**SAP HR BATCH 14**

**Case study**

**Organizational Structure**

1. **Introduction**

This case study is to acquaint the trainees to learn creating the organizational structure of an enterprise. By doing this the trainees will be able to understand the concepts behind the various objects required from creation and how these objects help in mapping the business processes of the enterprise into SAP.

* 1. **FICO Organizational Structure**
* You create the organizational structure of your company by relating

Organizational units to one another. These relationships can be in a hierarchy or a matrix.

* This allows you to create organizational structures in a hierarchy

or matrix.

* The organizational structure is the basis for the creation of an organizational plan.
* Organizational structure is basically a hierarchy between various departments of the company.
* Together several organizational unis and their hierarchical relationships form an organizational structure.
  1. **Core object of Organizational Structure**
* Organizational Unit ‘O’
* Job ‘C’
* Position ‘S’
* Cost Center ‘K’
* Person ‘P’

1. **Creating Organizational Structure**

**2.1. Creating root organization**

* **Create the root organization by using the t-code PPOC\_OLD**
* **After creating the root organization, keep creating other org units using the O-O relationship.**
* **Create the company’s hierarchy as required by creating the O-O relationship**
* **At least have a depth of 5 levels to the org structure.**

1. **Creating Jobs and Positions**
   1. **Jobs ‘C’**

* **When creating an organizational plan, jobs help you to create positions.**
* **Jobs are general classifications for sets of functions (Manager, for example).**
* **If you create a new position (manager Sales Office, for example), the position must be related to the corresponding job (manager, for example).**
* **A job describes a position. Through this relationship, the position automatically inherits the tasks and characteristics assigned to the job.**
* **Assign the same company code to all personnel Areas.**

**3.2 Jobs are also important in the following components:**

* **Shift Planning**
* **Personnel Cost Planning**
* **Career and Succession Planning**
* **Compensation Management**

**When you create jobs, they are listed in a job index. A job index is a list of jobs maintained for an enterprise.**

**Create at least 5 different jobs for your enterprise.**

**3.3 Positions ‘S’**

* **Positions are concrete and can be or are occupied by holders**
* **Positions can be 100% filled, partially filled or vacant.**
* **Positions are company specific.**
* **Positions must be related to an org unit.**
* **Create reporting structure by maintaining S- S relationship.**

**Please create at least 20 positions in your organizational plan.**

**4. Cost Center ‘K’**

* **Cost centers are created in controlling module.**
* **Cost centers are assigned to org units and in exceptional cases to positions only.**
* **The relationship between organizational units and cost centers is inherited along the hierarchical structure.**

**Assign cost centers to org units.**

**5. Persons ‘P’**

* **Persons generally represent employees in your company and hold positions in Organizational Management.**
* **The characteristics of persons are maintained in Personnel Administration.**
* **Persons are linked to an organizational plan via their assignment to a position.**
* **The Organizational Assignment infotype in Personnel Administration contains the position assignment and, if integration is active between Organizational Management and Personnel Administration, the defining job, organizational unit, and cost center assignment.**

**Once you create the objects and maintain the relationships, then your organizational structure and plan is complete.**