

Semos Cloud

Bringing the Employee Experience
to the Forefront of Success

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semos cloud

Table of Content

- 3 Introduction: Semos Cloud and the War for Talent
- 6 Engagement, Retention and Success
- 12 The Customers' Experience
- 14 JTI's Global Employee Nomination Program
- 17 SAP Appreciates Employees
- 19 Hatch Fits Feedback to its Unique Requirements
- 21 Conclusion: Engagement, Retention and Business Change



Introduction: Semos Cloud and the War for Talent

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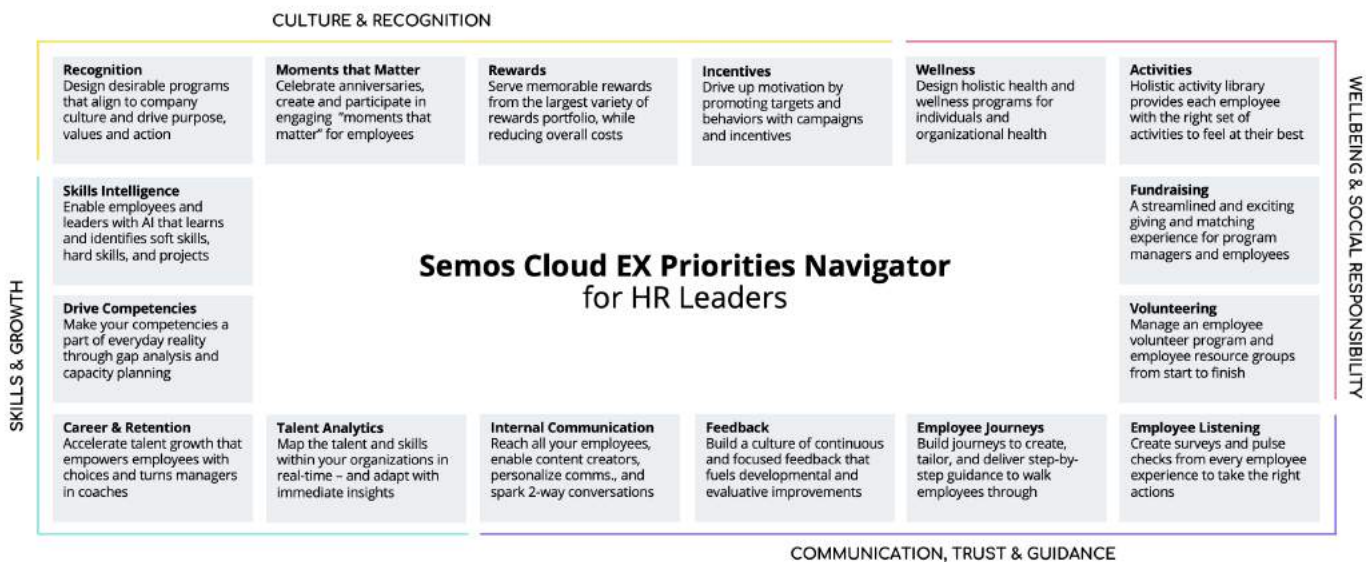
The “war for talent”, a term coined by a McKinsey & Co. consultant in 1997, has never been more relevant than it is today. Companies across wide swaths of the global economy struggle to attract and retain talent and optimize employees’ contributions to success. The correlation between high degrees of job satisfaction and high levels of performance on the job is increasingly recognized as part of the competitive profile a company brings to the market. Importantly, as digital transformation changes consumer and business-to-business buying culture, successful transformations require significant cultural changes in the workplace in order to place customer satisfaction and success even higher on the list of companies’ priorities. Those cultural changes need to be embraced by employees, or the transformation comes to a halt.

While leading research organizations increasingly see this new imperative for employee engagement as a major element in company success, a key barrier to success has emerged, and that is culture. The enormity of the cultural shifts inherent in digital transformation makes it difficult for HR professionals to optimize their employees’ experiences and successfully drive the twin strategies of digital transformation and customer satisfaction using existing human resource management tools. Unfortunately, most human resource and talent management systems are limited in how well they can fully support optimizing the employee experience, particularly with respect to encouraging and rewarding employee engagement, and enabling new ways to interact with internal and external stakeholders.

Semos Cloud, an SAP partner based in Lewisville, TX, understood early on in the digital transformation movement the importance of adding direct support for the employee experience to the HR professional’s toolkit. The result of that prescience was JobPts, a recognition and reward solution that integrates directly with SAP’s SuccessFactors HRMS software, as well as SAP’s on-premise HCM suite, based on Semos’ built-in connectivity with the SAP Business Technology Platform. Semos’ successful engagements with SAP and its customers led it to be one of the first partners to become part of **SAP’s OEM and Endorsed Apps Program**, a new invitation-only partner program that provides an enhanced level of certification and additional go-to-market and support services for partners.

Importantly, SAP support is just the beginning. As the platform evolves, its employee experience capabilities are extended to support other HRMS platforms, such as Oracle, Workday, ADP and others. JobPts and the rest of Semos’ portfolio are part of the company’s strategic focus on employee success, and becoming an employee experience (EX) platform provider in this important new market. It’s a worthy goal that Semos is executing admirably so far.

Semos has asked Enterprise Applications Consulting (EAC) to analyze the impact of their solutions in the SAP customer base, in particular concerning the product’s ability to address the issues surrounding optimizing the employee experience, and the overall “war for talent” that many companies are grappling with. The results of this analysis are clear: customers acknowledge that Semos EX platform is a well-designed system that can drive a wide range of employee experience priorities and programs that support digital transformation and related cultural changes in large and mid-size companies alike.





Engagement, Retention and Success

Engagement, Retention and Success

Numerous studies have highlighted the correlation between employee engagement and successful business outcomes. Among those business outcomes is employee retention – the old war for talent McKinsey started talking about over 20 years ago. The calculus is simple: a more engaged employee stays at their company longer, contributes more, and, if there are enough similarly engaged employees, the positive results accrue across the company.

Gallup Inc.’s annual State of the American Workplace study highlights this correlation in stark detail. (See Figure 1.) The reported results have been consistent since the survey was first fielded in 2012 – those companies in the top quartile of employee engagement were significantly more successful across a wide range of criteria, from retention-related issues such as absenteeism and turnover, to more bottom and top line issues such as productivity, profits, and customer satisfaction.

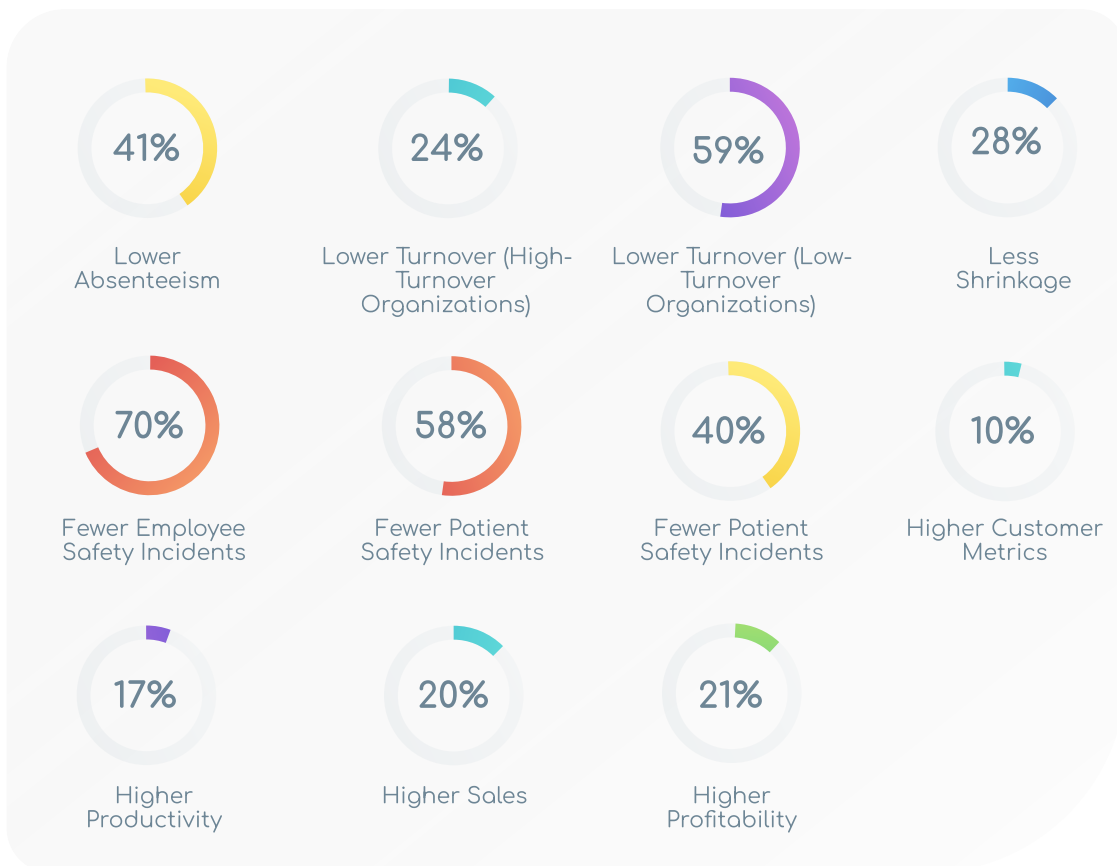


Figure 1: Impacts of High Levels of Employee Engagement in the Workplace

Source: Gallup State of the American Workforce 2022 – <https://www.gallup.com/workplace/349484/state-of-the-global-workplace-2022-report.aspx>

Another Gallup research initiative, the Gallup Great Workplace Award, goes a step further and correlates employee satisfaction with improved earnings per share. The results are definitive: a comparison of Gallup Great Workplace Award-winning companies with their competitors showed award winners outpacing competitors in terms of EPS growth by over 100% to over 400%. (See Figure 2.)

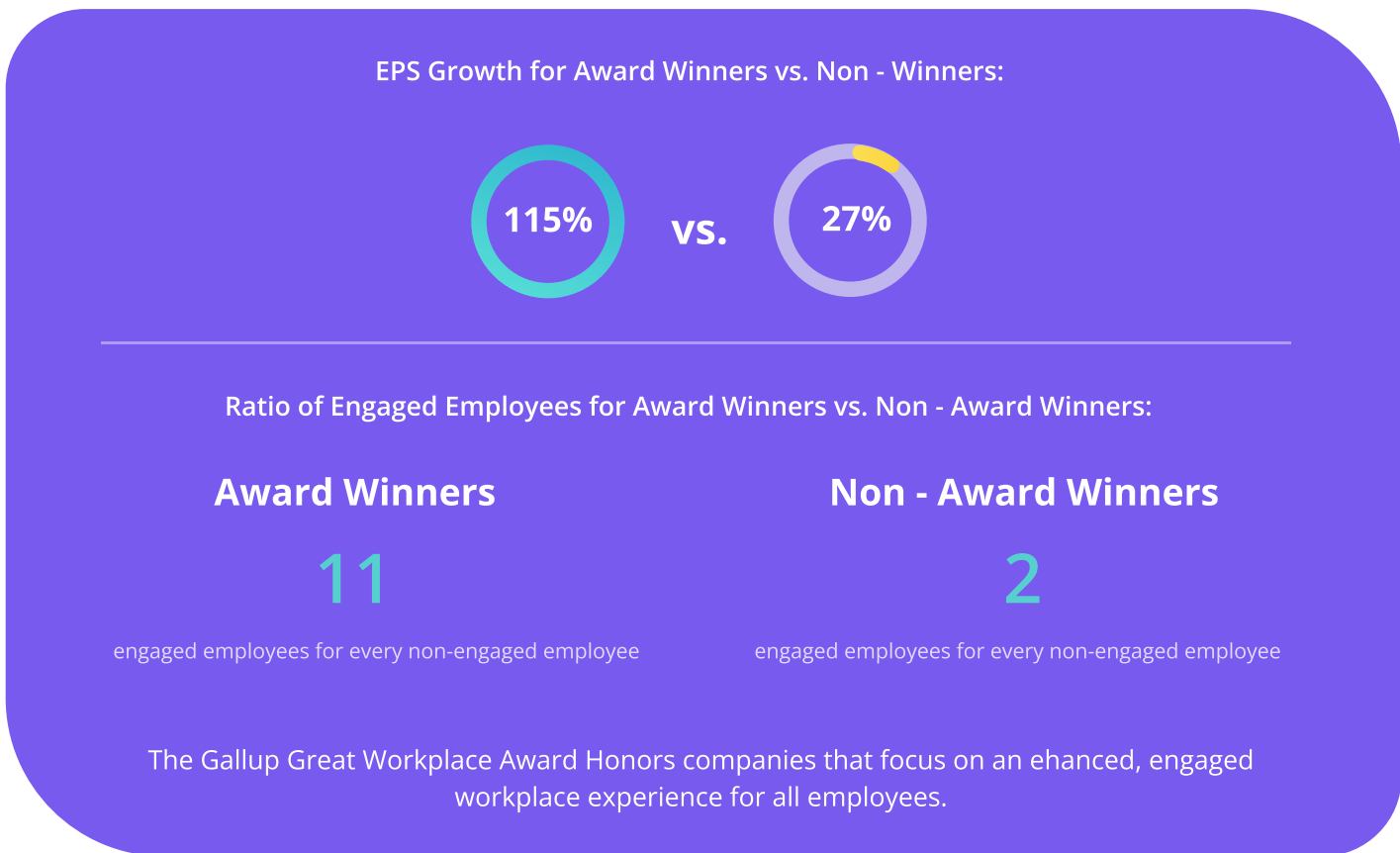


Figure 2: The Correlates of Employee Satisfaction – Gallup’s Great Workplace Award

Despite a preponderance of the evidence that employee engagement has a number of singularly positive effects, the percentage of employees who see themselves as engaged has remained consistently low. Gallup’s employee engagement surveys since 2000 have shown that between 26% and 33% of employees consider themselves actively engaged, while 50% – 60% believe themselves not engaged and a disconcerting 15% – 20% see themselves as actively disengaged. Based on Gallup’s and other organizations’ research, this lack of widespread engagement can be seen as a significant barrier to success for many companies.

There are many reasons for these low levels of engagement, but one issue stands out. The HR department was not historically responsible for employee engagement, nor was it directly responsible for dealing with the cultural and behavioral changes needed for business transformation. Instead, the transactional human resource management systems they used for many years focused exclusively on the traditional employee lifecycle, from hire to retire. If any effort was made to systematize a means to improve employee engagement through awards programs and other similar means, it was typically left up to spreadsheets and other less than optimal tools.

Enabling Customer Use Cases and Delivering Business Outcomes

Unboxing the Employee Experience Processes, Applications and Technology by Semos and SAP



Figure 3: Semos Cloud Employee Experience Platform

Source: Semos

This is the gap that Semos Cloud seeks to fill with its Employee Experience Platform, a suite of applications designed to enable HR professionals to meet the transformative needs of their companies. (See Figure 3.) One key solution in the platform, JobPts, is designed to allow companies to boost their engagement with their employees through rewards-based, gamified recognition programs. These programs can be used to engage an employee automatically in real time. The programs can also be used with a less automated, peer-led model, or one that has a more traditional manager-led approach. JobPts can scale from a midsized company all the way up to a global enterprise, while accounting for the different requirements that a recognition and award system may have, depending on individual country or regional conditions. Semos Cloud provides a comprehensive set of services to support how companies put JobPts to work.

Nurture Communication Cloud is another solution in the Semos Employee Experience Platform. Nurture aims to connect your people and transform your company with an employee communications management platform. Other solutions in the platform include Wellbeing Cloud, an employee well-being and corporate social responsibility solution. It is a set of solutions for companies to keep employees healthy and empower them to take action around causes they care about to create a sustainable world. And last but not the least, the Skills Cloud introduces a purpose-built Skill Intelligence Engine, built on a single AI platform for all talent.

Semos Employee Experience Platform solutions like JobPts and Nurture were built with integration into existing human resources management systems in mind, starting with SAP's SuccessFactors and its on-premise HR offering. This integration allows companies to create programs that work within the context of the existing employee experience, limiting the amount of change management required to get the new recognition system up and running.

As we shall see in the use cases below, Semos' solutions are particularly well-suited to this role in the SuccessFactors and SAP HR user community, a fact that augurs well for the company's plans to support other, non-SAP systems in the future.

Value-added Services for JobPts

Semos Cloud provides value-added services for JobPts – the **SAP-endorsed** recognition and rewards solution available on **the SAP App Center** – in order to meet the end-to-end needs of customers and assure a successful awards program. Customers deploying JobPts can access the following services from Semos Cloud:

- **Core Functional Set-up** – Semos provides professional services for setting up the major types of recognition programs, such as monetary and non-monetary recognition programs; nomination, voting, and ranking systems; and the automation of anniversaries and other milestones. Semos can also assist customers in tailoring the different reward types: eGift cards, pre-paid credit cards, merchandise, payroll rewards, and custom catalogs.
- **Employee Experience** – Semos provides design and development services for setting up the right processes for aligning JobPts to an individual corporate culture, including localization and verticalization support, branding of the application and email notifications, deployment via mobile devices and kiosks, and embedding the application into existing work environments, such as Slack and MS Teams. Semos also assists companies in leveraging analytics for predictive and prescriptive insights.
- **Integration and Rollout** – Semos provides services for turnkey integration with SuccessFactors, data privacy and security, and employee, manager, and HR department enablement. This includes assistance with the communication of program rollout, events and updates, managing feedback before and after Go-Live, and premium end-user support.




JobPts: Culture and Recognition Cloud

Appreciate Your Employees and Create “Moments that Matter”







EMPLOYEE EXPERIENCE

- | | | | |
|--|--|---|---|
|  Social Home Landing Page |  Social Sharing |  SuccessFactors Embedded |  Branded e-Cards and Notifications |
|  Progressive Web/Mobile App |  Slack Embedded |  MS Teams Embedded |  Fiori Tiles & Localizable Terms |

CORE FUNCTIONS

- | | | | |
|---|---|--|---|
|  Monetary & Non-Monetary Programs |  Nomination, Voting, Ranking |  Unlimited Merchandise |  Earn Points Campaigns |
|  Donations & Experiences |  Global e-Gift Rewards |  Budgets & Workflows |  Bulk Recognitions |
|  Company Catalog |  Leaderboards & Gamification |  e-Cash & Payroll |  Milestones Automation |

SUCCESS FUNCTIONS

- | | | | |
|---|--|---|--|
|  SAP Turnkey Integration |  HR & Employee Enablement |  Extensions & Tailoring |  Feedback Management |
|  Data Privacy & Security |  Premium Support |  Self-Service Admin, Analytics & Reports |  Communication Engagement |

Source: Semos



The Customer's Experience

The Customer's Experience

EAC's interviews with Semos Cloud customers show a consistent ability for the products to help align company culture and corporate goals with reward systems and communication that result in higher employee engagement and satisfaction levels.

The customers below shared a common requirement to drive business and cultural change using a next-generation recognition and communication system designed to meet specific business requirements, including a direct connection to an existing SAP SuccessFactors or HRMS system.





JTI's Global Employee Nomination Program

JTI's Global Employee Nomination Program

At Japan Tobacco International (JTI), a global manufacturer of cigarettes and other tobacco-based products, with global headquarter in Geneva, Switzerland, the company's plan for a company-wide business transformation required a new way to look at employee engagement, according to Andrew Bean, Global People and Culture Communication Lead at JTI.

The business transformation and shift to agile ways of working entailed significant cultural changes and JTI "needed to have initiatives to drive change by embedding new employee behaviors," Bean said. "We used employee recognition as the platform to communicate and promote a new set of global flagship behaviors."

A process for managing the recognition of employees who embodied the new flagship behaviors needed to be developed, and that's when JTI turned to JobPts. While JTI already had several existing recognition programs at a regional and marketing level, company leadership wanted a single, unified system to support this company-wide initiative. Bean and the project team set up a process in JobPts whereby employees could nominate their peers for a company-wide award, named Inspire.

The global nature of the company made this award program complicated. JTI has 45,000 employees scattered among five regions and over 100 countries, so the program needed to be accessible in multiple languages, support local voting for local candidates, and work where the Internet access is limited, such as on manufacturing shop floors, and even in remote agricultural locations where the tobacco is produced. Bean was also looking to integrate JTI's award program into the company's org structure as well as its SAP HR system, as the program needed to be fast-tracked in under five months, including a full global rollout with a comprehensive communications plan.

Perhaps most importantly, the global program needed to be created and managed by a core team and then adopted by local change agents in order to accommodate local language and voting requirements (including both online and offline voting). JobPts made this all possible with relative ease, Bean said. "If you were trying to do this in Excel, consolidating 100 markets and presenting it using worksheets, you would tear your hair out," he added.

The results of the rollout were dramatic. Over 35 percent of all employees nominated a peer for an award, with 14,000 nominating at least one person, and many nominating two or more. Those awardees received a trophy, a certificate, and a congratulatory email from JTI's CEO. A total of 27 regional and functional winners were invited to a celebratory event in Geneva, Switzerland, at JTI's global headquarters. More important was the obvious morale boost that the program created. Social media platforms like JTI's Facebook for Workplace page showed that "post after post people were celebrating other employees," Bean added. This effort has made a significant difference in employee engagement.



The final bonus was that the deep integration with SuccessFactors removed a potentially significant change management issue for JTI. People using JobPts embedded in SuccessFactors "can't tell that it's not SuccessFactors," said Bean. JobPts enhanced the value of SuccessFactors because JTI employees "think JobPts is SuccessFactors."



SAP Appreciates Employees

SAP Appreciates Employees



One of the most extensive use cases for JobPts can be found at SAP SE, which has been using the product since 2016. Like JTI, JobPts was brought in to improve the overall recognition program at SAP as well as consolidate a hodgepodge of over 100 local programs.

Managing the original programs across a company with over 100,000 employees required a 30-person team scattered across the globe, Maïke Kunz, SAP's head of recognition, told EAC. "It was a huge effort on our side, and it had a great impact, but we knew we could do better," said Kunz. The effort to do better resulted in a program based on JobPts dubbed SAP Appreciate, which is primarily a peer-to-peer monetary award system that was built to run on SAP's Business Technology Platform and that integrates directly with SuccessFactors.

"At SAP, we like to drink our own champagne," Kunz explained.

JobPts is particularly adept at managing an award program that spans some 180 countries across the world, even though usage of the program at SAP varies from country to country. That variance is deliberate, Kunz explains, considering the cultural differences in peer recognition between regions as diverse as Latin America and Southeast Asia, Kunz said. Tracking those differences is vital to ensure that the program runs well, and JobPts's analytics are designed to provide that comprehensive view. "The reporting options are great," said Kunz, and include details around usage rates, cost governance, and specific country-level data. "I check the usage every month," Kunz added.

Kunz sees in the reports a highly effective program that supports SAP's employee recognition efforts on local and global levels. "SAP Appreciate is more highly rated than base pay, leadership training, and other traditional means of rewarding employees," Kunz said. "As a matter of fact, in the past three employee engagement surveys, SAP Appreciate (JobPts) was always ranked as one of the top three "most loved" internal solutions. And there's no longer a need for 30 people to manage the global program. "I can run it as a one-woman show," Kunz added.



Hatch Fits Feedback to its Unique Requirements

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Hatch Ltd. is an engineering and management consulting firm based in Mississauga, Ontario. The company's close-knit mentoring culture became increasingly hard to sustain as the company grew from a small, family-run company to a global firm with over 9000 employees, according to Eric Murakami, global director, HR and operations, at Hatch.

Hatch's highly unique process of mentoring and giving feedback to its employees didn't lend itself to their SuccessFactors' HR system, and when the company's SAP account executive suggested that the company looked into Semos' portfolio, Murakami began a program to pilot their Feedback solution in order to see if it could be used to meet their particular needs.

"Hatch is a very unique organization and likes to do things differently," Murakami told EAC. The company's way of "mentoring and giving feedback was easy to do when we were small, but the idea of mentoring this way didn't scale well."

The Feedback solution was able to leverage Hatch's existing career management and feedback processes, and the company embarked on a pilot program that tested Feedback system in two of the company's five regions, accounting for slightly less than 10 percent of all employees.

The results were impressive. The Feedback solution was able to engage 46% of the targeted employees in the pilot, with only a minimal amount of promotion inside the company. That engagement rate was a significant improvement over the previous tool used by Hatch, which had only a 17% engagement rate. And of the 46% who used the new Feedback system, 86% said they would be more likely to participate in the feedback process.

Murakami said that a key factor in the degree of engagement was the seamless integration of the Feedback solution with SuccessFactors. To the employees, it "is just another tile within the home page of SuccessFactors," Murakami said. "I don't think there was a distinction that people were doing something different."

Hatch has plans to follow up the pilot with a more comprehensive program that will leverage Feedback inside a robust career development and feedback framework, Murakami said. Murakami is confident that the solution will scale up to this broader use case. The fact that SAP uses its solutions "was a vote of confidence."



Conclusion: Engagement, Retention and Business Change

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The need for an engaged and productive workforce – whether 20 years ago, or in today's era of digital transformation – is an essential factor in the success of any business. The thing that has changed since McKinsey's dramatic "war for talent" declaration is that research organizations such as Gallup and others have quantified the correlation between engaged employees and business success as never before. The customer-centricity that is the unifying vision for digital transformation in any industry means that this correlation between engagement and success will only grow. Indeed, what is emerging is more than a correlation; it's becoming a dependency. Successful customers need high-quality experiences that can only come from highly motivated employees, who in turn need new systems of engagement and recognition in order to maintain these high levels of motivation. Companies that bet against this equation will pay dearly for their lack of foresight.

The means to create and maintain quality employee experiences has also changed, and the Semos Employee Experience applications discussed here are excellent examples of what that change can mean. Both apps allow talent management to be based on the ability to measure engagement levels and proactively improve these systematically. The change management component is one of the most complex elements of any digital transformation. Getting employees on board and enthusiastic about a digital transformation's new processes and capabilities is the only path to true success. The majority of failed transformations can be traced back – in part – to a failure to manage the technology and process changes for employees to be actively engaged. There is a direct connection between this issue and an employment marketplace. According to Gallup's data, well over half of all employees are either not engaged or actively disengaged.

As these three use cases show, **the Semos Employee Experience Platform** can be instrumental in communicating and driving essential changes in a way that helps make the overall transformation a success. The fact that it can help engineer that transformation within the context of existing HR systems, such as SuccessFactors, further realizes the promise of enabling effective change management. Customers who integrate Semos Cloud solutions into their SuccessFactors

user experience make it possible for new recognition and reward processes to effect cultural change without needing their own complex change management process. The fact that HR managers can build and maintain a new recognition system that employees can access without needing additional training on another new system is as important an attribute of the platform and its apps.

The war for talent will probably never be over as long as we live in a competitive economy where people – and not just new technological improvements – are needed to ensure business success. Semos Employee Experience platform is an important set of tools that should be considered by any company facing a dynamically changing economy and a set of new business practices that require exceptional levels of employee engagement. It's hard to imagine a successful business transformation that doesn't consider the kind of transformative employee experience that Semos Cloud solutions offer.

Re-imagining The Workplace By Creating Moments That Matter



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