

MASTERING SAP

An SAPinsider Company



2023

COMMUNITY SNAPSHOT

Mastering SAP HR & Payroll

2023

OVERVIEW

SAPinsider's Mastering SAP series is built on a foundation of significant research conducted with customers, partners, independent thought leaders, and SAP employees both at home and abroad. Each year we engage with key individuals around the world to understand their existing challenges, their pain points, and the opportunities that they see to get the most out of their SAP suite and tools in their Line of Business. In addition to numerous one-on-one interviews, we connect and poll cross-industry SAP practitioners through a series of virtual think tanks. The following report represents the community snapshot and findings from the HR & Payroll Community.





ABOUT THE RESEARCH

The results of this research directly guide the 2023 Mastering SAP HR & Payroll program. The topics highlighted and discussed in this paper influence the speakers (local and global), workshops, tutorials, and training courses selected for the conference taking place on the 6-8 June in Melbourne 2023, and reflects the community's knowledge, capability, and training requirements.

Participants

The discussion groups brought together Business, IT, and Security professionals who manage, architect, develop and secure SAP landscapes, as well as professionals who leverage SAP's technology stack of tools for reporting, data management, and analytics. Participants represented a wide variety of industry sectors including mining, financial services, education, public sector, healthcare, energy, industrial machinery, food & beverage, transport, and defence. The most common job titles of participants include:

- Digital Manager - People & Culture
- Director ERP Implementation
- Director HR Business Integration
- Director HR Transactional Services
- Director of People Operations
- Director, HRIS Transition
- Director, IT Products - HR & Payroll
- EVP APAC & Group Head SF Packages
- HCM Solutions Lead
- Head of Human Experience Management
- HR Management Information System Manager
- HR Payroll Modules
- Learning & Development Specialist
- Manager HR Systems & Process
- Manager, HRIT Systems Integration
- P&C Systems & Analytics Consultant
- Payroll Advisor
- SAP & Systems Specialist
- SAP Governance
- Senior HR Advisor and Payroll Supervisor
- Senior Manager, Payroll Support



INTRODUCTION

The HR landscape is challenging and evolving at pace. HR leaders need to grasp the new wants and needs of a post-pandemic workforce. The rules of employee engagement have changed, and the supply and demand scale has tipped. Organizations are responding by embracing technology that will help them innovate, achieve more with less, and empower their people to work smarter. This might mean adopting systems that streamline the employee lifecycle, refining talent management practices, empowering employees to architect their career journeys, and more, while also ensuring the experience is second to none.

Experience is the new employment currency when it comes to workplace productivity and retention. The employee's journey and digital experience have become even more architected and guarded by company leadership and HR practitioners, as they navigate the needs of a post-COVID workforce.

With so all this in mind, it's an exciting time for HR Technology, and SAP has been making great strides in this area. HR Tech thought leader Josh Bersin stated SAP SuccessFactors "introduced its most significant release in a decade" in 2022.

Whether you are an SAP Customer, Partner, independent consultant, or an SAP employee - keeping up with developments across SAP's solutions is a time-consuming endeavor. We examine the topics highlighted through our research and what it means for organizations that operate with SAP as their backbone in the ANZ region.

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The following topics were identified as the topics most pressing for the **Mastering SAP HR & Payroll** community in 2023:

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01

HR Transformation

The booming and competitive landscape that HR leaders and practitioners find themselves in is evolving at pace. Embracing technology that can super-charge the HR function's ability to innovate at a pace, achieve more with less, and empower their people to work smarter is a must-have if you want to stay ahead in today's fierce talent and recruitment environment.

For many of the Mastering SAP Community, HR Transformation is about making the move from an on-premise HR solution to the cloud - SAP SuccessFactors (SAP SF). Many organizations are assessing if they should make the move, what will it give them, and how it will support their employee lifecycle aspirations, processes, and experience.

- What do HR leaders need to know about migrating from on-premises to SAP SuccessFactors?
- Should HR become a trusted digital service provider to the business?
- What is the “new” skill mix required to deliver successful HR Transformation?
- How do we standardize employee processes and touchpoints?
- How do we link performance and pay to drive a performance culture where employees feel rewarded?
- What change initiatives are required to support a move to SAP SuccessFactors?
- Is there a right order to implement SAP SuccessFactors modules?
- Which modules best suit our business needs?

02

Employee Experience Management (HXM)

HXM, is the notion of an employee-centric HR user experience. Organizations are eager to tune into their employee's needs and aspirations. They must offer a people-centered journey with touchpoints that empowers them to manage their careers, while ensuring the right information gets to the right people, at the right time.

A great HR employee experience is about designing and refining the moments that matter to the end user. One size might not fit all, so defining what this looks like for your organization is a crucial starting point for selecting the mix of tools to support the vision. Also, how should organizations individualize the experience within their organization, based on roles and requirements?

With the increasing number of employees working remotely, seamless collaboration and connectivity that enables productivity, and drives engagement through communication and communities is also a hot topic for HXM.

For the Mastering SAP community, the granular view of this topic they are seeking is to understand "how do our users interact with their SAP instance?" SAP SuccessFactors Work Zone is of high interest to the community, interested to understand how it elevates an employee-centric HR user experience. It offers access to business applications and processes, information, and communications from a single entry point with our digital workplace solution. And also supports the integration of SAP (and non-SAP) applications.

- How does SAP SuccessFactors Work Zone offer a personalized digital work experience?
- How do you understand UX needs by generation, industry, and business process?
- How do you get a non-office-based workforce onto your SAP SuccessFactors systems?
- What are the benefits of SAP SuccessFactors Work Zone versus Microsoft Teams?
- Can you create role-based dashboards for managers and leaders to have a view of employee experiences?
- How do you build a one-stop HR shop for your employees?
- How do you create a business case for Qualtrics for customers using free survey tools?
- How can we enthuse our large casual workforce to engage with the systems we provide?
- How do you gather the right level of information whilst maintaining privacy?
- How can you ensure your mobile applications give the best employee experience possible?
- What should great experience look like across SAP SuccessFactors and tools such as ServiceNow, SAP HCM, and Microsoft business tools?

- Is a single point of entry and therefore a consistent experience the best option, if not, what other options are available?
- How do you get buy-in and traction with your HXM projects?
- What can we learn from those that have completed a successful HXM project business case?
- What change initiatives best support HXM projects?
- How do you deliver a robust and holistic employee experience for your employees?



03

Onboarding and Crossboarding

The Onboarding process is a new employee's first experience with an organization – it allows the employee to be part of the culture from day one. In today's competitive job market, hard-won recruits expect to have a seamless, informative, and intuitive onboarding experience. The first 6 months of employment is a critical time for new hire retention and a poor onboarding experience can be a turnoff. From an HR perspective, a successful onboarding process will be efficient, and productive in gathering all information.

A prominent onboarding challenge for the Mastering SAP community is removing inconsistencies across departments, where the hiring process is typically run by a department line manager. Many customers had multiple legacy onboarding systems, with information residing in different places. How can they install a single front door access to reduce admin burden?

SAP's Centre of Capabilities move into SAP SuccessFactors is an exciting opportunity for cross-boarding, offering employees the chance to consider what their next internal career move might be. This is also of interest to organizations that work on a project-based structure, as adverts can be placed for roles across the organization and give employees a reason to manage and track their capabilities. For customers that have different scenarios between markets, transfers in Employee Central have been their chosen path.

- How can we collect all required information for a recruit quickly and easily?
- Who can share their experiences with PageUp, and integrate with FlareHR?
- What organization scenarios does SAP Onboarding 2.0 best suit?

- What automation tools are customers supplement their Onboarding systems with?
- If you're an SAP Onboarding 1.0 customer, when should you move to SAP Onboarding 2.0?
- What will onboarding look like with more people working from home?
- What are SAP's latest offerings to help with the post-COVID recruitment and onboarding landscape?
- What are the most valuable features/functions in an Onboarding system?
- What do I need to get right to optimize the SAP Centre of Capabilities for cross-boarding?
- How do you integrate your onboarding process with various parts of the business to ensure their time to productivity is reduced?
- Can you integrate the onboarding process to collect all employee information for onboarding and payroll across multiple tools?
- How can SAP SuccessFactors assist with recruitment and onboarding compliance requirements?



04

Core Payroll & Single Touch Payroll

Payroll is a function that companies cannot afford to get wrong. In recent times Payroll has had to absorb many regulatory changes and has endured much focus, particularly around underpayment in Australia. Payroll can often be the last HR solution to be implemented, after all, if it's working ok, why change it? Payroll departments can be time-poor, but rushed implementations result in more manual processing work for a team further down the line. The cost of getting Payroll wrong can be significant and the risk is often deemed greater than the reward of implementing or upgrading new tools.

Single Touch Payroll 2 (STP2) has been rolled out for some in the community, while some have deferrals and will make the transition in 2023. For those that have gone first, the community would like to know what has worked well and what were the major watch outs they should know about.

- How do we get improved Payroll automation?
- What can we do from a business perspective to move payroll forward?
- How do we ensure the right information is shared from onboarding to payroll?
- Does SAP have a solution on the roadmap, that will be an alternative to Spinifex?
- What other tools are others using for reconciliation?
- How to avoid project scope creep and secure enough time for your implementation?
- How do manage the huge amount of regression testing required?
- What new functionality exists in managing Employee profiles across SAP?
- What risk-mitigating precautions can be taken when updating the Payroll System?
- How do we ensure we're meeting all regulations in a multi-country scenario?
- What happens if our data center is outside of Australia? What does this mean for our regulatory requirement?



05

Performance Management

Measuring the performance of your workforce, particularly when outcomes are vague and hard to identify is a challenge for the SAP customers we spoke with. Remuneration and employee recognition are all motivators, but what process should you put in place, and what are the best systems to support and present it accurately to leadership?

Recording performance often feels like an additional activity, beyond the day job. Motivating users requires a cultural mindset shift, seeding new habits before a new system is even introduced. HR practitioners we spoke with that had experience with implementing SAP Performance and Goals found that introducing the executive teams to the framework and systems first and phasing roll out and use to employees, was a great way to bring the business on board.

- What tools are being used to assess the status of employee satisfaction?
- What does the use of SAP Performance and Goals mean for the employee?
- How do you link SAP Performance and Goals, with competencies and succession planning?
- How do you use SAP SuccessFactors Performance & Goals tool in a way that delivers value to the bottom line when the people factors are often hard to measure?
- What are the best practices for creating performance measurements that are aligned with corporate strategy?
- How does a phased approach to introducing a performance management framework enhance adoption?
- How do you provide constant feedback to employees that delivers a positive coaching experience compared to a micro-management experience?
- What gamification methods motivate users to track their performance and goals?
- What role can Qualtrics play in measuring job satisfaction?
- How do you manage poor performance and monitor its progression?
- How do you make SAP Performance and Goals work for a complex workforce?



06

Learning & Development

In the world of hybrid work, the ability to connect people with training and development opportunities is paramount to an organization's ability to adapt to an ever-changing business and technology landscape. Over the last two years, there has been phenomenal growth in the digital learning space. In *The Definitive Guide to Learning: Growth in the Flow of Work* Josh Bersin Company states "effective L&D departments are no longer training functions – *they're growth functions*". Meaning that organizations must invest and take their employee's growth seriously if they want to draw and most importantly - retain the right talent for their business to thrive.

The Mastering SAP community are interested to learn about AI technology that can identify skill gaps in their workforce and suggest training and tools that can close the skills gap. They are also interested to innovate and embrace new ways of serving up training tools to employees. SAP tools that can support this space include Litmos and SuccessFactors Learning and Learning Hubs in SAP SuccessFactors Work Zone.

- If global training expectations have shifted, how do organizations keep up?
- What technology can help deliver bespoke learning
- What are the human and efficiency benefits of LMs and organization
- What reporting tools allow L&D teams to be more responsive to employee growth needs and business needs?
- How can SAP Opportunity Market Place support learning and growth?
- How can SAP SuccessFactors Work Zone support our L&D aspirations?
- How does Work Zone integrate third-party applications (such as LinkedIn Learning, Udemy for Business, and getAbstract)?
- What are the pros and cons for each of SAP's L&D tools for our business scenario.?

07

The Self-Managed Career

The rise of the Protean Career concept means employees' expectations have fundamentally changed when it comes to career management and direction. They must drive the process and pace at which they advance professionally. The traditional annual employment review cycle no longer lives up to their expectations. They don't trust their organizations to develop them as they would like. Taking employee continuous development seriously in 2023 involves offering broader opportunities and flexibility. Opportunity for individuals to adapt to a changing work environment by repackaging or developing new knowledge, skills, and abilities democratically.

SAP is well-placed to respond to this trend. The SAP SuccessFactors Opportunity Marketplace (OMP) is the big play here and offers a consolidated view of career paths, skills, competencies, and availability. An AI-driven automatic data management platform, that interrogates, interprets, and automatically connects disparate talent datasets inside and outside the enterprise. SAP OMP provides individuals the chance to find and pursue internal opportunities that align with their values, passions, and interests as well as the strategic needs of the business.

- How can technology help remove bias from the recruitment process?
- Who can share success stories of internal crowdsourcing for vacant positions?
- Who is giving employees the power to manage and evaluate their career direction?
- regular one-on-one conversations and creating a trail of goals and plans.



08

Workforce Analytics, Data, Reporting & Dashboarding

To attract the best staff and remain relevant, post-pandemic organizations have a greater responsibility to take a more altruistic view of their workforce. They need to go beyond measuring the usual indicators such as performance, staff turnover, and workforce availability.

They must also pay attention to holistic indicators that offer insights into the likelihood of retention, mental health and wellbeing, diversity and inclusion, employee engagement, and job satisfaction. HR Analytics must work harder to be real-time, pull from broader sources, and quickly paint a rich view of the workforce that can drive business insights and decision-making.

SuccessFactors SAP Analytics Cloud (SAC) is a foundational reporting requirement for many people and culture functions across organizations. SAC gives HR leaders the ability to produce real-time, cross-module reporting at their fingertips. The SAC visualization dashboard filtering is allowing users to drill deeper into their information, spotlight key capabilities, and ensure they have the right people, in the right places.

When it comes to reporting, the community is starting to trend away from the once popular self-service analytics and reporting as HR leaders are finding the administration takes them away from their strategic priorities and focus. Recruiting an HR Analyst or preparation of canned reporting is becoming of more interest.

- How did we go about implementing SAC Stories?
- How do you design and build dashboards that align with KPIs?
- How do we empower HR to use their data and generate purposeful insights, in one place?
- What tools can improve total workforce visibility at an executive level?
- Who has experience with Implementing SAP enable now?
- How do you define your HR reporting strategy?
- How mature is SAP's People Analytics solution?
- How do SAP's People Analytics solutions compare to third-party/self-service tools available in the market?
- Can you create unified data modeling across on-premise and cloud solutions for better reporting?
- How does People Analytics' Workforce planning differ from the current Workforce Planning Solution?
- How do you work with your tech team to create a self-service culture for HR reporting?

09

SAP BTP for HR

SAP Business Technology Platform (BTP) allows organizations with SAP to innovate quickly and affordably, regardless of their digital footprint or maturity. Its ability to integrate and extend an organization's existing HR solutions offers SAP customers the tools to work better together, provide better employee experiences, and achieve their employee experience goals.

One exciting use case example of BTP for the HR community is the ability to integrate their core SAP systems with Microsoft technology, typically challenging in the past. This is a game changer in a time where seamless collaboration and communication are crucial for the workforce. This is just one example of how SAP BTP is helping HR teams innovate.

10

The SAP Roadmap

Customers expressed the need for SAP to set and commit to a long-term vision and the roadmap that their businesses can align to. Irrespective of delays to solutions available, customers need to understand exactly where SAP is headed, so they can make their choices and decisions around the HR system and tools they will invest in and adopt in the near and long term. Some customers even expressed that in some cases other products had been chosen over SAP products due to the slow speed of clarity.

- What can SAP share on the roadmap that applies to on-premise SAP?
- What's in the roadmap, vs where our business is?
- How is SAP planning to support customers on SAP SuccessFactors to manage high volumes of recruitment?
- Can SAP articulate the impacts of their changes on both user experience and system administration?
- What will be in core SAP Employee Central going forward?
- What are the pros and cons of SAP Core Payroll vs Employee Central Payroll?
- How can we sell the roadmap in our organization, with limited guidance from SAP?
- How do you overcome the language barrier between techie and HR practitioners?
- How do you find the right business process owner, that can be over the detail, and understand the business process needs and functionality?
- How do you understand what is possible in the design of a solution?
- What do we need to deliver for the future?
- How are others implementing Onboarding via modules to innovate in bite-sized pieces?
- How do you sweat your SAP HR assets to get the value you need?



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