

A hand is pointing at a digital screen displaying a line graph and data points. The background is dark with blue and green highlights, suggesting a data visualization or financial chart. The text is overlaid on a semi-transparent dark blue band.

IBM CHRO Perspective and SAP[®] SuccessFactors[®] Solutions

Human capital management in the era of digital
transformation

Contents

| | |
|--|----|
| A Perfect Storm | 5 |
| Digital disruption changes everything | 5 |
| View talent acquisition through a marketing lens | 9 |
| Enable continuous workforce planning | 13 |
| Capture the voice of the employee | 16 |
| Improve the employee experience | 19 |
| Mobile technology | 23 |
| Internet of Things | 29 |
| Cognitive computing | 31 |
| SAP SuccessFactors solutions and cognitive computing | 33 |
| Conclusion | 35 |
| Next Steps | 37 |

A Perfect Storm

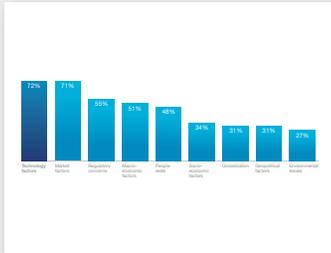
Digital disruption changes everything

As part of the series of studies from the IBM Institute of Business Value about CxOs and SAP solutions, this point of view focuses on the changes in the market through the lens of the chief human resources officer (CHRO), and discusses how technology can be viewed as an enabler to engage and empower the workforce.

In IBM's second global C-suite study, "Redefining Boundaries – Insights from the Global C-suite Study," published November 2015, IBM interviewed more than 5,000 leaders across six CxO roles in 70 countries. The leaders in this study identified the following conditions as having the biggest impact on their business:

- **Industry convergence** – Barriers between industries are collapsing as companies apply expertise in adjacent industries.
- **Competition** – CxOs are increasingly more concerned about rivals from outside their industry than from within.
- **Commotion** – Technology is a game changer affecting products and services portfolios and operating models.





Technology and market factors are transforming the competitive landscape

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Source: IBM Institute for Business Value, “Redefining Boundaries – Insights from the Global C-suite Study,” November 2015.

In compiling the CHRO perspective from the C-suite study,¹ several themes emerged highlighting how Human Resources (HR) can help corporations adapt to a changing business environment:

- View talent acquisition through a marketing lens. Skills and capabilities will need to be obtained or developed from new sources.
- Enable continuous workforce planning and skills development. Use predictive analytics to make informed workforce decisions.
- Capture the voice of the employee. Implement social tools to capture and amplify employee sentiment.
- Improve the employee experience. Exploit emerging technologies, including cloud, mobile apps, Internet of Things (IoT), and cognitive computing, to enhance employee engagement and productivity.

On the following pages, we explore how IBM and SAP can help companies address each of these themes.

1. IBM Institute for Business Value, “Redefining Talent: Insights from the Global C-suite Study – The CHRO perspective,” February 2016.



Learn more



Read the full IBM CHRO study, “Redefining Talent: Insights from the Global C-suite Study – The CHRO perspective.”

[Download now](#) ▶

View talent acquisition through a marketing lens

With the changing business landscape, the competition for talent is becoming more intense.

In the past, the focus has been on executives, their successors, and top performers. Companies now need to look at their talent differently and develop strategies around the jobs that have a direct and disproportionate influence on the company's success. The jobs that run the business – for example, the waiting staff at a high-end restaurant, the street sweeper at an entertainment park, or the sales clerk at a retail store – these are the jobs that are responsible for maintaining client relationships and loyalty and require special attention.



In addition, companies need to evaluate their brand image and recruiting plans to ensure they attract the desired candidates. To make the candidate experience a valuable one, companies have to determine if their recruiting campaigns reflect the company's values and desired customer brand. Candidates want to see where they will fit into the corporate picture, and they want to know that the work they will be doing has a purpose and will be valued.

Recruiting, execution, and onboarding

SAP® SuccessFactors® solutions that support recruiting, marketing, and onboarding can be used by sourcing teams to further attract and communicate with future employees.



Future employees have the opportunity to assess the company culture when they access the company's Web site and the company's sourcing site. It is important for employers to evaluate their recruiting campaigns to attract employees; they need to ask themselves difficult questions, such as:

- Why would a candidate want to work for us?
- What attracts a candidate to us?
- What do we offer that our competitors do not offer?

Once a candidate is offered a position, the seamless employee experience can start. Employers can use SAP SuccessFactors Onboarding solutions to communicate their company values and culture. They can be creative and continue the recruiting experience right through to the employee's first day. Using SAP SuccessFactors Onboarding solutions, employers can provide new employees with a day-1 welcome pack that contains critical how-to information, recommended training, and contacts. This enables new recruits to feel welcomed, engaged, and productive as soon as they join the team. The software can be used to introduce managers and mentors, share profiles of key individuals, and schedule introductory meetings – all while fostering a solid sense of community.



Enable continuous workforce planning

Given the ever-growing importance of HR strategies to the success of the business, it is critically important that the same level of planning, analysis, and insight typically reserved for finance, sales, and marketing is also directed equally toward the workforce itself. To react, survive, and grow, businesses must be agile. The response to real-life business challenges and demands will depend, in large part, on HR's ability to develop levels of insight, understanding, and "readiness for anything."

HR must support business strategy

HR departments have an excellent opportunity to get ahead and support key business decision makers by providing a clear understanding and guidance on the various ways the workforce needs to adapt and change to support new business directions and strategy. Many business initiatives, deemed valid at the outset, very quickly fail due to unforeseen workforce complexities such as slow recruitment of key skills and greater-than-expected workforce skilling and transformation costs. The right tools and data can combine to offer this all-important insight.

SAP SuccessFactors Workforce Analytics

SAP SuccessFactors Workforce Analytics solutions can help improve decision making by enabling companies to find answers to key questions about workforce challenges, providing guidance to help solve them, and giving answers that can help drive successful workforce initiatives.

Using your current data and relevant external sources, SAP SuccessFactors Workforce Analytics solutions provide concrete and actionable insights based on workforce data to drive your business strategy today and help you plan for the future.

Rather than relying on gut feelings to drive your key decisions, you can understand what is happening in your workforce and why. Identifying the leading indicators of organizational effectiveness and formulating action plans can help you achieve your corporate goals. You can improve workforce profitability and create targeted initiatives based on empirical evidence. This insight can be extended with IBM's Kenexa Talent Insights for HR.

Learn more



Visit the SAP SuccessFactors Workforce Analytics Web page.

Go there now ▶



Learn how IBM and SAP have joined together to transform talent management.

Read the press release ▶



Capture the voice of the employee

The voice of the employee has long been a powerful, yet elusive, statement about how people see your company from its most vulnerable point: the inside. Social tools provide a platform that can provide a broad variety of collaborative and creative opportunities, if they are embraced effectively.

In the past, the voice of the employee had been heard only in the form of opinions that might bubble up to senior management and periodic employee surveys that are often overanalyzed to the point where they deliver diminishing returns.

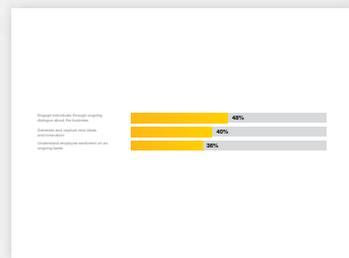
Social tools are the electronic platforms that allow employees to perform a variety of tasks, including status updates, dynamic group collaboration, and photo and video postings. Social tools generate value through openness, availability of information, and peer-based content.

The business value from social tools comes in a variety of forms, but the benefit is found in the voice of the employee. Innovations in the workforce, processes, and technology can be achieved when employees collaborate on social networks that include clients, competitors, business partners, universities, and similar business markets. By providing peer-based platforms and encouraging broad participation, social tools enable anyone to propose ideas, methods, and mechanics, and supplement them in ways that engage others in a meaningful way, empower them to make a difference, and allow them to contribute to solutions that can positively impact the bottom line.

More companies are now investing in social tools, and there is a realization that the voice of the employee is expressed in these tools. The employee information captured in social tools can be used to understand the employee experience, both on an ongoing basis and as specific situations or events occur. Social tools provide a wealth of information that can be mined, analyzed, and turned into plans of action in ways never seen before.

Nearly half of the CHROs who participated in our study use social tools to find out what employees think about general business issues. A somewhat smaller number use social tools to capture new ideas and track employee sentiment on an ongoing basis (see the bar chart).

Listening to employees can help them feel more valued, improve decision making, and stimulate innovation. It can also provide an early warning of internal problems that could cause disaffection if they're not promptly addressed. Organizations have to create a continuous dialogue with employees, just as they do with customers.



Social approaches to gathering employee insight

[Click to enlarge](#) ▶

Source: IBM Institute for Business Value, "Redefining Talent: Insights from the Global C-suite Study – The CHRO perspective," February 2016.

SAP Jam™

The SAP Jam™ social software platform provides the capabilities for sharing pictures, photos, and video, as well as structuring open groups for broad information sharing and invitation-only groups for collaboration, all in a social, yet secure setting. SAP Jam can host external participants to broaden the community beyond the boundaries of the company. In addition, the platform has notification features that can promote engagement by all participants. Sharing critical information in a social setting has never been easier.

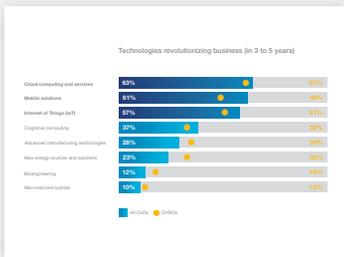
As well as providing a platform for collaboration across geographies and experts within a company, SAP Jam also provides a vehicle to capture employee feedback, recognize experts, and promote and manage change.

It enables companies to address the following situations:

- Are the same types of questions being asked repeatedly in a group on SAP Jam? If so, training or communication programs can be put in place to proactively improve employee knowledge in these areas.
- Does collaboration activity on SAP Jam indicate that employee groups don't understand the reasons or benefits of a change in process, organization, or technology? If so, targeted communications or training can be deployed to address these concerns.
- Are certain individuals emerging as leaders in a particular community? The volume and quality of posts on SAP Jam can be measured to identify employees with expertise and credibility among their colleagues. The contributions of these individuals can be formally recognized and rewarded to encourage even more collaboration within the company.
- Are innovative suggestions or ideas being discussed in a group on SAP Jam? These innovations can be explored and potentially brought to the market.

Improve the Employee Experience

CHROs interviewed for IBM's global C-suite study (see chart below) are expecting certain technologies to revolutionize business in the next three to five years.



Technologies revolutionizing business (in 3 to 5 years)

[Click to enlarge](#)

Source: IBM Institute for Business Value, "Redefining Talent: Insights from the Global C-suite Study – The CHRO perspective," February 2016.

As these technologies permeate the workplace, employees are expecting the same capabilities in their dealings with the HR function. Employees are growing less tolerant of older, more complex corporate systems. They increasingly expect intuitive applications that are seamlessly integrated into their working lives.

Some of the key technologies that are permeating the workplace include:

- **Cloud technology** – providing an intuitive, responsive employee experience and improved data quality
- **Mobile applications** – reimagining the way work is accomplished as well as how employees interact with HR services



- **Internet of Things (IoT)** – improving employee productivity and experience through greater insights about individual and collective activity
- **Cognitive computing** – serving as a trusted advisor regarding work activities and personal development



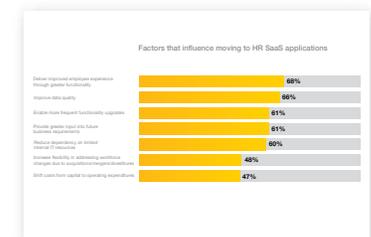
Cloud Technology

CxOs are primarily looking to cloud-based HR applications to improve the employee experience and data quality (see chart below).

Making the employee experience both powerful and compelling is a concept that many companies are starting to fully embrace. So why is the employee experience so important?

- There is a continual war for talent.
- Research links engagement to performance.
- The millennial mindset is permeating the workforce.
- Employees are approaching the workplace as consumers.
- The customer experience depends on the employee experience.

Factors that influence moving to HR software-as-a-service (SaaS) applications



[Click to enlarge](#)

Source: IBM Institute for Business Value, "Redefining Talent: Insights from the Global C-suite Study – The CHRO perspective," February 2016.



Experience the benefits of cloud technology with SAP SuccessFactors solutions

One of the most significant aspects of SAP SuccessFactors solutions is how they improve the employee experience. For example:

- Employees can personalize their experience by organizing panels (or categories) of information to meet their needs, adding information like stock quotes and removing panels that don't add value to the experience.
- The solutions are intuitive, and most processes can be accessed with a single click. The interface and response times are similar to the applications that employees use outside of work.
- Employees and managers have access to more information than ever. This can include career paths, goals for the year, performance criteria, learning curricula, and information about their colleagues. Employees can now see the link between performance and compensation, and understand more clearly how their role contributes to the achievement of company objectives.
- Employees and managers are presented with tasks and information catered to their position and responsibilities. Notifications, reminders, to-dos, and learning suggestions are specific to the employee.
- Most tasks can be performed on a mobile device as well as a workstation.
- Collaboration, continuous learning, and knowledge sharing are incorporated into the applications through SAP Jam.

Cloud-based SAP SuccessFactors solutions offer other key advantages:

- Processes are standardized, simplified, and not customized. Data quality and consistency are greatly improved, enabling better and more-timely insight and decision making.
- Technology is always current. New and improved functionality is available throughout the year, and there is never a need for an “upgrade.” SAP SuccessFactors solutions are always up-to-date.
- As processes are streamlined, so are the technology landscapes and support structures. As a result, companies are more nimble and able to adjust to changing business conditions, including merger and acquisition activity.

Learn more



Discover how you can enhance engagement and productivity by redesigning the employee experience.

[Visit the Web site](#) ▶

Mobile Technology

Mobile devices have now proliferated in the market to a point where most employees have at least one device with them at all times. These devices deliver a continuously expanding array of apps that provide users with a host of activities and functionality, anytime and anyplace.

They also offer a host of concerns and opportunities for employers. However, the opportunities far outweigh the concerns in terms of driving innovation.

Among those opportunities is a “work anywhere” capability. This has become especially powerful as companies are redefining their investment in facilities and even their concept of an office and where work has to be done. To some degree, this conceptual change has always existed for specific populations, such as field sales and field service workers. They’ve seldom had the support of an office structure. Instead, they learn to be flexible and ready for all situations.

Mobile devices make it possible to support their roles even more effectively, speed communications with a larger team, and provide a virtual toolkit capable of fulfilling ever-changing needs.

“Not only have these new technologies changed where we do our work, they have changed the very nature of how work gets accomplished.”

Source: IBM Institute for Business Value, “Designing employee experience: How a unifying approach can enhance engagement and productivity,” February 2016.



The traditional office worker also has an opportunity to capitalize on the opportunity for work to be continued well beyond the office. This can be extremely liberating, especially when employees are working across multiple time zones and need to monitor, guide, and contribute beyond the standard workday. Mobile capabilities give them the flexibility to manage work-life commitments that might otherwise slow progress of that work and limit collaboration.

Mobile capabilities can be extended to many other types of workers, such as knowledge workers, researchers, executives, developers, and so on. These capabilities make the place where we perform work far less relevant to an employer. They have created numerous opportunities to redefine how work gets done, and what the work really is.

Considerations when incorporating enterprise mobility

While the multigenerational and increasingly mobile workforce is expecting the flexibility of mobile apps, there are some areas of risk that need to be addressed before deploying a mobile program.

Security

Security becomes a critical concern with mobile apps, since mobile devices may contain employee-sensitive data as well as company-private information.

In some cases, mobile devices may have details that are the subject of confidential or government security restrictions. Therefore, it is necessary to consider policy and protection, including elements such as unauthorized users, lost devices, and malware, in a similar way that organizations already handle computers.

Equally, companies must consider the frequent co-location of company- and user-installed apps for personal activities, as well as personal information and personal usage for browsing, e-mail, messaging, or phone calls.

Employee guidance

The constant presence of mobile devices can be a potential fatigue factor for employees. When are they able to work, and when are they not? Is there a protocol for employees making themselves unavailable to work or ignoring managers' or colleagues' requests during weekends? How does this impact hourly employees or those with limited work hours?

To answer these questions, employers need to provide guidance to employees about how they interact with their devices during work hours and personal time. In addition, employees will need to develop personal practices to limit their attention to work-related communications during personal time.

The mobile device has caused companies to quickly redefine the employee experience, making it easier, faster, and more flexible. Companies need to consider both the positive and negative aspects of a mobile-enabled workforce when forming mobile device policies and frameworks.





SAP SuccessFactors solutions and mobile devices

SAP SuccessFactors solutions bring mobile convenience to employees and managers, enabling actions to occur just in time from any location.

For example, performance assessments may be a conversation that occurs throughout the year but, with mobile-enabled functionality, feedback and input can be collected as it occurs and transferred into the assessment later.

In another example, companies spend large sums to recruit talent, and every delay in the process puts those candidates at risk of being lost. Using predetermined evaluation dimensions, SAP SuccessFactors solutions collect feedback and results from interviews through mobile devices.

In a third example, training courses and materials are made available to employees on mobile devices, enabling them to address skills development or satisfy regulatory requirements at their convenience.

In the area of security, SAP SuccessFactors solutions will protect confidential data beyond the measures of the device itself. Even if clients are using single sign-on, which might restrict access to SAP SuccessFactors solutions using a Web browser, the mobile app will authenticate access with the employee's credentials, even offering additional security with a user-defined PIN to restrict access to confidential data and keep it secure.



Internet of Things

With the onset of the digital era and the ever-growing influence of cognitive computing, the CHRO faces a fresh set of challenges. In the face of the billions of Internet-connected smart devices and petabytes of IoT data circulating all around us, HR leaders need to look for ways to harness that data in the delivery of HR services. The mounting digital aspects of HR roles will continue to alter the ways we recruit and manage employees in unprecedented ways.

Beyond the challenge an opportunity exists

What if you could, assuming their consent, of course, access and use your employees' IoT data to help drive better workforce engagement and productivity? Better still, to customize their physical workplace environment based on what they need. Or even better yet, to benefit them directly by tailoring workplace amenities and employee benefits plans to what they really want and need in their lives. You can almost see the employee satisfaction stats improving.

Connect, transform, and reimagine HR with SAP solutions

SAP solutions for the Internet of Things provide everything you need to generate data-driven intelligence from connected things, people, and devices. Connect your business with the new generation of Internet-enabled devices in the cloud, transform your existing business processes, and reimagine your business and customer experience.

For example, using SAP SuccessFactors solutions and SAP HANA® Cloud Platform for mobile app development, you could:

- Develop employee-oriented apps that enable employees to combine work and IoT personal data, allowing them to be more productive. For example, create an app for scheduling that shows how work and personal commitments overlap, allowing them to plan personal time around work time (and vice versa).
- Combine IoT-generated location data and employee travel plans to generate alert-driven messaging for travel delays, work- and health-related risks, policy awareness in a territory, and more.
- Use IoT employee health, fitness, and dietary data to better tailor employer HR benefits, offer stay-well campaigns, and improve the physical working environment based on what people actually want and need.

Learn more



Learn more about SAP solutions for the Internet of Things.

Visit the Web site ▶

Cognitive Computing

Tremendous developments have been made over the last few years in the areas of data, analytics, cloud, mobile, social media, and the Internet of Things. While there are great benefits from applying these individual technologies, the greatest value comes from applying them together, in the context of a particular industry or business issue.

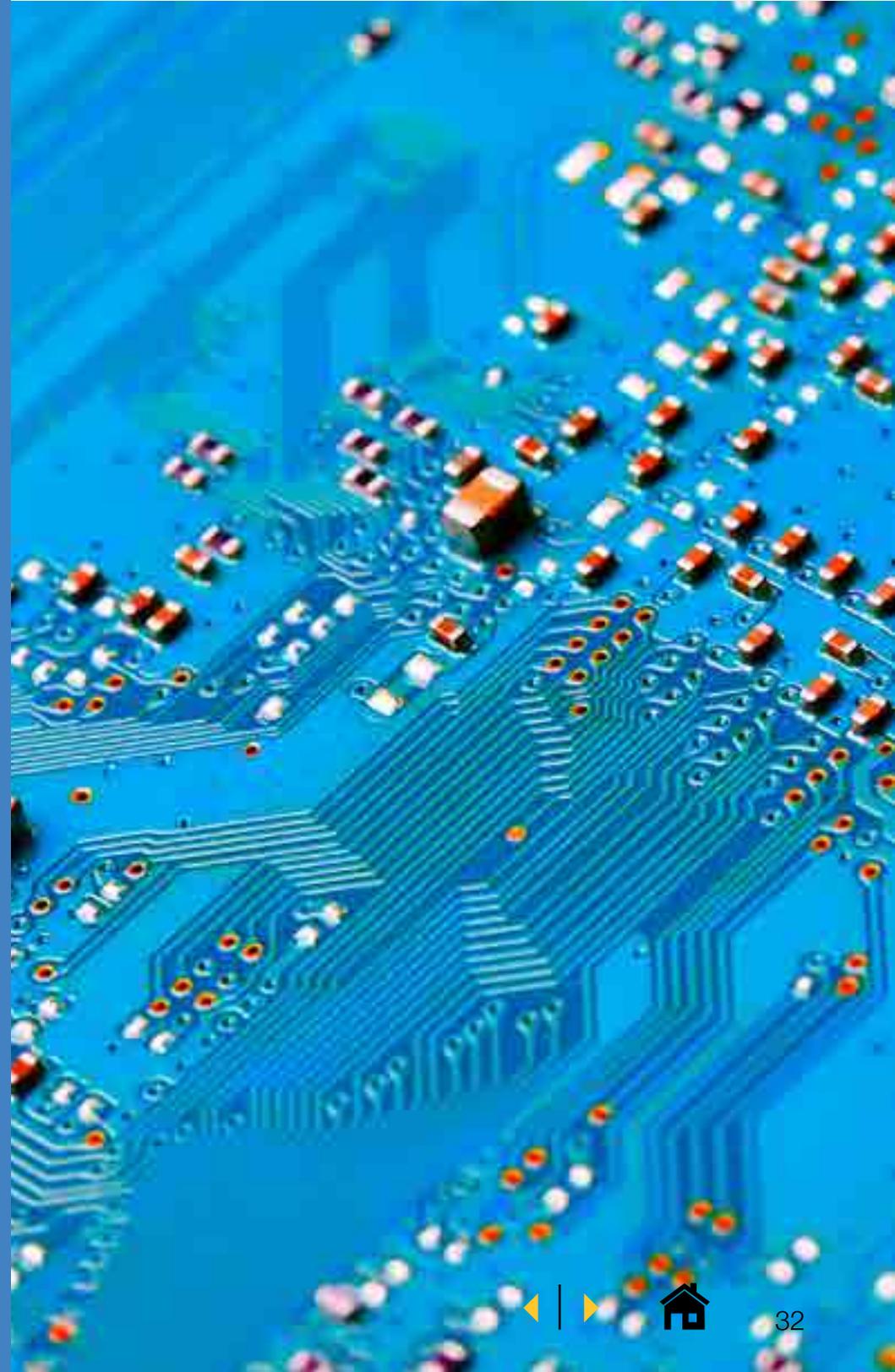
Cognitive computing has been developed to address the new capabilities required to consolidate, synthesize, and analyze vast amounts of diverse information as the world becomes increasingly digitized.

What is cognitive computing?

Cognitive computing, or cognitive-based systems, accelerate, enhance, and scale human expertise with:

- Understanding – the capability to understand all types and sources of data, within context, at astonishing volume and speed
- Reasoning – the ability to form hypotheses, make considered arguments, and prioritize recommendations to help humans make better decisions
- Learning – the ability to continuously ingest and accumulate data and insight from every interaction after initially being trained by experts

Cognitive computing harnesses data and analytics to amplify HR's ability to build the organizational capabilities required for businesses to remain competitive and nimble in a rapidly changing environment.



SAP SuccessFactors solutions and cognitive computing

With the SAP HANA Cloud Platform extension package for SAP SuccessFactors solutions, cognitive capabilities can be built into the user experience of employees, managers, and HR professionals by offering personalized advice, recommendations, and additional insight to optimize productivity and performance.

The following are examples of how cognitive computing or a “cognitive advisor” can be incorporated in SAP SuccessFactors solutions.

Cognitive solutions for the recruiter

When a recruiter is looking to fill a critical position, the **talent advisor** locates and analyzes company employees who have successfully held that position. Success is determined based upon tenure, performance feedback, and other information considered relevant. Once a list of successful employees is developed, the advisor analyzes their skills, experience, personality traits, needs, and wants to develop the optimal profile for a candidate. The advisor then locates internal employees and external candidates that fit this profile, using resumes, cover letters, and information on social media.

Cognitive solutions for the candidate

Position match is used when a candidate is interested in working for a particular company but is unsure what positions are the best match. The solution analyzes the candidate’s skills and experience, as well as the resume, cover letter, and external social media posts. It then matches the candidate’s skills and personality to the company’s open positions by using an SAP SuccessFactors solution. This advisor could also be used by an employee looking for another position internally.

Learn more



Discover how cognitive computing works.

Watch the video ▶

Cognitive solutions for the employee:

- In an interactive question-and-answer chat session, an **onboarding advisor** can inform a new employee how to perform tasks or make connections with experts in their field and can offer recommendations for training.
- An **HR advisor** provides tier-one support to answer employees’ HR questions. Employees would be passed to operations support if the inquiry was unique and required investigation. Over time, the advisor would learn answers to a broader range of questions so that fewer inquiries would need to be passed to tier two or three.

Cognitive solutions for HR leaders

The **attrition analyzer** assists an HR leader trying to understand attrition by analyzing data and uncovering relationships between elements. For example, an HR leader may be analyzing attrition for a particular division and interrogating the link between seniority and turnover. When bringing back results, the cognitive advisor uncovers insights between attrition and competencies, work location, job level, performance rating, and many other items.

Conclusion



Industry convergence, competition, and commotion caused by technology are key factors that are impacting business, according to the 5,000 CxO leaders who participated in the IBM study entitled “Redefining Boundaries – Insights from the Global C-suite Study,” released November 2015.

This changing business environment offers challenges and opportunities for CHROs to help their companies adapt and excel. Several HR imperatives have emerged from the CHRO study released February 2016.²

- View talent acquisition through a marketing lens. Skills and capabilities will need to be obtained or developed from new sources.
- Enable continuous workforce planning and skills development. Use predictive analytics to make informed workforce decisions.
- Capture the voice of the employee. Implement social tools to capture and amplify employee sentiment.
- Improve the employee experience. Exploit emerging technologies including cloud, mobile applications, Internet of Things (IoT), and cognitive computing, to enhance employee engagement and productivity.

2. IBM Institute for Business Value, “Redefining Talent: Insights from the Global C-suite Study – The CHRO perspective,” February 2016.

Next Steps

IBM and SAP can help customers on their journey to empowering the workforce and engaging employees more efficiently. Learn more about the IBM and SAP Partnership for Digital Transformation.

Watch the video ▶

Read the press release ▶

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