

HUMAN CAPITAL MANAGEMENT FOR THE PUBLIC SECTOR

MAKE EVERY EMPLOYEE A STRATEGIC ASSET WITH SAP® SOLUTIONS

In the face of shrinking budgets and increasing demands, public sector agencies must transform themselves into providers of value-added services. With SAP® software, they can elevate HR from an administrative department focusing on transactional activities to a strategic group that aligns performance with overall mission.

Driving Value with a New Human Capital Strategy

Public administrations around the world share the goal of transforming traditional government agencies into performance-oriented providers of citizen-centric services. Yet several decades of modernization programs have delivered mixed results. In many cases, improvement targets were set without regard for the underlying business process. Often these initiatives failed to deliver anticipated improvements in efficiency and effectiveness, and some even created a negative impact on the community and its constituents.

Today the focus on targeted outputs has shifted to one in which operational outcomes are aligned to meet organizational goals. Nowhere is this change more apparent than in the domain of human resources. Most HR departments have already automated transactional activities such as payroll, time and attendance, pension management, and personnel data. However, substantive transformation for these organizations necessitates further change, requiring HR departments to become more embedded in day-to-day agency operations.

Meeting the Human Capital Challenges of the Public Sector

The diversity of the public sector workforce creates challenges that would defy most private sector companies. These issues are compounded by an aging workforce, which threatens to eradicate valued skills and knowledge upon retirement. Pressure is mounting to attract and retain candidates while maximizing workforce performance. To optimize both processes, organizations must provide life-cycle career management and support from hire to retire. You need to match skilled individuals to your most pressing business requirements and find ways to provide training and development opportunities to support existing workers.

Public sector agencies need to develop strategic human capital management (HCM) operations that align and engage every employee in pursuit of organizational mission delivery. HCM is the discipline of acquiring, retaining, measuring, managing, and leveraging the workforce. In short, it's about treating employees as an asset rather than mere overhead – helping them understand their own effectiveness on the job.



Unfortunately, existing government technology and tools often complicate HCM transformation efforts. Because many underlying IT systems are not integrated, silos of disconnected information are common. Planners and decision makers cannot easily access the information they need.

But modernizing your HR organization requires more than simple transactional automation. You need a transformative HCM approach – and that requires analytics for insight, usability for productivity and efficiency, end-to-end integration to drive information, and process improvement. HCM transformation requires a carefully crafted process and a supporting technology platform built around government-specific practices that lets you implement changes to deliver long-term benefits – for both the organization and its individual employees.

The growing demand for HCM applications is reflected in analysts' predictions for growth areas over the next few years (see Figure 1).

Maximizing the Potential of Your Workforce

The HCM functionality of the SAP for Public Sector solution portfolio helps public sector agencies like yours streamline HR processes, reduce costs, and optimize finite personnel resources. Using the integrated SAP NetWeaver® technology platform as the foundation for a business process platform, this solution unites all elements of workforce performance and employee life-cycle management. Because public sector agencies manage some of the largest, most complex and diverse workforces in the world, your HCM challenge is significant. Yet SAP® solutions are designed specifically to help you do the following:

- Communicate organizational priorities aligned with goals
- Establish a trained and capable workforce
- Measure and monitor progress against stated goals
- Provide tools to better manage personnel-related processes

- Align resources for optimum utilization

Let's start with the concept of strategically aligning your workforce. Alignment occurs when every employee is aware, motivated, and working toward the organization's overall mission, not just on day-to-day tasks. SAP solutions, because they are based on SAP NetWeaver, help link all aspects of workforce performance to constituent outcomes.

The software can also provide a foundation for achieving accountability and establishing a results-oriented culture. You can more effectively differentiate between high and low performance while linking individual, team, and unit performance to desired results, and measuring and monitoring employee progress against goals. Predictive and embedded analytics let you monitor and evaluate the results of policies, programs, and activities; analyze compliance with merit system principles; and identify and monitor necessary improvements. You can realign organizational structures to address changing missions and cope with shifting employment conditions – especially useful when facing the exodus of retiring employees anticipated over the next decade.

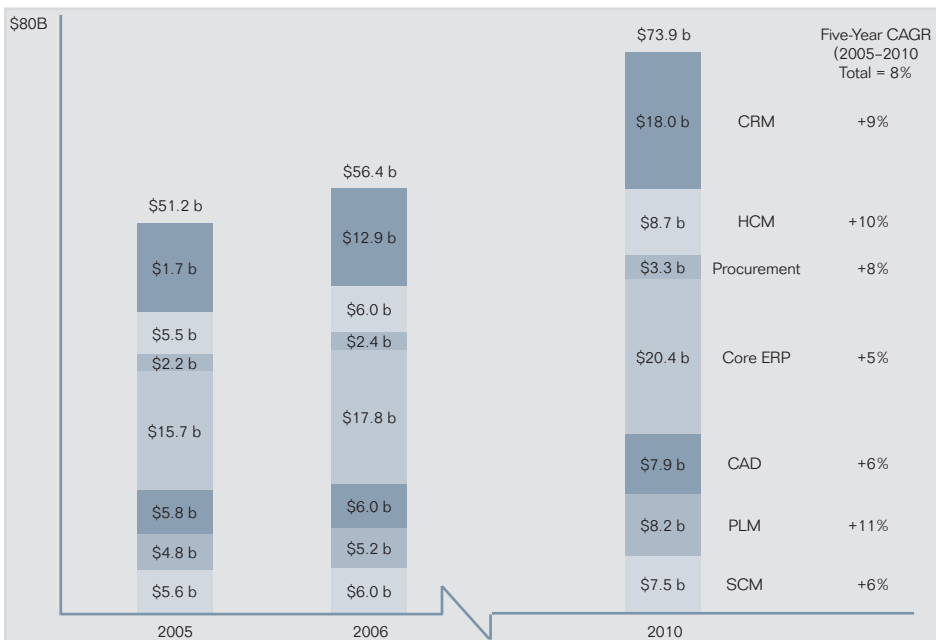


Figure 1: Transitional Enterprise Application Market, 2005-2010 (Source, AMR Research, 2006)



And you can deploy the right people to the proper strategic initiatives as needed. By providing a single view of the employee across multiple dimensions, the software helps you make more effective decisions about resource deployment, compensation, benefits, and advancement. You can better manage position plans and personnel budget with “full-time equivalent” processing and organizational management tools.

The SAP software can be easily adjusted to meet changing HR mandates and requirements – providing a consistent, standardized HCM solution supporting the complete employee life cycle, while preventing the high costs and inefficiencies of disconnected, custom-built legacy systems.

Streamlining Administrative Processes for Reduced Costs

Improving workforce performance means reducing the cost of back-office processes – freeing up funds for enhancing services to meet constituent demands. SAP solutions help you do the following:

- **Handle payroll and legal reporting** – You can standardize payroll processes and legal reporting while addressing all regional and local requirements. The configurable solution, integrated with your financial systems, lets you manage country-specific payroll processes, comply with current legal regulations, and meet agreement specifications in 45 countries worldwide.

- **Optimize employee services delivery** – Workforce assessment and deployment tools eliminate time- and cost-intensive manual processes. Transparent HR processes can be streamlined to reduce operational costs and increase efficiencies.
- **Maximize staff skills and enhance productivity** – Comprehensive learning management systems help expand staff skills using multiple learning channels, a learning portal, an authoring environment, and rich instructional and assessment functionality – reducing the delivery costs of staff training and development.
- **Recruit and hire a diverse and high-performing workforce** – You can use the solutions to staff up for both short- and long-term requirements, conduct internal lateral movement, or search for special skills and competencies from entry-level to executive positions. You can personalize recruitment offers and conduct more focused campaigns. Moreover, you can use analytics to understand hiring requirements, fills gaps, and take proactive action.
- **Provide actionable insight** – Decision makers get fast, easy access to meaningful information. Embedded analytics help you clearly understand how the performance of individuals, departments, and organizations affects agency outcomes. You can use this information to dig deeply into the views of the workforce, identifying and understanding potential gaps and planning for tomorrow’s workforce issues.

- **Empower your workforce** – Employee and manager self-service functionality gives your staff convenient access to performance progress and lets them enact personal change requests, view online pay stubs, change benefits enrollment, and more. A recent benchmark study from the Americas’ SAP Users’ Group (ASUG) found that employee and manager self-service functionality reduces costs by 25% over traditional transactional HR processes.
- **Build on the best technology platform** – With SAP NetWeaver, your agency can compose “business-specific” applications that leverage legacy IT infrastructures, enabling a lower total cost of ownership. With familiar screens and interfaces, employees adapt more easily to the new way of working. Most important, the platform provides unparalleled opportunities to link disparate functions and create better employee service.

With more than 10,500 HCM customers worldwide, only SAP has the worldwide HCM expertise to help governments transform their HR functions into an accountable, high-performance workforce.

Summary

Through integration, automation, and comprehensive functionality, SAP® solutions help you improve workforce performance and align employees' efforts with overall goals – while reducing administrative overhead and making best use of existing IT infrastructure. It's a proactive and cost-effective approach to the many challenges you face, and a way to deliver on your most important mission: providing services to those who need them.

Challenges

- Changing policy mandates
- Financial constraints
- Skilled labor shortage
- An aging workforce
- Inflexible legacy IT systems
- Increasing constituent demands for services

Supported Business Processes and Software Functions

- **Talent management** – Make more effective hiring, training, and appraising decisions
- **Performance evaluation** – Get a better understanding of how the performance of individuals, departments, and organizations affect outcomes
- **Employee and manager self-service** – Give your staffers easy access and ability to update their own personnel information
- **Payroll and legal reporting** – Standardize processes with integration to financial systems

Business Benefits

- **Improved strategic alignment of the workforce** – Plan strategy based on predictive analytics to identify successes as well as tactics that need refinement
- **Lower total cost of ownership** – Combine multiple discrete processes into a single streamlined process for lower costs over time
- **Increased service levels and efficiency** – Improve worker satisfaction and efficiency with online forms and workflows to process a wide variety of requests
- **Enhanced decision making** – Use critical, actionable analytics that provide predictive and prescriptive information
- **Data integrity and protection** – Protect sensitive personal data from unauthorized access
- **Multiple deployment options** – Deploy SAP solutions within your agency alone or use them to support a shared-services model

For More Information

Call your SAP representative or visit our Web site at www.sap.com/publicsector.

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