LARSEN & TOUBRO

BUILDING HR EXCELLENCE IN A GLOBAL ENTERPRISE

QUICK FACTS

Industry
Engineering, construction, and operations

Revenue
US$9.8 billion

Employees
60,000

Headquarters
Mumbai, India

Web Site
www.larsentoubro.com

SAP® Solutions and Services
Using the SAP® ERP Human Capital Management solution to establish a Shared Services Center

Implementation Partner
L&T Infotech Ltd.

Larsen & Toubro (L&T) is a diverse technology, engineering, construction, and manufacturing company with projects in 30 countries. L&T wanted to establish a single database for its employees, to improve local as well as global access to employee information. By choosing the SAP® ERP Human Capital Management solution and a shared services approach, L&T gained greater HR efficiency and is optimizing use of strategic employee data.

Key Challenges

- Support large and diverse global workforce
- Improve access to information
- Standardize HR processes across locations
- Replace manual paper-based processes
- Improve HR efficiency and cycle times
- Improve data management and security
- Expand the role of HR function

Why SAP Was Selected

- Comprehensive HR functionality
- Smooth flow of data from 1 module to another
- 1 common portal for employees, managers, and HR administrators
- Good analytical tools
- Ability to support diverse business units with 1 scalable HR platform
- Integration with existing systems
- Robust role-based access/authorization

Implementation Best Practices

- Creation of task force to streamline HR processes
- Variety of on-site training
- Focus on data quality with ongoing data reviews
- SAP help desk implemented
- Core implementation team created from different business HR groups, who went back as SAP champions to their respective businesses
- Data cleansing performed

Low Total Cost of Ownership

- Leveraged cost-effective shared services and single HR platform
- Created common template for rollouts across all businesses
- Retired multiple stand-alone custom-built systems and paper–based processes
- Gained process scalability to support future growth
- Used employee data in different systems, saving time and improving HR productivity

Financial and Strategic Benefits

- Better efficiency through automation
- Real-time access to HR services and information using self-service portal
- Consolidated HR data from across locations, resulting in a single master for employee data
- Higher data accuracy and security
- Greater transparency for decision making
- Easier internal movement in event of employee transfer or promotion
- Reduced dependency of line managers on HR for management information systems reports
- Increased adherence to company policies
- HR's role focused more on employee development

Operational Benefits

Key Performance Indicator	Impact
Time for HR to respond to data analysis requests	-20% to -30%
HR report generation time	-95%
Leave and vacation processing time	-90%
HR transaction processing time	-30%
Appraisal processing time	-50%
Percentage of employees covered by performance management	99.9% (up from 60%)
Ability to go through complete process cycle for any HR activity	100%

LARSEN & TOUBRO

"SAP ERP helped us establish a single HR master database across a diverse global workforce. This also integrated with other systems at L&T, resulting in operational efficiency and optimizing our employee information."

Vipin Shukla, Executive Vice President – Corporate Governance & Shared Services, Larsen & Toubro

www.sap.com/contactsap

Global Projects, Worldwide Workforce

Larsen & Toubro (L&T) is a multinational technology, engineering, and construction company with many business units and major projects in 30 countries. Whether it is building a theme park or a nuclear power plant, L&T can virtually handle any job.

Behind these massive operations are more than 60,000 employees representing multiple locations, job grades, and work schedules. Managing this complex workforce was a challenge – particularly when L&T relied on paper-based processes and multiple HR systems at its various locations. In order to standardize HR processes and achieve greater efficiency, L&T's Shared Services Center was given the responsibility of implementing the SAP® ERP Human Capital Management (SAP ERP HCM) solution.

Internal Expertise Tapped

"We needed a common HR information system platform that the company could use across all its diverse business units," says A. M. Naik, Chairman and Managing Director, L&T Group of Companies. Top management was of the view that SAP ERP HCM could offer the scalability and comprehensive HR functionality necessary to support the organization's growth plans.

The company leveraged the expertise of its subsidiary L&T Infotech Ltd. – the group's global IT services – to facilitate the implementation.

The Shared Services team was a bridge between the business units and L&T Infotech. During the project, the Shared Services team worked on requirement gathering, preparing as-is and to-be processes, data collection, and upload. They also focused on maintaining data quality, providing on-site training. A common rollout template was used to get worldwide locations up and running quickly.

Greater Efficiencies for a Global Operation

With this new assignment of the Shared Services Center, L&T has rebuilt its HR operations with standard and robust processes, rapid access to information, and efficient self-services. L&T now uses a common HR platform to manage the complexities of multiple work calendars, job grades, and salary components.

The improvements at L&T have been measurable. Consider performance management. By automating and linking the process, workflow, and reminders, the appraisal administration time has been reduced to half. And just as important, the company is able to ensure 100% coverage of employees eligible for the process. Now employees go through all facets of the performance management system process cycle (including objective setting, training need identification, midterm review, and final appraisal). L&T has also slashed the processing time for leave and vacation administration up to 90%, while HR can now generate needed reports within a few minutes (instead of four or five days).

Today, self-service portals provide both management and employees real-time access to HR data. Management information systems reports generated from the system help top management to make important decisions. Managers can now approve training and leave requests through e-mails with the click of a button. Meanwhile, at the system level, data accuracy and security are bolstered by a single source for employee master data and robust controls for access authorization.

New Roles

P. K. Nilosey, Head – HR, L&T's Heavy Engineering Division, comments, "Improved efficiency and greater transparency into our workforce enables HR to take on a more strategic role within L&T. By spending less time on transactional processing, the organization can devote more attention to developing talent."

Way Forward

L&T's road map includes using SAP software for HR in areas such as career planning, succession planning, and leadership development.

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