Data-Driven Talent Decisions

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HR Portfolio is designed to continuously improve and re-innovate SAP’s people practices

Transform to become the most innovative Cloud Company

Grow our Talent
- Talent Win Plan
- Recruiting world-class Talent*
- Career & Talent Development
- Integrated Talent Management*
- Alumni Relations

Simplify our Organization
- Business Transformation Support
- New Equity Strategy & Plans*
- Total Rewards Simplification
- HR Run Simple (Operating Model)

Lead our People
- Leadership Culture & Behavior
- Leadership Assessments & Development

One Learning Experience
- Leadership Curriculum
- Talent Curriculum
- Learning Innovation*
- Learning Culture

Accelerate Winning in HR
- SAP Runs SAP HR (Sales enablement)
- HR Technology & Process Showcase (HR Goes Cloud)*

People Sustainability**
ANALYTICS #1
Technology Trend*  
Nine out of eleven years 2006-2016  

* Gartner Technology Trends  
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What’s in it for SAP HR
- Answer talent-related questions fast and accurately
- Support organization related decisions
- Approach requirements proactively instead of react to them
- Reduce risks

Prerequisite
- Accuracy and availability of KPIs
- Analyses anytime, anywhere

Architecture of reports and analytics

- High-level overview on company wide steering measures
  - Board Members only

- Insights into HR focus areas and HR internal performance measures

- Ready-to-consume insights into HR focus areas and Area specific measures
  - BA / regional HRBP leads, BA COOs, BA CCOs, and business leads; COE leads

- On-demand reports for insights into specific HR areas
  - HRBPs, COEs, Managers, etc.

- Recurring report / analysis delivery and self-service reports
  - HRBPs, COEs, Managers, etc.
HR Analytics Strategy
Increase capabilities for people related data-driven insights

Focus of COO HR / Thought Leadership Function

Support C-suite to transform HR into a truly data-driven business function:
- Align KPI landscape with strategic priorities and implement KPI Targets
- Integrate Predictive Capabilities

Provide the Sr. leadership team with one single source of truth to increase transparency across HR:
- Align KPI landscape and implement KPI Targets
- Integrate Predictive Capabilities

Enable and support stakeholder groups to make people related decisions based on data-driven insights:
- Create strategy for reporting and analytics assets (specific analytics packs, specialized / ad-hoc reporting and standard HR reporting)
- Streamline, validate and prioritize analytics demands
- Build reporting related enablement program for target audiences to ensure that decision makers are able to use the provided tools

Provide stakeholder groups with predictive talent insights to anticipate trends and make decisions accordingly:
- Push predictive models into productive systems
- Leverage predictive models to other talent and organizational questions

Digital Boardroom
Cutting-edge technology provides real-time data-driven insights

Architecture

Digital Boardroom

HR Mission Control Center

Area Specific Metric Packs

Specialized and Ad-hoc HR Reporting

Standard HR Reporting

Descriptive stats

Predictive stats

Digital Boardroom

How the 3-screen set-up looks like in a physical boardroom:

How the HR Story looks like:

Demo for Digital Boardroom here
Digital Boardroom – latest technology to provide Board Members with real-time data-driven insights to lead the organization

**Digital Boardroom:**

- Decision making processes are enhanced by providing insights into all business areas of SAP
- DiBo is accessible for Board members only
- Displayed KPIs cover all areas of SAP business; people related KPIs similar to MCC KPIs excl. internal HR KPIs
- Updates are in real time (depending on different update cycle of respective KPIs)
- Three distinct areas
  1. Corporate Overview
  2. MyBoardroom for each Board Member
  3. SVB / Board meeting agenda items

**Key Considerations:**

- Digital Boardroom: Key Considerations:
  - High-level overview on company wide steering measures
  - Board Members only
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**HR Mission Control Center**

Real-time insights at the fingertips of HR Leadership Team members
HR Mission Control Center
Steering the HR Board Area to support execution of SAP’s Strategy

**Grow our Talent**
- Total Headcount
- Internal Hiring Rate
- Share of Early Talent Hires
- Voluntary Attrition Rate
- Retention of employees of acquired companies
- Members of Alumni Network

**Simplify our Organization**
- Average Span of Control
- Location Mix
- Team Size
- Management Layers

**Lead our People**
- Leadership Trust Index
- Executive Retention
- Leadership Principles Score**
- Participation in 360 Feedback**
- Succession Management

**One Learning Experience**
- Participation in Leadership Flagship Programs
- Net Promoter Score in Leadership Flagship Programs
- Learning Coverage

**People Sustainability**
- Employee Engagement Index
- Women in Management
- Illness Rate
- Business Health Culture Index
- Autism at Work

**Drive HR Success**
- Shared Services Framework***
  Ticket Satisfaction
- Shared Services Framework***
  Ticket Net Promoter Score
- Employees served per HR employee
- HR cost per employee served
- Cost per Hire
- HR Cost as % of Revenue
- HR Net Promoter Score*
- HR Customer Satisfaction*

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**HR MCC leverages state-of-the-art cloud technology to provide stakeholders with easy-to-consume insights**

**HR MCC:**

**Key Considerations:**
- Manage strategic HR topics effectively by tracking and measuring relevant KPIs
- Dashboard is accessible online anytime, anywhere (incl. mobile access)
- Start screen reflects our HR Focus Areas and one Tile for internal HR success measurement
- Drill down capability provides additional insights
- Dashboard serves steering purposes of HRLT, content is not shared beyond the group of authorized persons

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HR Reporting
Real-time data for HRBPs and Managers to drive their people matters

- High-level overview on company wide steering measures
  - Board Members only

- Insights into HR focus areas and HR internal performance measures
- Extended HRLT Offsite Group

- Ready-to-consume insights into HR focus areas and Area specific measures
  - BA / regional HRBP leads, BA COOs, BA CCOs, and business leads; COE leads

- On-demand reports for insights into specific HR areas
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- Recurring report / analysis delivery and self-service reports
  - HRBPs, COEs, Managers, etc.

HR Analytics and Reporting
Real-time data to drive operational people matters

Workforce Analytics Today (sample data)
**Predictive Models**

**Data Science for a Smarter Workplace**

- High-level overview on company wide steering measures
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**Big Data and Predictive Models – brief explanation**

**What is Big Data?**
- Big Data can be characterized by 3 “Vs”: High volume, high velocity, and high variety information assets (sometimes, 2 more Vs are added: value and validity)
- Umbrella term comprises beyond 3 Vs new forms of storing, retrieving, processing, and analyzing data
- Big Data aims at enabling enhanced decision making, insight discovery and process optimization

In HR, data are usually not that huge, but the same rationale and analysis methods will be applied

**What is Predictive Analytics?**
- Predictive analytics encompasses statistical techniques from predictive modeling, machine learning, and data mining that analyze current and historical facts to make predictions about the future
- Predictive models are modeling the relations between specific attributes (predictors) and outcomes (criteria) of a unit in a sample. The objective is to assessing the likelihood that a similar unit (i.e. having the same attributes) in a different sample will exhibit the same specific outcome
Predictive Analytics can answer talent questions along the employee lifecycle

**Simplify Our Organization**
- Balance Organization
  - Organization Modeling: Which areas may experience high attrition rates impacting organizational design e.g. span of control?

**Grow Our Talent**
- Attract, Recruit and Hire
  - Headcount and Expense Forecasting: Which profiles of candidates lead to greater success?
  - What is our predicted forecast for HC? By conversion? By hiring?

- Retain
  - Retention Modeling: What groups of employees are most likely to voluntarily leave?

**Lead Our People**
- Manage Performance
  - Success Likelihood Modeling: What groups of employees are most likely to be successful or high performers?
  - Which of the profiles lead to greater success?

**People Sustainability**
- Engage
  - Employee Engagement Modeling: What interventions drive positively a higher employee engagement?

**One Learning Experience**
- Develop and Train (Learning)
  - Development Modeling: What are recommended development and learning activities that match and drive the talent’s career?

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**Predictive Analytics “Employees at Risk”**
SAP approach compliant with DPP and ethical use

**2-step approach**

1. **Anonymization**
   - Inform affected employees (US colleagues in first place) and ensure buy-in from senior management as well as from DPPO and employee reps
   - Create anonymization rules and procedures

2. **Modeling**
   - Apply anonymization rules to larger data-set
   - Provide insights to “Where attrition is anticipated” and “Why there are risks”; Modeling to answer the questions

   - Apr 2016 – Aug 2016
   - Sept 2016 – Dec 2016

**Applying to other cases**

- Provide forecasts of “when” to anticipate attrition
- Leverage model to other cases

**Future phases**

- Using data science for a smarter workplace
Questions?

Answers!
Thank you

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Back-up
Additional information to Predictive Models
From Descriptive to Prescriptive

Sense and Respond

Predict and Act

What happened and why did it happen?

Simulations / Optimization

When will it happen? What is the best that could happen?

Predictive modeling

What might happen?

Advanced analytics

Advanced reporting

Standard reporting

Data

Business Value

Analyses Maturity / Complexity


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Back-up

Additional information to SAP HR Organization
Our vision and mission describe why we do what we do and how it impacts our business

**HR mission**
HR partners with the business to drive SAP’s transformation to THE cloud company. We foster:
- individuals to learn and grow
- leaders to engage and develop amazing talent
- organizations to be simple and agile

**HR vision**
We attract, develop, retain people and enable organizations to:
- inspire innovation
- lead change and
- create ultimate customer satisfaction

We have defined three guiding principles for HR that help us to do the right things right:

- Simplification
- Standardization
- Customer satisfaction
Our HR Focus Areas 2015 - 2017 are a reflection of what the business and our people need to be successful

Transform to become THE Cloud Company

Grow our talent
Simplify our organization
Lead our people

One learning experience

Accelerate winning in HR

People Sustainability

Our HR Build Portfolio 2016 is designed to continuously improve and re-innovate our services and solutions

Transform to become THE Cloud Company

Grow our Talent
- Talent Win Plan
- Recruiting world-class Talent*
- Career & Talent Development
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People Sustainability*
Our future is built on a long history of business success

- **300,000+** Customers in 190 countries across 25 industries and 12 LoB
- **43+** Years of history of innovation and growth, true industry leader
- **76,800+** Employees with 120 nationalities worldwide
- **20.80** Annual revenue 2015 in billion € (IFRS)
- **#1** Fastest-growing enterprise cloud company
- **130+** Locations in more than 130 countries

as of Q2/2016
Making our people successful is key to helping our customers win in the Digital Economy

Attracting, growing & leading our people
- Safeguard our talent pipeline
- Offer impactful growth opportunities for everyone
- Engage our employees through impactful leadership and talent development

Creating a learning culture
- Establish a learning approach that drives measurable business results
- Accelerate meaningful careers through formal, informal development

Promoting simplicity and inclusion in our workplace
- Create an inclusive and healthy environment to ensure sustainable business success
- Simplify practices of collaboration and recognition

Driving HR to the next level
- Drive further standardization and globalization of HR services
- Leverage cloud technology creating a showcase for our customers

Leading people technology helps us and our customers to engage employees in a smarter and faster way

Engage, Run Simple and win!

SAP provides the tools for total workforce engagement to attract the best workforce across full-time employees and contingent labor, manage the total workforce lifecycle, and provide smarter apps with a greater user experience.
Approx. 1,500* HR professionals around the world are delivering best-in-class HR services

HR Business Partners act as trusted advisors to the business supporting our transformation to become the #1 cloud company

- Act as a trusted advisor to leaders to guide them on execution of HR Strategy and business transformation
- Enable leaders to grow talents, simplify organizations and lead people
- Understand and translate business needs into HR solutions that make it easy for our people to do business with us
HR Centers of Excellence (CoEs) are our think tanks driving continuous innovation to our HR Services Portfolio

- **Design**: "Think Tank of HR" – Provide thought leadership on external and internal best practices and business needs
- **Guide**: Lead design and rollout of new and enhancement of existing services
- **Govern**: Monitor impact quality and effectiveness of services
- **3 CoEs**: Learning, Talent & Leadership, People Sustainability

HR Global Service Delivery is our execution engine ensuring that our services and processes run better for our customers

- Ensure that HR services and processes run better - **consistently, effectively and efficiently**
- Offer high quality, integrated, **end-to-end delivery** of services and solutions
- Act as trusted advisors, manage interfaces to various partners and customers within SAP to drive optimization across HR and Board Areas
- **5 teams**: HR Shared Services, HR Project Office, HR M&A, Talent Delivery, Total Rewards Delivery
- Largest unit within HR and key area for further evolution of the HR function
The Talent Acquisition team makes sure we have the best people in the right places at the right time

- **Identify**, **attract**, **select**, **hire**, and **onboard** **world-class talent** in support of SAP’s strategic goals
- Understand the **talent landscape** and maximize talent’s value to the business
- Promote SAP as a **career destination**
- Drive a world-class **candidate** and customer **experience**

The Chief Operating Office for HR partners with all HR areas to turn our mission into action and to continuously evolve our function

- Ensure that HR plans are executed in **alignment** with SAP’s **Corporate Strategy**
- Drive and enable SAP HR’s transformation towards the Cloud (**HR Goes Cloud**)
- Help to provide our people with simple and efficient **HR processes** and service excellence
- Drive **evolution** and **scalability** of the **HR function**
- Topics covered: **HR Strategy & Portfolio**, **HR Business Information Office (BIO)**, **HR Services**, **Portfolio & Processes**, **HR Change & Communications**, **HR Thought Leadership**
Accelerate winning in HR (AWIHR) teams up with sales to leverage our ‘SAP Runs SAP’ HR showcase as a differentiator with our customers

- Join our sales team to help support existing customers and win new ones
- Share our stories with the customer’s HR executives about how SAP has successfully implemented SuccessFactors’ HCM solutions internally
- Co-sell to help sales colleagues getting higher level access to the customer
- Position SAP as a thought leader

The SE & European Labor Law team manages social partnerships and ensures legal compliance

- Manage labor relations for business owners, HR and social partners in Europe (excl. Germany) to live our social partnership, to ensure flawless business execution and legal compliance
- Support business processes, activities and projects, and manage social partner requirements in relation to Employee Bodies in Europe
- Engage with HR managers, provide support, and feedback on local requirements to global business owners and Global HR
We take our HR Operating Model to the next level to become a leading-edge HR function

2004–2014
3-Pillar Model

2015 and beyond
Enhanced 3-Pillar Model
Scalable, cloud enabled and customer focused

HRBP
GSD
CoEs

“The classical way”

HRBP
GSD
CoEs

“The cloud way”

Think tanks of HR
More consultative and manager services
Individual consulting for managers in strategic positions

Our HR Services Portfolio provides a comprehensive overview of all the services that we offer to our people

The HR Service portfolio consists of 6 categories (so called “End-To-End Services”) with a total of 110 services along the HR process landscape

All services are available in the portal and accessible for all managers and employees via ticket, call or mail

The HR Ticketing App provides mobile access anywhere anytime
How We Run describes what makes SAP’s culture unique and special and gives us in HR direction for driving our work every day.