Cloud as an Enabler for Transforming Employee Experiences in PSUs:
- An India Perspective

Whitepaper

Sponsored by:
SAP SuccessFactors

© Copyright 2018
This data demonstrates measurable gains and financial benefits customers received from investing in SAP SuccessFactors HCM solutions. It is not intended to show how much value a specific company will get from using SAP SuccessFactors solutions. Provides an answer to the question: “What results have companies seen from using SAP SuccessFactors solutions?” Shows results categorized into 4 areas:

- Productivity, Performance, & Engagement
- Data Quality
- Speed & Efficiency
- User Experience

### Productivity, Performance & Engagement

**Increased Performance**
Greater job productivity, customer service or sales
- 12% average
- 5% minimum
- 25% maximum

**Decreased Turnover**
Percentage of the workforce that voluntarily or involuntarily leaves the organization over the course of a year
- 30% average
- 12% minimum
- 50% maximum

**Employee Engagement**
Degree to which employees feel a sense of commitment toward their jobs and organization
- 34% average
- 12% minimum
- 58% maximum

### Data Quality

**HCM Data Accuracy**
A common benefit after implementing SAP SuccessFactors
- 61% average
- 20% minimum
- 95% maximum

### User Experience

**User Adoption of HCM Processes**
Percentage of managers and employees completing HR processes
- 90% average
- 55% minimum
- 100% maximum

**User Experience**
Perceptions on simplicity and effectiveness of HCM tools and processes
- 85% average
- 81% minimum
- 90% maximum

### Speed & Efficiency

**Process Speed**
Time required to complete HR processes
- 47% average
- 30% minimum
- 87% maximum

**HR Time Savings**
Decrease in time spent by HR professionals supporting HR process
- 59% average
- 30% minimum
- 90% maximum

**Manager Process Efficiency**
Reduction in time spent by line managers performing HR related tasks
- 37% average
- 10% minimum
- 50% maximum

Source: https://www.successfactors.com/content/dam/successfactors/en_us/resources/white-papers/hcm-study-infographic.pdf
Cloud computing or simply 'Cloud' refers to the practice of remotely storing, managing and processing data over the internet. It is ubiquitous, all-pervasive and has become synonymous with current day technology offerings. Such has the needle moved over the last decade, that rarely does any other form of data storage or processing today even find mention or consideration. The looming usage is evident from exponentially spawning data centers, and expected to consume one-fifth of earth’s total power by 2025*

Human Resources (HR) function wasn’t an early adopter of the cloud, but has rapidly overcome the inertia over the last few years and made significant strides. Integrated with mobile functionality, cloud-based HR solutions are fueling innovation and generating data-driven insights to enhance workforce productivity, thereby improving overall business performance.

It would make sense for any PSU to think about cloud implementation since it will reduce upfront investment. Also getting off-the-shelf, ready-to-use software that will be available in almost no time. On premise would not have these benefits.

There are some intangible benefits of cloud too. The PSUs opting for it enjoy the latest software release and upgrade effortlessly. Cloud-based HR solutions is secure as the data will be in world class data centers. The cloud providers take care of disaster recovery, redundancy, security and also scalability. So cloud is a more predictable model and risk is transferred to service provider.

Prof. Ashis Pani
Dean & Professor Information Systems, XLRI

---

*Source: www.researchgate.net/publication/320225452_Total_Consumer_Power_Consumption_Forecast
The Indian Public Sector Undertakings (PSUs) leaped into digitization in early part of the last decade with implementation of end-to-end Enterprise Resource Planning (ERP) platform. Subsequently HR services including personnel files, certificates and other employee records/documents have also been largely digitized.

“"In our company, all transactional processes such as payroll, leave management, etc. have been digitized and are working very smoothly. Only PMS is a standalone system which, there is every intention to integrate into the ERP system before going to the Cloud.""

"In certain verticals of our company, such as Talent sourcing, PMS, Capability building, HR marketing etc., the processes are 80–90% digitized”.

"In our organization, most employee services in plants and the corporate office, including personnel files, certificates and relevant documents have been digitized and stored in company owned standalone servers on local premises.”

Reflections of HR Leadership at PSUs

On a conservative count, it is estimated that most of the PSUs have digitized at least 60-70% of their processes. More recently, Government/ Ministries have been issuing directives making 100% digitization of systems and processes mandatory for all PSUs.

The National Telecom Policy released in 2012 was probably the first indicator of Government’s focus on cloud as a means to improve the delivery of services, participative governance and e-commerce at globally competitive prices. This was followed by launch of ‘GI Cloud’ named ‘MeghRaj’ on Feb 4, 2014 aimed at accelerated delivery of e-services in the country, optimum utilization of infrastructure and speedy development as well as deployment of eGov applications. It was an ambitious and landmark moment in cloud’s proliferation in government and led to evolution of detailed policy and guidelines on aspects like jurisdiction, cross-border data flow, data security, data location, etc.

On 31st March 2017, the Ministry of Electronics and Information Technology (MeitY) issued specific guidelines for setting up of IT infrastructure by GoI departments using cloud technology and requiring careful review of aspects such as information security, exit management and transitioning. The guidelines also mandate a strict 99.5% uptime for empaneled Cloud Service Providers (CSPs).

The PSUs are no stranger to cloud and its advantages and understand the need for maintaining technology competitiveness. “As compared to other PSUs, we interact with many more foreign trading companies and government agencies, see how they operate and evaluate our own systems against the best in the world”, said the Head of HR from one of the largest public sector trading bodies. He further mentioned that this interaction keeps the team constantly sensitized and prompts the need to upgrade systems.

The thought is equally echoed for HR function and services as well. “Company would like to go for a system where data can be inputted and captured in real time, e.g. leave application, training and development needs, etc.” However, it is not a straight path to reach this milestone, and “PSUs will need to evolve a dynamic system for Recruitment, Training, mentoring.”

More recently, Cloud based applications got a fillip as many PSUs have deployed such solutions to support GST filing requirements. The need for agility (filing by a due date and evolving requirements/processes) and collaboration with stakeholders (vendors, GSTN) accelerated the usage of cloud for this initiative. CSPs were promptly able to help PSUs in meeting these requirements through their bespoke offerings such as SAP Digital Compliance Service.
A common apprehension among the PSUs is that the “systems may not be robust or mature enough to lead to digitization. IT follows business, it is only an enabler, so cannot reap benefits unless HR systems and processes are strong”. While there is some truth to it, one needs to appreciate that Cloud implementation is not a sequential path of converting legacy and manual processes to digitization to cloud. Irrespective of current level of digitization, a fresh and comprehensive review of the entire process is a must for truly leveraging cloud and mobile functionalities.

Captured below are some of the myths that we often encounter and the reality of cloud computing!

<table>
<thead>
<tr>
<th>Myth / Key Aspects</th>
<th>Reality of Cloud Computing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Connectivity</td>
<td>Holistic approach to overall technology including infrastructure.</td>
</tr>
<tr>
<td></td>
<td>Better Design architecture e.g. XML, LTE.</td>
</tr>
<tr>
<td>Data Privacy</td>
<td>Data privacy not dependent on server location.</td>
</tr>
<tr>
<td></td>
<td>CSP guidelines including data privacy restrictions applicable for Government Departments and Agencies. PSUs are guided by respective Boards for IT decisions and privacy related norms.</td>
</tr>
<tr>
<td></td>
<td>CSPs compliant with latest data privacy legislations and rules like GDPR in EU.</td>
</tr>
<tr>
<td>Data Security/Protection</td>
<td>Multi-tiered security access in public and private clouds.</td>
</tr>
<tr>
<td></td>
<td>Encrypted data transmission and storage (impossible to hack).</td>
</tr>
<tr>
<td>Loss of Human Connect</td>
<td>Technology is an enabler; not meant to replace HR interactions.</td>
</tr>
<tr>
<td></td>
<td>Frees up HR time for value-add services.</td>
</tr>
<tr>
<td>Geographic Concentration</td>
<td>Unified process and easier access. Offers distinct advantage irrespective of employee location.</td>
</tr>
<tr>
<td>More expensive for larger companies</td>
<td>Cloud is cheaper, considering initial implementation, ongoing maintenance, updates, upgrades, integration, scaling flexibility, turnaround times, etc.</td>
</tr>
<tr>
<td>Integration with other HR Systems/processes</td>
<td>Integrated solutions offer distinct benefits.</td>
</tr>
<tr>
<td></td>
<td>However, possible to implement ready-to-use solutions for specific areas.</td>
</tr>
<tr>
<td></td>
<td>Pay-as-you-go model.</td>
</tr>
<tr>
<td>HR Processes and Practices need to evolve before cloud-based solution can be justified</td>
<td>Comprehensive process assessment/redesign integral with move to cloud.</td>
</tr>
<tr>
<td>The company needs to be more evolved as per the People Capability Maturity Model before cloud can be implemented.</td>
<td>Delivered content and best practices in cloud solutions help organizations to evolve their processes.</td>
</tr>
<tr>
<td>Limited IT manpower and relevant skill set</td>
<td>Availability of ready-to-use solutions.</td>
</tr>
<tr>
<td>We don’t have enough IT resources to configure and implement cloud.</td>
<td>Doesn’t require much configuration.</td>
</tr>
<tr>
<td>ROI of Cloud solutions</td>
<td>Move to cloud is inevitable. Delay will impact competitiveness.</td>
</tr>
<tr>
<td>We just spent a huge amount on ERP implementation. How do we justify this expense?</td>
<td>Benefit of cloud is protection against such huge upgrade expenses in future.</td>
</tr>
</tbody>
</table>
The PSUs unequivocally accept the immediate need and prioritized utilization of cloud-based strategic HR solutions towards increasing effectiveness. A leader in Oil and Gas, which operates in 21 countries and needs to hire local employees from specific countries, stated “PSUs can utilize cloud computing especially recruitment resources, screening, learning management and succession planning methodology...Most of the PSUs provide smart phones, tablets and laptop to employees, and using Software as Service (SaaS) may be useful for professional development and learning of each employee... The technology is useful for hiring process, deciding competitive compensation, professional development, etc. and creating international cadre for similar nature of functions/assignments.”

Any transformation requires a coherent and concentrated approach, and cloud is no different. Following are few critical steps for successful implementation of cloud-based HR solutions.

**Preparing the Roadmap**

The path to cloud isn’t a linear progression or a stage only possible after digitization. It is a complete transformation of HR Operating model and requires reviewing business priorities and existing processes, defining values and engagement internally for team-members and for customers, identifying success and customer delight criteria, and considering Communities of Expertise (CoE). Unfortunately, this crucial step is often missed or ignored, thereby the organization not being able to harness or leverage the true potential of the cloud.

The second step is to partner with IT, and draw up the enterprise architecture and decision factors for CSP. Most large organizations have a dedicated Procurement / Purchasing department to complete due diligence and vendor selection. It needs to be kept in mind that lowest cost doesn’t always mean the best.

**Key aspects for consideration:**
- Performance and functionalities
- Time and efforts for design and implementation
- Fully-loaded costs
- Legal/Compliance issues
- Data security risks and mitigation
- Customization
- Support and updates
- Integration with other systems
- Ongoing in-house personnel skills
- Mobile and mobile apps (this is inevitable as well, why wait?)
- Ease of scaling up/ down
- Portability

Once the CSP has been identified, a detailed project plan for process redesign, implementation, testing and communication, with assigned resources, timelines, critical milestones and success metrics will need to be created. Senior management engagement and periodic updates are critical and need to be factored in. It is also recommended to involve as many HR personnel in the discovery phase to understand on-ground (last mile) nuances, and drive inclusion and ownership towards the revised construct.

**Creating a Compelling Need for Change**

Any successful change requires support from both top and bottom of the employee pyramid. Apart from senior management engagement and updates, cloud solution warrants simplified communication of direct tangible benefits to employees, and their active participation in the change journey. This is a key enabler for success, especially for large organizations with distributed workforce and complex processes.
A Business case for Change @ Godrej

Objectives
- Build a strong pipeline of leadership talent to support long-term strategic growth initiatives
- Establish an aspirational employee brand to recruit and retain outstanding personnel
- Optimize talent utilization with greater insights into organizational performance and processes

Value-Driven Results
- 67% less time required to access core data
- Easy and quick adoption by both Millennials and older employees
- On track to achieve 10 x increase in revenue and scalability by 2020
- Simplified and consistent HR processes across the company
- Insightful and more informed decision making and succession planning through analytics

Source: www.sap.com/documents/2015/12/18779358-537c-0010-82c7-ed9a7af51fba.html

Building Skills

The HR Function Heads at PSUs concurred that “Cloud based HR solutions will require employees to be aware of the capabilities and power of cloud and design processes accordingly.” Specific areas for building/hiring skills will include:
- Systems integration, administration and access control
- Data processing and reporting
- Change management/Organizational Development
- Process (re)design for information worker
- HR controls and compliance

Employees are getting more empowered with employee/manager interface, and mobile/universal access is making relevant information available in real-time. Such high-touch data access comes with responsibility and accountability, and hence it is “required to regularly train and sensitize employees”, as per a Senior HR Leader from a major Oil PSU. He also suggested “creating pools of resources to act as change champions, and help deal with specific nature of job, and provide assistance to other employees for solving their issues.”

The choice that companies have today is not having to make a choice between one candidate and another BUT between the best human and digital solution. Here lies the opportunity for us to transform the skills landscape. Some important questions we need to ask are:
- How can technology be used to understand the skill gap across the nation?
- How can technology be used to identify and deliver learning needs?
- What can we do to deliver learning solutions at scale to address business needs?
- How can we assess and certify talent?
- How can we identify talent (across the country) at scale when each role has over 1000 applicants?
- Also can we develop a culture of continuous learning for each individual?

The good news is that different technologies exist to address each part of the problem...you just need to find what’s right for you.

Mr. Arjun Khanna
Senior Head - Human Resources, NSDC
Implementation

Successful implementation of a cloud-based HR solutions dwells on a number of critical factors and beyond the technology aspects. Even with out-of-the-box functionalities and limited configuration requirements, an HR organization still needs to skillfully and carefully navigate the actual journey.

Questions to mull over:
- What core HR functionalities should we start with?
- How do these stack up on efforts vs impact?
- How well do they align with Business priorities?
- In what order should the solution be rolled out?
- Should we target a pilot/limited launch?

As with most organizational interventions, continued communication and incentivizing usage are key to success. Any change is often associated with a feeling of loss. Hence, it is advisable to transparently share design and alignments in role, structure, processes as early as possible. HR technology impacts the entire organization; higher the engagement of people in the journey, the more likelihood of success!

“Public and Private sector organizations both are in the competition and to be able to stay ahead of the curve, it is important to go embrace Cloud and other digital solutions. The cloud implementation and benefits for public sector and private sector are not that different either. It is about building the right business case for the management.”

Mr. Amit Aggarwal
CEO at IT – ITES sector Skills Council, NASSCOM

What Cloud solutions can offer

Value Added
- Automated processes implemented with little IT support
- Consistent with look, functionality and mobile-accessibility, employees (and managers) have come to expect
- Improved ability to measure efficiency and effectiveness of HR function and programs
- Universal access round the clock
- Accelerated innovation cycles with hassle free and more regular updates
- Leverage market standard processes and best practices

Financial
- Frees up manager time for top line delivery
- Bottom line savings
- Elasticity: Scaling up/down to keep up with business requirements
- Affordability: Only pay-for-what-you-use, and minimize hardware and IT costs
- Simplicity: Free IT from managing servers and updating software

Risk Mitigation
- Compliance with latest versions and upgrades
- Easier maintenance and updates
- Always contemporary
- Security features

Innovation
- Faster delivery of innovation
- Easy consumption of latest enhancements
- Reduce dependencies on IT team for rolling out new functionalities

Source: info.neogov.com/resources/white-papers/10-ways-the-cloud-improves-hr-processes
The senior HR leadership at PSUs highlighted the following advantages of Cloud HCM solutions:

“Cloud Computing can be a factor of faster growth in PSUs and help remain competitive with the private sector. This can result in huge business opportunities and widening market share. PSUs cannot afford to miss the bus of digital transformation of industry. PSUs are backbone of India’s growth story and Government also has given thrust on digitization through its Digital India Mission.”

“It is much cheaper than on-premise solutions and the UI is better”

“It can bring in huge efficiency and cost reduction as well as bring them at par with the best in class multinational organizations”

“Transformation to cloud-based HR solution will provide the following key benefits:

■ Information related to HR processes will be acquired promptly and safely.
■ It will be easy to make standard and uniform SOP for Hiring, Recruitment, Training,
■ Employees can monitor self-performance and identify self-development programmes, in today’s competitive environment.
■ Graphical representation, dashboard, key performance indicators and other organizational metrics will provide good inputs for better decision, in similar nature of issues.”

The case of Business Optimization @ SUBEX

Objectives
■ Build a cloud-based platform to provide intuitive tools for business units, cost centers, groups, locations, and more at reduced IT infrastructure/ maintenance costs
■ Identify high performers and maximize administrative efficiency

Value-Driven Results
■ 90% faster hiring process
■ 75% elimination of bias through standardized processes
■ 100% completion rate of individual performance reviews
■ Reengineered, unified and integrated HR solutions: accessible anytime from anywhere
■ Improved employee engagement, productivity and team performance


The case of Simplification, Standardization and Better Experience @ RPG

Objectives
■ Integration and automation of HR functions across companies, geographies, home grown solutions and independent platforms
■ Simple, standardized, transparent, user-friendly, scalable HR solutions with mobile functionality

Value-Driven Results
■ 50% reduction in new hire onboarding time
■ 100% transparency of HR data, documents and employee performance reviews
■ 80% mobile implementation of employee training courses
■ Completely digitized organization review, talent review, and succession planning
■ Higher efficiency for HR practitioners leading to significant time savings

Source: www.sap.com/documents/2018/01/5aed85b7-ee7c-0010-82c7-eda71af51ffa.html
Cloud-based Human Resources (HR) solutions have become a game-changer at organizations globally and are ushering in an era of accelerated change and innovation. HR function at Indian Public Sector Undertakings (PSUs) has progressed well on the path of digitization, but may be lagging behind vis-a-vis other departments. It will require a more organized and transformational approach along with a strategic framework, continuous employee engagement, reskilled HR personnel and futuristic processes for successfully dealing with this disruption. While few concerns on data security and evolving data privacy norms exist, the organizations need to acknowledge that the data privacy laws don’t bide PSUs from evaluating Cloud based solutions and it is beneficial for PSU’s to build a strong business case on the ROI that they can derive from Cloud computing.

There can be no denying of the clear advantages including enterprise value creation, multifaceted competitive edge, cost efficacy and business agility in imminently adopting the next-wave human capital technology. Needless to say, it will be an immense loss for the HR function at Indian PSUs to ignore or wait out this inevitable singularity.

“HR migration to the cloud is based on improving security and durability of services, as well as the ability to use these solutions to reduce cost and improve turnaround times. Today cloud solutions enable a ‘hub & spoke’ model of data storage, lending to better cost efficiencies and benefits as compared to regular in-house server based solutions. Paying-as-per-usage is a huge benefit which ensures Public enterprises are not saddled with a large initial capex. I believe it is the right time for PSUs to explore cloud-based HR solutions which would ensure effective data management and data-based decision making. This is the step towards transforming digital India to digitally empowered knowledge economy.”

Shri. U K Sharma
Advisor, NITI Aayog

“IOCL is constantly in the lookout for newer and relevant technologies to ensure better effectiveness and efficiency in the HR processes. PSUs are always on the brim of competition and thus need to stay ahead of the curve just as in the case of other private organizations. We have continuously been evaluating vendors in our quest towards agility, greater innovation cycles and flexibility into the HR process through implementation of interventions including cloud services. We already have a few of our applications hosted on private cloud and are consistently exploring to further improve on our implementation of technologies like Machine Learning, AI, Chatbots and IOT. We fully realize that to be able to reap the benefits of Cloud, it is also important for organizations to up-skill employees with relevant capabilities and knowledge to manage such digital transformations.”

Shri R K Mohapatra,
Director HR, IOCL
Senior Leadership from 9 Maharatnas and Navratnas in the space of Oil and Natural gas, Trading, Electricity, Steel, Aerospace & Defense

Shri U K Sharma  
Advisor, NITI Aayog  
(National Institute for Transforming India, Government of India)

Mr. Amit Aggarwal  
CEO at IT – ITES Sector Skill Council, NASSCOM  
(National Association of Software and Services Companies)

Shri R K Mohapatra  
Director – Human Resources, IOCL  
(Indian Oil Corporation Limited)

Mr. Arjun Khanna  
Senior Head – Human Resources, NSDC  
(National Skills Development Corporation)

Prof. Ashis Pani  
Dean and Professor – Information Systems, XLRI  
(Xavier School of Management)
About SHRM

SHRM India provides a platform for thought leadership, sharing of best practices and professional networking within the Indian and global HR communities in order to take the profession higher through continuous and collaborative learning. It is a one-stop shop and the go-to resource for solutions and services to handle all people-management challenges.

With more than 300,000 members globally, membership is truly a unique offering that provides rich content through comprehensive online resources on both www.shrm.org/india and www.shrm.org. This huge repository of articles, research papers, case studies and related material on every aspect of HR within the Indian and global contexts constitutes the most current and comprehensive body of knowledge in HR. Supported by a bank of over 50 subject matter experts and internal expertise, the SHRM India Knowledge Center offers cutting-edge resources, across all the key and emerging HR disciplines. These include thought leadership, advisory panels, tools and templates, virtual events, forum and research.

As the leading advocate for HR professionals’ worldwide and providing HR research and education, SHRM launched an unparalleled study to define not only the knowledge, but also the competencies required of today’s HR leaders. The result of this rigorous research was the SHRM HR Competency Model which forms an important foundation for the new SHRM Certifications - SHRM-CP and SHRM-SCP.

About XLRI

XLRI – Xavier School of Management is a management school founded in 1949 by the Society of Jesus (Jesuits) and based in Jamshedpur, Jharkhand, India. The institute always strives to be a management school with a difference. The school offers numerous programs: a full-time, 2-year, post-graduate program in Business Management, Personnel Management, & Industrial Relations (renamed Human Resources Management in 2011); Global Business Management; a 15-month, full-time, General Management program (PGDM-GM); a doctoral fellow program (FPM); and several executive education programs including a three-years, part-time programme in Business Management for Working Executives and Business Owners.

Many faculty members have authored books of repute and published research papers in globally acclaimed journals.

About SAP SuccessFactors

SAP SuccessFactors is a global provider of cloud-based human resource software and fully integrated human capital management (HCM) systems. It covers everything from core HR, payroll, and people analytics to the four pillars of talent management: recruiting, learning and development, compensation, and performance management. SAP SuccessFactors has more than 100 million active users in 60 industries more than 200 countries and territories – and our services are translated into 42 languages. SAP SuccessFactors helps companies of all sizes improve employee engagement, productivity, and team performance.