SAP Cloud Technology, Anti-lock braking, Formula 1 Racing and Human Capital Management simplification

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SAP technology is famous for allowing companies to "run simple". But what does "run simple" mean in the context of human capital management (HCM).   HCM involves dealing with people. People are not simple.   People are complex, constantly changing, individualistic creatures. Companies do not create high performing workforces by using simple-minded methods that assume everyone is wired the same way.   To the contrary, they create cultures that recognize and embrace the unique strengths, diversity and potential of their employees. So how does HCM technology help companies do this?

Effective HCM processes are not simple because people are not simple. But HCM technology makes complex HCM processes comprehensible and simple to use.   In this sense, an analogy can be made between HCM technology, Formula 1 racing, and anti-lock braking systems.   Braking without locking the wheels into a skid is a critical skill for Formula 1 drivers. Knowing how to quickly slow down is as important as knowing how to go fast when it comes to winning a Formula 1 race.   Anti-lock braking technology replicates the complicated braking skills used by Formula 1 drivers. This allows regular drivers to use the same complex braking techniques used in Formula 1 races (anti-lock brakes aren't allowed on Formula 1 cars). All we have to do is simply hit the brake pedal and the technology does the complex "Formula 1-type" braking required to slow down the car without going into a skid.

HCM technology performs a similar function to anti-lock braking by enabling people to use complex talent management techniques without having to become talent management experts. Consider the following examples of how HCM technology is used to hire and promote employees.

Hiring the best employees. The single most important decision a company makes about its employee is deciding to hire them in the first place.   Making effective hiring decisions is a complex process.   It involves defining job requirements, sourcing candidates based on potential for success, selecting the best candidates from those who apply, and effectively onboarding newly hired candidates so they start providing value to the company. HCM technology hides this complexity from hiring managers, recruiters, and candidates.   For example, recruiting marketing technology automatically pre-identifies where to post job openings based on statistically comparing the quality of previous candidates from different recruiting sources.   Applicant tracking technology provides managers with pre-designed interview questions to assess candidates for different types of jobs.   And onboarding technology ensures new employees complete training and administrative tasks necessary to become fully productive in their new roles.   A lot of things need to happen if a company wants to hire the best employees.   HCM technology can make sure these things happen while shielding recruiters, managers, and employees from much of the complexity these things involve.

Promoting the right employees. Promotions have a major impact on short-term business performance and long-term company culture.   When a company promotes someone it is implicitly endorsing everything about that person's behavior regardless of whether this is intentional or not.   Yet effectively identifying and evaluating internal candidates for promotions isn't easy.   There is a tendency for managers to only consider employees they work with directly and overlook qualified candidates from other areas of the company. Managers also tend to compare internal candidates based on a limited set of perceptions rather than considering the employee's long-term track record and how they are

perceived by people in different functions.   HCM technology helps prevent common promotion mistakes by providing tools that search for talent across the company and systematically compare employees based on a range of performance criteria.   This gives managers a comprehensive view of the company's internal talent pool that exceeds what they could do if they relied solely on their own limited knowledge of the organization and its work force.

HCM technology simplifies human resources by providing tools that shelter managers, employees and leaders from much of the complexity inherent in creating a high performance workforce. This process of simplification not only saves managers and employees time, it allows them to make more intelligent decisions.   Like anti-lock braking system, it allows people to act like an expert even if they are not experts themselves.

For more information about HCM technology and how it drives business success check out this free online course: An Introduction to SuccessFactors Solutions