

## Redefining Work: The Revolution of Business Al

Stephan Koenen, SAP April 25, 2024

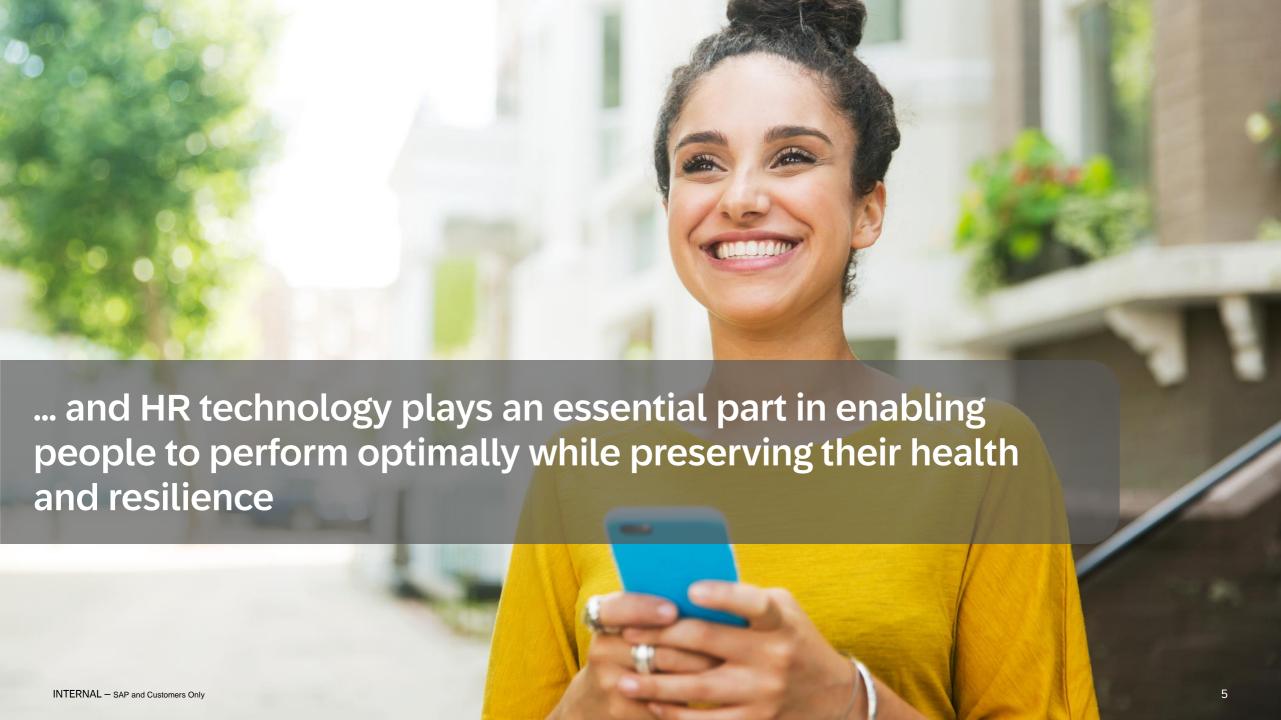




# **Top HR Tech Trends**







# What are the biggest HR tech challenges companies face and what is the solution?

## HR tech challenges

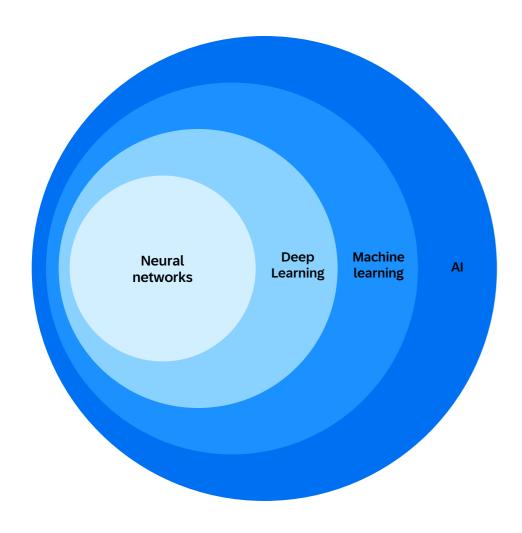
- Employee Experience
- Integration and compatibility
- Data analytics and insights
- Data security and privacy
- User adoption and engagement
- Cost and ROI
- Scalability

## **Top HR Tech Trends**

- Cloud HCM
- Conversational Al
- Deep Learning
- Generative AI
- Automation and Robotic Process Automation (RPA)
- Remote work and collaboration tools

# Artificial Intelligence Overview

## **Artificial Intelligence – Overview**



# Artificial Intelligence

processes data to make decisions and predictions

## **Machine Learning**

is focused on teaching computers to learn from data and to improve with experience – instead of being explicitly programmed to do so.

## **Deep Learning**

is a subset of machine learning that uses multiple layers of neural networks to process and learn from large amounts of data.

## New AI categories arise ...

# Generative AI (Gen AI)

a form of AI that produces content in the form of text, Images, Audio and video

# Large Language Models (LLMs)

an advanced form of Gen AI that processes and generates natural language text in a seemingly human manner

#### **Business Al**

LLMs trained on business data, industry expertise and processes to generate options for solving complex business problems

## Potential pitfalls of Artificial Intelligence



Lack of Understanding



AI Hallucinations



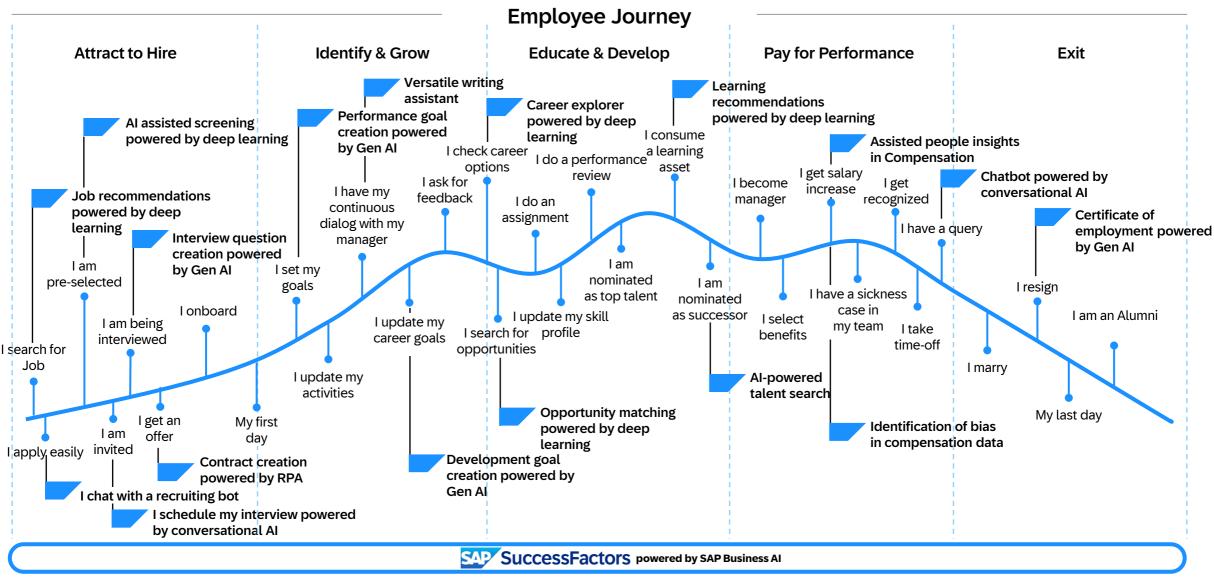
Bias



Ethical and Legal Concerns

# Artificial Intelligence HR Use Cases

## Al use cases along the Employee Lifecycle (selection)



INTERNAL – SAP and Customers Only Al HR use cases

# Artificial Intelligence Insights in SAP SuccessFactors Al use cases

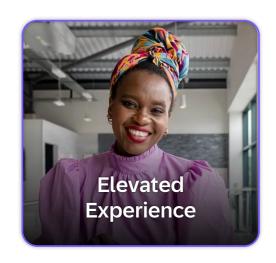
## Disclaimer

The information in this presentation is confidential and proprietary to SAP and may not be disclosed without the permission of SAP. Except for your obligation to protect confidential information, this presentation is not subject to your license agreement or any other service or subscription agreement with SAP. SAP has no obligation to pursue any course of business outlined in this presentation or any related document, or to develop or release any functionality mentioned therein.

This presentation, or any related document and SAP's strategy and possible future developments, products and or platforms directions and functionality are all subject to change and may be changed by SAP at any time for any reason without notice. The information in this presentation is not a commitment, promise or legal obligation to deliver any material, code or functionality. This presentation is provided without a warranty of any kind, either express or implied, including but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement. This presentation is for informational purposes and may not be incorporated into a contract. SAP assumes no responsibility for errors or omissions in this presentation, except if such damages were caused by SAP's intentional or gross negligence.

All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates, and they should not be relied upon in making purchasing decisions.

## How AI enables us to deliver on our product vision



Streamlining interactions & driving deep personalization



Talent intelligence that drives learning & growth recommendations

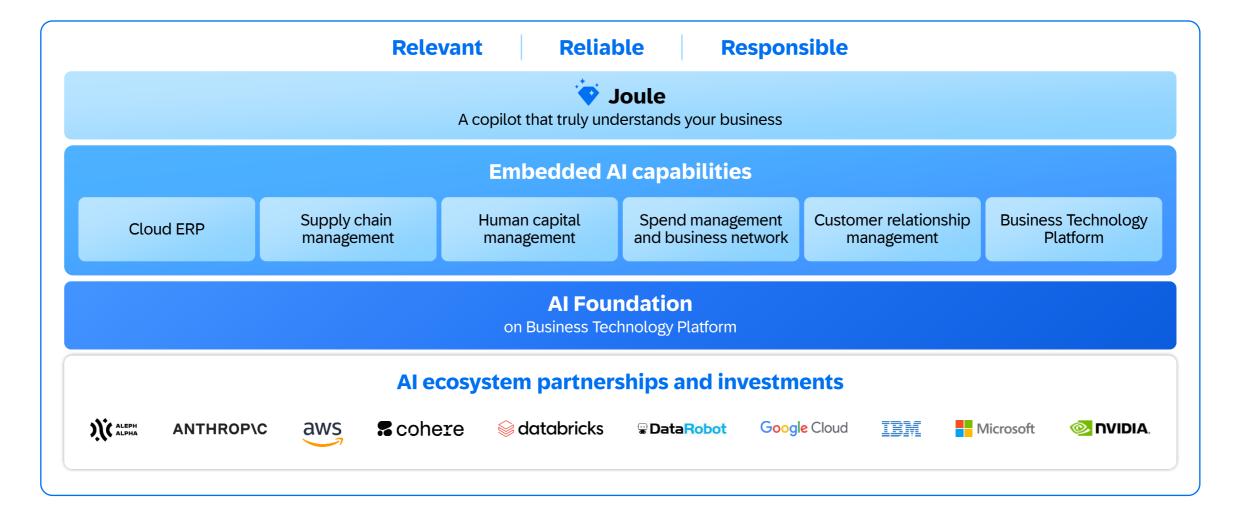


Automation & insights that drive strategic HR organizations

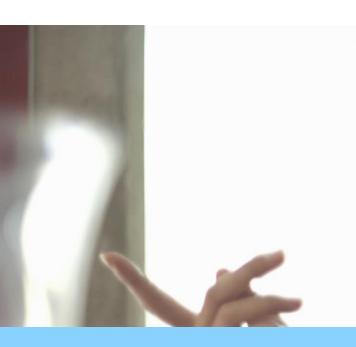


People insights & data across the intelligent enterprise

## SAP Business AI is embedded across the portfolio



## How AI is being used in SAP SuccessFactors solutions





## **Deep Learning**

Transform talent development and employee experience with personalized recommendations, predictions, and deep insights

Examples include: Talent intelligence hub, Job Analyzer, Career Explorer

## Generative

Accelerate HR processes & tasks by quickly generating or summarizing text across the SuccessFactors HXM suite

Examples include: AI-powered writing assistant, Interview question generation

## **Conversational**

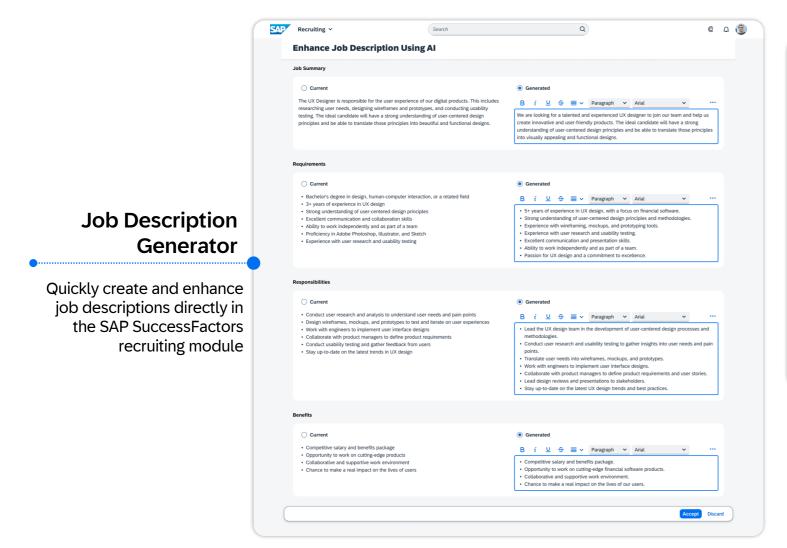
Deliver a better employee experience while lowering personnel costs with a natural language processing AI copilot

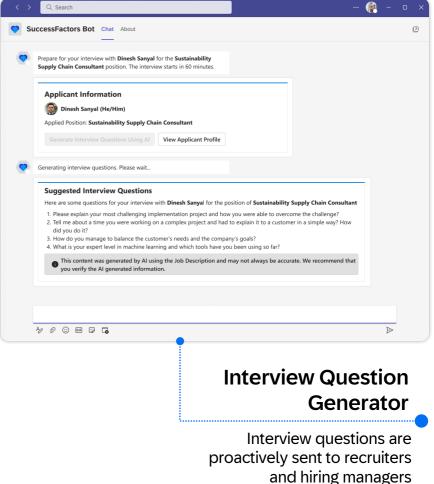
17

Examples include: Joule

## Generative AI Product Innovations – Initial Use Cases (2H 2023)

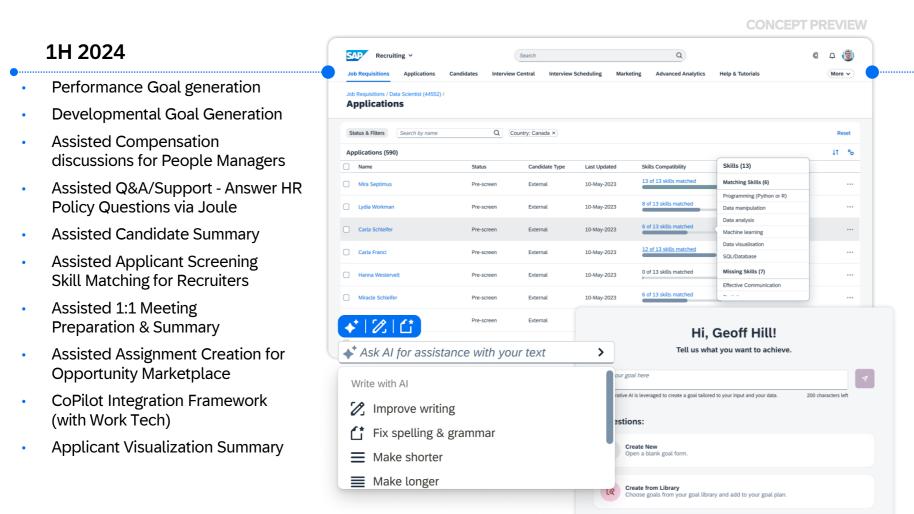
Streamlining the hiring process for recruiters and hiring managers





## **Generative AI Product Roadmap for 2024**

Large language model-powered text generation to streamline employee, manager & HR admin work



#### 2H 2024

- Learning Content Interactive Q&A (part of broader LLM Q&A)
- Assisted Feedback (also via Joule)
- Assisted Performance Feedback and Review for People Managers
- Language translation
- Course Description Generation
- Assisted Learning Assessment Generation (for Learning Admins)
- Assisted Learning Quiz Generation (for Individual Learners)
- Assisted Image Generation for Learning Content
- Assisted Course Creation (User Generated Content)
- Assisted Summaries for Detailed 360 Report & Feedback

Roadmap

## **Performance & Goals**

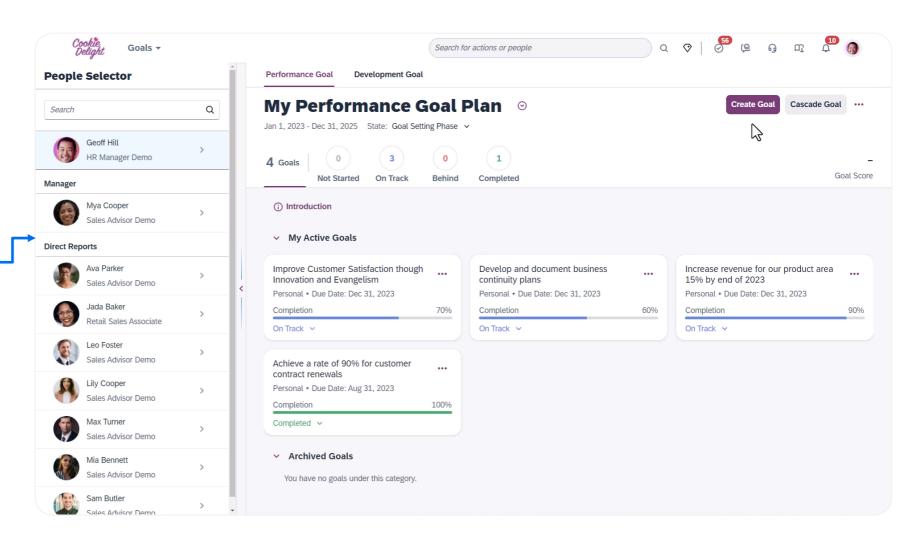
## Flow of work experiences and AI

#### Planned 1H 2024

Generative AI for Performance Goals

Build meaningful and aspiring performance goals using Al

- Dramatically speed up goal creation
- Reduce time spent on ideation and content drafting
- Personalize content to individual users



**CONCEPT PREVIEW** 

## **Development Goals**

## Flow of work experiences and AI

#### Planned 1H 2024

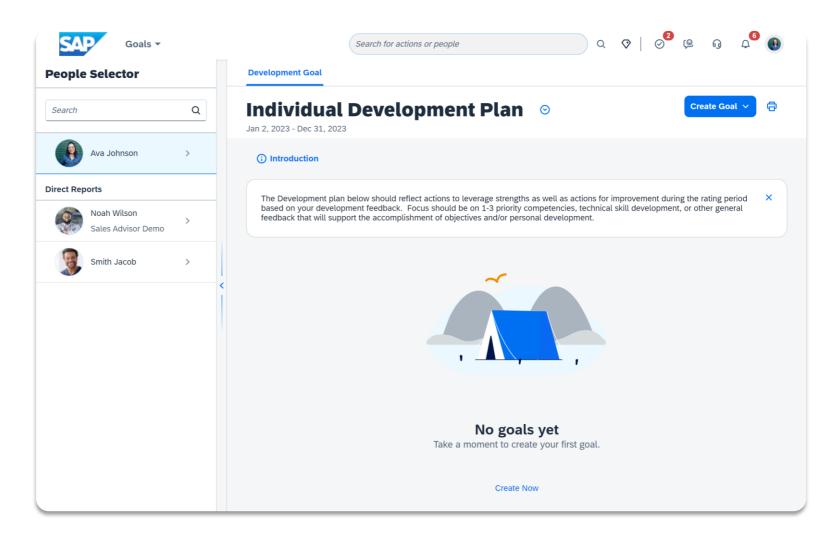
Generative AI for Development Goals

Build meaningful and aspiring development goals using Al

Dramatically speed up goal creation



- Reduce time spent on ideation and content drafting
- Personalize content to individual users.



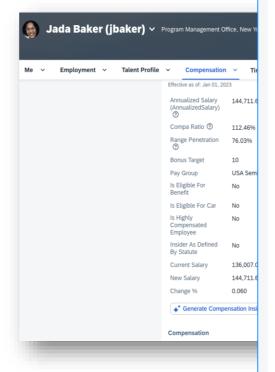
## **Assisted Person Insights**

## Compensation Insights for People Managers

#### Planned 1H 2024

## **Assist People Managers**

- ✓ Facilitate an equitable & efficient approach to compensation discussions
- ✓ Uncover hidden insights
- Support People Managers with relevant talking points in their 1:1 discussions
- Support diversity, equity, and inclusion by avoiding human bias and neutrally look at compensation and job history



#### **Compensation Insights**

Insight Details

#### **Employee Summary**

The employee has been with the company since January 1, 2010, and started in the Management & Planning role on February 1, 2014. They have a current job title of Management & Planning. The employee's compensation history shows a yearly base salary of \$144,711.60 as of January 1, 2023. The employee's compensation has been reviewed annually, with the most recent review resulting in a compa-ratio of 112%. The employee has received various bonus payments throughout their tenure, including merit review lump sums, best run rewards, and incentives. Overall, the employee has shown consistent job progression and has been compensated fairly based on the compa-ratio analysis.

#### Insights

#### **Compensation History**

The employee's compensation history shows a consistent upward trend in salary. The most recent salary review resulted in a 6% increase compared to the previous year. The employee's comparatio has consistently been above 100%, indicating that they are being paid above the midpoint of the pay range for their role. This suggests that the employee is performing well and is being rewarded accordingly.

#### **Once-Off Payments**

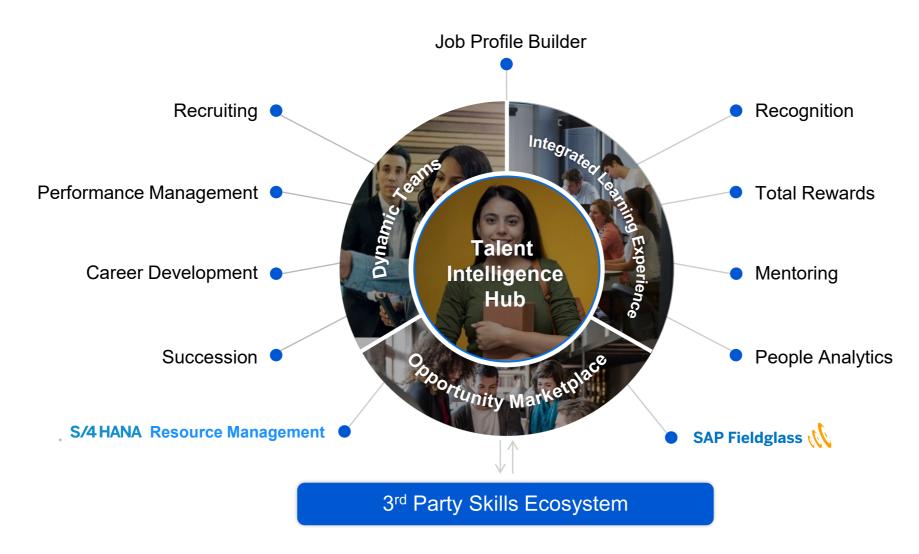
The employee has received various bonus payments throughout their tenure. These include merit

Close

Roadmap

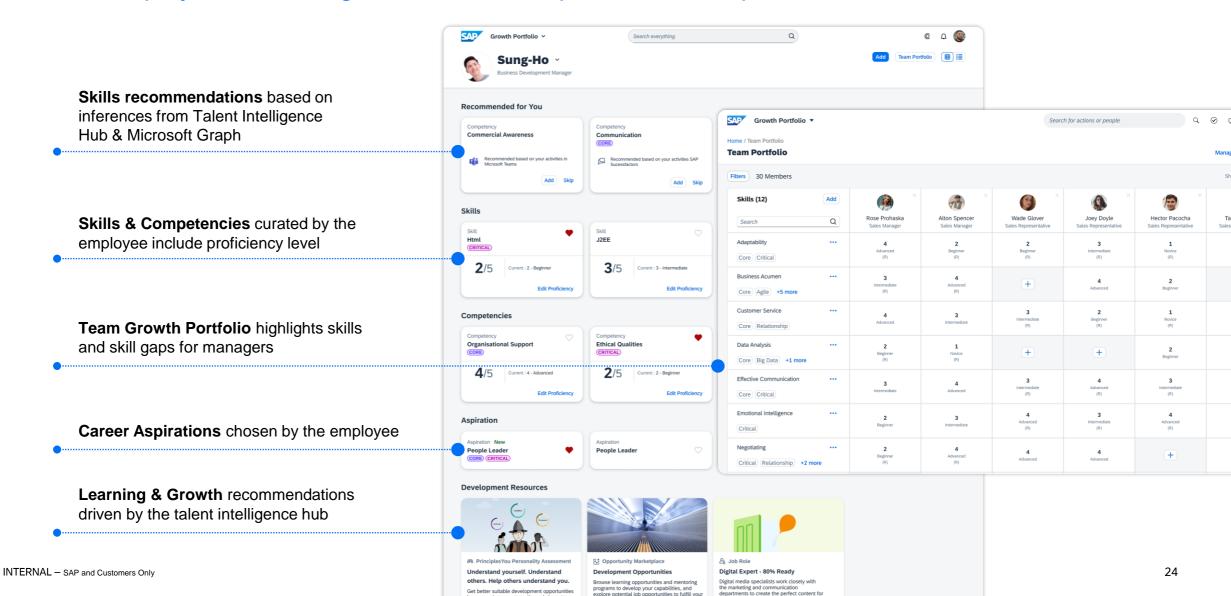
## Talent intelligence hub is the foundation of the future-ready workforce

Driving talent development and recommendations across the SAP SuccessFactors suite



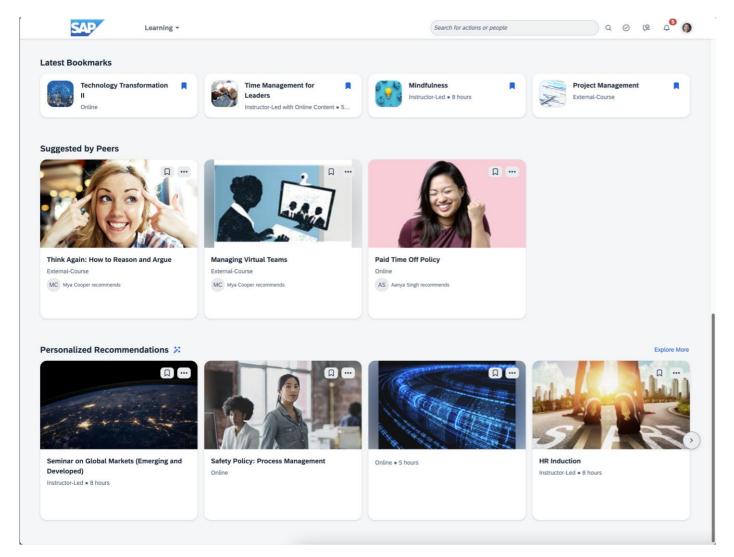
## Growth Portfolio – The employee view of skills

Enables employees to manage their skills, competencies, & aspirations



## **Learning recommendations**

### Al-driven recommendations



## SAP SuccessFactors Learning recommendations

empower employees to discover personalized learning opportunities

## **Versatile Writing Assistant**

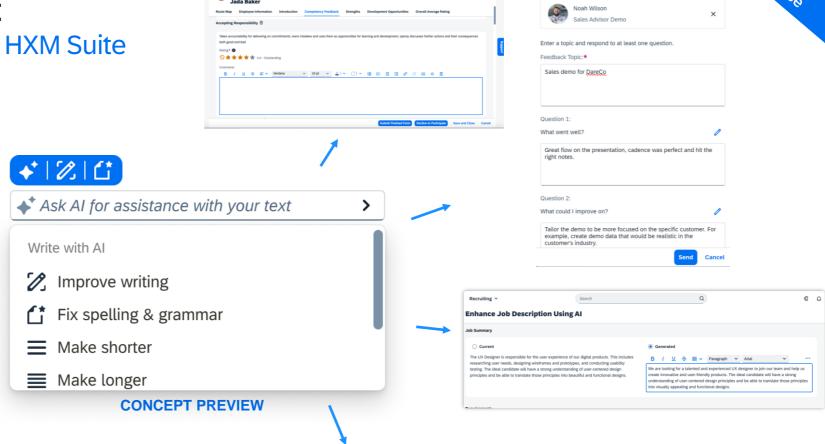
Available everywhere across the HXM Suite

#### Planned 1H 2024

Versatile Writing Assistant

Create easily & effectively

- Help employees to write more effectively
- Reduce time spent on ideation and content drafting
- Available across the entire HXM Suite



- Spot awards
- Performance goals
- Development goals
- OKRs
- Achievements
- Forms (performance, potential, 360, assessment, etc.)

• Employee Profile (about me, etc.)

Give Feedback

- Continuous Feedback
- Opportunity Assignment
- Job Descriptions
- Succession Notes
- Custom MDF Apps
- ... and more!

## **Introducing Joule**

Joule is an AI copilot that uses natural language processing to revolutionize how you interact with SAP business systems, making every touchpoint count and every task simpler.

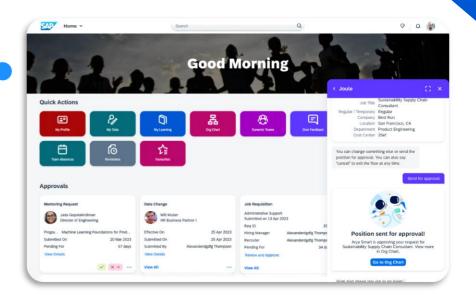
#### Joule is in your SAP applications

Joule can be accessed from your SAP cloud applications, including SAP SuccessFactors and SAP Start.

General availability: As of 2H 2023, English language only, and US & EU data centers only

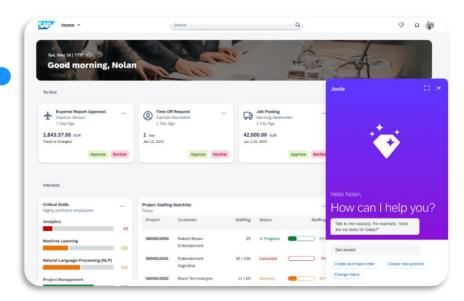
#### **SAP SuccessFactors**

Give employees and managers an AI assistant that enhances experience while reducing manual HR efforts



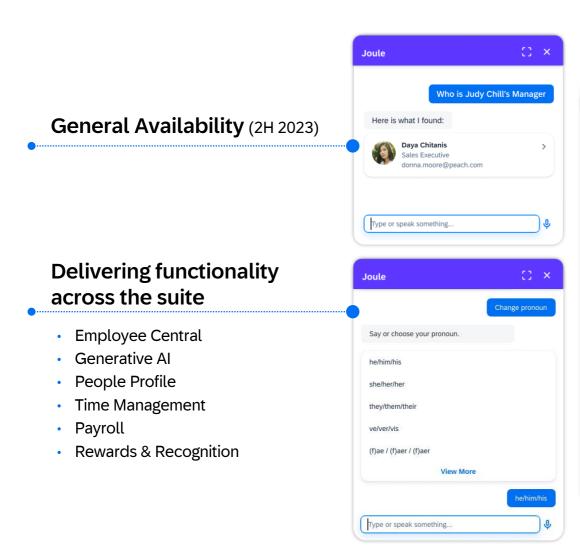
#### **SAP Start**

Access Joule for SAP SuccessFactors and SAP S/4HANA Cloud, public edition, from SAP Start



## Joule copilot drives intelligent employee and manager self-service

Enhancing employees' experience while reducing the volume of inbound HR support tickets



- Joule **Key Position Details** Position Name Senior Consultant Job Code 50000204 Job Title Senior Consultant Regular / Temporary Regular Company Best Run Location San Francisco Department GCS Delivery (US) (17101001) Cost Center 25ef You can change something else or send the position for approval. You can also say "cancel" to exit the flow at any time Send for approval Position sent for approval! Arya Smart is approving your request for Sustainability Supply Chain Consultant, View more in Org Chart. Type or speak something.
- Available in SAP Start & SuccessFactors
- Includes employee & manager self-service scenarios as well as guided workflows
- Simple requests can be answered in the chat or direct users to resources
- Fallback mechanism to smoothly handle conversations in exceptional cases

## Additional EC quick actions – also available in Joule

#### Planned 1H 2024

View address C

**Change address** 

**View phone** 

**Change phone** 

View mail

**Change mail** 

**View emergency contact** 

**Change emergency contact** 

**Add emergency contact** 

View job relationship

Add job relationship

Change job relationship

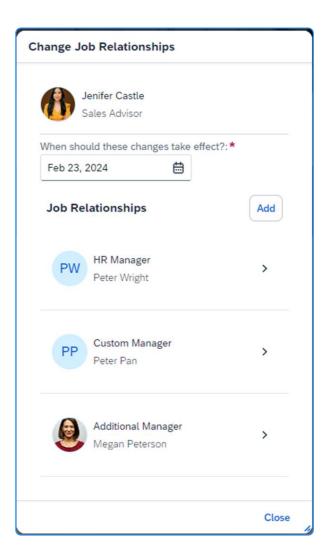
**Start suspension** 

**End suspension** 

**Start furlough** 

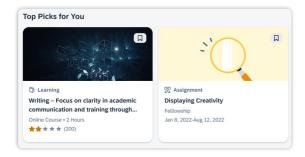
**End furlough** 

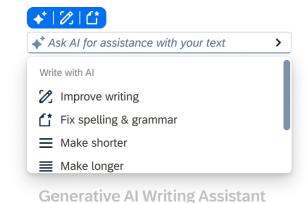
**Demotion** 

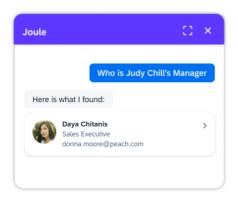


## 38 AI capabilities delivered in 2023

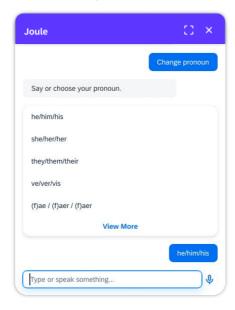
## Opportunity Marketplace Recommendations







SuccessFactors Joule capabilities



#### 2H 2023 – 38 Al Capabilities delivered

#### **Generative Al**

Job Description Generation

Interview Question Generation

ProbationCost Center

Location

Hire Date

Birthday

Peers

#### **Joule**

#### Employee Central – View & Change:

- Chosen Name
- Pronouns
- Legal Name
- Location
- Working Time

- Job (including business title)
- Contract End Date
- Cost Center
- Transfer
- Promotion

#### People Profile – View co-workers:

- Display Name
- Pronouns
- Job Title
- Job Code
- Direct Manager
- Direct Reports

- Email address
- Phone Number
- Location
- Time Zone
- Department
- Division

#### Time Management

Approve / Reject Time-Off Request

#### **Talent Management**

Request & Give Feedback

#### **Talent Intelligence Hub**

- Learning recommendations
- · Skills inferences

 Opportunity Marketplace recommendations for Learning & assignments

## SAP SuccessFactors 2024 AI Roadmap

#### 1H 2024 – 28 Al capabilities to be delivered

#### **Generative Al**

- Performance Goal Generation
- **Development Goal Generation**
- Versatile Writing Assistance with Safety Scan
- Assisted Compensation Discussions for People Managers
- Assisted Candidate Summary

- Applicant Visualization Summary
- 1:1 Meeting Preparation & Summary
- Assisted Q&A/Support Answer HR Policy Questions via Joule
- Assisted OMP-Assignment Creation
- CoPilot Integration Framework (with Work Tech)

#### Joule

#### **Employee Central – View & Change:**

- Legal name (view only)
- Telephone number
- E-mail address
- **Emergency contact**

- Home address
- Job relationship manager
- Create and update position
- Marital status

#### Payroll:

View Pay Statement (w/ PDF option)

#### **Generative Al:**

- HR Policy FAQ using LLM
- · Create Performance goal
- · Create Development goal

#### **Time Management:**

- Clock in / out
- View leave balance
- time off instructions
- Create & View time off
- View holiday calendar

#### **Talent Intelligence Hub**

Skill Matching for Recruiters

#### 2H 2024 – 31 Al capabilities to be delivered

#### **Generative Al**

- Learning Content Interactive Q&A
- Assisted Feedback via Joule
- Performance Feedback/Review for People Managers
- Course Description Generation
- Assisted Translation
- SPM: Localization
- SPM: Custom code reviewer

- Image Generation for Learning Content
- Summaries for detailed 360 Report & Feedback
- Learning Assessment Generation (for Learning Admins)
- Course Creation (User Generated Content)
- Learning Quiz Generation (for Individual Learners)

#### Joule

#### **Employee Central – View & Change:**

- Compensation
- Tenure
- Work anniversary
- Gender
- Job relationships

Personal information

#### **Time Management:**

- Update & Delete Time Off
- Approve / Reject
- Time Sheet Request
- View clock-in/out
  - events

#### **Generative Al:**

- HR Policy FAQ enhancements
- Interview Question Generation
- Job Description Generation
- Create Feedback

#### **Rewards & Recognition**

- Create Spot Award
- View Given Spot
- View Received Spot Award
- Award

#### Payroll:

- Explain Pay Statement
- Regulatory change manager

#### **Talent Intelligence Hub**

· Learning content skills tagging

Roadmap

# Al Ethics Guidelines

# Ethikbeirat HR Tech – Guidelines for the responsible use of AI and other digital technologies in human resources

- Transparent goal setting process for usage and involvement of interest groups
- Define in advance the purpose for which personal data will be used and ensure that this data is only collected, stored and used for the purpose

Solid solutions that have been empirically evaluated and have a theoretical basis

- Obligation to provide information before and when using an AI solution
- Decisions driven by humans for relevant peoplerelated decisions
- Pay attention to subject quality so that no data may be collected that is beyond the control of those affected
- HR drives AI solution not the other way around combining technological, analytical and human resources skills
- Data quality and discrimination Ensure that the underlying data are of high quality and systemic discrimination is excluded

Liability and responsibility for the results of Al usage

Constant checking to ensure that the guidelines are also observed during operational implementation and further development

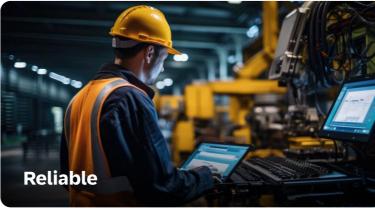
33

Source: https://www.ethikbeirat-hrtech.de/

## Al product development principles

How SAP delivers business AI for our customers







#### **Industry-leading**

Using the best partner and SAP technologies

#### **Outcome-driven**

Maximize value for customers and employees

#### **Accurate**

Generative AI outputs must be trustworthy

#### **Accessible**

Ensure AI can be used by all employees

#### **Ethical**

Mitigate customers legal and ethical concerns (e.g., EU's Artificial Intelligence Act)

#### Safe and secure

Transparent and secure use of employee data

## SAP's core principles for AI

How SAP ensures we only deliver safe, reliable business AI for our customers

## Responsible Al

To ensure we build ethical, responsible, and trustworthy AI technology, SAP maintains an AI ethics policy and guiding principles, as well as an AI Ethics Advisory Panel. The SAP AI Ethics Advisory Panel is an external body made up of policy and legal experts from universities and organizations, such as Georgetown University and ICANN.



To read more about SAP's guiding principles for artificial intelligence or to read SAP's AI Ethics Handbook, visit: <a href="https://www.sap.com/products/artificial-intelligence/aiethics.html">https://www.sap.com/products/artificial-intelligence/aiethics.html</a>



# Thank you.



**Stephan Koenen** 

SAP SuccessFactors MEE

M: stephan.koenen@sap.com

T: +49 (0) 151 16810428



