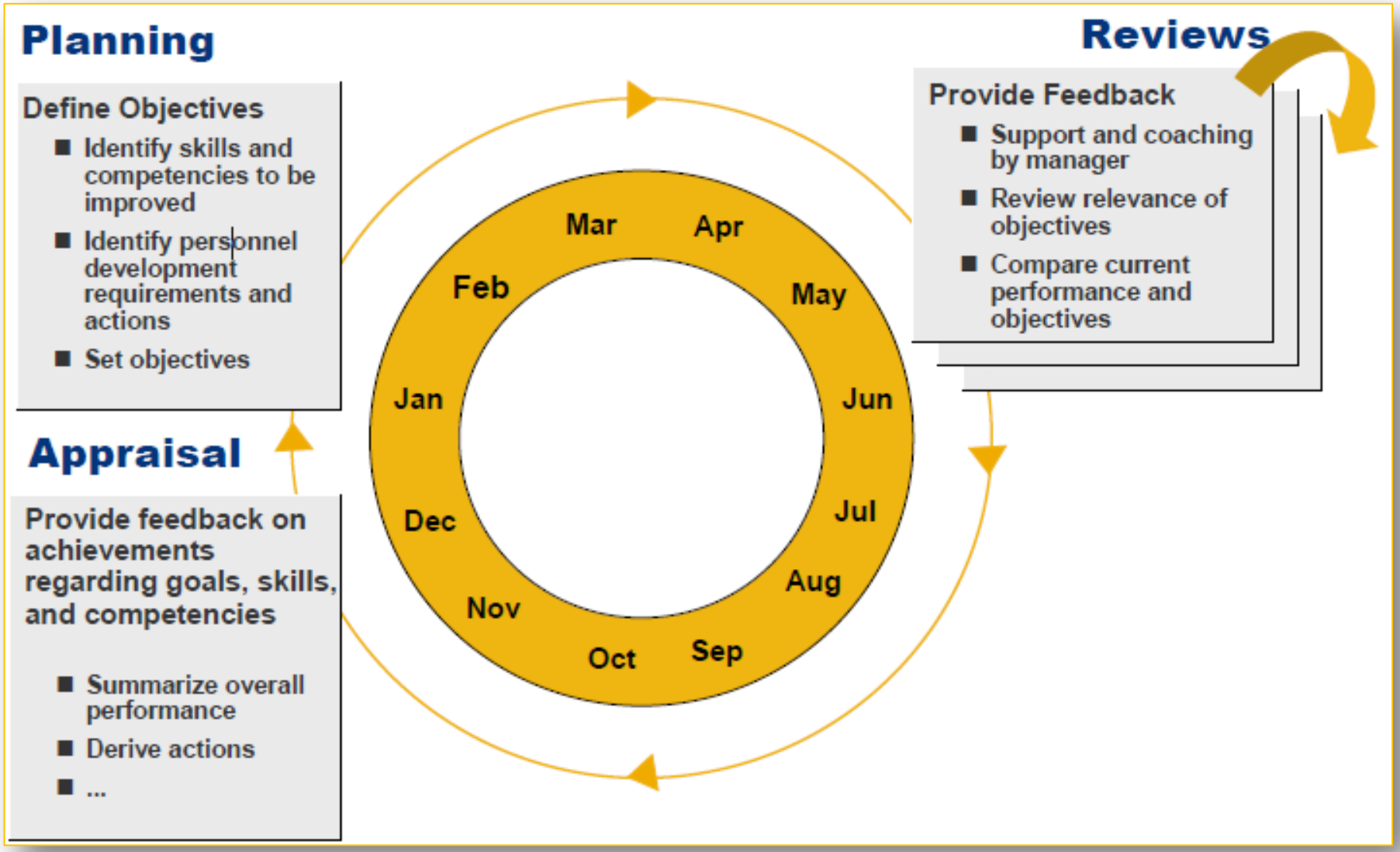
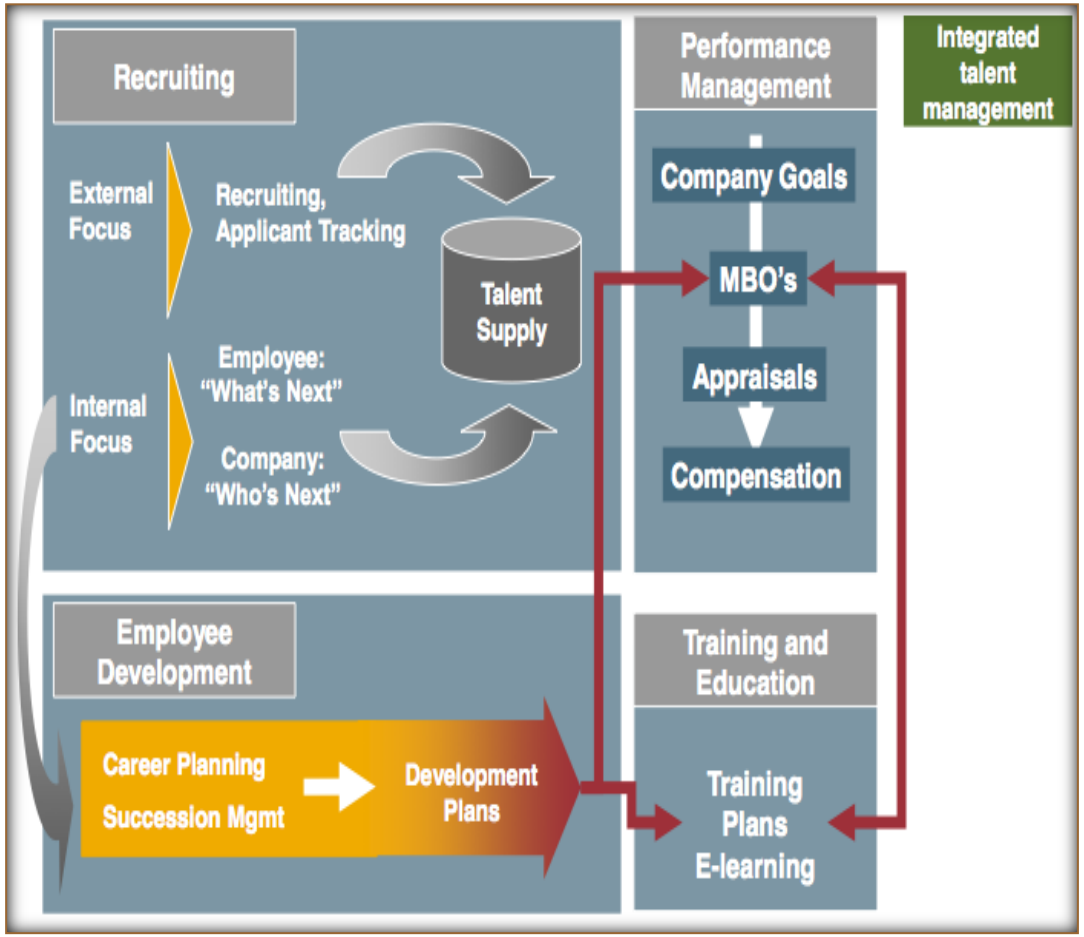
Energizing the workforce by continuous Performance Feedback



Supporting Business Globalization and Agility with SAP Performance management

- Visibility into hidden talent
- Planning performance for accountability, role clarity and effectiveness
- Single methodical platform to plan, measure and optimize Processes



Providing an integrated business platform for managing talent across the entire business foundation - in various organization for their global operations

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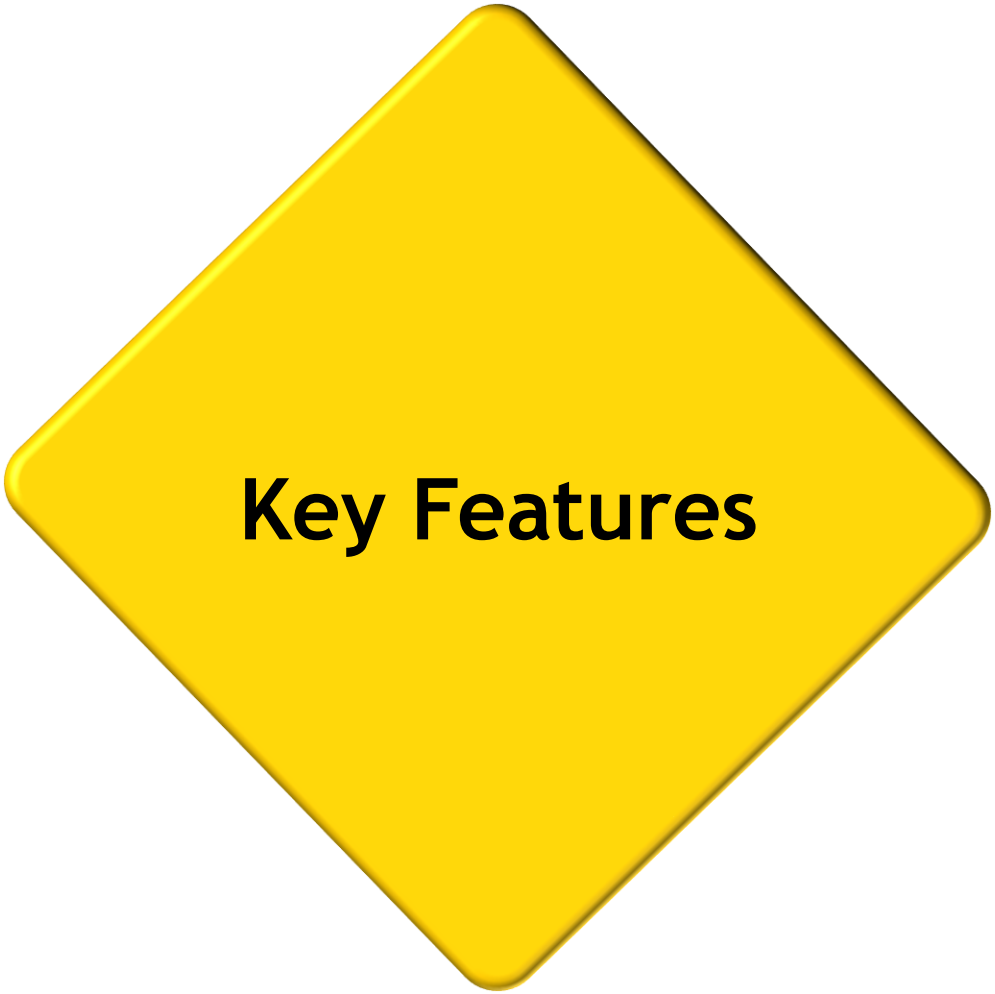

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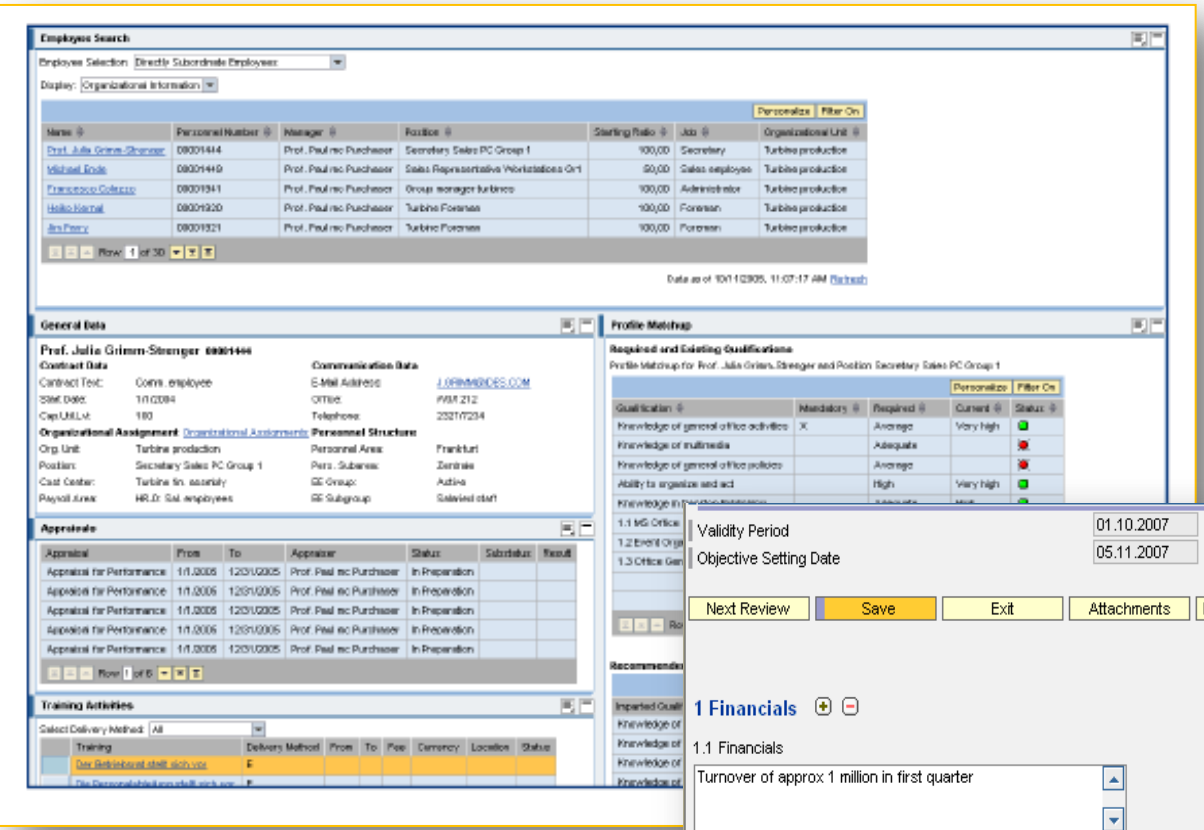
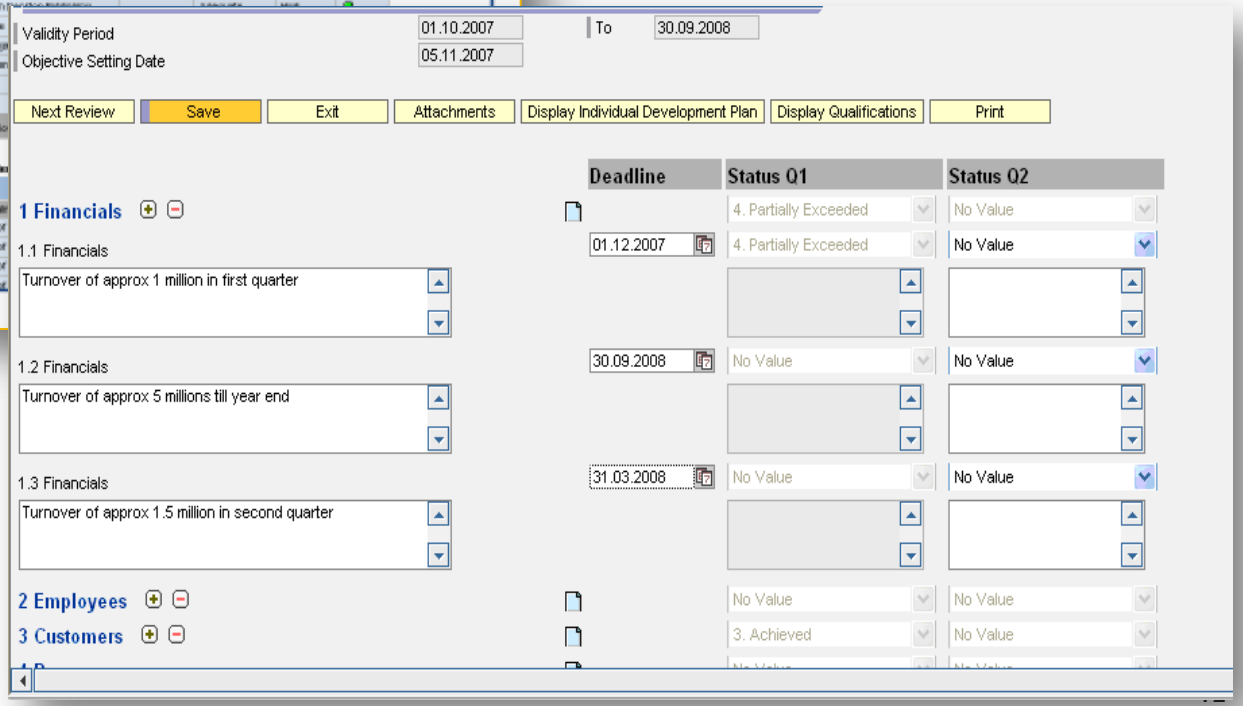
Different Delivery Mediums for Appraisal Forms



Manager's - Appraisal single view panel

Offline Interactive Form



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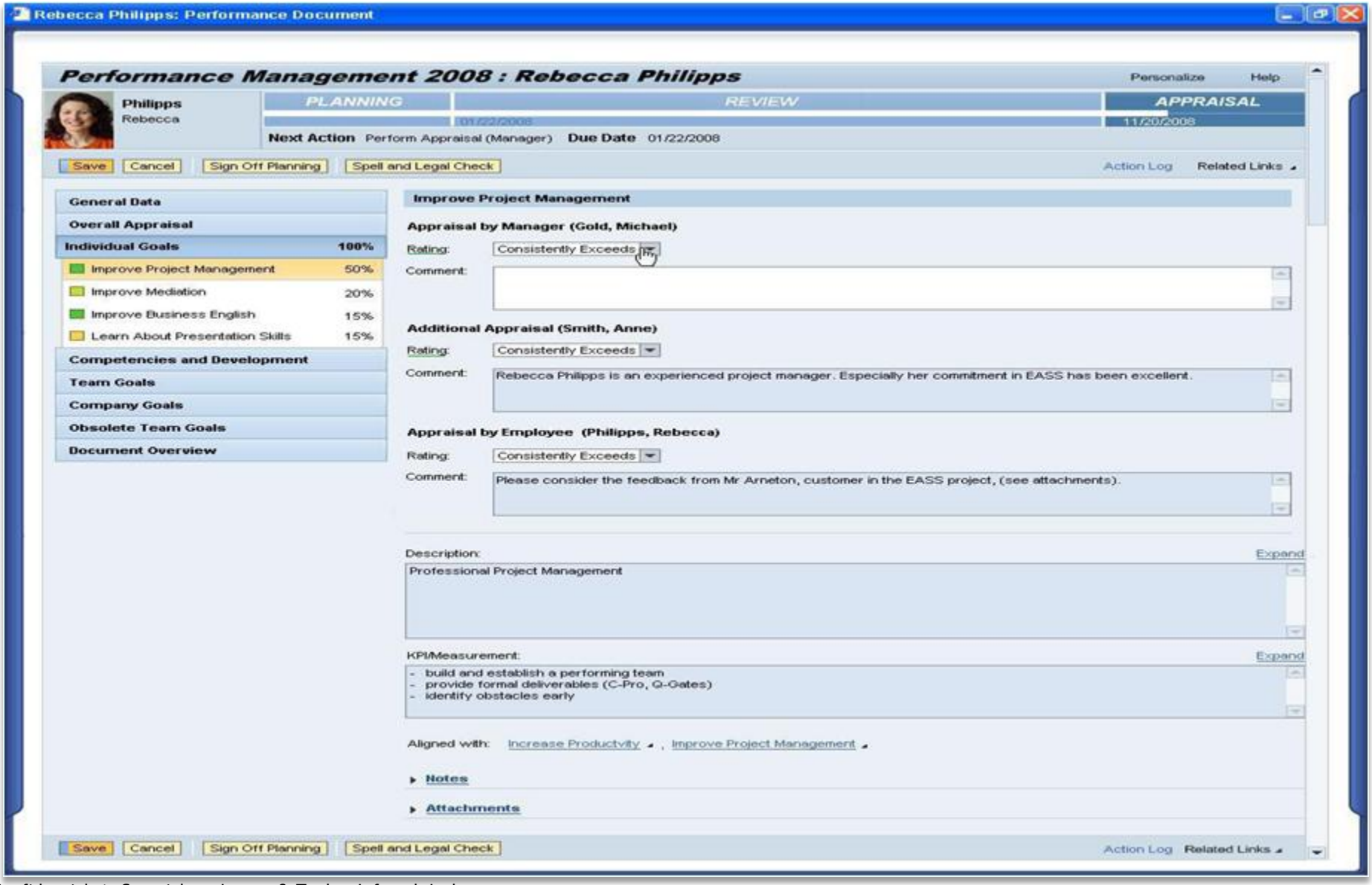
Performance Appraisal form delivered through SAP Employee Self Services



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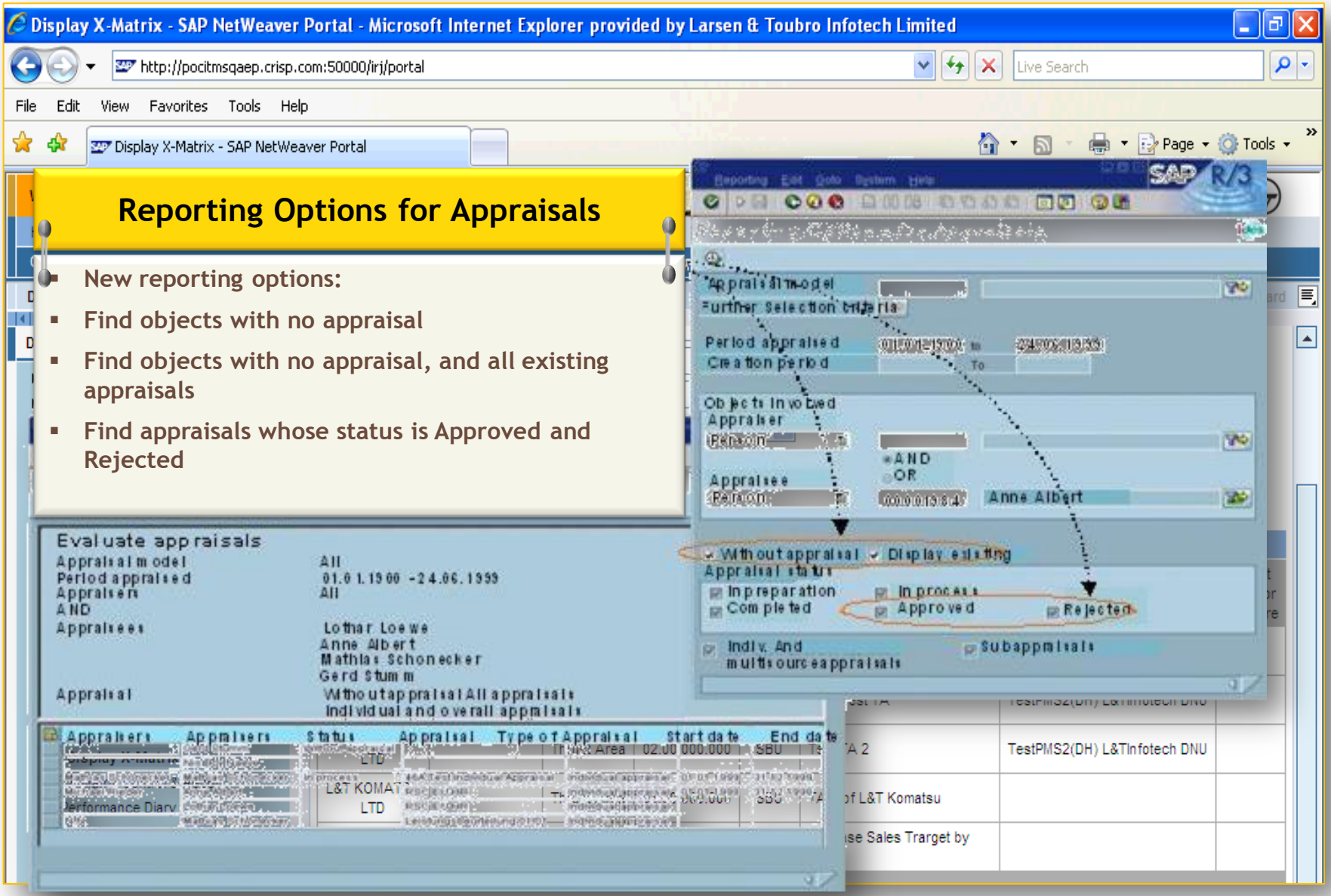
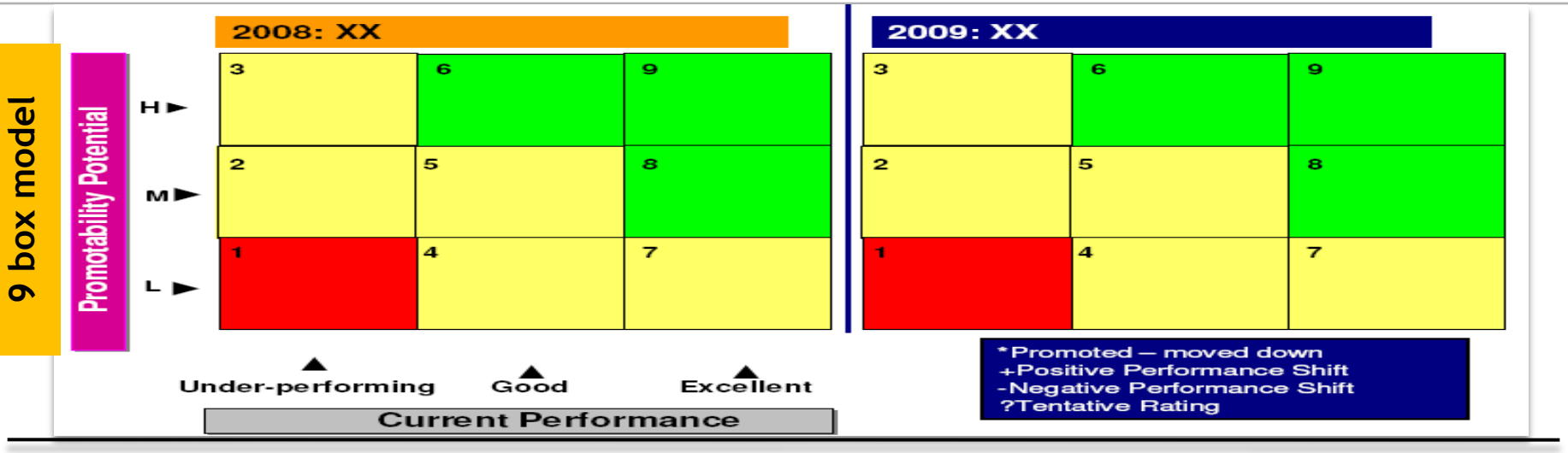
Example - Matrix Model & Monitoring tools for the HR manager

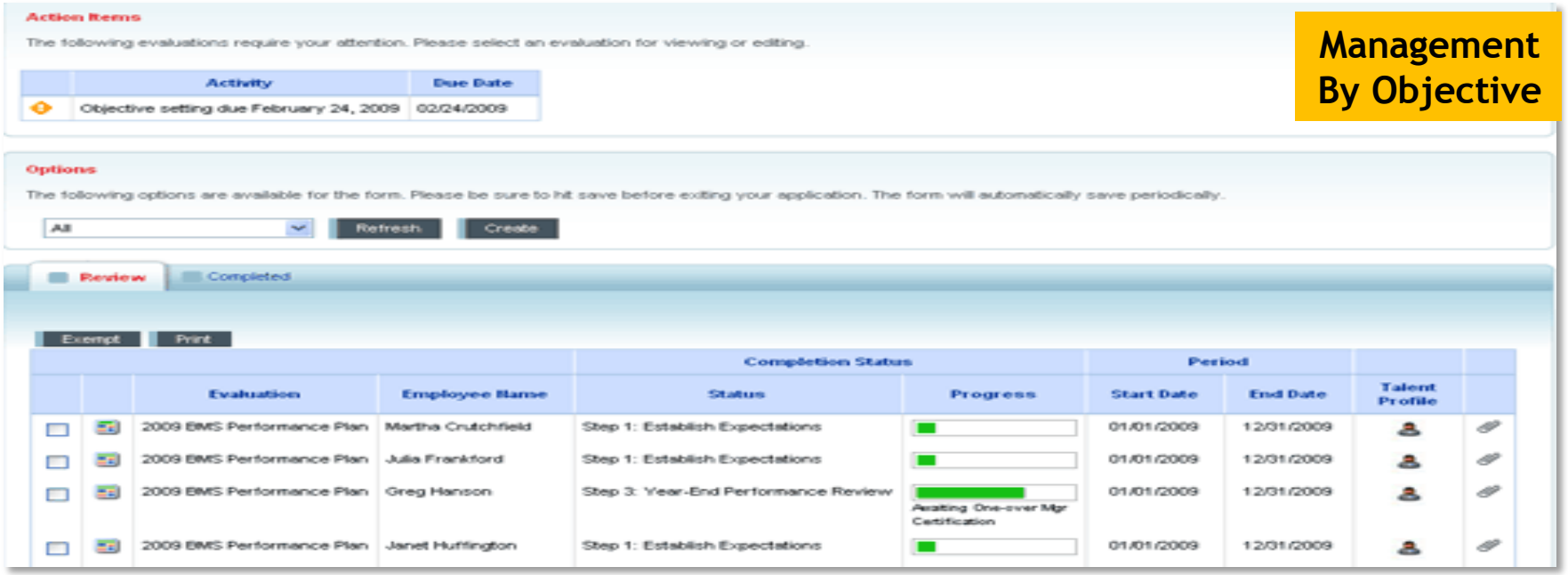


Example – Performance Measurement Models implemented

9 box model



Management By Objective



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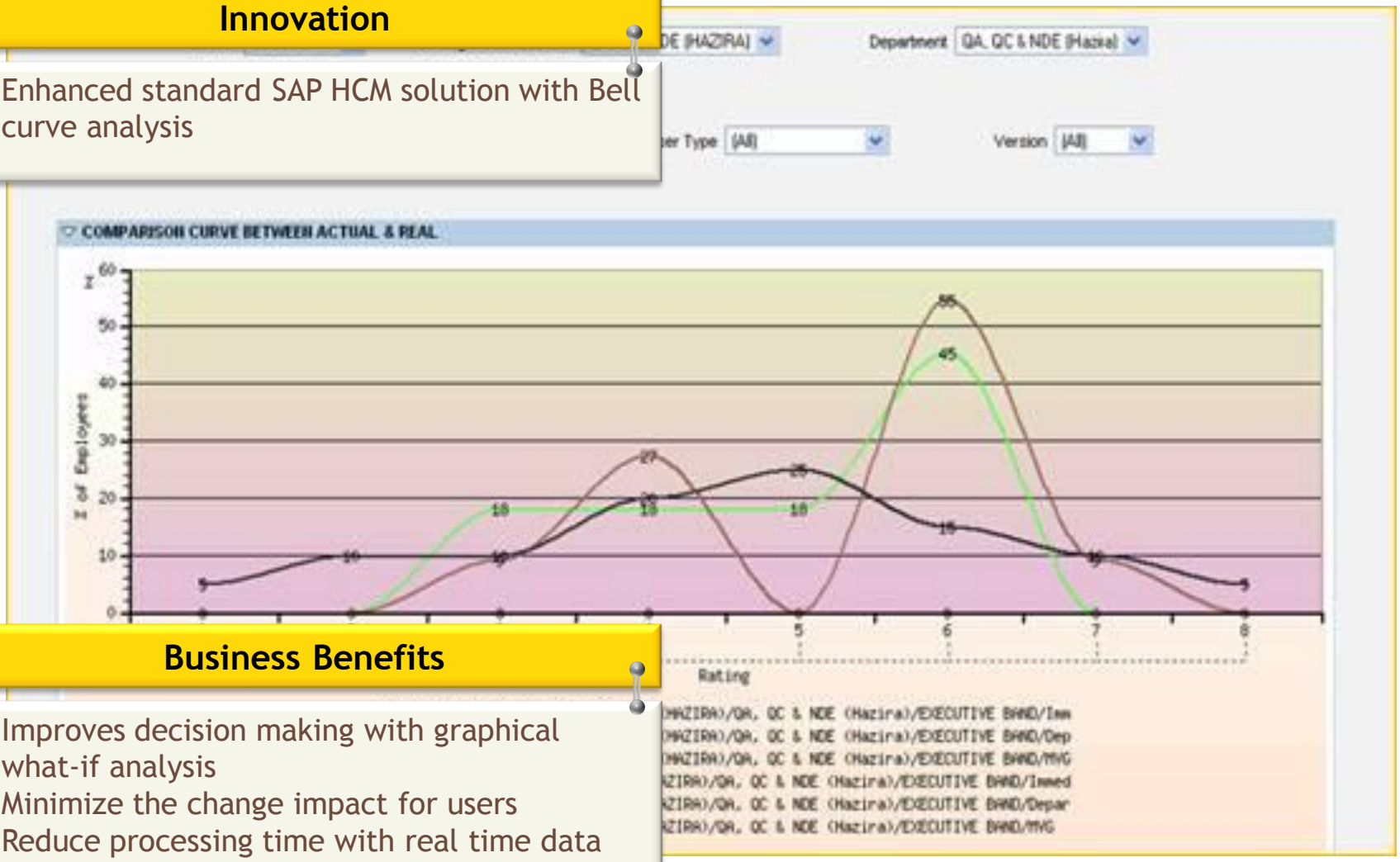
BELL CURVE Rating Analysis & Normalization

Innovation

- Enhanced standard SAP HCM solution with Bell curve analysis



Business Benefits

- Improves decision making with graphical what-if analysis
- Minimize the change impact for users
- Reduce processing time with real time data access

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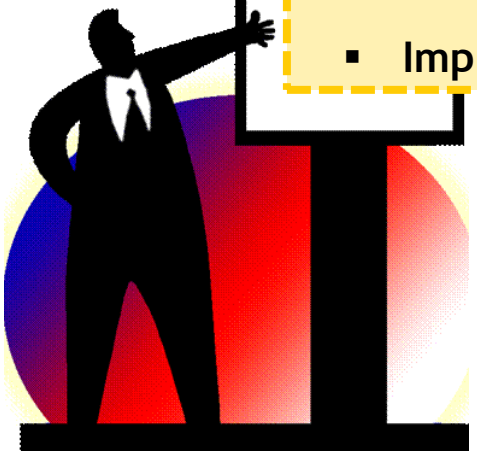
Business Benefits

BUSINESS BENEFITS

- Improve retention of key talent
- Consistently achieve corporate goals
- Process Transparency for all stake holders
- Increase workforce productivity
- Improve execution of enterprise strategy
- Support employee development
- Increase employee satisfaction and engagement
- Performance-based pay
- Develop deeper talent bench strength
- Implement quickly



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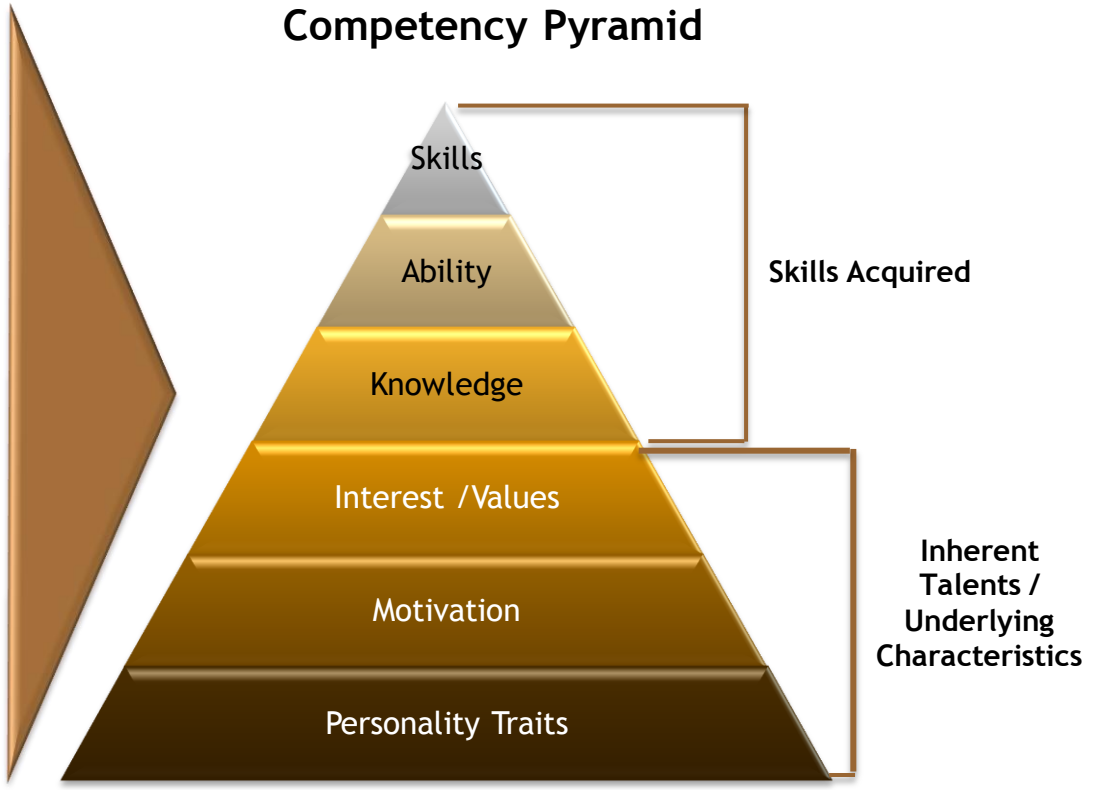
Competency Model

"Competency is a knowledge, skill or personal quality necessary to complete one or more activities related to organization objectives"



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Competency Model for Employee Life Cycle Management

Recruitment and Selection

Defines where we search for recruits and behaviors we screen for

Succession Planning

Assess high potentials based on current competency proficiency versus proficiency required of the next position

Compensation and Reward

Defines the incremental skill proficiency that we will pay for

Performance Management

Defines behaviors employees are expected to demonstrate

Career Pathing

Defines expected behaviors for each role so development plans can be established

Training and Development

Identifies performance gaps and means to address

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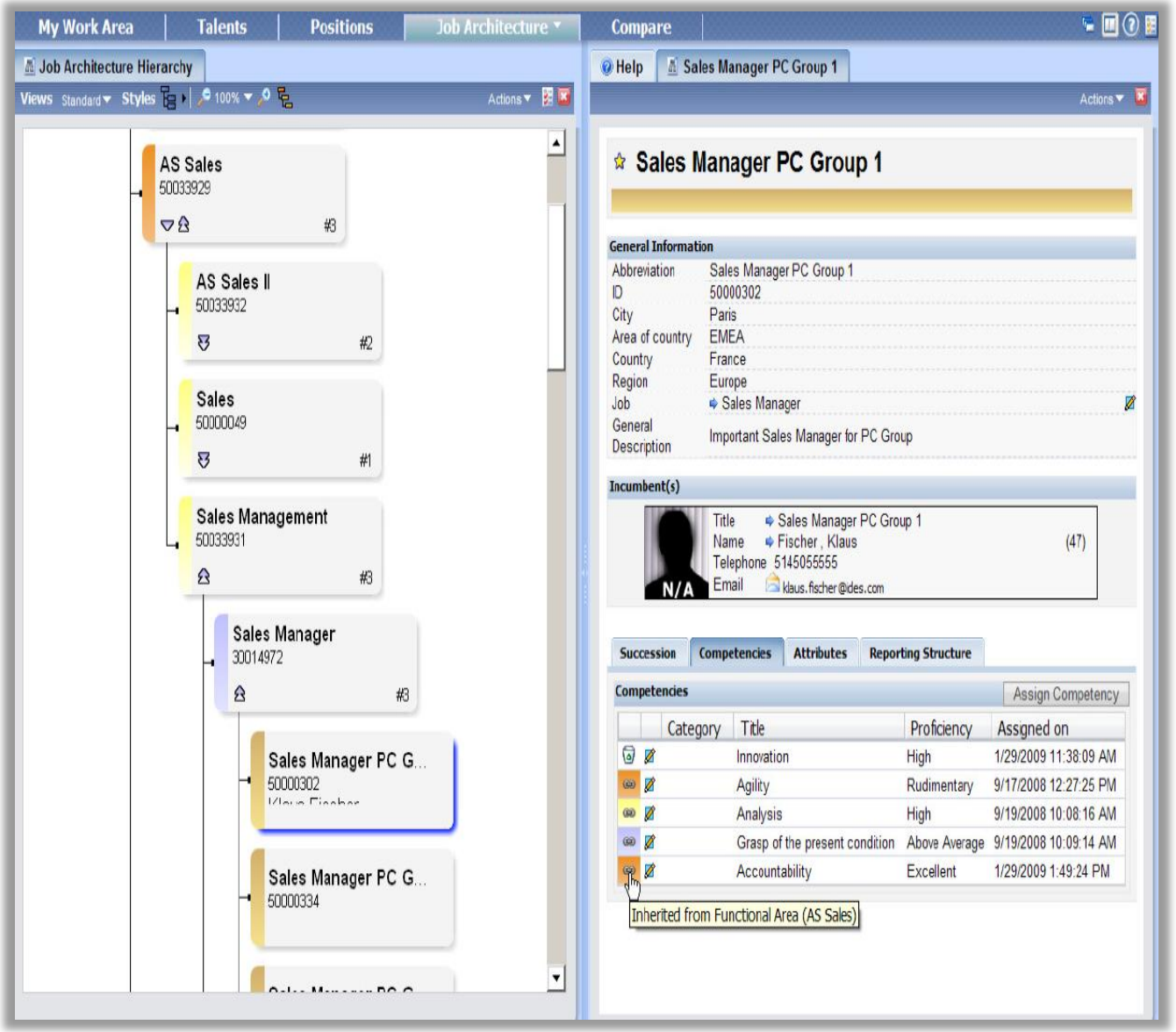
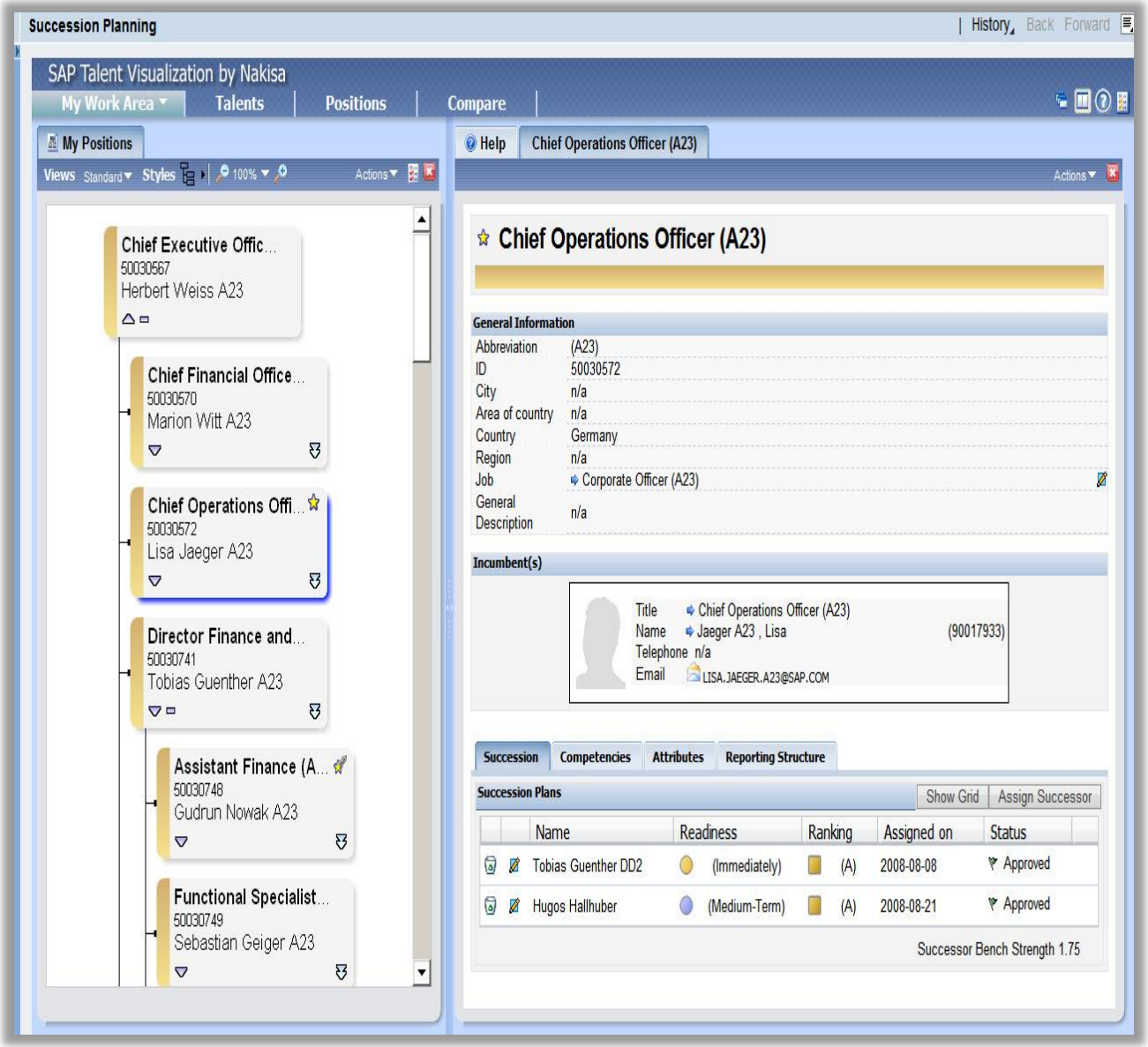
Competency Management Efficiently Manage Job Architecture and Qualifications

- Inheritance of competencies from parent to all child objects
- Identification and maintenance of key jobs and key positions
- Career path and career level of positions or jobs
- Org restructuring can be effectively managed



Succession Management in SAP HCM
Avoid Business Disruption

- Tracking of key positions at all levels
- Safeguarding successor bench strength
- Identification of potential successors and evaluate their readiness and rank
- Initiation of development Measures
- Effective decision making by Leveraging Talent Visualization



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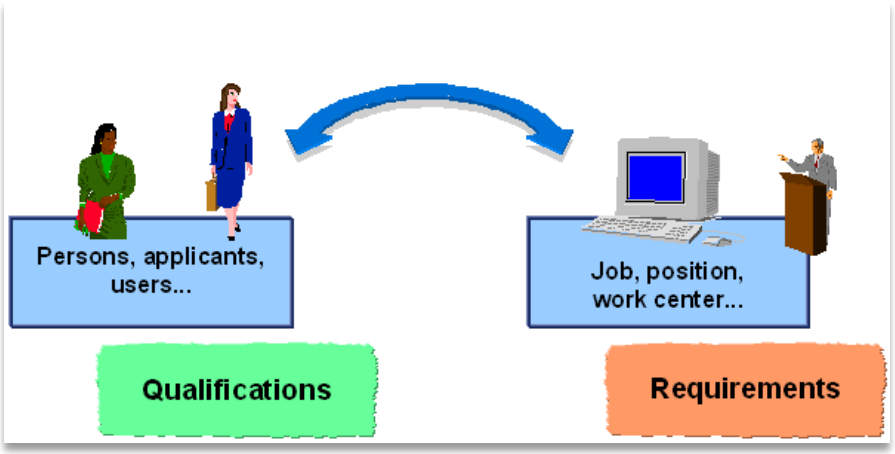
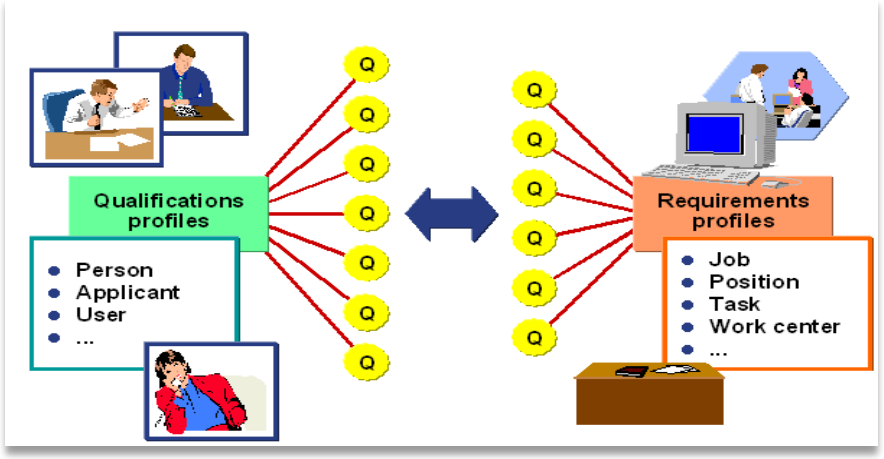
Profile Match up





- SAP Overview

Course Catalog

- Change Management
- General Courses
- Health & Safety
- IT Courses
- International Security Risks
- Leadership
- Languages
- Management Courses
- MySAP Human Capital Management
- Test Group
- Web Based Training Courses

My Learner Account

- Training Activities
- Course Prebookings
- Favorites
- Qualifications Profile
- Profile Matchup
- Settings

Profile Matchup

The system performs a matchup between your qualifications profile and requirements profiles relevant for you. Qualifications that are mandatory requirements for a job are displayed **highlighted**.

Position *Engineer* (%)

Qualification	Required	Current	Action Required
French - Beginners	Moderate	Missing	
Willingness to Learn	Average	Missing	
Boiler Tuning	Good	Missing	
Boiler Maintenance	Good	Good	
Boiler Installation	Good	Good	
Teamworking	Average	Missing	
Customer Handling	Good	Missing	
Engineering Degree	Yes	Yes	
Boiler Engineering licence 1st class	Yes	Missing	

To Overview of Icons Used.

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Business Benefits

SAP Performance management – Efficient & Cost Saving Tool

Customer Benefits Achieved

Sanlam Financial Services Group	▪ Training costs reduced by 90% through e-learning ▪ Talent retention through better quality training
Auckland Regional Council	▪ Greater employee productivity ▪ Improved employee motivation
Confiserie Leonidas S.A.	▪ Optimum use of talent pool and new recruits ▪ Increased productivity
Statoil	▪ Increased employee satisfaction and productivity ▪ Support global processes
LyondellBasell	▪ Greater talent retention through improved employee development ▪ More efficient knowledge transfer

SAP customers improved employee performance by 44% compared with non-SAP customers, who improved by 33%.

Aberdeen Research Brief: Best-in-Class Organizations Use Integrated HCM 2007

Effectiveness of SAP Performance & competency management

Comparing Organizations with Suite Versus Standalone HR Systems	
Business Benefit	**Suite Versus Standalone Performance Management**
Ability to link compensation to performance	210% higher
Ability to build a culture of high performance	161% higher
Ability to rapidly respond to business change	155% higher
Ability to develop employees to meet business needs	159% higher
Ability to develop a strong leadership pipeline	66% higher

Source: Bersin & Associates, 2008

> While organizations may see some benefits from standalone HR applications, the end results pale in comparison with the potential benefits of an integrated solution.
>
> Bersin & Associates
> Research Bulletin
> August 2008

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SAP HCM Implementation & Support at Freescale – SAP Recognized Case Study

A High Tech Manufacturing Major in Semiconductor Electronics operating in more than 30 countries with 24000+ employees

Client details

- Revenue: $ 5.4 billion
- Employee Size: 24,000
- HQ: Austin, Texas
- Global Presence: 30 countries

Key Project Highlights

- HR Business Processes
  - HR master data
  - Compensation planning (ECM)
  - Performance management
  - Learning management
  - ESS/ MSS
- Comprehensive level of Integration with more than 360 custom interfaces
- 1M records spanning 63 SAP HR Infotypes
- Analytics with >1000 custom reports

Goals Accomplished

- Low total cost of ownership
  - 50% reduction in HR IT support costs
  - 87% reduction in number of interfaces
  - 74% reduction in HR IT application systems
  - 90% reduction in the number of reports (from 1,000+ to 92)
- Single Global HR Platform (SAP replaced 38 HR IT systems)
- Significant reduction (almost 70%) in maintenance cost of HR IT systems post HCM implementation

Recognition by SAP – Published Case

SAP HCM
ɔln-Featured Case St

SAP HCM Implementation & Support at L&T

India's largest engineering and construction conglomerate with additional interests in IT, financial services, cement and electrical business.

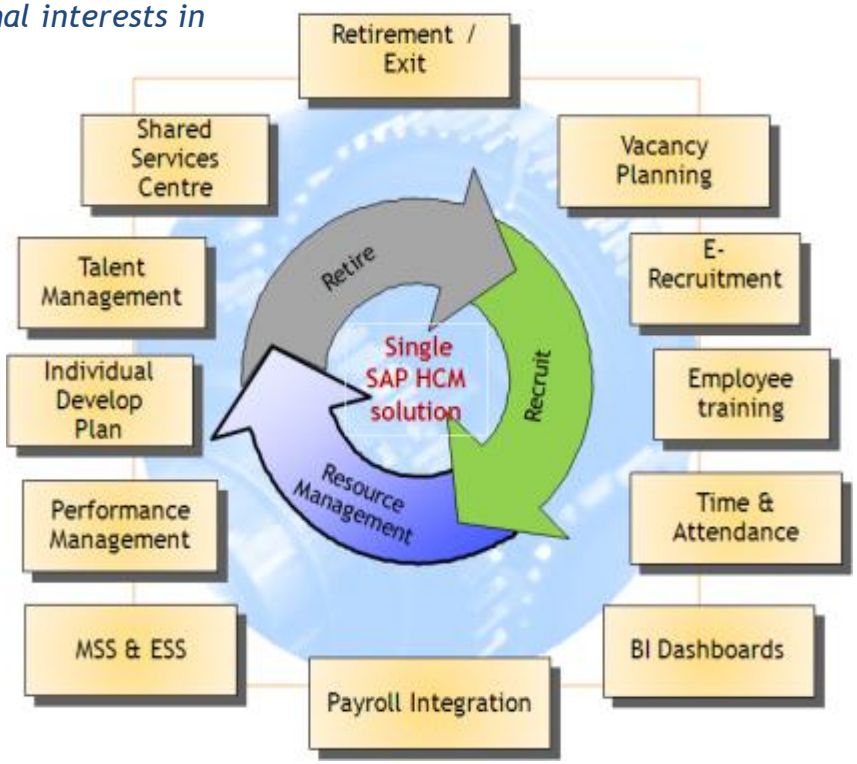
Client details

- Revenue: $ 11.7 billion
- Employee Size: 55,000 (30,000+ online participants)
- Global Presence: 288+ locations (EMEA, NA, APAC)
- Companies/Business Units: 60+

Project Details

SAP HCM, Portal, BI & XI Implementation project named CRISP:
Modules implemented under HCM:

- Organization Management
- Personnel Administration
- Training, Qualification Catalog, Appraisals
- Compensation Management
- Talent Management
- ESS & MSS
- E-Recruitment (www.careers.larsentoubro.com)
- Time Management



Business Objectives

Issues with legacy HR Information System like:

- No Integrated system
- Static data - Not Updated
- Mismatch Between Systems
- Incorrect data

SAP-HR to provide automated, efficient and transparent HR processes and accurate information for

- Taking strategic business decisions
- Responding effectively to emerging HR challenges
- Enabling informed decisions by managers
- Empowering employees
- Enabling HR to focus on value added roles

Value Delivered

- Enables observation of employee performance over a period. Employee can update Appraisal periodically
- System across L&T for linking performance appraisals with thrust areas.
- On-line reports: e.g. Separation analysis;
- Saving in time & effort, and availability of real-time information, for L&T as a whole

Question & Answer

Thank You

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Our Business Knowledge,
Your Winning Edge.

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