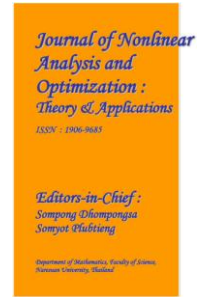


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Performance Appraisal Management System – SAP SuccessFactors

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Abstract – SAP SuccessFactors Performance Management and Goal Management (PMGM) is an appraisal module adapted by every organization in order to assess their employees. It is a cloud based Human Resources (HR) solution which engages the employees and gives an opportunity to learn and grow. A company will set certain targets in the starting of the year and later on assess their employees based on their performance ratings. This facilitates improved employee performance and identifies the top talent.

Keywords – Talent Management, Goal plan, Employee engagement, Agility, Rating scale, Routing map.

I. INTRODUCTION

Lars Dalgaard launched SuccessFactors in 2001. Initially it began with only one module which was the Performance Management and Goal Management (PMGM), and later on the remaining modules were integrated with it. SAP acquired SuccessFactors in 2011. SuccessFactors is supported in 168 different countries and provides a pack of 43 languages. The Performance Management and Goal Management is a part of SAP SuccessFactors Human Experience Management (HXM) integrated suite. This module is used for strategizing the goals efficiently and providing accurate results of an employee's performance.

II. LITERATURE REVIEW

Traditionally, the Performance Management and Goal Management was carried in the form of a paper-based documentation. Here the Managers or any higher officials of a particular employee, provide feedback during the review sessions. The result of the performance of an employee is determined based on their ratings given. But this method lacks employee involvement and is entirely manager-centric, the system may not align with organizational objectives thereby, not able to recognize the talent of the employee. SAP SuccessFactors addresses this issue and constructs an integrated system that runs efficiently and provides accurate results by recognizing the top talent through the performance data.

Eze, Dametor, and etal implemented SMART goals that involved the consultation of the employees. In order to determine the top talent of the company they engaged the employees to rise and learn, conducted formal appraisals, provided promotions, acknowledged the high performing employees [1]. Chen and etal in [2] implemented an OKR methodology for the performance appraisal process. This manages high level goals in terms of difficulty, provides flexibility and engages the employees.

Gautam and etal used a combination of theoretical analysis in [3] that allows an organization to grasp the subject thoroughly thereby improving their performance management procedures.

Jane Broadbent and etal in [4] focuses on ex post performance measurement in management, management control, and management accounting literature.

Deidra J. Schleicher and etal in [5] utilized this model to interpret and integrate the substantial research conducted in this field to identify productive, system-based directions for further PM work

Mettler, Tobias and etal in [6] used the concept of Performance management in health care to keep up with the growing demands of information. In order to do so, they conducted a survey for the health care sector.

Smith, Marisa and etal in [7] derived the interrelationship between the performance measurement and management, employee engagement and performance. This intervention has resulted in improvement of both employee engagement and overall performance levels.

Zaffron, Steve and etal in [8] wrote a book where the authors argued how an organization can achieve higher levels of performance and overcome their challenges by applying these laws.

Aguinis and etal in [9] considered two dimensions where each had five principles. The universal dimension included alignment of job description with goals, measuring performance, training for performance management, delivering feedback through strength-based approach and allocating rewards. Conversely, the cultural dimension included individualism against collectivism, power differentials, avoiding ambiguity, masculinity versus femininity, and fatalism.

Aguinis and etal in [10] indicated the presence of a science-gap in organizational behavior (OB). Their main focus is to identify research avenues that can enhance performance management thereby making the OB relevant to the practitioners and bridging the gap between academic knowledge and practical application.

A Ferreira [11] deals with the interconnectivity issues in performance management and management control systems. The proposed solution aims to provide a more holistic description of PMS thereby resolving the challenges associated with simplified and partial research settings.

M Bourne and etal in [12] addressed the problems that might arise while creating, deploying, utilizing and regularly updating performance measuring systems in manufacturing organizations. To keep the strategy and the performance assessment system in constant alignment, various number of procedures are required.

AS DeNisi and etal in [13] stated the creation and carrying out of a performance appraisal system whose goal is performance improvement.

III. METHODOLOGIES

A. Goal Management:

This handles a set of goal plans that are used to create and access goals at one place. An employee can create goals and track their progress by fulfilling the goals assigned to them before the due date. The Components of Goal Management are depicted in Fig. 2 and Fig. 3.

1. Role Management:

In SAP SuccessFactors Goal Management, role management is carried out by the Role Based Permission (RBP) which is a

security model that allows you to restrict and grant access to the applications that the employees can see and edit. Here's an overview of how role management is implemented in Fig. 1.

2. Goal Alignment:

Goal alignment enables an individual or a team to be related and tied up to the organizational goals. Following are a few techniques for goal alignment:

- **Cascade-Push alignment method:**
In the Cascade-Push Alignment approach the goals are pushed down from higher levels to lower levels making sure that the goals are cascaded via various levels.
- **Cascade-Pull alignment method:**
In the Cascade-Pull Alignment approach an employee can pick up a goal from another employee's goal plan as long as they have the appropriate authorization.
- **Cascade - Align (Linkage) method:**
In the Cascade - Align approach connections between current goals that may be connected or independent among employees is managed.

3. Create and manage a Goal Plan Template (in instance):

- Navigate to Manage Templates → Goal Plan.
- Click 'Add a New Template' → Basic Goal Plan.
- Click an Existing Goal Plan → Save As → Give a new name.

4. Create Goal Plan Template (in Provisioning):

- Select company name → Manage Plan Template → Import/Update/Export Objective Plan Template
- Export the appropriate Goal plan by clicking on the "Export icon". An XML file pops up Make modifications as per the requirement and import it back to the instance.

5. Goal Plan Template:

A goal plan template is where you can create and manage a goal for an employee. It is coded in XML. Here the main element of the goal plan template is "<obj-plan-template>" which is also called as the root element. The XML template consists of elements and attributes and some of them are depicted in Table 2.

Note: The order of the elements and the attributes is fixed and important. We can follow the XML DTD to know the order.

B. Performance Management:

Performance Management reviews the goal plan created by the employee and assesses it in a sequential order. It has three prerequisites to be filled in in order to undergo this process. They are rating scale, route map and goal plan.

1. Rating Scale:

A rating scale is one of the prerequisites of Performance Management that depicts an employee's performance in the form of rating points. The rating scale can vary from 3, 4, 5 or 7 point scale, but by default we will be having a 5 point rating scale.

2. Route Maps:

A route map is a sequence of steps followed for reviewing the performance of an employee. Upon completing a performance review, the end user can see who is the recipient of the form and can send the form ahead to the next steps crossing all the stages of

the route map.

There is a clear description of each Action followed in Route Map in Fig. 4.

3. Stages of Route Map:

The kinds of actions that employees can take are specified by a stage. It has 3 main stages:

- **Modify/Assessment Stage:**

This is the first step of the Route map that deals with all editing parts. The user can edit the form ratings of the goals and competencies, and add comments to it. Users can add several phases like employee self-assessment, manager assessment, 1:1 meeting etc.

A specific role can be assigned to the form using the Single Role step type while a group of people are assigned to the form in the iterative step type, with separate roles allocated to the Entry user (who receives the form first) and the Exit user (who receives the form next). Before proceeding to the next stage, this iterative approach enables several users to examine and amend the form. In the Collaborative step type, the form is assigned to two or more users at the same time where each participant's inbox will be popped up with the forms simultaneously, but only one person can update it at the same time. There is a "lock out" period for about 60-minute displayed to users who try to access the form while someone else is using the form. The Date Fields provide features like Start date, Exit date, Due date, Enforce Start date and Automatic send on due date.

- **Signature:**
The second stage of the routing map is "Signature". The sections of the form are read-only and are locked from editing. The user needs to sign in this step and forward the form to the next steps.
- **Completed:**
The final stage of the routing map is "Completed". The user lands on this step after the form has been signed by all the users. This phase denotes the completion of the form's evaluation process.

C. Figures and Tables:

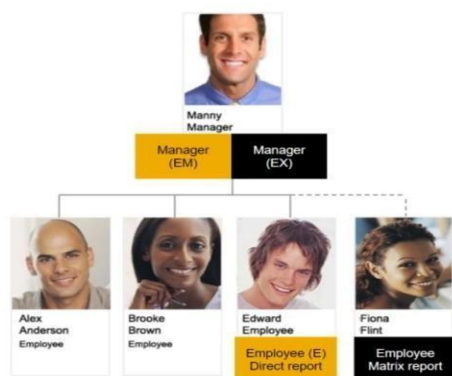


Fig. 1 Hierarchical Structure of Role Management among employees.

The above figure (Fig. 1) depicts an organization chart of the company. All the employees are arranged hierarchically on the basis of their roles.

Here, Manny plays two roles. As a manager, Manny evaluates Edward's work, and Edward actively participates in goal-setting and performance monitoring with Manny's guidance. Under matrix management, staff members such as Fiona are subject to a dual reporting structure. This means that they answer to a functional manager (Manny in this case) as well as maybe other managers depending on the projects they work on. Here, Manny has to guide, help, and make sure that various teams and projects work together.

Table 1. Symbolic Representation of the Roles

Role ID	Role Name
E	Employee
EH	HR
EM	Manager
EMM	2 nd Level Manager
EM+	All Hierarchy above Employee
ED, ED+	Direct Report, All Reporters down the line
EX	Matrix Manager

From the above table (Table 1.) we can describe each role as follows:

- **E (Employee):** Represents the basic employee role, typically having access to personal information and limited system functionalities.
- **EH (HR):** Indicates the Human Resources role, likely with broader system access to manage HR-related functions.
- **EM (Manager):** Represents the role of a manager with responsibilities for overseeing and evaluating the performance of their direct reports.
- **EMM (2nd Level Manager):** Denotes a manager at a higher level in the hierarchy, possibly overseeing other managers and their teams.
- **EM+ (All Hierarchy above Employee):** Represents a role that encompasses all hierarchy levels above the employee, possibly inclusive of various managerial levels.
- **ED, ED+ (Direct Report, All Reporters down the line):**
- **ED (Direct Report):** Represents an employee's role as a direct report to a manager.
- **ED+ (All Reporters down the line):** Implies a role that encompasses all levels of reporting down the line from the employee.
- **EX (Matrix Manager):** Indicates a role responsible for managing projects or initiatives involving cross-functional teams, often reporting to multiple managers.

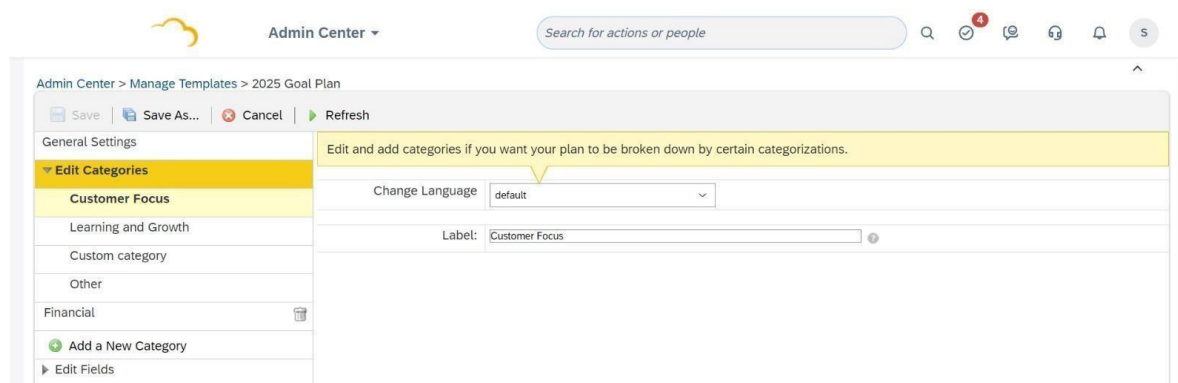


Fig. 2 Categories of Goal Management

Fig. 3 Fields of Goal Management

Fig. 4 Routing Map in Performance Management

Fig. 2 depicts the categories that can be used in the goal template. Organizations can opt for a basic goal plan containing one category (or) extended goal with multiple categories. Some of its types can be: Customer Focus, Learning and Growth, Custom category, Other, etc.

Fig. 3 depicts the fields included in the goal template. Goals are defined by fields. Employees can track their progress & update goal fields. Some of its fields can be: Goal Name, Metric, Weight, % Complete, Status, etc. There is an additional Visibility field where the employees can choose to mark their goals private or public. Public goals are accessible to larger groups while private goals are accessible to users based on the permissions given.

The above Figure (Fig. 4) can be explained by the following steps:

- Employee Self-Evaluation: Employee say “Brook’s” end of year performance review begins with self-evaluation step. She can provide ratings and comments applicable.
- Manager Review: Brook’s Manager (Manny) reviews Brook’s self-evaluation, reviews it, and then the manager conducts their own evaluation of Brook’s performance on goals & competencies.
- 1:1 Meeting: Brook and Manny meet to discuss the evaluation. This includes reviewing and giving feedback on Brook’s performance. Brook may also be able to view a summary of ratings received from Manny.
- Employee Signature: The form is sent to Brook for electronic signature.
- Manager Signature: The form is sent to Manny for electronic signature. Once Manny signs, the form is considered complete.
- Completed: A completed review form remains in the completed folder of the performance module. No more changes can be made to the form.

Table 2. Sub elements of “<obj-plan-template>”

Sub Element Tag	Description
“<obj-plan-id >”	unique ID that identifies the goal plan of system
“<obj-plan-type >”	determines type of plan
“<obj-plan-name >”	name of the goal plan
“<obj-plan-description >”	store description of plan
“<obj-plan-start >”	start date value for each goal
“<obj-plan-due>”	due date value for each goal
“<category>”	if one/more categories are present in template, objective plans based on template are divided into sections
“<permission>”	also known as “Action Permissions”
“<plan-layout>”	specifies goal plan layout

IV. RESULTS AND DISCUSSION

The implementation of SAP SuccessFactors Performance and Goal Management lead to significant outcomes. We were able to track and monitor the employee's performance through goal setting and performance evaluation processes. This leads to an increased engagement amongst the employees, successful alignment of goals, and a strategic approach in achieving the milestones of an organization. This strategic approach yielded positive results. Also, this system provided a user-friendly interface. Here, the employee has set up the goals using the goal template and generated a goal page. Then he launched the performance review form that was followed up by the rating scale, route map and the goal template. Upon launching the form, the review process begins with the Modify stage. In Fig. 5 we begin with

Employee self-assessment, where an employee can review all his goals and competencies and give them a rating and add comments to it. He can then send it to the Manager for the next step.

In the next step under the modify stage, the Manager will assess the ratings allotted by the employee and give his own rating and add comments to it (Fig 7). After filling up all the fields, he can move to the next step that is HR Review.

Similarly HR will review the ratings and comments and pass them to the next step which is a 1:1 meeting. In 1:1 meetings we can send back and forth to the employee and managers in order to reevaluate their ratings.

Upon completing the 1:1 meeting it moves to the second stage which is the Signature stage. Here, the employee and the manager need to file a signature stating that the information provided is true, and here you cannot make any modification. They need to sign the form and move to the final stage which is the Completed stage. (Fig. 6)

Manager is satisfied with this process of assessment, as it is more efficient and easy to use. The results state that, based on an employee's performance his talent will be identified and be rewarded with appraisals.

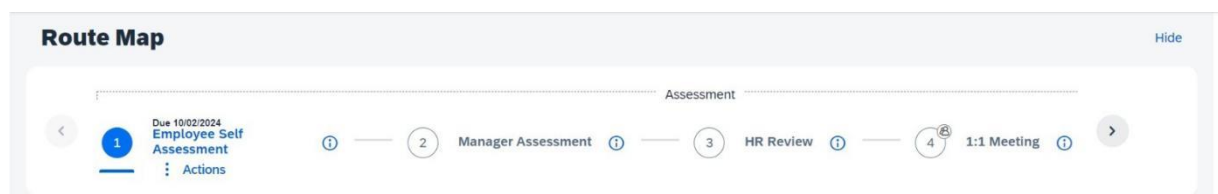


Fig. 5 Modify Stage



Fig. 6. Signature Stage and Completed Stage

Fig. 7 Adding ratings and comments

V. CONCLUSION

In conclusion, SAP SuccessFactors Performance Management and Goal Management is an integrated suite that optimizes the entire performance appraisal process. It enhances employee engagement, focusing on the talent management of an organization. It focuses on the goal alignment structure and achieving performance excellence in an organization cultivating a high-performance culture where every individual succeeds with organizational triumphs.

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