

Saint gobain glass in india



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In this paper, we reflect on our efforts to undertake a research in our analysis of an organization's HCM system. The purpose of the research is to review the company's existing HCM and its working efficiency, In order to do so we created a questionnaire which consisted of both open and closed end questions to gather our feedback on the working knowledge and performance of their current system. We also conducted a telephonic interview with which helped us better understand their HR business process.

COMPANY:

Saint-Gobain Glass in India - Leading Glass Manufacturer (India)

About the company:

Saint Gobain is a multinational corporation, founded in 1665 in Paris. The head office is located on the outskirts of Paris at La D'fense. The company started by manufacturing mirrors and expanded into producing a wide spread variety of construction and high-performance materials. Saint Gobain organization operates from different geographic locations and has manufacturing plants spread worldwide; Singapore, France, U. K, India. Saint-Gobain Glass India is a 100% subsidiary of Saint Gobain France, one of the leading float glass manufacturers in the world. It manufactures and markets solar control glass, fire resistant glass and other various types of float glasses in India from its complex which is located at Sriperumbudur 40 km from Chennai, India . Saint Gobain Glass India started its venture in India in 1996 by acquiring a majority stake of Gridwell Norton. Later in 2000 it started its own glass manufacturing.

Web site:

www.saint-gobain.co.in

<https://assignbuster.com/saint-gobain-glass-in-india/>

ERP System the company is using:

SAP (system application and products)

Modules used:

HR (Human Resource)

FICO (finance and controlling)

Logistics (PP, MM, SD, PM, QM, CS, WM)

ERP Implementation partner (SAP):

International Business Machines, abbreviated IBM, and nicknamed “ Big Blue” for its official corporate colour.

Old system:

Before SAP, system called Timekeeper was used for Time sheet, Attendance Forms, Expense Forms, Billing, Budgeting and Forecasting, Resource Planning, Accounting Integration, Management Reporting, Project Management, Transaction/Credit Card Import, Customer Services Workbench, Professional Services Workbench, Security, Multi Company, Multi Language, Multi Currency

A brief history/value of the HCM in this organization

The annual revenue for Saint-Gobain Glass India Ltd. (SGGI), in 2008 was over ₹. 80 billion and they have 2, 09, 180 employees working for them. Most of the skilled labours working in the manufacturing are hired on contract bases and are paid according to the different wage categories weekly. The company works with employees and business partners across different cultures; they conduct business transactions in different currencies and are

bound to follow different government rules. And their legal compliance processes must adhere legislation and case law as

well as other standards, codes of practice or other authoritative pronouncements of all the countries which they work with. They require a system which can streamline their business activities and also monitor their core business processes. After communicating with the HR Team we know that the company believes in employee satisfaction. Their management gives a lot of importance to their employees which motivates the employees and in return they get better, efficient performance from the employees. They believe that if their company can satisfy the needs of the employees it is mutually beneficial and also helps the company achieve new targets and expansion plans. It makes the management more confident in taking more risk and aggressive measures to gain the market share. Most importantly the management wanted transparency throughout the corporation to maintain its accountability to its stakeholders, financial investors and financial institutes to ensure that they demonstrate the legal compliance process is working as intended. Also accountability is from management to the local authority, to the general public and they believe that this is possible only with the help of a system which understands their business process, is stable and automated in order to reduce manual errors.

NEEDS ANALYSES

Before implementation of SAP in the organization they had to Return on Investment - ROI

Return on Investment is used by companies to measure the profitability they will earn on every investment they decide to make. It is generally calculated by taking the fiscal year's income and dividing it by common stock and preferred stock equity plus long-term debt. ROI measures how effectively the firm uses its capital to generate profit; the higher and figures the higher the profitability.

The return on investment formula used in Saint Gobain is

Profitability = fiscal year's income / common and preferred stock + long term debt.

The company has not yet achieved the return of investment from implementation.

Identify the ERP tool to implement:

The management had to choose between implementing my SAP or a HR specific software package to replace their existing Human Resources and Payroll systems. They needed to have a clear Project goal and objective in mind before deciding and in order to prepare a clear project goal, they adopted need analysis strategy.

Need analysis is the process of understanding the current business process and analyzing what changes are to be made for optimizing the existing practices in their business process (adding or changing the existing process) to achieve better, effective results.

They conducted a thorough needs analysis before narrowing down on their project objectives. In order to define the project goal they gathered relevant

information from all the departments which involve HR process (recruitment, payroll, administration...). The information was also shared with information technology department and also from upper top management. This information was analysis to find what changes the department needs to consider and how can that be achieved and used that study to create a project goal.

They were very particular that the new system which is to be implemented must produce accurate and on-time payroll data; it must be able to track employee absences, time sheet. They were looking at the system as a long term investment and they did not want a system which would need frequent updates and changes.

After conducting an exhaustive research about the ERP systems they would want to implement. They concluded that SAP ERP tool was best suited for them and their business needs as it provided them with an accurate stable process and the system would be a solid one time investment.

Identifying the implementation partner

Saint Gobain does not have specialized in- house IT professionals to implement the SAP system for them. They had to take external support from an established IT company to make this new change possible and effective. Identifying such company to be there implementation partner was very critical for them.

They got the following evaluation cleared before choosing them as a partner. They needed a my SAP HR implementation business partner who will be

there to support them. A partner who can empathizes to their problem rather than sympathizes.

Their checklist included details like to

‘ The duration to complete the implementation be?.

‘ What strategy and methodology do they follow?

‘ How much will this implementation cost them?

‘ How much previous experience does the company they have with this area of implementation?

‘ How do they narrow down on the risks and what are their methodologies to mitigate such risks?

‘ The background of consultants working on the project and how much of resource will they need?

‘ Do they deal with issues concerning post implementation upgrades?

‘ Do they offer the service of providing technical support post implementation?

‘ How experienced are they at the training aspect concerning H. R?

‘ What is the time duration taken by them to train?

International Business Machines, abbreviated IBM, was chosen to be their implementation partner.

CHANGE MANAGEMENT

(http://searchcio-midmarket.techtarget.com/sDefinition/0,,sid183_gci799426,00.html)

A systematic approach was taken while dealing with change, both from an organization and individual perspective. This has different aspects which are adapting to the new change, controlling the change and effecting the change. An organization, change management meant identifying and implementing policies, procedures and technologies to deal with changes in the business environment.

Creating a project team:

After the project goal and implementation partner was identified they had to be very careful in making a project team. They wanted to make sure that the daily production or process is not affected because of this. Employees were expected to perform their normal jobs alongside the my SAP project to give them a chance to express their concerns. Their project team involved in my SAP HR implementation included people from different concerned departments (HR and Payroll), their key users, the functional project team members, the IT department, Line Managers and Upper Management as well as external Consultants.

Moral problems related to staff reduction: After implementing the new system many employees were trained and asked to use the new system. There were many employees who were asked to resign as they were not performing with the new system and new qualified employees were hired. This created a major impact on other employees. This new system was making the employees very insecure and they started losing their confidence

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in the jobs assigned to them. Management had to take effective steps to encourage and maintain the moral of the employees and also make them work to reach the daily production.

New management skills required the management to be trained and qualified on the new system and understand the changes the system is brought into the organization.

They had to identify employees who are familiar with the business processes, quick and eager learners, good team players and having both analytical and IT literacy skills. These employees need to be identified at an early stage and properly briefed about their new responsibilities.

Implementation

The management was very particular and they wanted to make complete use of the implementation period to the maximum. For this they had a list of all the tasks for the implementation process, a deadline for each of the tasks, person responsible for the task, control phases and a weekly and daily Meeting Schedule - when, who, where and purpose? they wanted to adopt this to ensure that the project was in control and not deviate from the business process and time.

When issues are identified during implementation process - and there were issues every day - these issues were need to be logged on a database, accessible for all the project team members. They made sure that all the issues were logged with the date, the person responsible; system area affected and proposed solution. They also ensured that the issue database is updated with the implemented solutions for future reference. This process is

still helpful for them at the time of upgrading the system and the time of internal training.

The management also used their implementation time even more effectively by giving training to their employees rather than waiting until the end of the project, training was carried out continuously throughout the implementation to save production time. During the implementation they used the project team to train the end user about the system. And during the testing stage of the implementation they involved the end user. This helped the project team identify problem areas, and also helped the end user to learn about using the system.

This practice help was effective as

‘ project team members can start being productive from day one

‘ being familiar with the software

‘ end users can be given access to a ‘ sandbox’ client and start ‘ playing’ with the system

Implementation phases

Phase1: Master Data, Time Management, Payroll, Benefits Administration, Organizational Management and Payroll

Phase 2: Personnel Development, Recruitment, Training and Events, Travel Management and Compensation Management – this phase can be broken down further.

Phase 3: Employee Self Service, Manager’s Desktop

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INTERGRATION

The process of attaining visibility and seamless coordination between several departments, groups, organizations, systems, etc, by providing a single interface for viewing all the data within an organization, and a single set of structures and naming conventions.

SAP HR is integrated with a number of SAP modules such as FI, PS, WF, etc. which enabled them to link production planning to the employee's shift and absences - in this case they used the data from SAP HR time management to integrate with SAP PP. The organization structure defined in OM is very important in workflow to route the responsibilities to the respective employees. The company's in house analytics tool is integrated into the SAP HR.

DATA INTERGRITY

When functions such as data transformation, archiving, master data storage are performed on the data, the functions must ensure that the data is same. The most important aspect of data integrity is to expose the data, the functions and the data's characteristics. Data integrity is consistent and certified data which can be reconciled.

Data integrity is imposed within a database at its design stage through the use of standard rules and procedures, and is maintained through the use of error checking and validation routines. Exact duplication of the sent data at the receiving end is achieved through the use of error checking and correcting protocols. <http://www.businessdictionary.com/definition/data-integrity.html>

Integrity of data refers to the fact that data, once stored, has not been altered in an unauthorised way — either by a person, or by the malfunctioning of hardware.

In the case of Saint Gobain India

They started the operations in India as a joint collaboration with _____.

They acquired

And started the production in _____. The SAP implementation was done on _____. So the company did not have any old data which needs to be transferred to the SAP HR system. Company did have few other modules like purchasing and logistics in which the old data had to be transferred to SAP system which they were successful in doing it while the implementation process.

WEB BASED HR

Web-Based Human Resources shows HR professionals to make optimum use of existing online technologies to offer more services to more employees at a lower cost. It offers tips on which approaches are most effective in small, medium, and large organizations and provides a framework for transforming HR from a support function to a centralized entity on which the organisation can use strategically Saint Gobain India does not use web based HR to manage its HR processes.

REPORTING

Human Resources reporting used in Saint Gobain

Saint Gobain relies on statistics data and they conduct internal audits on regular bases. They use both standard reports provided by SAP and also

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have few customizes reports. The reporting is done on the organisational level.

Standard reports

Employee list ' This report contains employment information such as branch, department, job title, position, manager, and personal details.

Phone book ' This report displays contact details for each employee, including phone number, extension, mobile phone, pager, and fax.

Employee Master data related Reports

' S_PH0_48000450-they use this report for Monitoring HR master data

' S_PH9_46000224 ' used for generating reports on Education of their employees and their training scheduled if needed.

' S_PH9_46000222 ' this report generates details of employee's family members

' S_PH9_46000221 ' used to generate list of all the employees celebrating Birthday. This report is generated on monthly bases.

' S_AHR_61016369 ' report on list of employees in the organization. This can also provide info based on employees in each department.

' S_AHR_61016374 ' this is used to generate reports on Nationalities of their employees

' S_PH9_46000217 ' used to generate report based on the Gender of employee and also Sort it by Seniority

Absence report

PT 90 ' Saint Gobain uses this report for finding the percentage of attendance and Absences of their employees

Organizational Management Reports

' S_AHR_61016493 ' to view report on Organizational Structure and its assignment

' S_AHR_61016494 ' report on Organizational Structure with Positions allotted in the structure

' S_AHR_61016497 ' generate report on existing Jobs in their organization

' S_AHR_61016502 ' generate reports on existing Positions in their organization

' S_AHR_61016503 ' generate report on Staff Assignment and its relationship

' S_AHR_61016509 ' to generate the list of vacant positions in their organization

Payroll Reports

' RPCSC000 -This transaction code is to split the employee (personnel numbers) into small sets and run payroll in parallel in the background. This way they were able to reduce the payroll runtime.

' RPCDTBX0 -using this report they can determine what are the wage types that are to be payed , deducted and also the date of payment. This helps them in identifying any additional payment to be given to the employees.

' H99_DISPLAY_PAYRESULT-this transaction code is used to get details about one employee's payroll result.

' RPDLGA20 -this report generates a list of all the wage types available in the country

HR-ABAP REPORTS

With the help of ABAP they have generated few other reports for HR report from cumulate result table

' List of employees who have completed certain years of services in the company

' Petrol allowance

' Medical allowance

ADVANTAGES

Saint Gobain benefited from several advantages after the successful implementation of SAP system

' With their old system they had difficulty in employee retention and provide accurate, on-time paychecks. After MySAP HR (a long-term solution) MySAP HR meets those challenges offering an integrated solution that provides standard currency, regulatory, payroll, benefits, and time-management capabilities for any type of organization.

' SAP's HR solution supports integration with their internal analysis tools, and provides a complete picture of the organization and the market environment in which it operates (glass manufacturing).

' It also allows maximizing the use of the Internet to enable collaboration and shared decision-making between employees and HR managers, which saves both time and money.

' They were able to control the Cost of Consultants (contractors) including controlling the number of days consultants stay on the project and selecting experienced consultants, fixing the cost for the consultant.

' The budget costing was fixed depending on the number of days planned for each consultant with dates, rates and the type of task. By making this budget as accurate and detailed as possible and comparing the costs continually with the budgeted figures, it is actually possible to stick to the budget and maybe even save some money

They think that the advantage of SAP's software is that it keeps up with the latest technologies, laws and regulations and they don't need to be replaced. Upgrades are " mini" projects - much of it can be done in-house. Upgrades are ' less painful" than implementations mainly because employees are already familiar with the product and much of the work can be done internally. With SAP is that the project never ends' there always a scope of improvement

ISSUES

Despite using the ERP tool of SAP and its various modules of HR, FI, CO, PP, MM, SD, PM, QM, CS, WM Saint Gobain is still not able to fix certain problems they face in the daily process. They feel that the tool lacks accuracy in few of its functionalities like data analyzing, forecasting and date retrieving speed.

They feel that the system is not having upgraded with the latest governmental rules and regulations which is extremely essential and critical to them for legal compliance

The Company has to wait for the SAP LABS to update the system and state that the updates are unpredictable and they are getting charged for it. They feel that the system should be more interactive with them and do not want to depend on SAP every time they require an update.

RECOMMENDATION

We feel that they are not using the SAP HR to its best potential there are few functionalities which are not used by them effectively

‘ MSS (management self service) this service is used as web based application by managerial staff and line managers to monitor their daily production and process. Instead managers and management staff use workbench to do their daily monitoring.

‘ Effective reporting Saint Gobain uses standard reports provided by the Tool they do not use Ad-hoc reporting or customer specific reporting or quick viewer.

‘ Event management Saint Gobain being a manufacturing company do contribute a percentage of their turnover to society and events within the organization. They do not maintain all the records of social funding and events expenses in the SAP system. It is maintained separately.

CONCLUSION