Script 4: Human Capital Management

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1 Human Capital Management

This teaching unit explains the main components of the Human Capital Management application (SAP HCM or SAP HR). We will show how SAP has implemented the central functionalities that are required to accomplish different tasks in Human Resources. First, the organizational units and master data that are relevant to SAP HCM are explained. Then we will focus on a variety of business processes that can be accomplished in Human Resources. Furthermore, integration points to other applications are discussed.

Educational objectives in this unit:
At the conclusion of this unit, you will be able to

- Explain the enterprise, the personnel and the organizational structures in Human Capital Management
- Explain how to employee master data records are managed in Human Capital Management
- Explain the basic business processes of Human Capital Management. This includes:
    - Personnel Management (SAP HCM PA)
        - Organizational Management (SAP HCM PA-OM)
        - Recruiting (SAP HCM PA-RC)
        - Personnel Administration (SAP HCM PA-PA)
        - Personnel Cost Planning and Simulation (SAP HCM PA-CPS)
        - Personnel Development (SAP HCM PA-PD)
    - Training and Event Management (SAP HCM PE)
    - Payroll Administration (SAP HCM PY)
    - Employee Self-Services (SAP HCM ESS) and
    - Manager’s Self-Services (MSS).
- Explain the key integration points with other SAP applications and processes
- list options for reporting Human Capital Management information

Scenario
In the practical application of this unit, you will firstly explore the enterprise and personnel structure of SAP HCM. Then you will maintain organizational units in Controlling (SAP CO), which includes a profit center and three cost centers. Thereafter, you will maintain and own a department, which is modeled in the organizational structures of SAP HCM. This department is in charge of marketing and sales and distribution of your bicycle production.
Before accomplishing different business processes in SAP HCM, you will become acquainted with and explore the concept of employee master data of Human Capital Management.

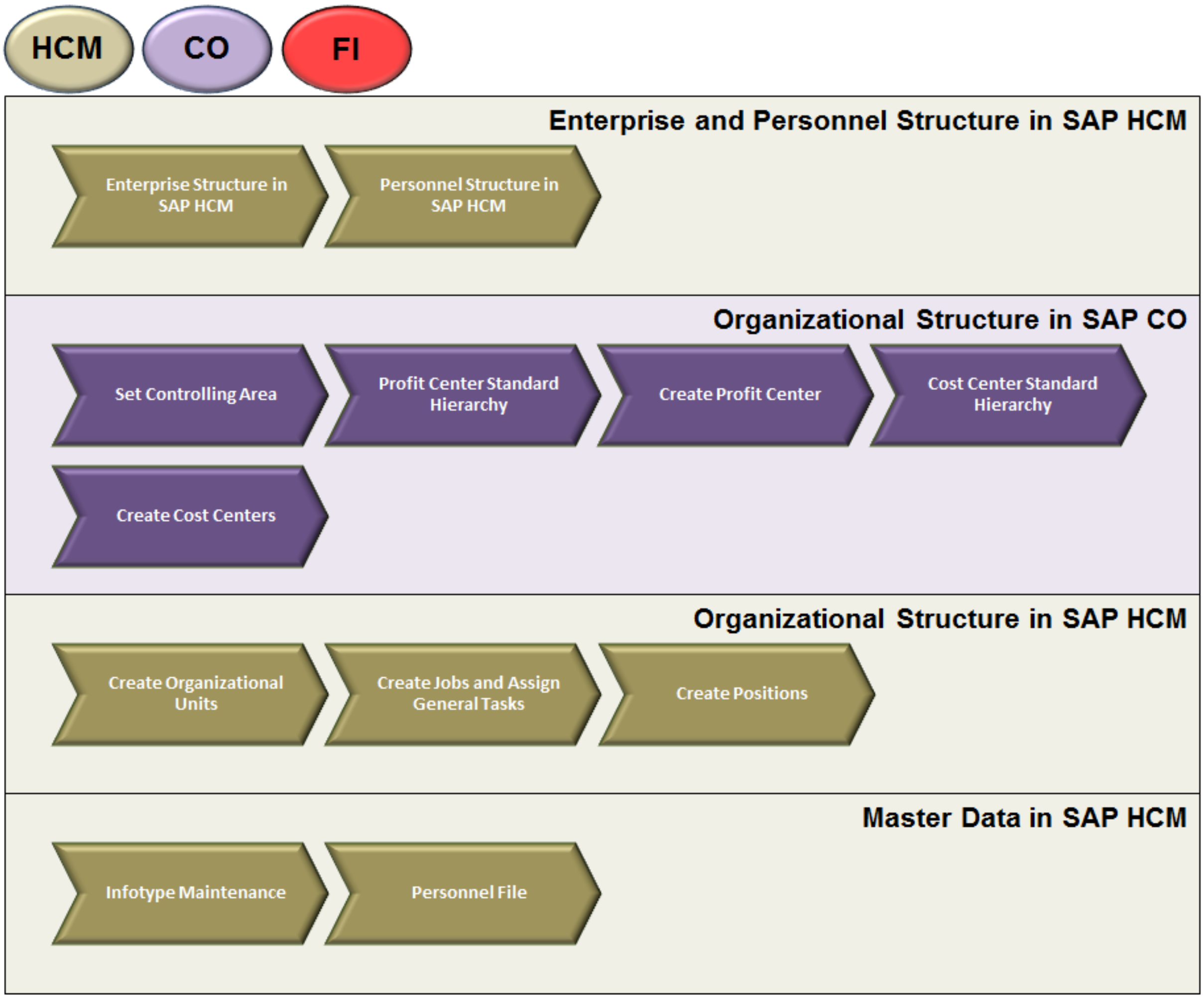


Figure 1: Process Overview: Human Capital Management (1)

The next step is maintain own master data in the SAP system to recruit personnel and assign a vacant position in your own organizational model. Based on the applicant master data, you will hire a new employee for your department. In the area of personnel planning and development, you will carry out a succession planning scenario and create a personnel appraisal. Deficits of your employee are supposed to be resolved by a particular training course. Finally, you will settle travel expenses resulting from this.

The figure above and the following figure show the entire process that you will complete in the practical application chapters of this unit using the SAP system. Except for the maintenance of the organizational structures of Controlling (SAP CO) and the travel expense posting in Financial Accounting (SAP FI), you will focus exclusively on the functional area Human Capital Management (SAP HCM).

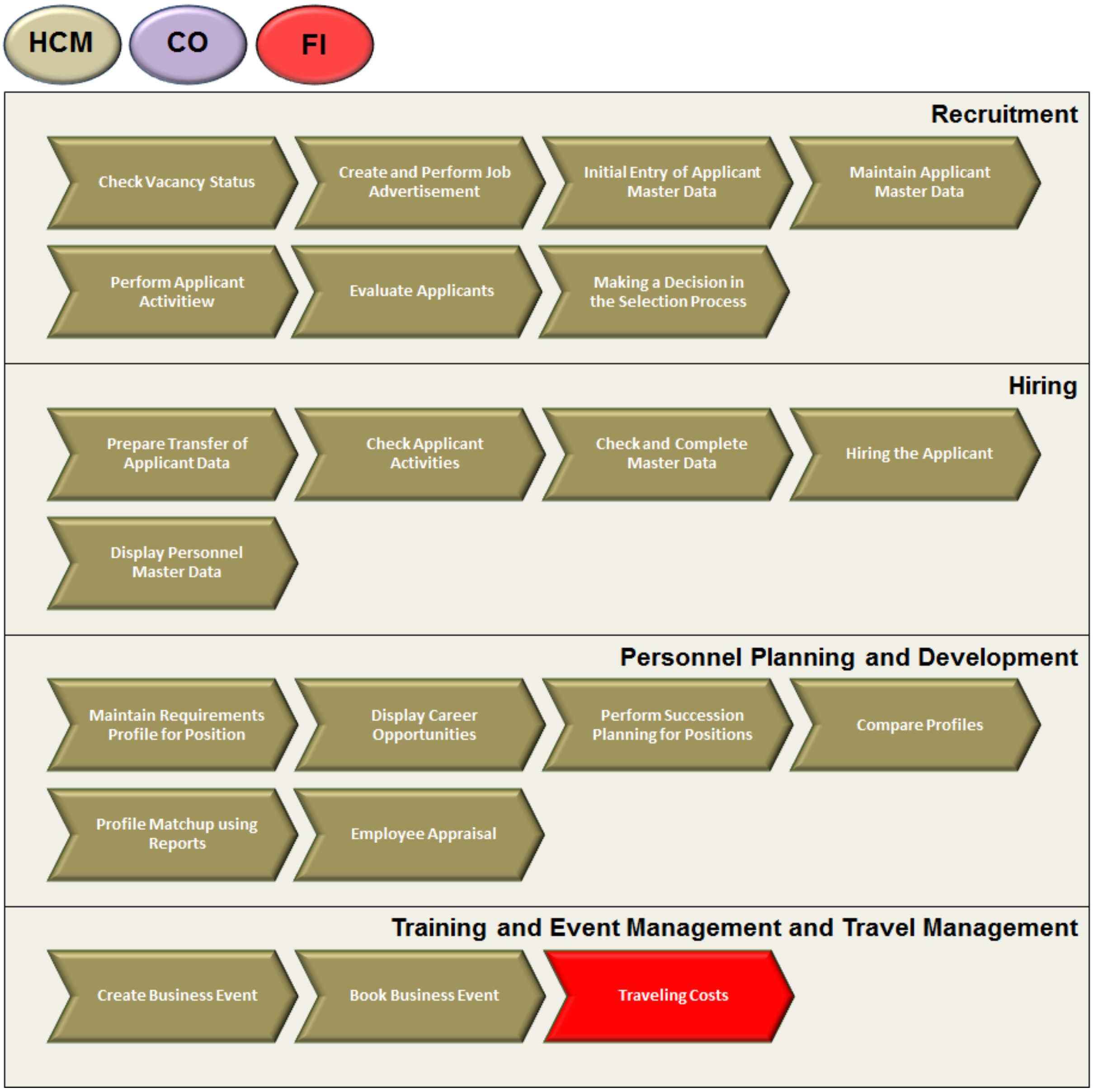


Figure 2: Process Overview: Human Capital Management (2)

2 Basic Data of Human Capital Management

This section explains the organizational levels of the SAP system that are relevant for the Haman Capital Management (SAP HCM) application, which is also referred to as Human Resources (SAP HR) in older versions of the SAP system. Furthermore, master data of the SAP HCM application are introduced.

2.1 Theory: Organizational Model of SAP HCM

The SAP application Human Capital Management is an extensive personnel administration system. As such it allows for mapping the hierarchical structures of a company and the relationships within these hierarchies as well as storing and managing employee data.

The Organizational Model of SAP HCM represents the structural and personnel organization of the company. On the one hand, it consists of organizational units. On the other hand, objects are provided that illustrate the organizational structures and hierarchies and allow assigning employees to the organizational model and outline their responsibilities. The Organizational model is a precondition for various personnel processes' implementation and, thus, must be maintained before any HCM process can be run.

The mapping of the organizational model of the SAP system regarding the Human Capital Management application differs from the other SAP applications. It encompasses three major fields for organizational modeling: **Enterprise Structure**, **Personnel Structure**, and **Organizational Structure (Organizational Plan)**.

2.1.1 Enterprise Structure in SAP Human Capital Management

The Enterprise structure represents the formal and financial structures of the company. In that, it consists – like the organizational structure of other SAP applications – of several organizational levels that are typically defined based on geographical properties. Thus, it generally answers the question "where and at what company part (company code) does an employee work?" Each employee that is maintained in the SAP system needs to be assigned to an Enterprise Structure.

The enterprise structure is created and maintained in the system's Customizing.

2.1.1.1 General Organizational Levels for Human Capital Management

The following organizational levels are relevant for the SAP application SAP HCM. You have already become acquainted with some of these organizational levels.

Client

A **Client** is the highest-level organizational unit in an SAP system and constitutes an independent environment with its own set of tables and data, which are separate from other clients. Each SAP system can host multiple clients. Accordingly, all data, processes and, thus, all organizational elements for personnel administration are stored within one client. In SAP HCM there is client-dependent (e.g., personnel data) and client-independent data (e.g., holiday calendar). Usually there is no data transfer between clients on one system, since a client is an organizationally, data model-wise and legally self-contained unit within the ERP system. If an employee changes the client, you have to create the personnel number again in the new client.

In SAP, clients are identified through their three-digit client number. The GBI company is mapped in one client of an SAP system.

Company Code

Company structure determines whether a self-contained set of accounts is required for external reporting purposes or not. Therefore, SAP features the **Company Code** as an organizational level. It is the smallest organizational unit for which a self-contained set of books (General Ledger and sub-ledgers) is available and financial statements (balance sheet and P&L statement) are issued according to commercial law. If a business organization consists of more than one company (i.e., a group), company codes represent the individual companies of the group from an accounting point of view.

The company code is the central organizational element of **Financial Accounting**. However, it is relevant to almost any process in the SAP system, since most processes influence the accounting of the company. Thus, the company code is also relevant for **SAP HCM**. For instance, the payroll process in SAP HCM involves paying employees. The financial data required to do this are maintained on company code level.

The GBI has two company codes – one for the US headquarters (US00) and one for the German subsidiary (DE00). It is necessary to separate the two company parts from the point of view of financial accounting, since each country has its own laws regarding financial statements and taxes.

2.1.1.2 Specific Organizational Levels for Human Capital Management

The following organizational levels are exclusively used by the SAP application SAP HCM and are maintained in the enterprise structure.

Personnel Area

A **Personnel Area** is a unit of personnel administration and represents a subunit of a company code from the Human Capital Management (personnel administration) point of view. Thereby, personnel areas must be unique within a client identified by a four-digit alpha-numeric key. A personnel area is uniquely assigned to a company code.

The Personnel Area is an organizational unit that represents a specific area of the enterprise and it is organized according to aspects of personnel management, time management, and payroll. The personnel area has the following functions (the acronym RAD is often used in this context):

- **R**eporting: It is used as a selection criterion for reporting in HCM.
- **A**uthorization: It represents a unit for authorization checks for employees (users).
- **D**efaults: You can generate default values for data entries in infotypes, e.g., for payroll accounting area.

The GBI uses several Personal Areas per Company Code, with each Personnel Area being responsible for the administration of the subsidiaries' employees.

Personnel Subarea

Personnel areas can be further divided into **Personnel Subareas**. Thus, a personnel subarea represents a section of a personnel area. A personnel subarea is identified by a four-digit alpha-numeric key as well that must be unique within a personnel area.

Personnel subareas depict an organizational unit that represents a specific area of the company organized according to certain aspects of personnel management, time management, and payroll. On personnel subarea level, the organizational administration of principal aspects of human resources is carried out, i.e., pay scale and wage type structures and work schedules. The following business subtasks belong to the personnel subarea:

- defining of pay scale and wage type structure
- defining planned working hours
- defining appraisal criteria

The most important organizational functions of personnel subareas are:

- Specify country groupings: The master data entry as well as setting up and processing of wage types and pay scale groups depend on country groupings. The grouping must be unique for each company code.
- Assignment of a legal person to differentiate between companies in legal terms
- Determination of groupings for time management to, for example, set up work schedules and substitution, absence and leaving types
- Generation of default pay scale types and area for an employee's basic pay
- Definition of a public holiday calendar
- Definition of specific wage types for each personnel subarea

The following figure displays an example on how the enterprise structure might look and how the individual organizational levels and units are assigned to each other.

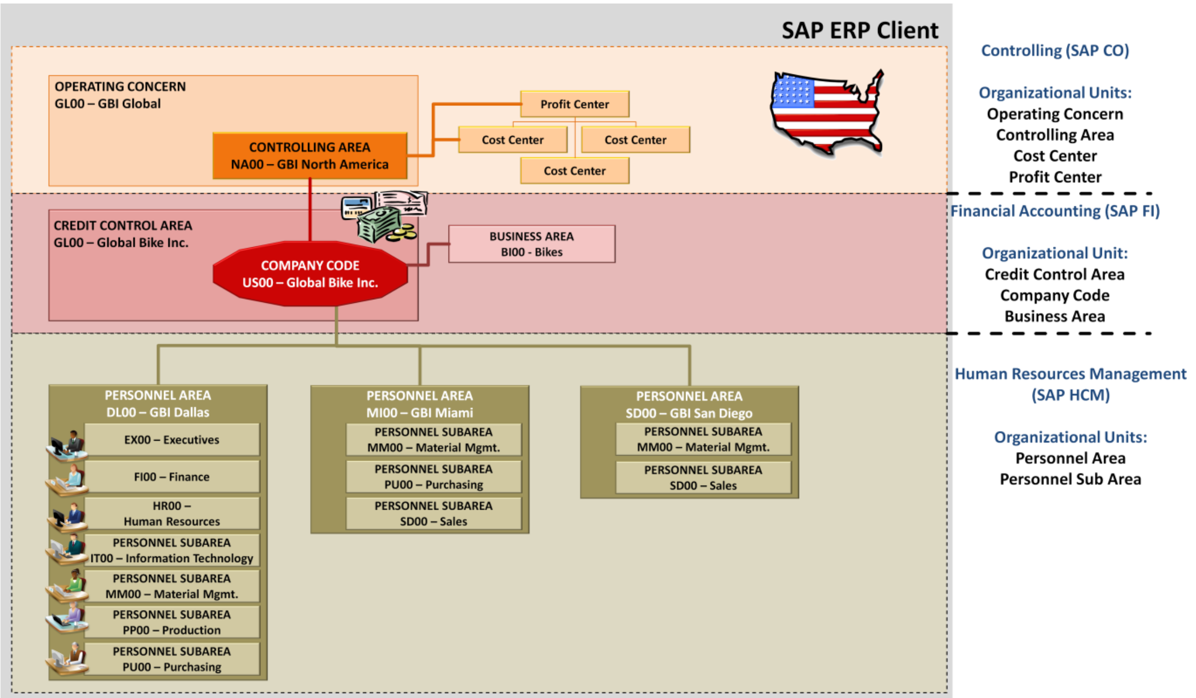


Figure 3: Enterprise Structure in Human Resources

2.1.2 Personnel Structure in SAP Human Capital Management

The **Personnel Structure** in SAP HCM allows distinguishing working time and payroll remuneration settings of employees according to their status (position) in the company. For these administrative purposes, the employees in an enterprise are divided into two levels, for which personnel related regulations can be specified. The highest level is an **Employee Group**, the second, an **Employee Subgroup**. These levels are subject to authorization checks, to define remuneration levels or different work schedules, for example. In addition, the so called ***payroll areas*** belong to the administrative personnel structure in SAP HCM. The personnel structure is primarily relevant for working hours and compensation:

- **Employee Groups** represent different types of employees, e.g., active employees, retirees, and contractors.
- **Employee Subgroups** are the second level of the Personnel Structure and are used to define different payroll procedures, e.g., hourly and salaried.
- Furthermore, **Payroll Area** can be defined. These are used to set default values for payroll that can be used as selection criteria for reporting as well as for authorization checks. Using the payroll area, the period of time between settlements (payments) for employees of a subgroup can be determined.

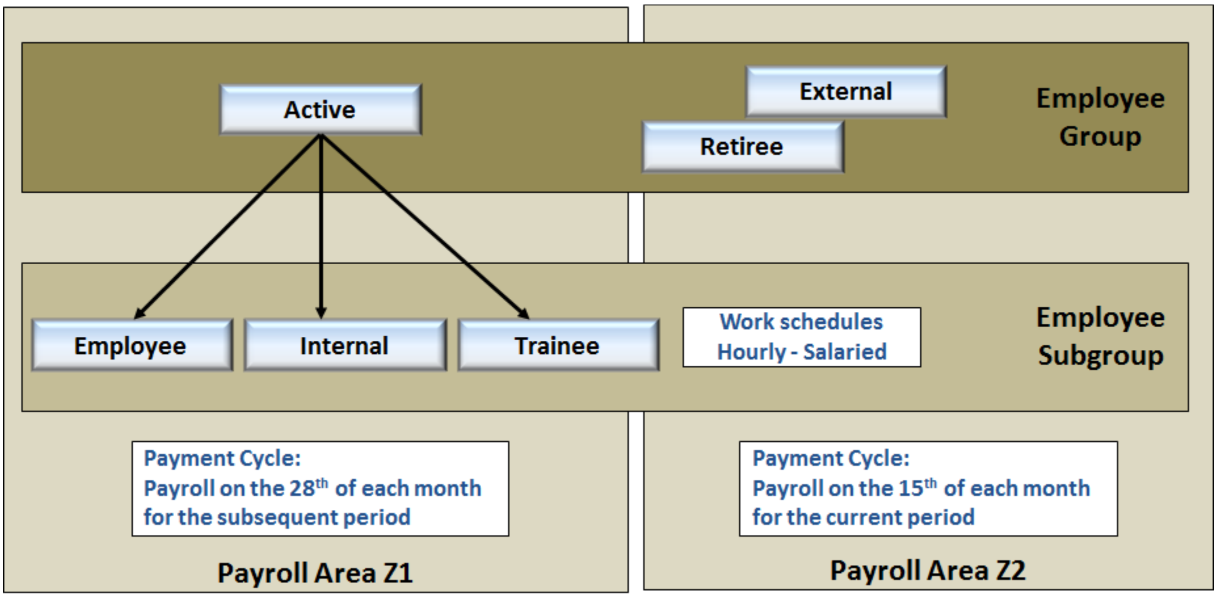


Figure 4: Personnel Structure of SAP HCM

2.1.2.1 Employee Groups

Employees groups are used for general division of employees. An employee group defines the relationship of an employee to the company. Thereby, the employee makes a certain contribution to the company in terms of work. Primarily, active employees, pensioners, and early retirees are the important groups in personnel administration. Employee groups are relevant within reporting, when creating defaults in infotypes and in order to control authorizations.

The main organizational functions of an employee group are (again the RAD concept):

- It is a selection criterion for reporting.
- It is a unit of authorization checks.
- to generate default values for data entry, for example, for payroll area and basic pay of an employee

You can use a standard catalog for setting up employee groups that can be extended according to individual customer requirements if needed.

2.1.2.2 Employee Subgroups

According to the position of an employee, the employee subgroup is a fine division of employee groups. Within the employee group of active employees, for example, employee subgroups differentiate between wage earners, salaried employees, and non-pay-scale employees.
On the employee subgroup level, all administration features of the personnel structure are defined. This information is relevant for reporting, when creating defaults and to control authorizations (RAD). However, even more relevant is the control of working times and remuneration according to the employee subgroup. Similar to personnel subareas, employee subgroups store keys, which allow for making differences in work and payment.

The most important characteristics are:

- Using the grouping of employee subgroups for the personnel calculation rule, you can determine different payroll procedures for different employee subgroups. Thus, you can, for example, control whether an employee is paid hourly or monthly.
- The employee subgroup grouping of primary wage types controls the validity of wage types for employee subgroups, while the grouping for the collective agreement provisions restricts the validity of pay scale groups to particular employee groups.
- You can define default values for data entry by using employee subgroups, e.g., for the payroll area.

2.1.2.3 Payroll Areas

A payroll area is an organizational unit used for running payroll. All employees who have payroll run for them at the same time and for the same period are assigned to the same payroll area.
Usually, payroll is carried out for each payroll area. The payroll area provides the payroll driver with the number of employees for whom payroll is to be run and with dates of the payroll period. The system determines the number of employees for whom payroll is to be run by using the infotype **organizational assignment** (0001). Among other things, this infotype contains the respective payroll area in the personnel master record.

NOTE

A payroll area for an employee can only be changed at the end of a period. When an employee changes status from wage earner to salaried employee in the middle of a month, and both are located in different payroll areas, you must wait until the start of the next month to enter the new payroll area.

2.1.3 Organizational Structure in SAP Human Capital Management

The Organizational Structure (or Organizational Plan) represents the task-related, functional structure of the company. The organizational plan differs from the administrative *Enterprise Structure* or *Personnel Structure*, whose structural elements are relevant to payroll or accounting. In contrast, the organizational plan describes which function an employee has in the company. Therefore, the company's hierarchical structure and reporting lines are created object-oriented. That is, entities like ***Organizational Units*** and ***Positions*** are represented by objects that can be assigned to each other.

The Organizational Plan features an all-encompassing and dynamic model (i.e., the model can be adjusted continuously, without referring to customizing) of the structural and personnel environment of a company that can be evaluated at any time.

In contrast to the enterprise structure, the organizational structure is created in the SAP Easy Access menu (transaction PPOCA) and not in the system's Customizing.

NOTE

The enterprise structure consists, as you already know, of company codes, personnel groups, personnel subgroups, etc. These units (we referred to them as organizational levels in earlier units of this course) should not be confused with the organizational structure in Human Capital Management (HCM). The organizational structure contains organizational units, positions, etc., which are located below or within the enterprise structure. The enterprise structure represents the legal and financial aspects of a company, e.g., company codes, while the organizational structure in HCM represents the organizational plan of enterprise parts, departments, etc. (e.g., employee X is assigned to position Y, position Y is part of organizational unit Z, organizational unit Z is assigned to company code and cost controlling area NA00 of GBI, i.e., accounting for organizational unit Z is carried out in the enterprise structure of the NA00 in GBI.

The organizational plan represents hierarchies with in a company:

- **The organizational structure of the enterprise**: The organizational structure represents the hierarchy between the different organizational units of a company. The organizational structure is created by creating and maintaining organizational units and linking them to each other.
- **The individual positions and the reporting structure (chain of command)**: A reporting structure represents a given line structure of an enterprise. The reporting structure is created by creating and maintaining positions and linking them to each other.

The following figure displays an example for the organizational plan in SAP HCM. We will introduce the individual objects in the following sub-chapters

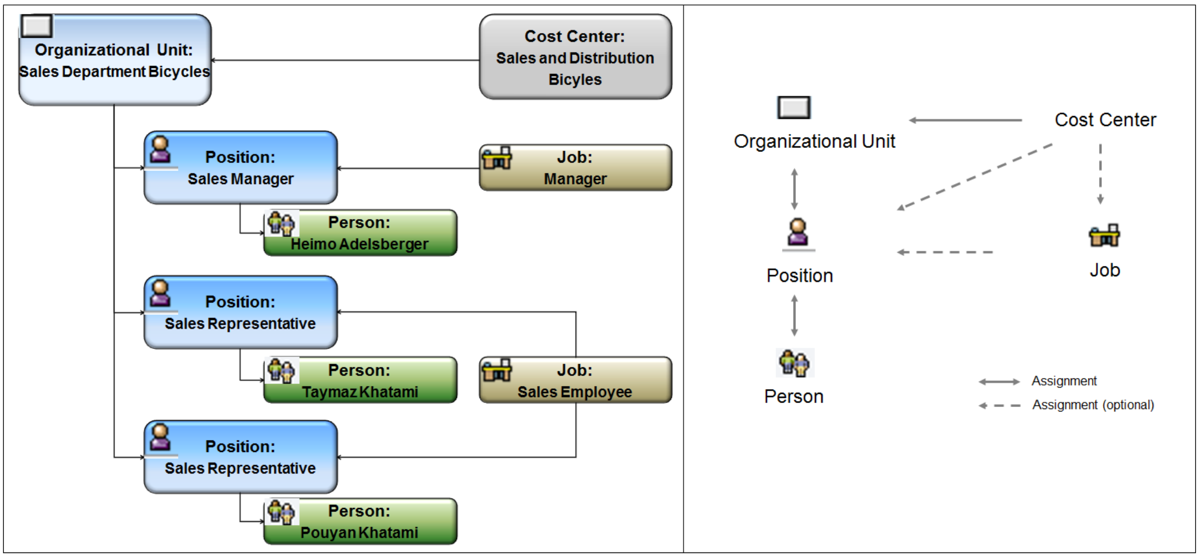


Figure 5: Organizational Plan of SAP HR (UA 2012)

2.1.3.1 Organizational Units

Organizational units describe business units in an enterprise such as departments. They can be classified generally (e.g., by function or by region), or specifically (e.g., by project group). The way organizational units are classified depends on the company in question.
Relationships are used to connect organizational units with each other. These relationships constitute a network, which illustrate the hierarchical structure of the enterprise. That is, organizational units are related to each other in the Organizational Plan. Thereby, the hierarchical interrelationships that exist between the organizational units represent the organizational structure of the company. Furthermore, organizational units can be related to cost centers. A cost center that is assigned to an organizational unit, which is at the top of the organization's hierarchy, can be bequeathed to all organizational units below.

2.1.3.2 Jobs

Jobs are general classifications of tasks or responsibilities within the organization. Jobs are created once and are used to describe positions. When creating jobs, you should pay attention to which specific tasks and requirements are associated with an individual job. Jobs are assigned to Positions. Jobs are used in the following application components:

- shift planning
- personnel cost planning
- personnel development

NOTE

You should keep your job descriptions as general as possible and as specific as necessary.

2.1.3.3 Positions

A position is a specification of a job. One job can be used to create several positions. When you create a job in the SAP system, you need to define a number of positions that correspond to this job that are required in the company. Information such as tasks, requirements, etc., which are

stored in a job definition, are bequeathed to all the positions created from this job. Positions are occupied by persons (employees).
The tasks defined for the jobs are inherited by a position. A position can be extended by defining additional tasks that only have to be carried out by this individual position. Positions can be 100% filled, partially filled, or vacant.

Example: Not jobs, but positions are filled with employees. A position can also be shared by a number of employees that work less than the full-time capacity of the position. For example, two employees can share a position (60% and 40%).

NOTE *A job is used as a template from which positions inherit particular characteristics such as tasks. When you create, for example, the job secretary, different organizational units that feature a position secretary can inherit general tasks of the secretary job, e.g., correspondence, appointment management, etc. Thus, you do not need to create those tasks for each position. Additionally, positions can feature individual tasks, e.g., audit or make coffee.*

Consider that positions are related to organizational units, jobs are not.

2.1.3.4 Persons

Employees of a company are represented by persons in the SAP system. Persons hold positions in the organizational structure determined by organizational management.
In personnel administration, Infotypes for persons are maintained. In the Infotype *organizational assignment*, in the organizational structure section, the position held by a person is entered. Using position assignment, persons are linked with the organizational plan. Additional default values in personnel administration such as Infotype of the employee group and employee subgroup (1013) can be derived from data of the organizational management.

2.1.3.5 Cost Center

A cost center is an organizational object of Controlling and, thus, is maintained in Controlling (SAP CO). Cost centers can be assigned to organizational units or positions. Note that a Cost Center **is not** an element of the Organizational Structure of HCM, but rather of the Enterprise Structure. However, cost centers can be assigned to Organizational Structures like Organizational Units or Positions.

Cost center assignments are inherited along the organizational unit structure. That is, when you assign a cost center to an organizational unit, all organizational units and positions that are below this organizational unit inherits this cost center by default. You can change the cost center assignment at a lower level such as position or person manually. Organizational units can have multiple cost center assignments/percentages.

2.2 Practice: Enterprise and Personnel Structure in SAP HCM

PRACTICE

This chapter will clarify aspects of the SAP S/4HANA Enterprise Structure and Personnel Structure in Human Capital Management. Additionally, you will learn how organizational levels and their interrelations are represented in SAP HCM. This section is not relevant to the final certification exam by SAP SE; however, it encourages in-depth understanding of the topic.

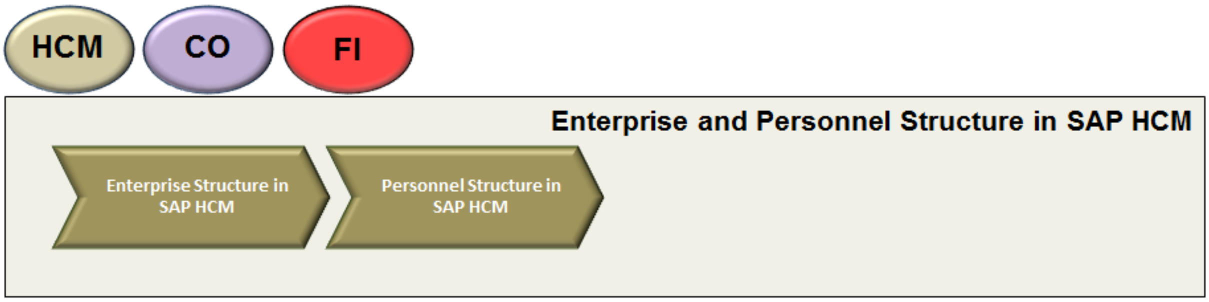


Figure 6: Process Overview: Enterprise and Personnel Structures in SAP HCM

2.2.1 Enterprise Structure in SAP HCM

To display the enterprise and personnel structures of the GBI, you need to proceed to the customizing settings. Therefore, within the tile group **Script 4 – Human Capital Management**, select the app ***SAP Easy Access Menu*** to get a quick access to the Easy Access Menu structure.

NOTE

In the chapters of this script you will primarily work with the SAP Easy Access Menu. You have got an introduction to the SAP Easy Access Menu in script 0. If necessary, read the respective pages again.
*You can solve all tasks that involve the Easy Access Menu of any transaction codes alternatively using the **SAP GUI** instead of Fiori.*

Then, click on **Start SAP Easy Access** and select ***Tools → Customizing → IMG → Execute Project*** or enter ***SPRO*** directly into the command field (maybe you have to display the command field, first). The following figure shows how to proceed:

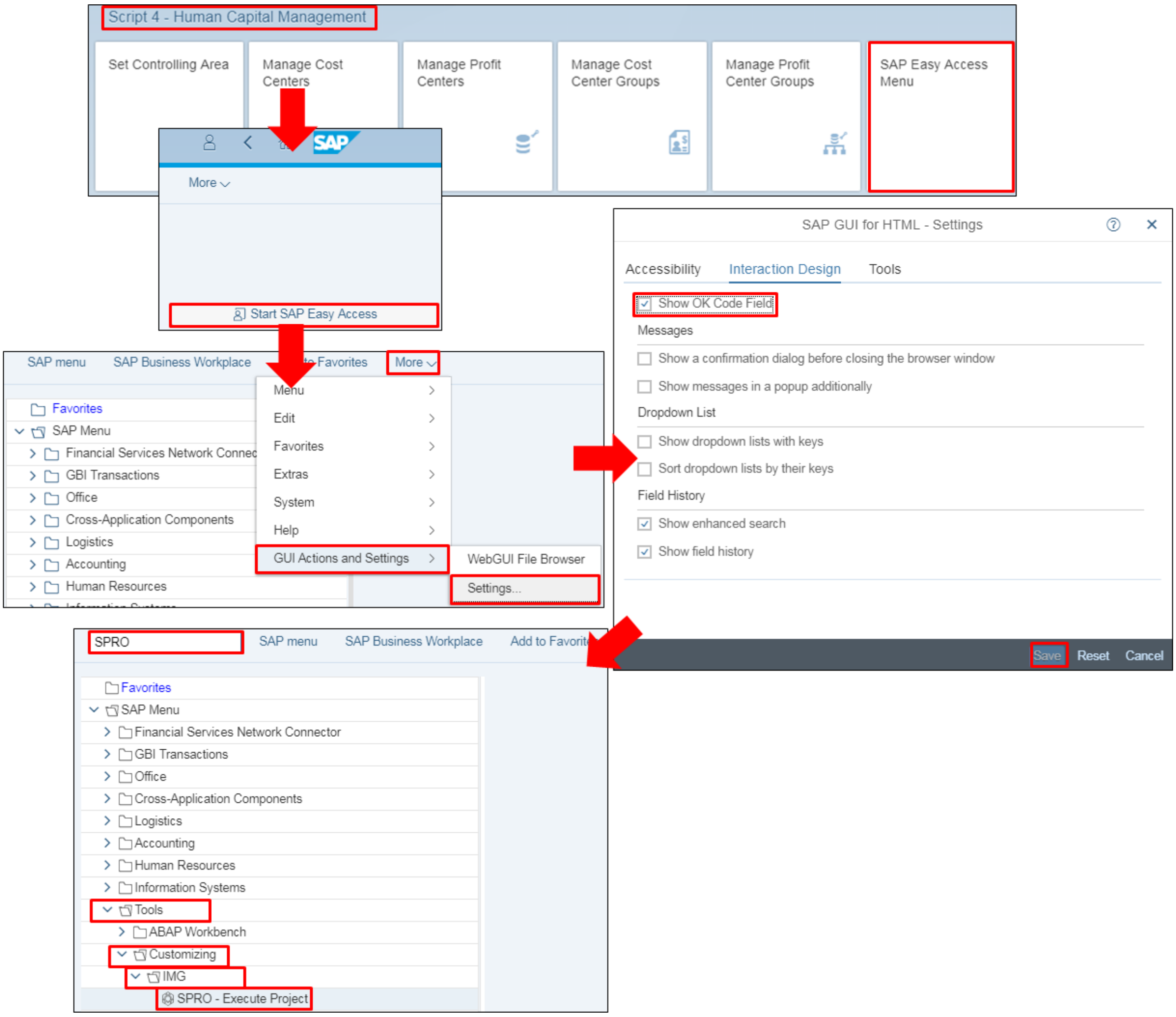


Figure 7: Using SAP Easy Access: SAP-System-Screenshot

Choose SAP Reference IMG to display the implementation guide. You can find the settings for the enterprise and personnel structures in Human Capital Management under ***Enterprise Structure → Definition → Human Resource Management***. You can access the desired node by clicking on >. Then, you can open the desired node by selecting .

The assignment of personnel areas to company codes and employee subgroups to employee groups is available under ***Enterprise Structure → Assignment → Human Resource Management***

2.2.1.1 Personnel Area

The personnel area is an organizational unit that represents a specific area of the enterprise and it is organized according to aspects of personnel, time management, and payroll. A personnel area is divided into several personnel subareas. Please note that the personnel subareas contain the business characteristics. To assign the business characteristics, you must have set up at least one personnel subarea for each of your personnel areas, even if you do not use personnel subareas in your enterprise structure.

When you define the personnel areas, the setting up of the enterprise structure has begun. You assign characteristics to these personnel areas in subsequent IMG steps. These steps are dealt with in the IMG at the same time they are established in a business sense.

Example:
Company X has three production plants in Germany: Hamburg, Cologne, and Berlin. In the SAP System these would constitute three personnel areas.

Firstly, choose ***Enterprise Structure* → *Definition* → *Human Resource Management* → *Personnel Areas*** and within the popup double-click on ***Copy, Delete, Check Personnel Areas)***

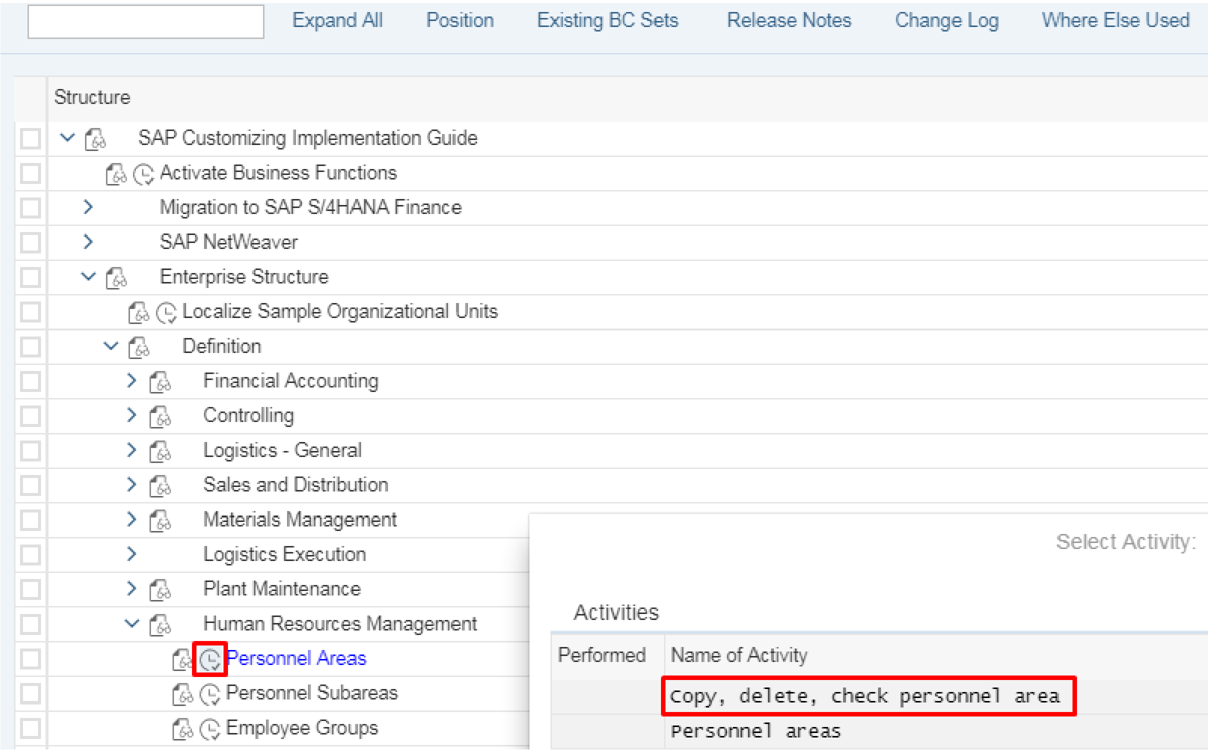


Figure 8: Personnel Areas SAP S/4HANA: SAP-System-Screenshot

Secondary, choose the Structure (in case the button is not displayed, you have to select ***More* → …**, first) button and then Navigation to display a list of all personnel areas of the GBI. Confirm the system notification.

For example, the GBI contains the personnel areas DL00, HD00, HH00, etc. The identification of the personnel area is deliberately chosen in alignment with the plant names to which the personnel areas have a relation. Personnel area DL00 is in charge of personnel administration regarding company code US00 and plant DL00, for example. You can display the assignment to a company code by double-clicking the respective personnel area.

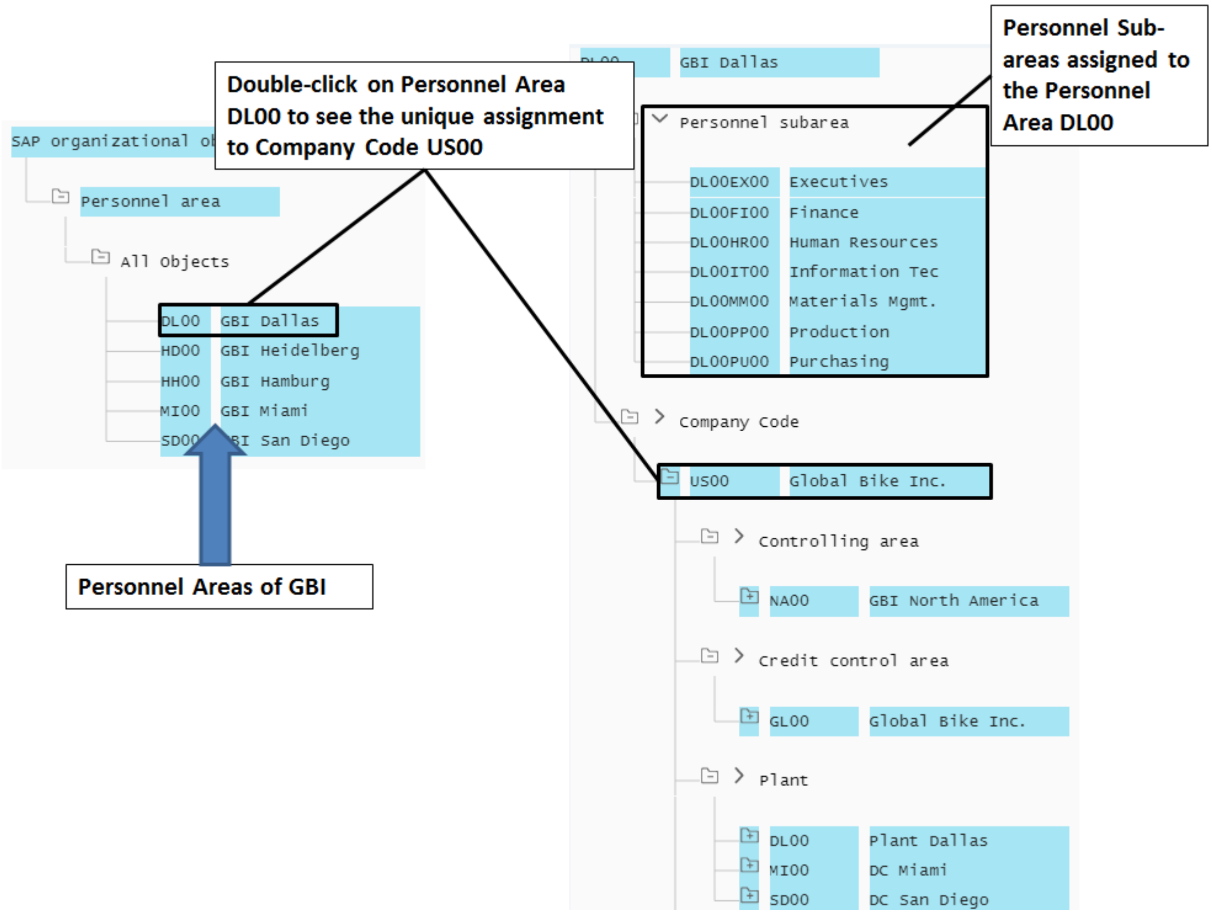
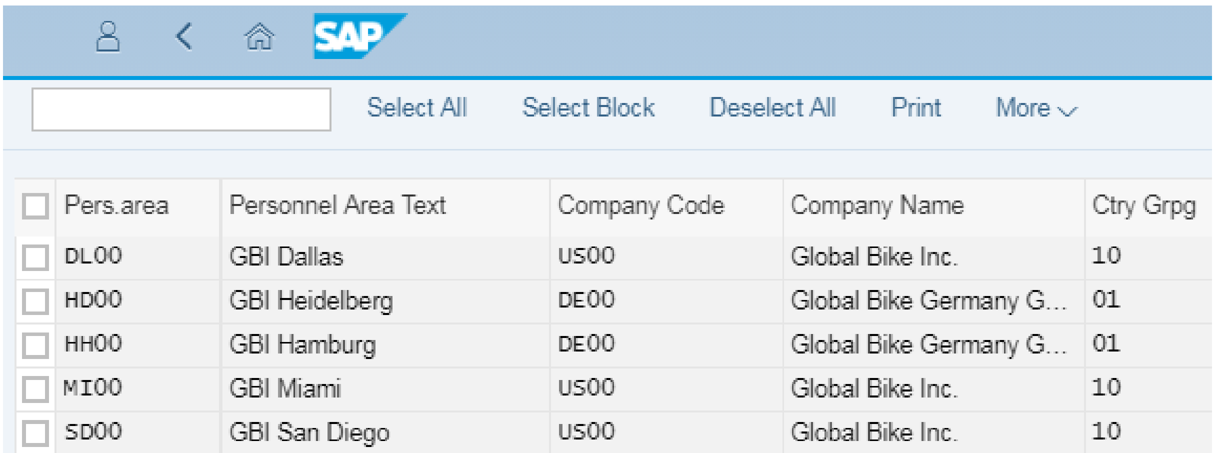


Figure 9: Enterprise Structure – Personnel Areas (1): SAP-System-Screenshot

Alternatively, you can call up

Enterprise Structure → Assignment → Human Resources → Assignment of Personnel Area to Company Code

to display the respective assignments (confirm any system notification).



Pers.area	Personnel Area Text	Company Code	Company Name	Ctry Grpg
DL00	GBI Dallas	US00	Global Bike Inc.	10
HD00	GBI Heidelberg	DE00	Global Bike Germany G...	01
HH00	GBI Hamburg	DE00	Global Bike Germany G...	01
MI00	GBI Miami	US00	Global Bike Inc.	10
SD00	GBI San Diego	US00	Global Bike Inc.	10

Figure 10: Enterprise Structure – Personnel Areas (2): SAP-System-Screenshot

2.2.1.2 Personnel Subareas

A personnel subarea is an organizational unit that represents a specific area of a personnel area organized according to certain aspects of personnel, time management, and payroll. The following business subtasks belong to the personnel subarea:

- defining of pay scale and wage type structure
- defining planned working hours
- defining appraisal criteria

Example:
The Berlin site of Company X is physically separated by a railroad line. This could mean that two different tax or employment offices are responsible for the respective areas. In this case, you would define a personnel area "Berlin" and two personnel subareas.

Choose (confirm any system notification) within the system customizing ***Enterprise Structure → Definition → Human Resource Management → Personnel Subareas (→ Create Personnel Subareas)***

A dialog is displayed, asking for which personnel area you want to display the subareas. Enter personnel area DL00 in the work area field and press ✓.

Which personnel sub-areas substructure the personnel area DL00?

Personnel Sub Areas DL00:

2.2.2 Personnel Structure in SAP HCM

The administrative personnel structure in human resources is primarily relevant for work hours and compensation.

2.2.2.1 Employee Groups

The employee group allows you to divide your employees into groups and allows you to define their relationship to the enterprise. The following essential organizational functions can be carried out by using the employee group:

- generating default values when entering data; for example, for the payroll accounting area or for the basic pay of the employee
- generating a selection criterion for evaluations
- generating a unit for the authorization check

Example:
You want to distinguish your employees between persons who are actively employed, pensioners, and early retirees. The standard SAP system contains some samples of employee groups.

Choose (confirm any system notification)
Enterprise Structure → Definition → Human Resource Management → Employee Groups

In this table, you can see all data objects representing employee groups. Thus, the employee groups *active*, *pensioner*, *early retiree*, etc. exist within the GBI.

Select All Select Block

Employee group	Name of employee grp
1	Active
2	Retiree/pensioner
3	Early retiree
4	Apprentices
5	Terminated
6	Inactive Employees
7	Temporary/Seasonal
8	Expatriate
9	External employee
B	Non-holders (PS)
C	Holders (PS)
D	Contractor

Figure 11: Personnel Structure – Employee Groups: SAP-System-Screenshot

Technically speaking, employee groups are atomic data structures, i.e., they do not contain further data, but consist only of a description. In detailed customizing (master data, process customizing), these data structures are used to state, which actions or processes can be run for an employee group. For example, you can set that in SAP S/4HANA only those persons receive salary, whose status is 1 (active).

2.2.2.2 Employee Subgroups

The employee subgroup represents a subdivision of the employee group. When you define employee subgroups, you have essentially begun to set up your personnel structure. Features are allocated to this in later steps. These steps are dealt with at the spot where they are established in a business sense. The following business subtasks are provided among other things:

- specification of processing in payroll accounting
- specification of validity of primary wage types
- specification of validity of work schedules
- specification of validity of pay scale groups
- specification of validity of time quota types

Example:
Within the employee group *active*, you want to distinguish between industrial workers, pay scale employees, trainees, and executive employees. This distinction enables you to do the following:

- You can carry out evaluations for which certain employee subgroups can be included or excluded.
- Certain personnel administrators should only be allowed to edit the data of certain employee subgroups.
- Depending on the employee subgroup, you can generate different default values in master data processing (e.g., executive employees have entitlement to more leave than pay scale employees).

You can display the employee subgroups of GBI under (confirm any system notification)

Enterprise Structure → Definition → Human Resource Management → Employee Subgroups (→ Define Employee Subgroups)

Employee subgroups are atomic structures as well. In combination with employee groups, they offer options for detailed personnel administration.

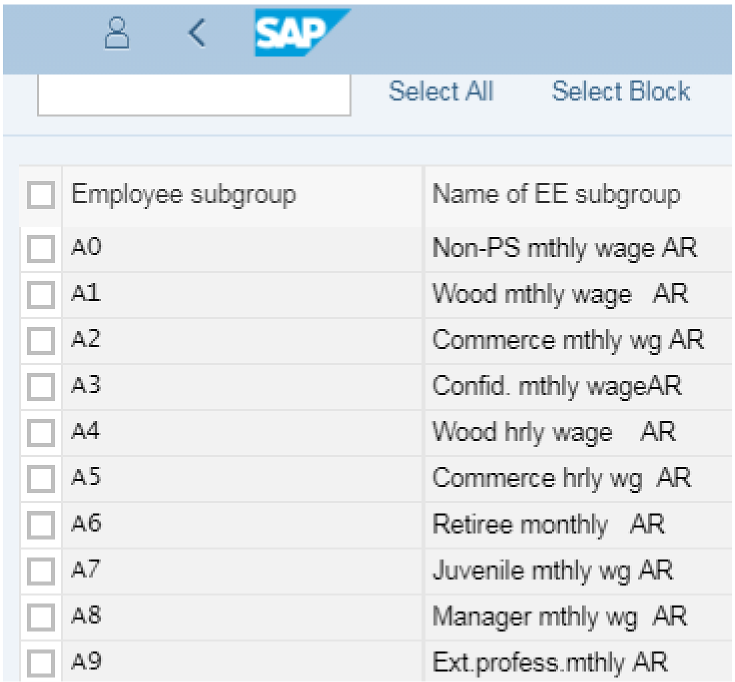


Figure 12: Personnel Structure – Employee Subgroups: SAP-System-Screenshot

Which employee sub-group is used for Applicants?

Employee Sub-group Applicants:

Leave the SAP implementation guide by pressing ***Exit*** and take a closer look at the organizational structure.

2.3 Practice: Organizational Structures in SAP HCM

Despite the good order situation, management of GBI decided to increase marketing measures for the Speedstar and the Speedstarlett. Therefore, a new department is supposed to be set up that focuses on marketing and distribution activities regarding the two products. For this reason, the respective organizational structure needs to be entered into the SAP S/4HANA system and the personnel for vacant jobs needs to be hired.

Firstly, get an overview of the navigation and the basic structures and terms in HCM. Based on that, you will get to know the important concepts of SAP S/4HANA human resources management in an integrative case study. Your first task is to enter the organizational structure of the new department into the SAP system and to assign it to existing organizational structures. Again, replace ***xyyy*** with your user ID when processing the case study.

2.3.1 Organizational Structure in SAP CO

To create the new department, you need a cost center to which you can assign the new department. The cost center is necessary, since costs occurring in your new department must be posted to an accounting object for SAP CO.

You will initially maintain an own profit center, which will be assigned to hierarchy node N3300 in the standard hierarchy of GBI.

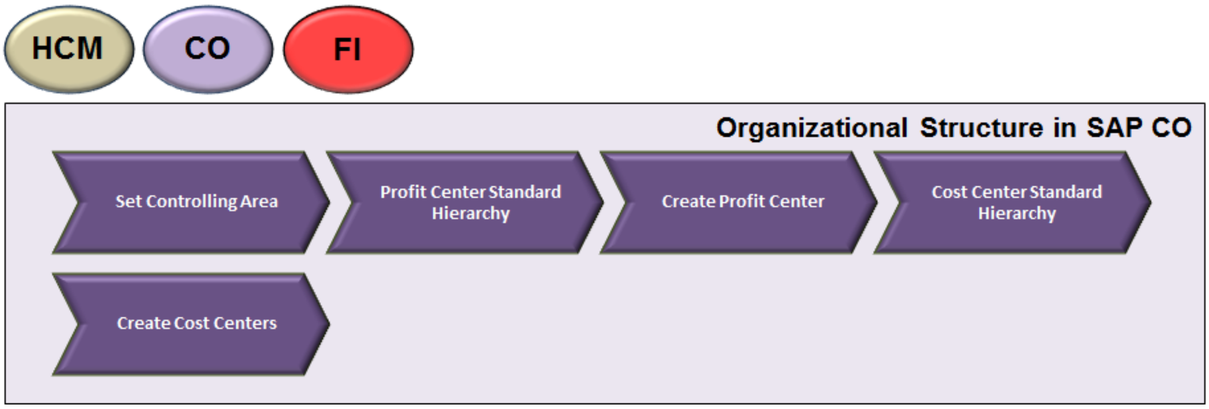


Figure 13: Process Overview: Organizational Structure in Controlling

2.3.1.1 Set Controlling Area

Since you will work in controlling Area NA00 while processing the case study, you will set the Controlling Area, first. Therefore, within the tile group **Script 4 – Human Capital Management**, select the app ***Set Controlling Area***.

1. Starting the transaction, you are prompted to enter a controlling area. Enter ***NA00***.
2. Confirm by selecting the Save as User Parameter button.

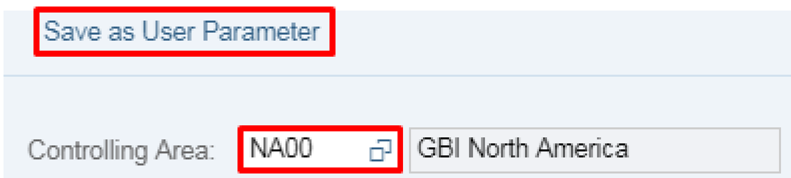


Figure 14: Set Controlling Area: SAP-System-Screenshot

Bear in mind that a session is variable. That means the setting above is only valid for the current session. If you log off while processing this case study and log on later, you have to repeat this step. Otherwise you would be prompted in each relevant step to enter the controlling area manually.

2.3.1.2 Profit Center Standard Hierarchy

Standard hierarchies serve the unique assignment and hierarchical relations of CO objects, e.g.:

- cost centers
- processes
- profit centers

Display the ***profit center standard hierarchy*** of GBI. Therefore, call up the following transaction:

NOTE

You should already know, how to open the SAP Easy Access Menu. If necessary, check it in script 1 again.

Accounting → Controlling → Profit Center Accounting → Master Data → Standard Hierarchy → Display (KCH6N)

1. In case you are prompted to enter a controlling area, enter controlling area ***NA00*** (**this time and also while further processing).** Expand the organizational structure tree in the right window so that you can see the node **H1 GBI North America**. Your new profit center is supposed to be assigned to this profit center hierarchy node. Next, create a profit center with reference to this hierarchical level.

HINT

*In case you do not see the desired hierarchical nodes when calling up the transaction KCH6N or later, the transaction OKENN (OKEON) (depending on the settings of your user), you can search for the root organizational unit H1 by using the search assistant for **the Profit center group** (for OKENN, **Cost center group**). From this root node, you can expand and navigate to the respective node.*

HINT

*The best search strategy in SAP systems is to use **Asterisks (*)**. If you search for an object and you know any string in the description of this object, you can enclose the string in Asterisk. Thereby, the system looks for all objects containing this string.*
*Example: You search for any object you created. You know that you used always the string **xyyy** in your objects. You can search for your objects using ***xyyy*** in the search field. The system will display all objects containing **xyyy**.*
*If you are, e.g., user WIP9-995 and you search for your Speedstar in transaction MM02, you use the F4 help. In the Material search field you enter ***9995*** and press search. The system will display all materials you created: Speedstar-**9995**, Basis-Module-**9995**, etc. This search strategy can be used for any object in SAP.*

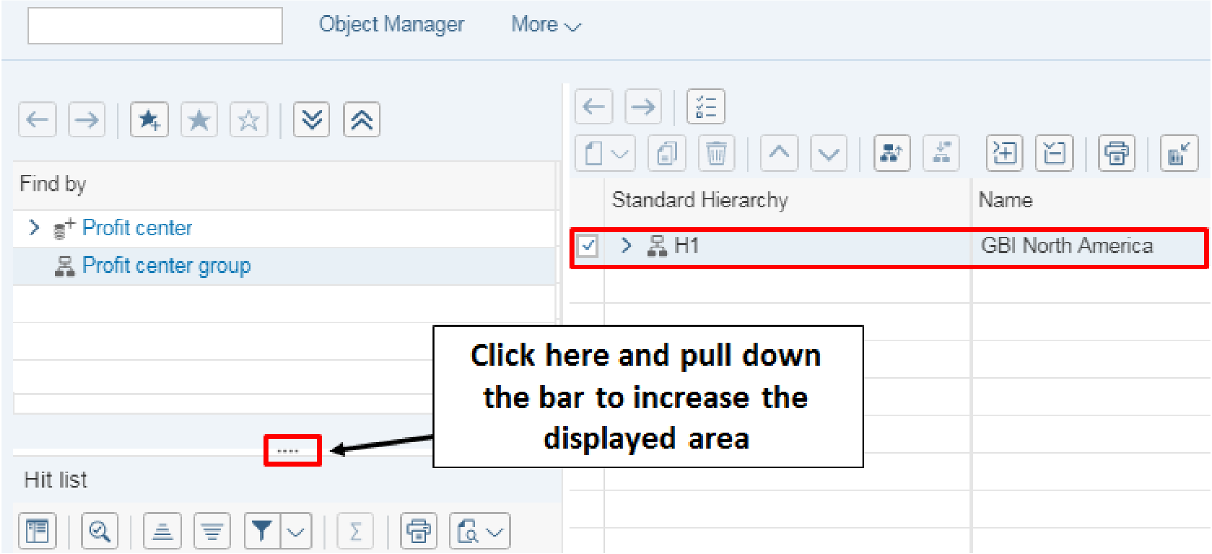


Figure 15: Search Profit Center: SAP-System-Screenshot

2.3.1.3 Create Profit Center

A profit center is an organizational unit of accounting, which structures the company in a management-oriented manner, i.e., for internal controlling purposes. You can analyze profits and losses for a profit center that are calculated using either period accounting or the cost-of-sales approach. You can analyze your company's fixed assets by profit center and, thus, use them as investment centers.

Create a profit center. Therefore, within the tile group **Script 4 – Human Capital Management**, select the app ***Manage Profit Centers***.

1. In case you are prompted to enter a controlling area within a popup, enter controlling area ***NA00***. Otherwise, directly select Add.
2. Enter the following data:
   - **Controlling Area (upper area)** ***NA00***
   - **Profit Center** ***PROF-xyyy***
   - **Valid From** ***01.01. current year***
   - **Valid To** ***31.12.9999***
   - Press Continue

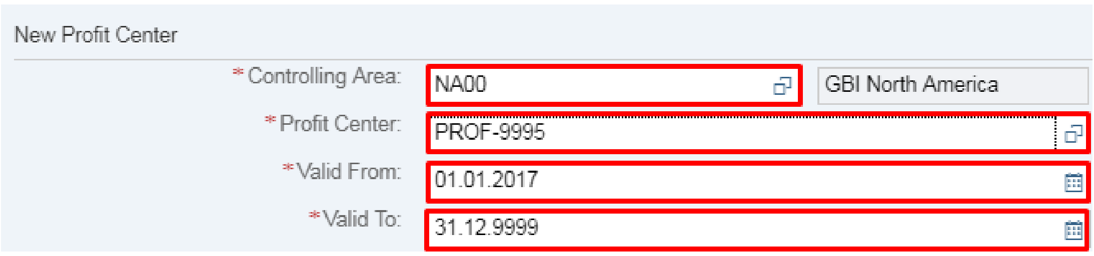


Figure 16: Create Profit Center (1): SAP-System-Screenshot

3. Then, type in the following data:
   - **Name** ***Bicycle-xyyy***
   - **Long Text** ***Bicycle-xyyy***
   - **Responsible Person** ***Your name***
   - **Profit Center Group** ***H1* (GBI North America)**

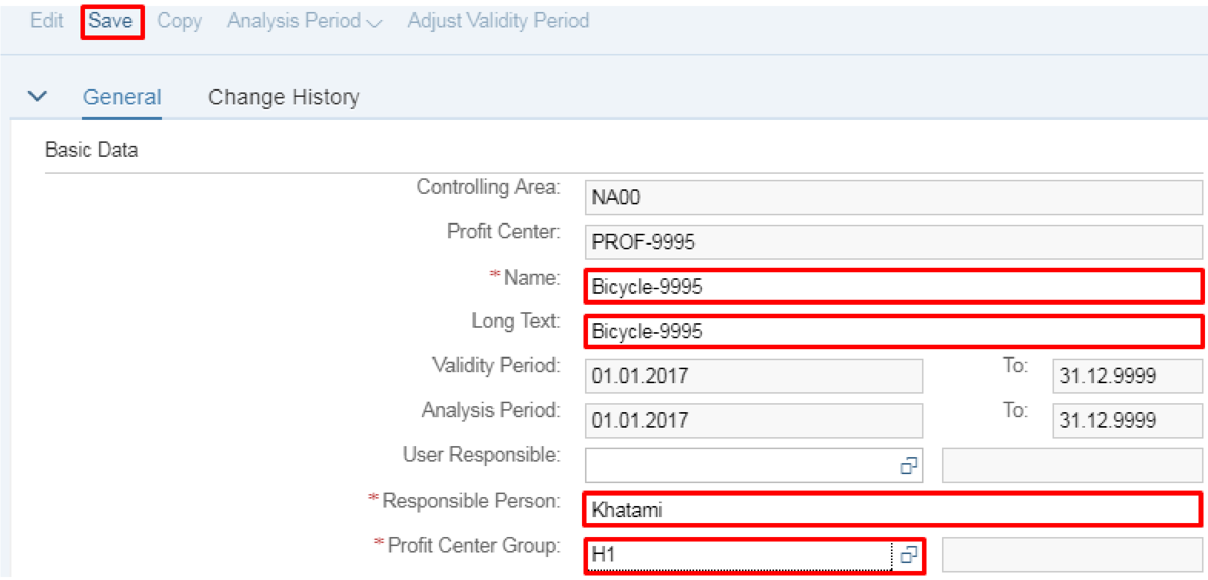


Figure 17: Create Profit Center (2): SAP-System-Screenshot

4. ***Save*** your entries.

Check the standard hierarchy of the profit center again (transaction **KCH6N**). A new entry with your profit center should be listed.

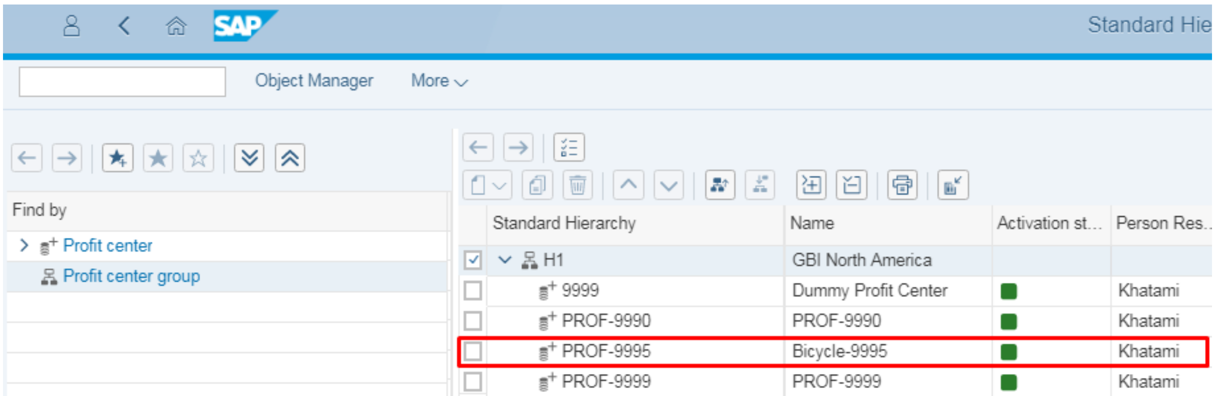


Figure 18: Profit Center in the Standard Hierarchy: SAP-System-Screenshot

Now that you created the profit center, you can maintain the respective cost center.

2.3.1.4 Cost Center Standard Hierarchy

Now, display the ***standard hierarchy of cost centers*** of GBI. Therefore, call up the following transaction code: ***OKEON***

*Only **one user** can change the standard hierarchy at a time. Thus, **<u>hurry up</u>** with the following step!*
*Pay attention to possible error messages like "… is worked on by user WIPx-yyy". In that case wait until that user has finished his work and repeat the step then. **All users** can display the standard hierarchy at the same time.*

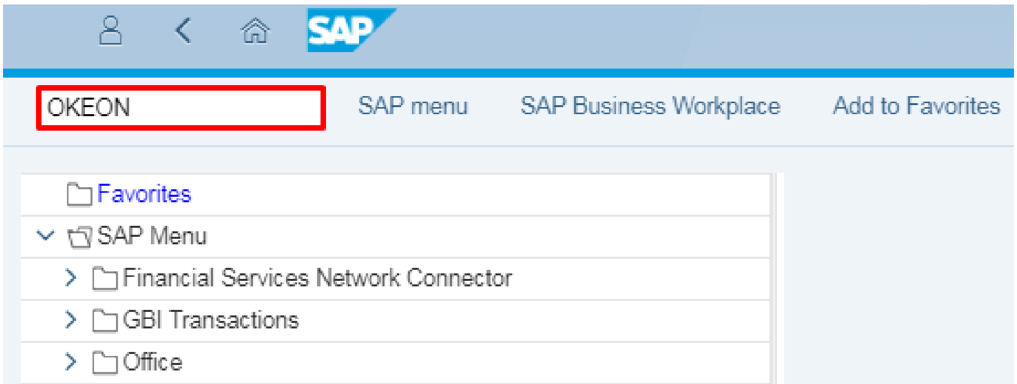


Figure 19: Create Cost Center Group (1): SAP-System-Screenshot

1. Expand (›) the node ***NA00 → N3000 → N3300 (Global Sales)***.
2. Create a ***new node*** directly below N3300 by clicking the node N3300 with the right mouse button and then select the option ***Create Group (Lower Level)***.

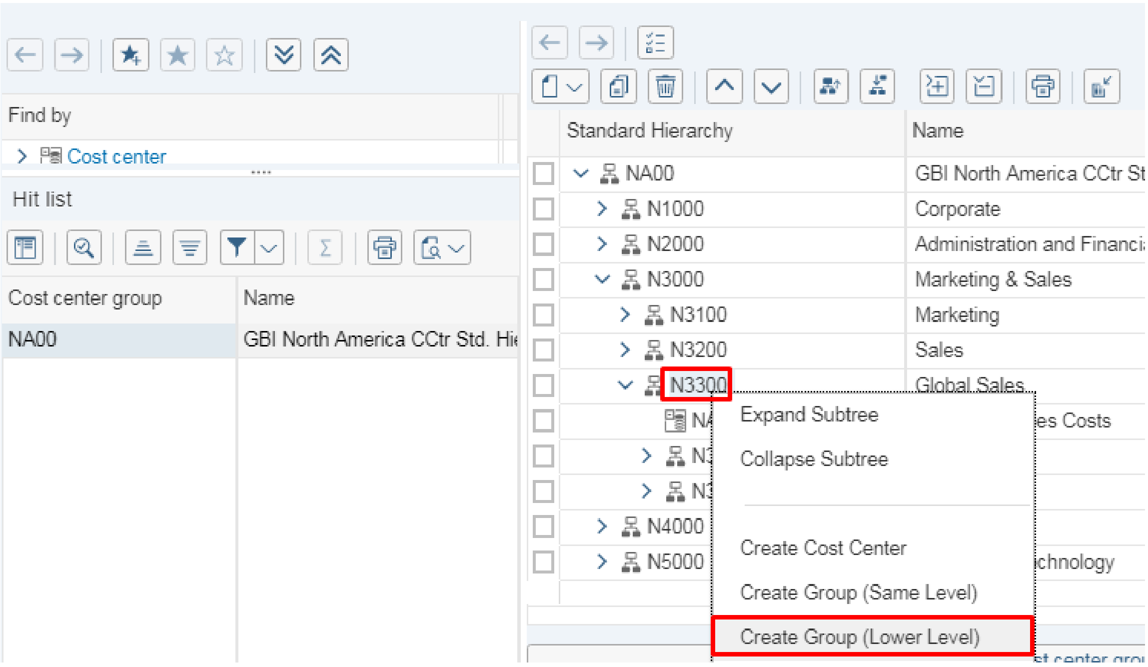


Figure 20: Create Cost Center Group (1): SAP-System-Screenshot

3. On the lower part of the screen, enter ***N3xyyy*** in the **Group Name** field and the description ***Marketing and SD Bicycle-xyyy***.

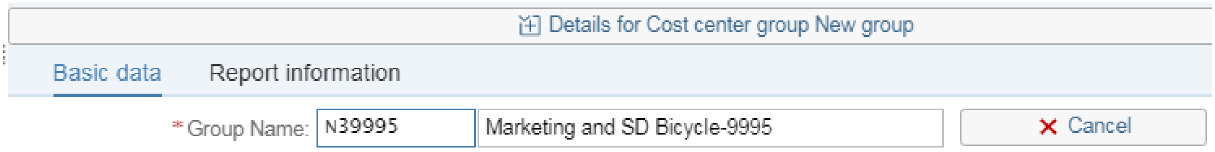


Figure 21: Create Cost Center Group (2): SAP-System-Screenshot

4. *Save* your entries. Your new hierarchy node should be displayed below node N3300. Press ***Exit***.

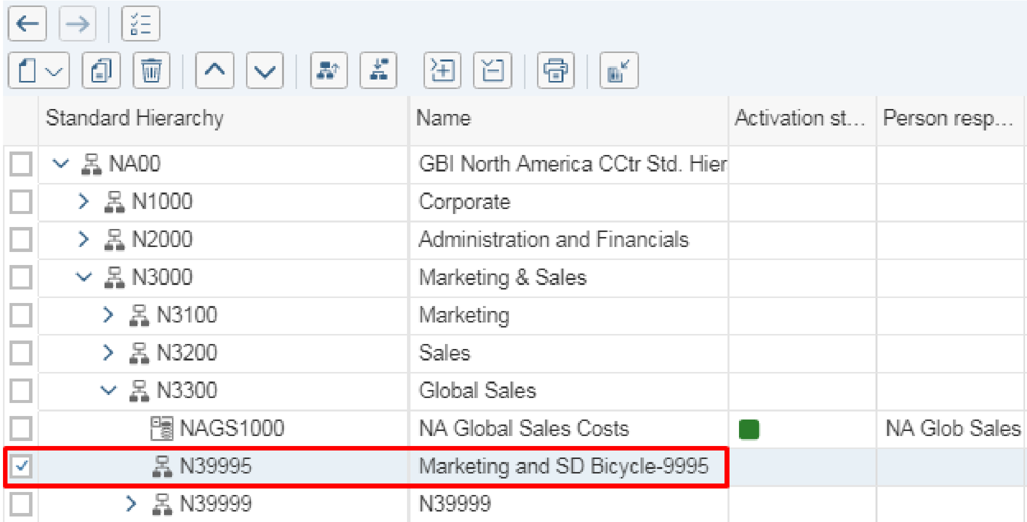


Figure 22: Standard Hierarchy GBI: SAP-System-Screenshot

2.3.1.5 Create Cost Centers

The new department is supposed to contain three organizational units to each of which one cost center is assigned. In organizational management, three organizational units will be entered, one for marketing, one for SD, and one root organization.

Correspondingly, start with creating three new cost centers. The cost centers will be assigned to profit center **PROF-xyyy.** To create cost centers, select within the tile group **Script 4 – Human Capital Management** the app ***Manage Cost Centers***.

1. First, select Add, then, enter the following data:
   - **Controlling Area (upper area)** ***NA00***
   - **Cost Center** ***CCMSD-xyyy***
   - **Valid from** ***01.01. (!) of the current year***
   - **Valid to** ***31.12.9999***
   - Confirm with by selecting Continue.
2. Next, enter the following data:
   - **Name (next to Cost Center)** ***Mark-SD-xyyy***
   - **Cost Center Description** ***Marketing / SD xyyy***
   - **Person Responsible** ***your name***
   - **Cost Center Category** ***L (Management)***
   - **Hierarchy Area** ***N3xyyy***
   - **Business Area** ***BI00***
   - **Currency** ***USD***
   - **Profit Center** ***PROF-xyyy***
3. ***Save*** your entries and close the view.

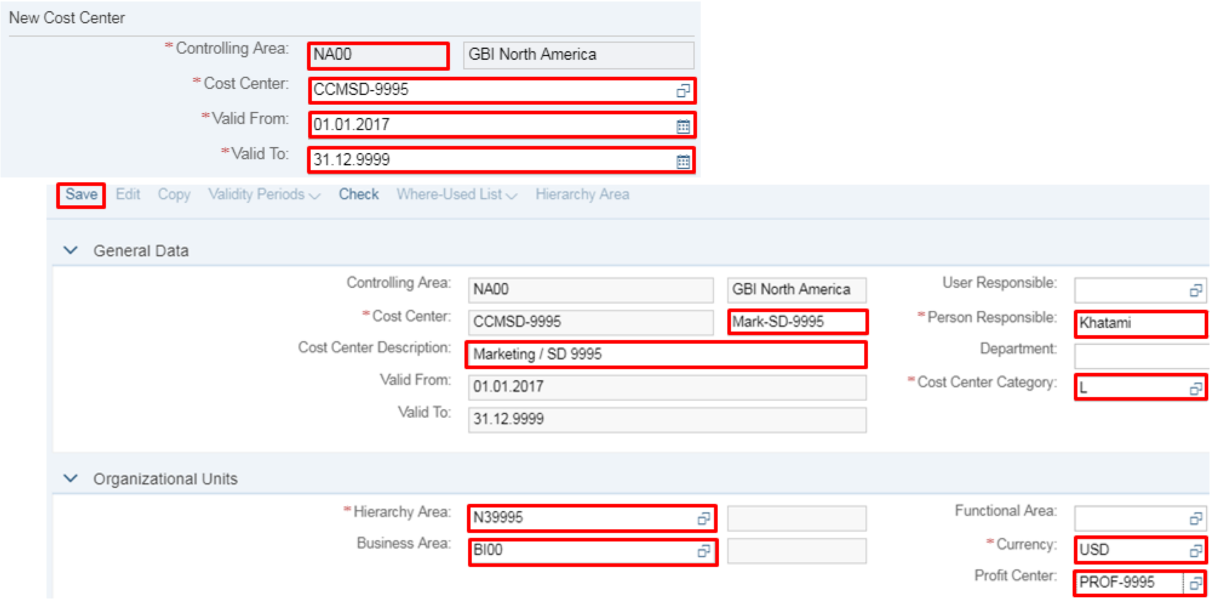


Figure 23: Create Cost Center: SAP-System-Screenshot

Now, create the remaining Cost Centers on your own!

Cost Center Marketing

1. First, open the app ***Manage Cost Centers*** again, select Add and then, enter the following data:
   - **Controlling Area (upper area)** *NA00*
   - **Cost Center** *CC-MA-xyyy*
   - **Valid from** *01.01. (!) of the current year*
   - **Valid to** *31.12.9999*
   - Confirm with by selecting Continue.
2. Next, enter the following data:
   - **Name (next to Cost Center)** *Marketing-xyyy*
   - **Cost Center Description** *Marketing Department xyyy*
   - **Person Responsible** *your name*
   - **Cost Center Category** *V (Sales)*
   - **Hierarchy Area** *N3xyyy*
   - **Business Area** *BI00*
   - **Currency** *USD*
   - **Profit Center** *PROF-xyyy*
3. ***Save*** your entries and close the view.

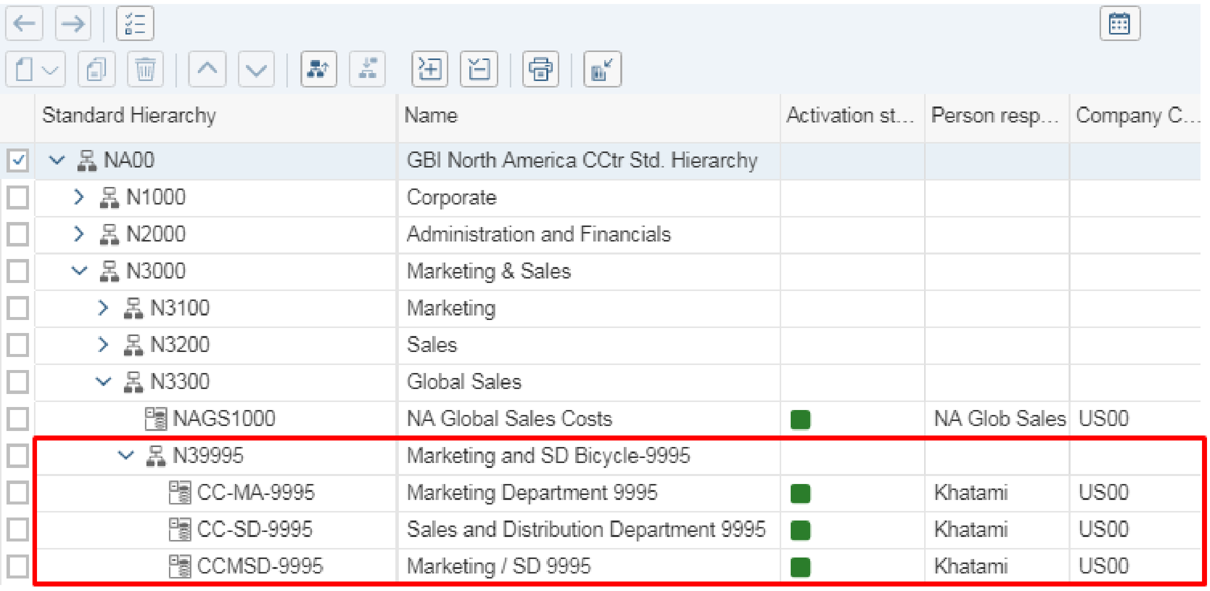
Cost Center SD

1. First, open the app ***Manage Cost Centers*** again, select Add and then, enter the following data:
   - **Controlling Area (upper area)** *NA00*
   - **Cost Center** *CC-SD-xyyy*
   - **Valid from** *01.01. (!) of the current year*

- **Valid to** *31.12.9999*
- Confirm with by selecting Continue.

2. Next, enter the following data:
   - **Name (next to Cost Center)** *SD-xyyy*
   - **Cost Center Description** *Sales and Distribution Department xyyy*
   - **Person Responsible** *your name*
   - **Cost Center Category** *G (Logistics)*
   - **Hierarchy Area** *N3xyyy*
   - **Business Area** *BI00*
   - **Currency** *USD*
   - **Profit Center** *PROF-xyyy*
3. ***Save*** your entries and close the view.

When displaying the standard hierarchy of cost centers once again (transaction **OKENN**) your new cost centers should be assigned to the respective hierarchical area ***(NA00 → N3000 → N3300 → N3xyyy)***. Leave the view by pressing ***Exit***.



Standard Hierarchy	Name	Activation st...	Person resp...	Company C...
NA00	GBI North America CCtr Std. Hierarchy			
N1000	Corporate			
N2000	Administration and Financials			
N3000	Marketing & Sales			
N3100	Marketing			
N3200	Sales			
N3300	Global Sales			
NAGS1000	NA Global Sales Costs		NA Glob Sales	US00
N39995	Marketing and SD Bicycle-9995			
CC-MA-9995	Marketing Department 9995		Khatami	US00
CC-SD-9995	Sales and Distribution Department 9995		Khatami	US00
CCMSD-9995	Marketing / SD 9995		Khatami	US00

Figure 24: Hierarchical Assignment of Cost Centers: SAP-System-Screenshot

Now that you created the cost centers and the profit center, you have the required structures to carry out organizational management from a HR department point of view.

2.3.2 Organizational Structure in SAP HCM

You have learned a lot about the Enterprise Structure and the Personnel Structure in SAP HCM. However, these structures refer to the same SAP organizational model you got acquainted with in the other teaching units. There, we referred to the organizational units as organizational levels. Organizational levels are defined in customizing. Additionally, to the organizational levels, SAP HCM contains the Organizational Structure. While the organizational levels map the company in terms of legal structures, the Organizational Structure maps the hierarchical structure of the company in HCM based on functional aspects. Aspects like:

- What position does an employee have in a company?
- What job is the employee assigned to?
- What tasks does this employee have?

The Organizational Structure is also important for the HCM reporting.

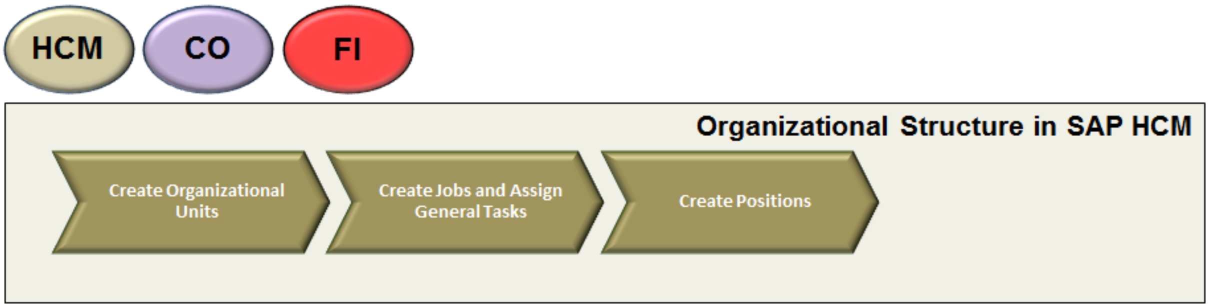


Figure 25: Process Overview: Organizational Structure in Human Capital Management

Your new department is referred to as ***DepBike-xyyy*** and represents the root organizational unit. The department consists of two areas: ***Marketing-xyyy*** and ***SD-xyyy***. The cost center ***CC-MA-xyyy*** is assigned to the marketing department and the cost center ***CC-SD-xyyy*** is assigned to the SD department, both originating from company code US00 and controlling area NA00. Despite the fact that it is somewhat unrealistic that a differentiated scope of duties is only carried out by few employees, we assign only two positions to each area due to reasons of simplification. Both the marketing and the SD area will feature a **position** for the ***department chief*** and a ***secretary position***. The following figure clarifies the organization of your new department. As you can see from the figure, you need to create the following objects:

3 Organizational units:

1. Root organization: ***DepBike-xyyy***
2. SD area: ***SD-xyyy***
3. Marketing area: ***Mark-xyyy***

2 Jobs:

1. Job for the department chief: ***Manage-xyyy***
2. Job for the secretary: ***Secretary-xyyy***

As explained earlier, jobs are generic object types that facilitate the creation of positions. Thereby, the position inherits all characteristics of the assigned job.

4 Positions:

1. Position for the department chief SD: ***SD-DC-xyyy***
2. Position for the department chief Marketing: ***MA-DC-xyyy***
3. Position for the secretary SD: ***SD-SE-xyyy***
4. Position for the secretary Marketing: ***MA-SE-xyyy***

4 Tasks:

Different tasks must be assigned to the respective positions. As you might guess, identical tasks for ***positions*** can be assigned directly from the corresponding ***job***.

1. You can assign the tasks ***correspondence*** and ***organization*** to job ***Secretary-xyyy***.
2. You can assign the tasks ***management functions*** to job ***Manage-xyyy.***
3. The tasks ***client acquisition*** and ***advertising efforts*** are not generic and, thus, need to be assigned directly to positions.

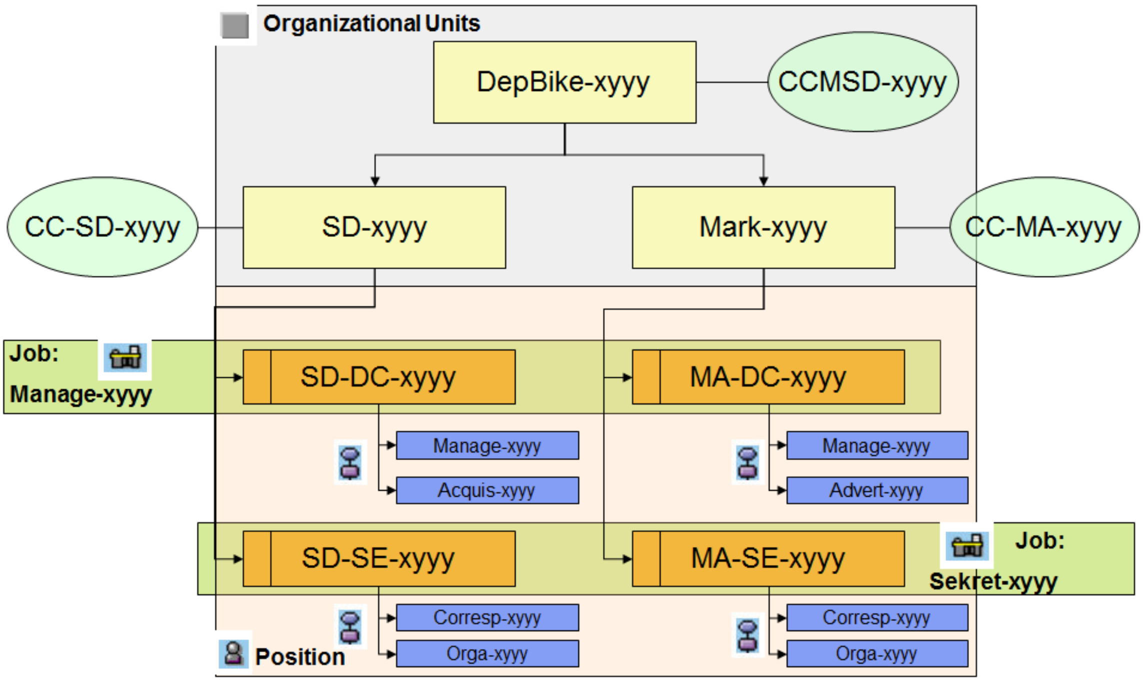


Figure 26: Organization Department Marketing and SD

2.3.2.1 Create Organizational Units

Therefore, call up the following transaction within the SAP Easy Access Menu:

*Before starting is exercise, check whether controlling area **NA00** is set. Therefore, use the app **Set Controlling Area**.*

Human Resources → Organizational Management → Organizational Plan →Organization and Staffing → Create (PPOCE)

1. Enter the validity from **01.01. of the current year** until **31.12.9999** and press *Continue*.

2. Select ***More*** → ***Settings*** → ***Query Period/ Create Multiple Objects*** from the menu. Then, select *Query time period for organizational changes / create multiple objects*.

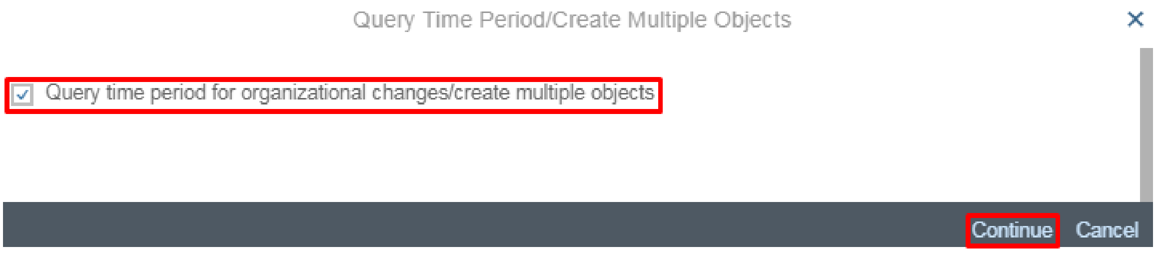


Figure 27: Activate Query Time Period: SAP-System-Screenshot

3. In the main window, you can see an icon with the name *new organizational unit*. This will be your **organizational root**. Check the icon and enter the following information on the lower part of the screen:
   - Basic data tab:
     Name: ***DepBike-xyyy***
     additional description: ***Department Bike-xyyy + your name***
   - Select Refresh Data and save.
   - Account assignment tab:
     Master cost center: ***CCMSD-xyyy***
     Company Code: ***US00***
     Personnel area: ***DL00***
   - Confirm with *Enter*.

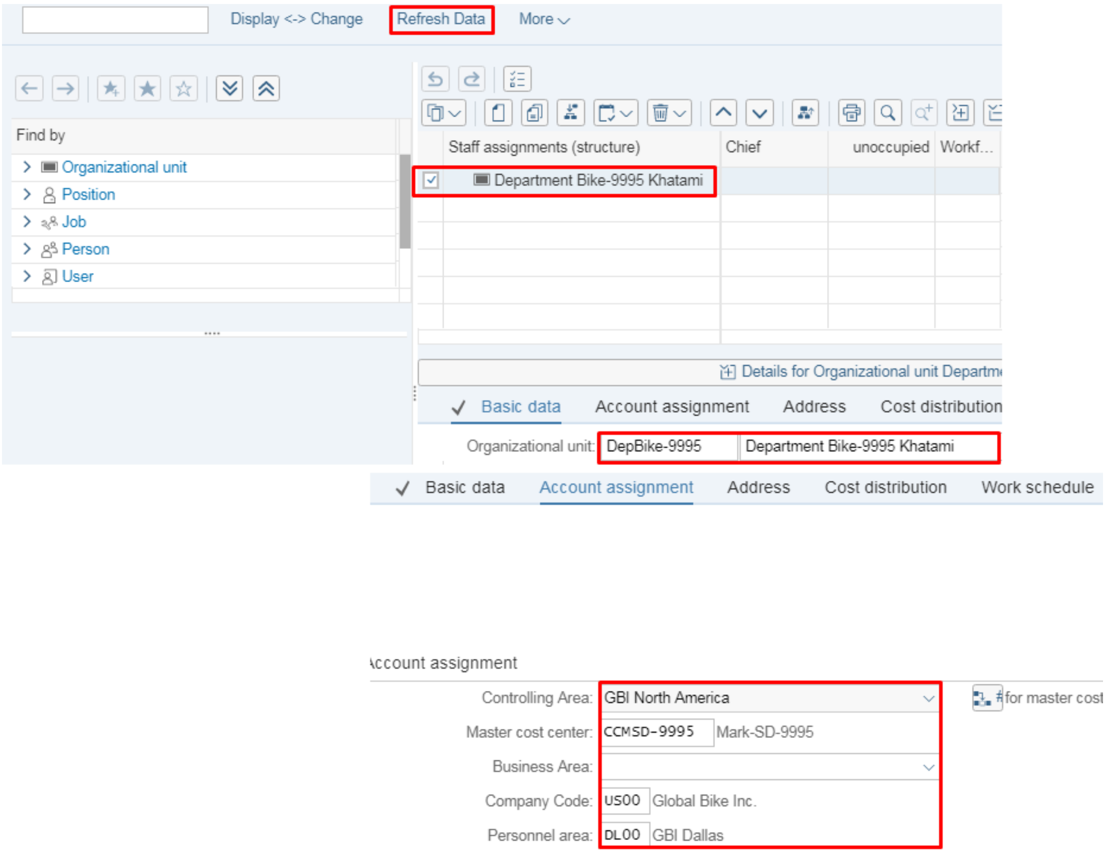


Figure 28: Create Root Organization: SAP-System-Screenshot

4. **Create** another organizational unit **below** the newly created organizational unit by clicking the organizational root with the right mouse button and selecting ***Create*.** Choose ***Is line supervisor of Organizational unit*** from the pop-up window.

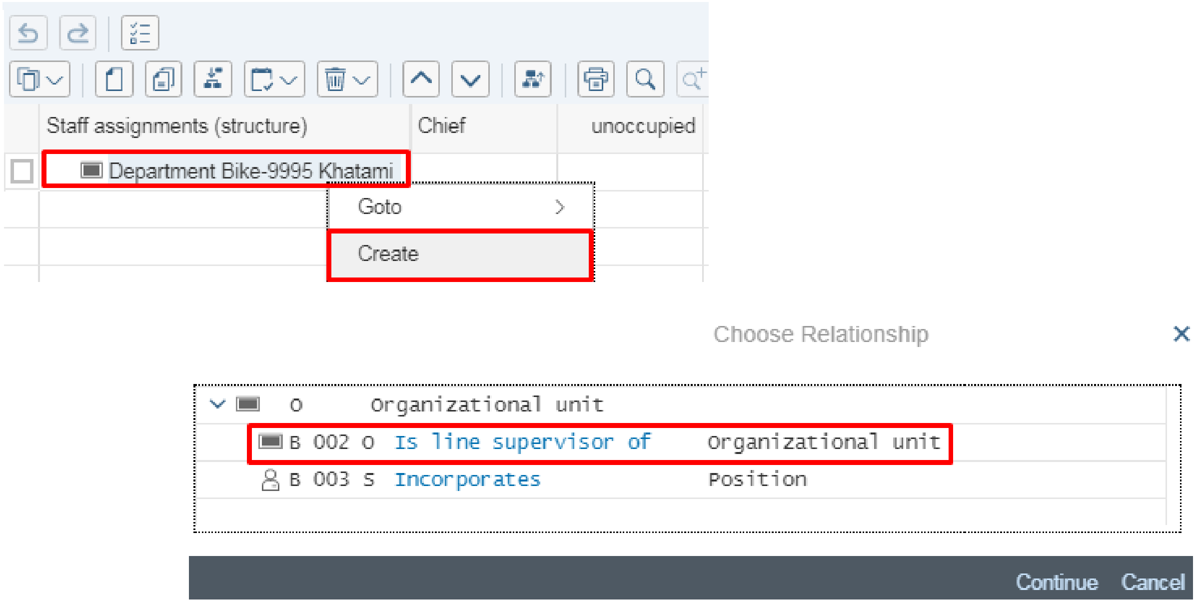


Figure 29: Create Subsidiary Organizational Units: SAP-System-Screenshot

5. Skip the following pop-up with *Continue.* Enter the following information for the SD department:
   - <u>Basic data tab:</u>
     Organizational unit: ***SD-xyyy***
     additional description: ***SD-xyyy + your name***
   - Select Refresh Data and save.
   - <u>Account assignment tab:</u>
     Master cost center: ***CC-SD-xyyy*** (change the cost center in **Account assignment,** click on *Replace Master Cost Center* next to **Master cost center** field**)**
     Company Code: ***US00***
     Personnel area: ***DL00***
   - Press *Enter*.

6. Repeat steps 4 and 5 for the **marketing department.** This should be located below the organizational root as well.
   - <u>Basic data tab:</u>
     Name: ***Mark-xyyy***
     additional description: ***Mark-xyyy + your name***
   - Select Refresh Data and save.
   - <u>Account assignment tab:</u>
     Master cost center: ***CC-MA-xyyy***
     Company Code: ***US00***
     Personnel area: ***DL00***

Your hitherto created organizational structure should look like this:

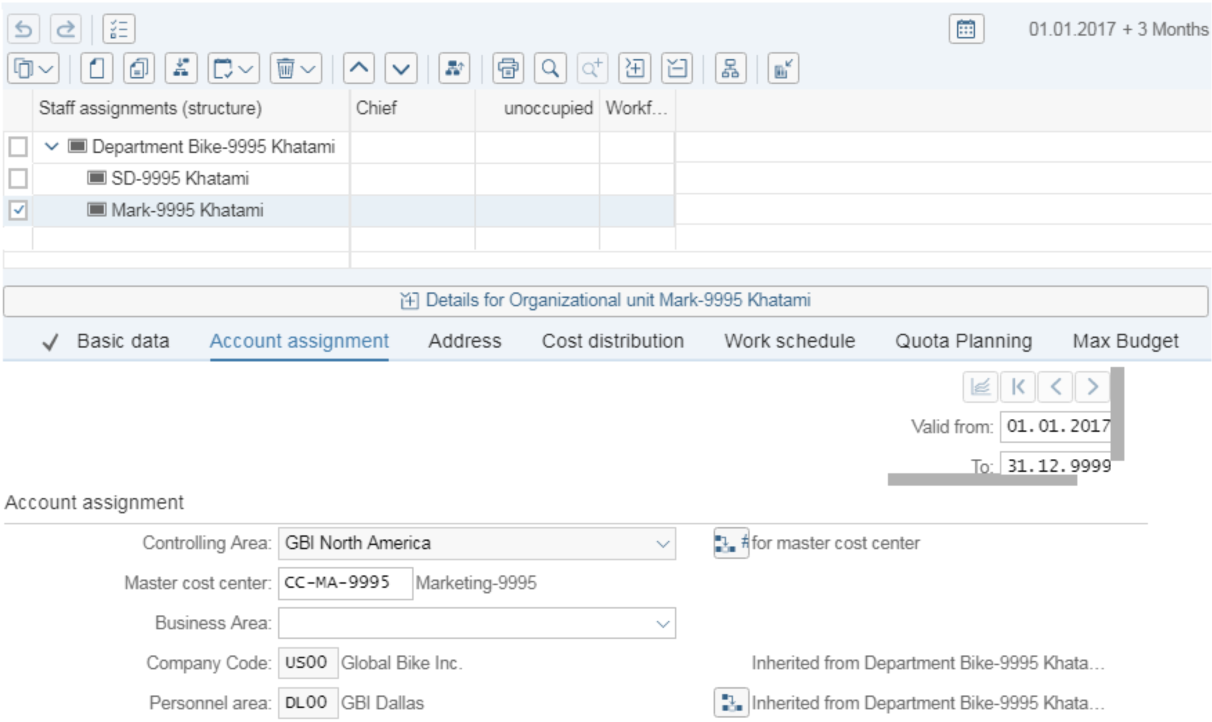


Figure 30: Organizational Structure: SAP-System-Screenshot

7. ***Save*** your organizational structure and confirm any system notifications with *Enter*.

*This time and while further processing: If you receive a **Prompt for Customizing request**, check the **Request** field: If there is an entry within the field, confirm with Enter. Otherwise click on the **Create Request** ( )-button and enter any description in the **Short Description** field. Save the Customizing request and confirm with .*

*When leaving transaction **PPOCE**, you can display and edit your hitherto created objects by using transaction **PPOME** and the search function in the upper left side of the screen. The search function can be used to search for all object types. When selecting **Organizational unit** and entering **DepBike-xyyy** as Search Term, the search result is displayed in the left lower window. Pay attention to apply the correct search version. If you want to look for Organizational Units, click on the **Organizational unit** button. If you want to look for other data, e.g. position, you have to select the respective (**Position)** button.*

*Another useful function is the **column configuration**. With this, you can display additional data regarding your organizational units. In the following figure, you can see the additional selection of the **object ID**. This is helpful since it is unique in the SAP system and, correspondingly, easier to find from other functions within the HCM application.*

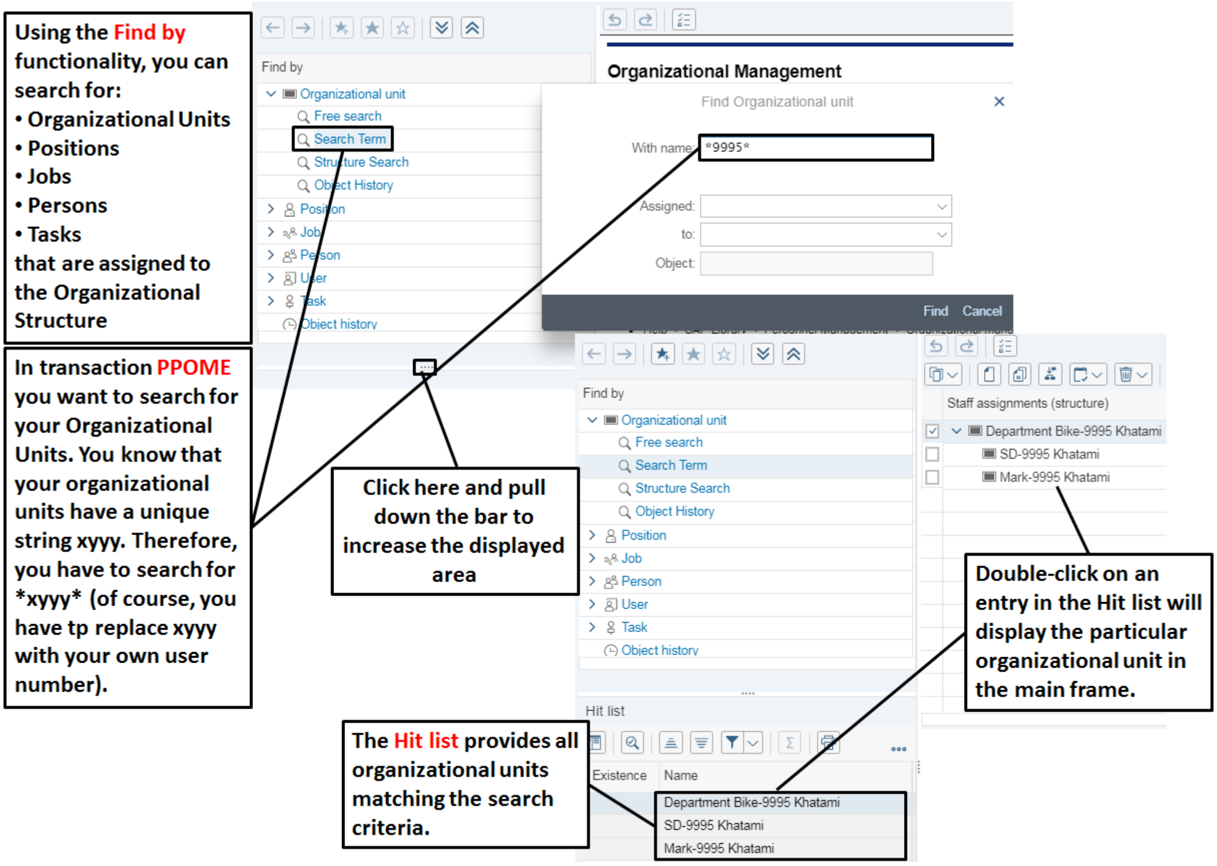


Figure 31: Searching Organizational Objects: SAP-System-Screenshot

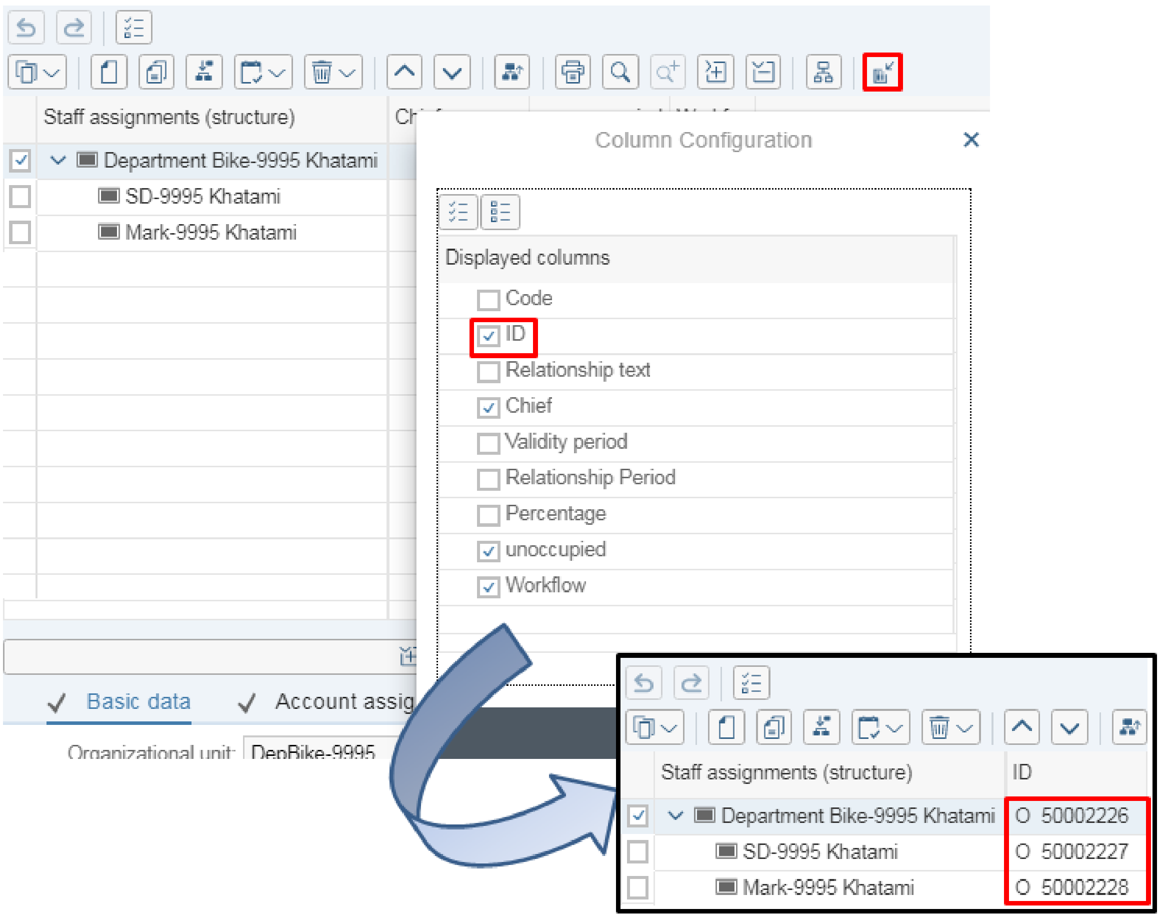


Figure 32: Example Column Configuration: SAP-System-Screenshot

2.3.2.2 Create Jobs and Assign General Tasks

Now that the three organizational units are created, your next task is to create ***jobs***. At this point, you could start directly with creating positions, however, our positions are supposed to inherit tasks from generic jobs. Thus, this step is required.

In case you left the transaction (PPOCE) already, call up transaction PPOME and display YOUR organizational structure as described in the hint above.

1. Select ***More*** **→** ***Edit*** **→** ***Create jobs***. In the following selection window, enter the subsequent data and confirm with *Create*:

Valid from:	***01.01 of the current year***	until	***31.12.9999***
Object abbreviation:	***Manage-xyyy***	and	***Secret-xyyy***
Name:	***Management Function xyyy***	and	***Secretary xyyy***

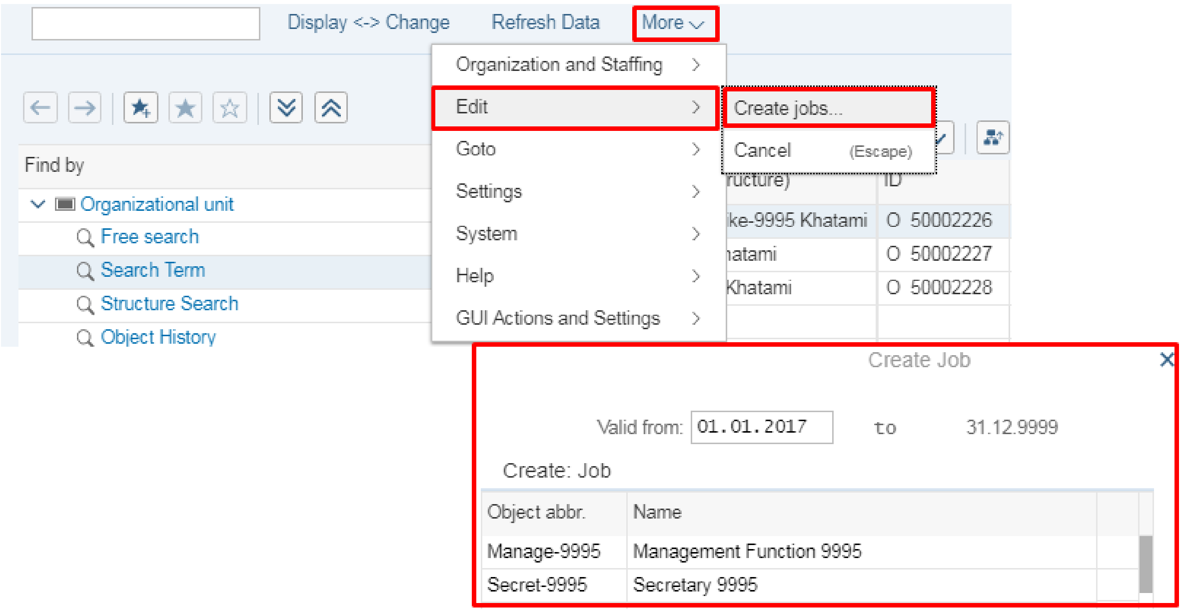


Figure 33: Create Jobs: SAP-System-Screenshot

2. Display the job ***Manage-xyyy*** by using the search function (Job).

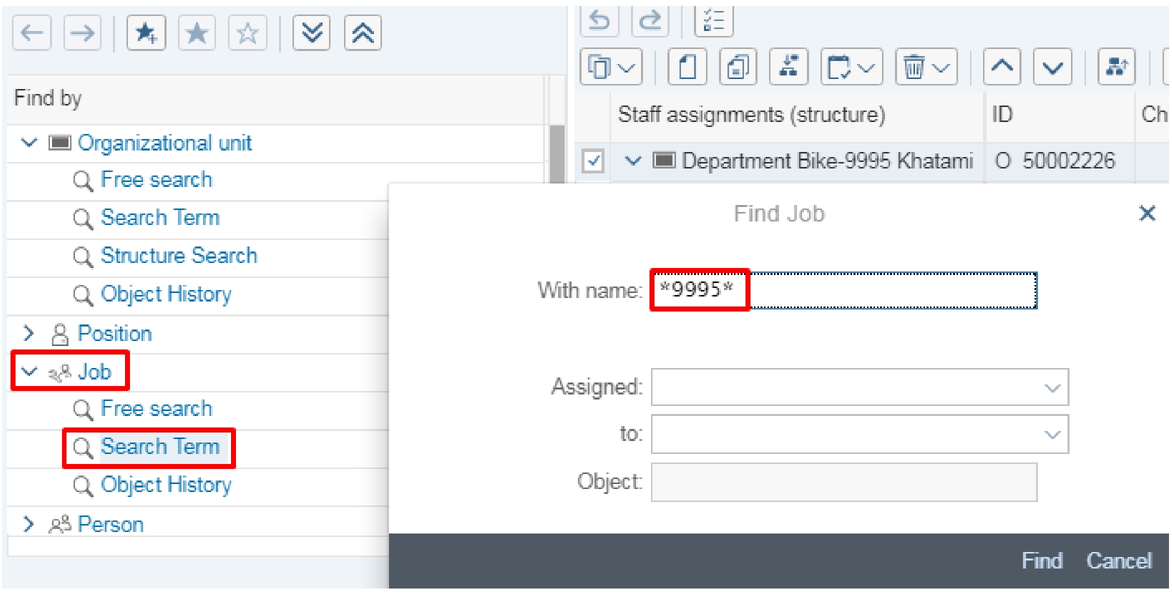


Figure 34: Search Jobs: SAP-System-Screenshot

The search results are displayed in a hit list on the lower left frame of the screen. Select your job **Manage-xyyy *(Management Function xyyy)*** with a double-click.

3. Select your job in the main window and select the ***Create*** button ( ) to define new tasks. Enter the following data on the bottom part of the screen:

<u>Valid from:</u>	***01.01 of the current year***	until	***31.12.9999***
<u>Short text:</u>	***Mgmt-xyyy***		
<u>Name:</u>	***Management Tasks xyyy***		

Confirm with Continue, select Refresh Data and save..

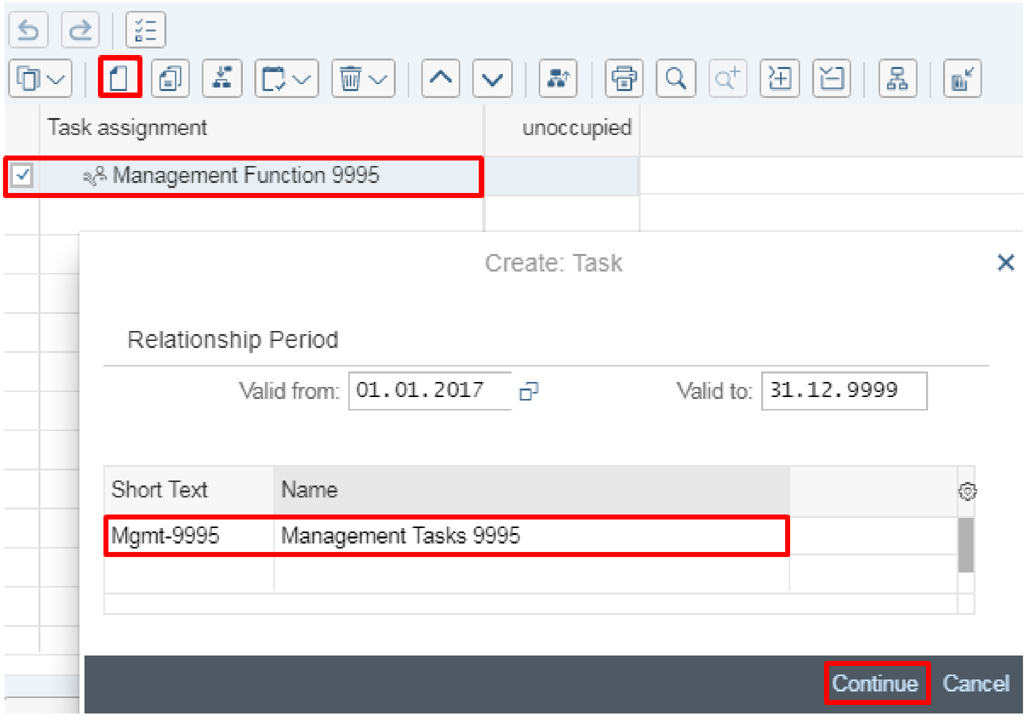


Figure 35: Create Tasks (1): SAP-System-Screenshot

4. Independently create the two tasks for the job **secretary** and confirm by selecting Refresh Data (confirm any system notifications).

<u>Valid from:</u>	***01.01 of the current year***	until	***31.12.9999***
<u>Short text:</u>	***Corresp-xyyy***	and	***Orga-xyyy***
<u>Name:</u>	***Correspondence xyyy***	and	***Organization xyyy***

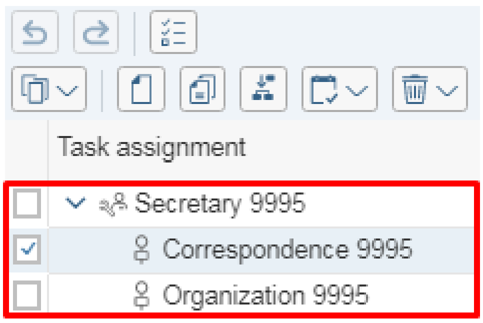


Figure 36: Create Tasks (2): SAP-System-Screenshot

5. **Save** your entries.

2.3.2.3 Create Positions

Now you can create positions. The positions are assigned to the organizational units ***SD-xyyy*** and ***Marketing-xyyy***, respectively.

Display your organizational root ***DepBike-xyyy*** again (by using the search function *Organizational unit*). You have already learned how to create a new object from an organizational unit. This time select ***Incorporates Position***.

1. Select the sales and distribution organizational unit (***SD-xyyy***) and create two new positions below with the following specifications. Then, select Refresh Data:

Valid from:	***01.01 of the current year***	until	***31.12.9999***
Short text:	***SD-DC-xyyy***	and	***SD-SE-xyyy***
Name:	***Department chief SD xyyy***	and	***Secretary SD xyyy***

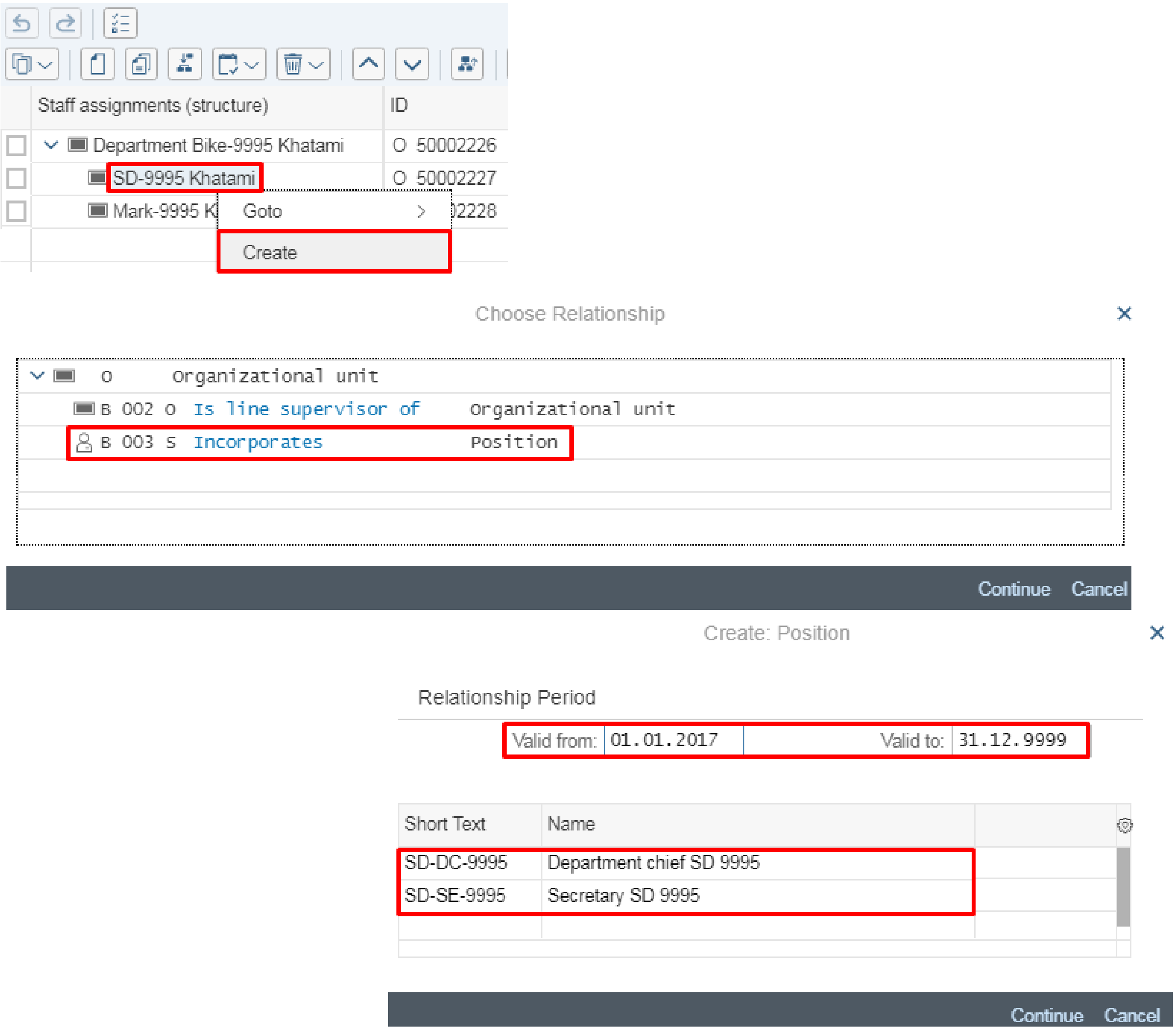


Figure 37: Create Position: SAP-System-Screenshot

2. Select the newly created position ***SD-DC-xyyy*** in the basic data view. Enter your newly created job ***Manage-xyyy*** in the **Job** field. Confirm with *Enter*. Select your position SD-SE-xyyy and enter your newly created job ***Secret-xyyy*** in the **Job** field. Confirm with *Enter*.
3. You can see that in the **tasks** tab, for this position, the ***task*** of the job was inherited.

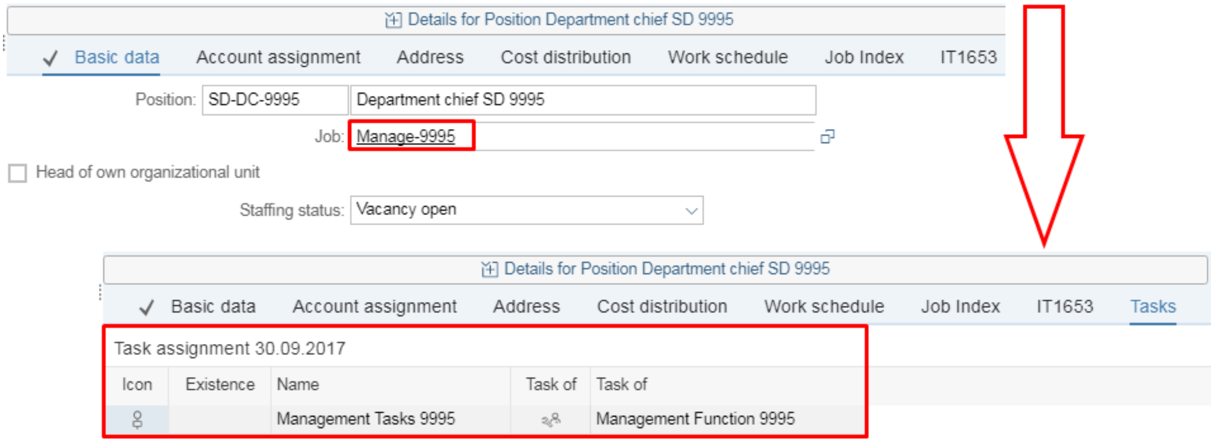


Figure 38: Assign Job to Position: SAP-System-Screenshot

4. Now, click your position ***SD-DC-xyyy*** with the right mouse button and select ***Goto*** **→** ***Task Assignment***.

If your position is not displayed, you previously did not select Refresh Data.

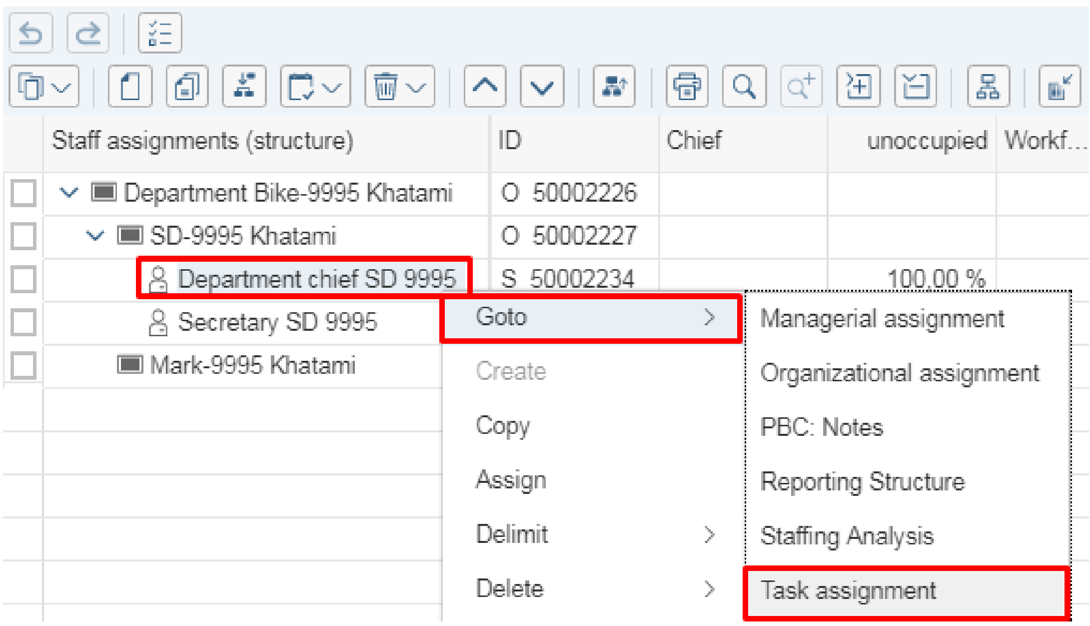


Figure 39: Task Assignment (1): SAP-System-Screenshot

Select your position once again and create a new task by selecting ***Create*** from the right-mouse-menu and then select ***Is described by Task***:

Valid from:	***01.01 of the current year***	until	***31.12.9999***
Short text:	***acquise-xyyy***		
Name:	***customer acquisition xyyy***		

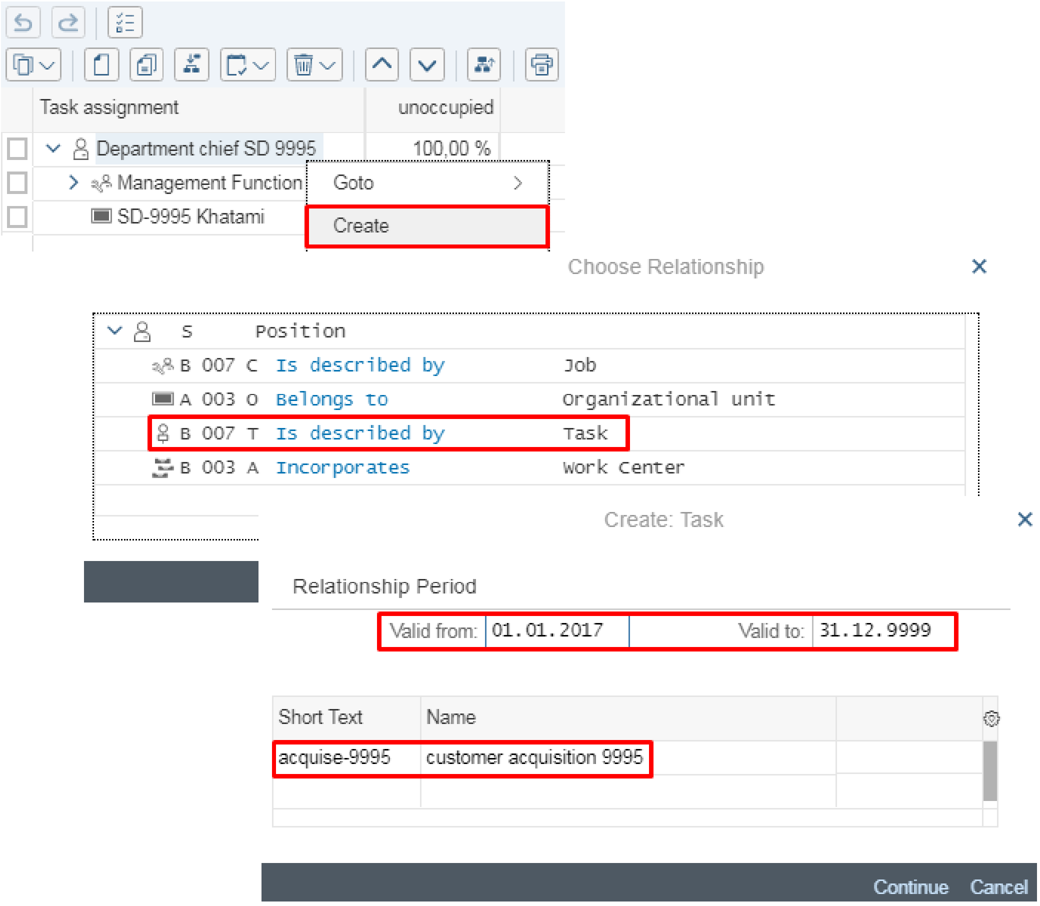


Figure 40: Task Assignment (2): SAP-System-Screenshot

5. Select Refresh Data and save..
6. **Optional** *(if function is not disabled):* Select your **task *Management Task*** (expand the job management function xyyy below your position) and push the right mouse button and select ***Change percentage***. Set the percentage of the task to 50 %. Repeat this step for the second task (acquisition). Thus, you can ensure that a position takes only the maximum 100 % of work time.
7. ***Save*** your changes.

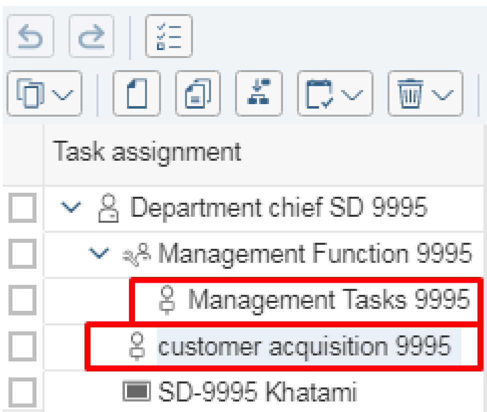


Figure 41: Task Assignment (3): SAP-System-Screenshot

8. Repeat steps 1-6 for the other positions to complete the organizational structure of the initial overview (see figure Organization Department Marketing and SD). You need to complete the following steps:
   - Create Positions MA-DC-xyyy and MA-SE-xyyy.
   - Assign Jobs Manage-xyyy and Secret-xyyy to the respective position.
   - Create Task Advert-xyyy (Advertisement xyyy) for the Marketing Chief position.
   - Do not forget to select Refresh Data at the respective steps.
9. Finally, your organizational unit should be similar to the following figure. Do not forget to save.

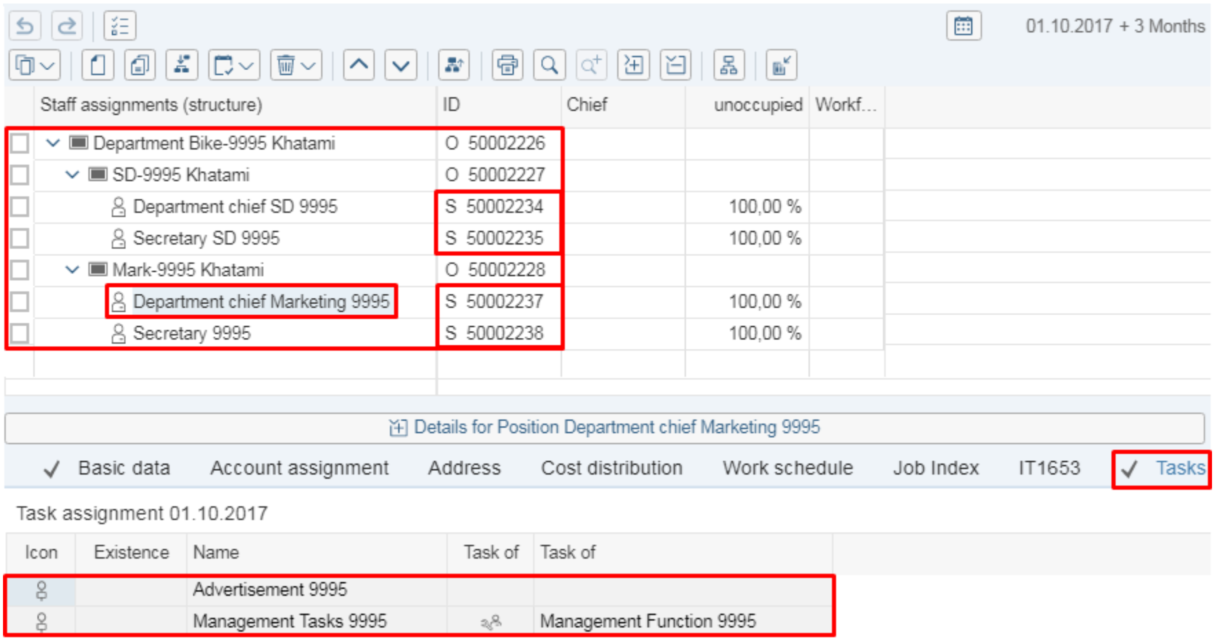


Figure 42: Organizational Structure SD and Marketing: SAP-System-Screenshot

To complete, list the object IDs of your four positions on your data sheet and press Exit.

*If you do not see the Object IDs of your positions, scroll up to figure **Example Column Configuration**.*

Position ID SD-DC-xyyy:

Position ID SD-SE-xyyy:

Position ID MA-DC-xyyy:

Position ID MA-SE-xyyy:

2.4 Theory: Master Data in SAP HCM

You already have become acquainted with the concept of master data in the SAP system. Master data is used to provide information persistently about objects for multiple applications. The following section will give you an understanding of ***Personnel Numbers*** and ***Infotypes*** in SAP HCM. Infotypes are used in the Personal Administration (SAP HCM PA) and they are the central source for storing employee (and applicant) based data.

2.4.1 Personnel Number

A **Personnel Number** (or personnel ID) uniquely identifies an employee in the SAP system (on client level), thus, it is used in the SAP system as a central identifier for every employee. The personnel number can be comprised by up to eight digits and can be assigned by the HR administrator manually or automatically by the system upon creation of an employee in the system. All employee data that is available in the system is identified on the basis of the personnel number.

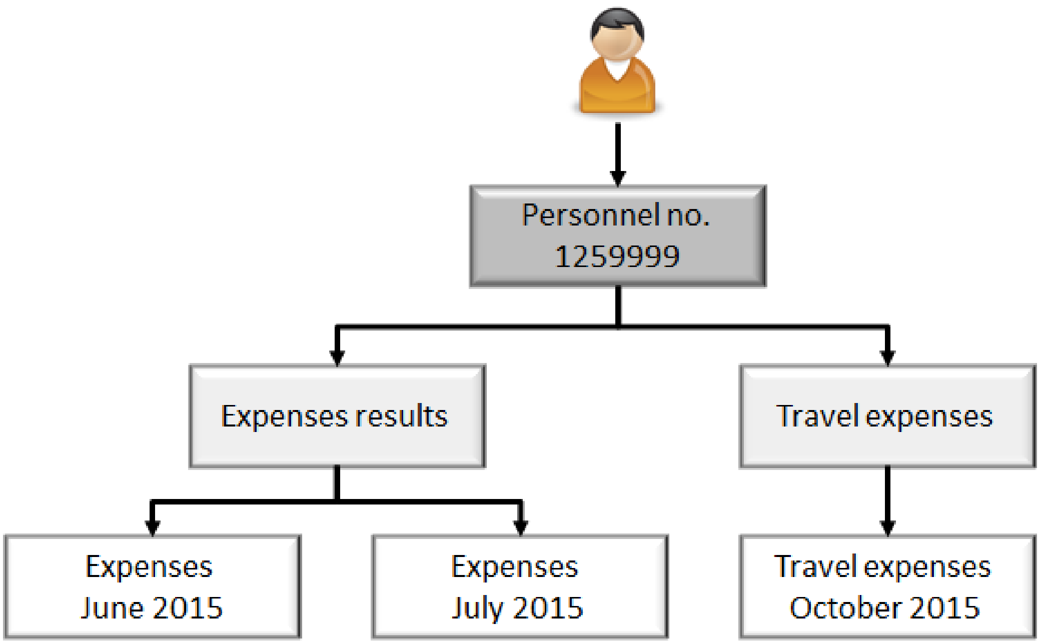


Figure 43: HR Master Data: Personnel ID (based on UA 2012)

Reference Personnel Number and Person Number

With the help of the Reference Personnel Number, different contractual relationships can be mapped. Thereby, an existing employee is created in the system with a new personnel number. Upon the re-creation of the employee, certain data can be copied and assigned to the new number. The old personnel number serves as a reference personnel number. If the employee is employed concurrently in multiple positions, he or she is identified using a Person ID.

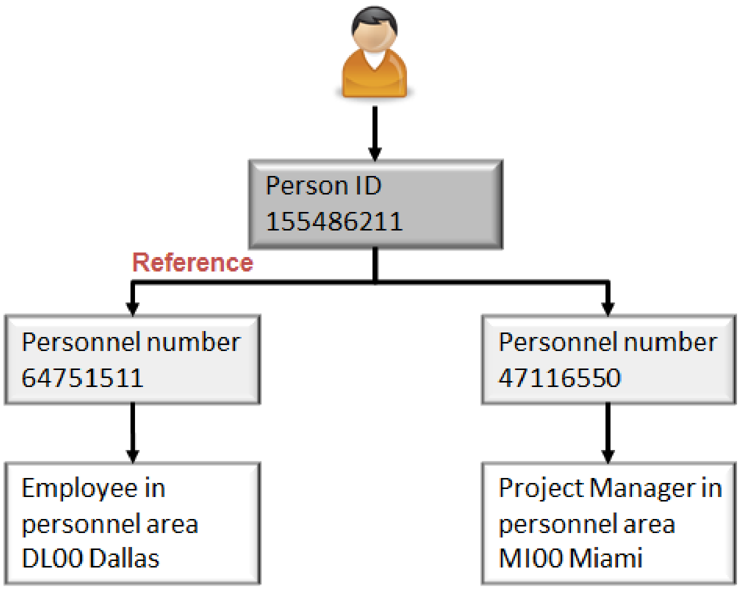


Figure 44: HR Master Data: Reference Personnel ID (based on UA 2012)

2.4.2 Infotypes

Infotypes are used in the Personal Administration (SAP HCM PA) and they are the central source for storing employee (and applicant) based data.

2.4.2.1 Definition of Infotypes

Last name, first name, or date of birth represent individual information and this information is defined in **data fields** in the SAP system. Data fields are combined according to content-related information to **data groups** or **information units**. In SAP HCM these information units are referred to as **information types** or short, **Infotypes**.

The personnel data of an employee in Human Capital Management is recorded in logically related groups according to their content. For example, place of residence, street and house number of an employee who has represented his or her address and are, thus, stored in the address infotype (along with other information). Infotypes have a name and a four-digit numeric key. For example, the Address infotype has the key 0006, the organizational assignment infotype has the key 0001. The following figure illustrates two infotypes for the employee with the personnel number 1: Basic Pay and Addresses. For instance, you can see that the Addresses infotype (0006) contains the field group Address with fields such as Address type, Address line 1, etc. that carry the data.

An employee master data generally consists of multiple infotypes (20 – 50) depending on the complexity and variety of data that needs to be stored for an individual employee. The four-digit keys that identify infotypes are grouped in the following ranges depending on the sub-component that primary uses the infotype. For instance, the Address infotype 0006 belongs to the Personnel Administration range:

- **0000-0999:** Personnel Administration
- **1000-1999:** Personnel Planning and Development
- **2000-2999:** Time Management
- **3000-3999:** Logistics Integration
- **4000-4999:** Recruitment
- **9000-9999:** Customer-individual Infotypes

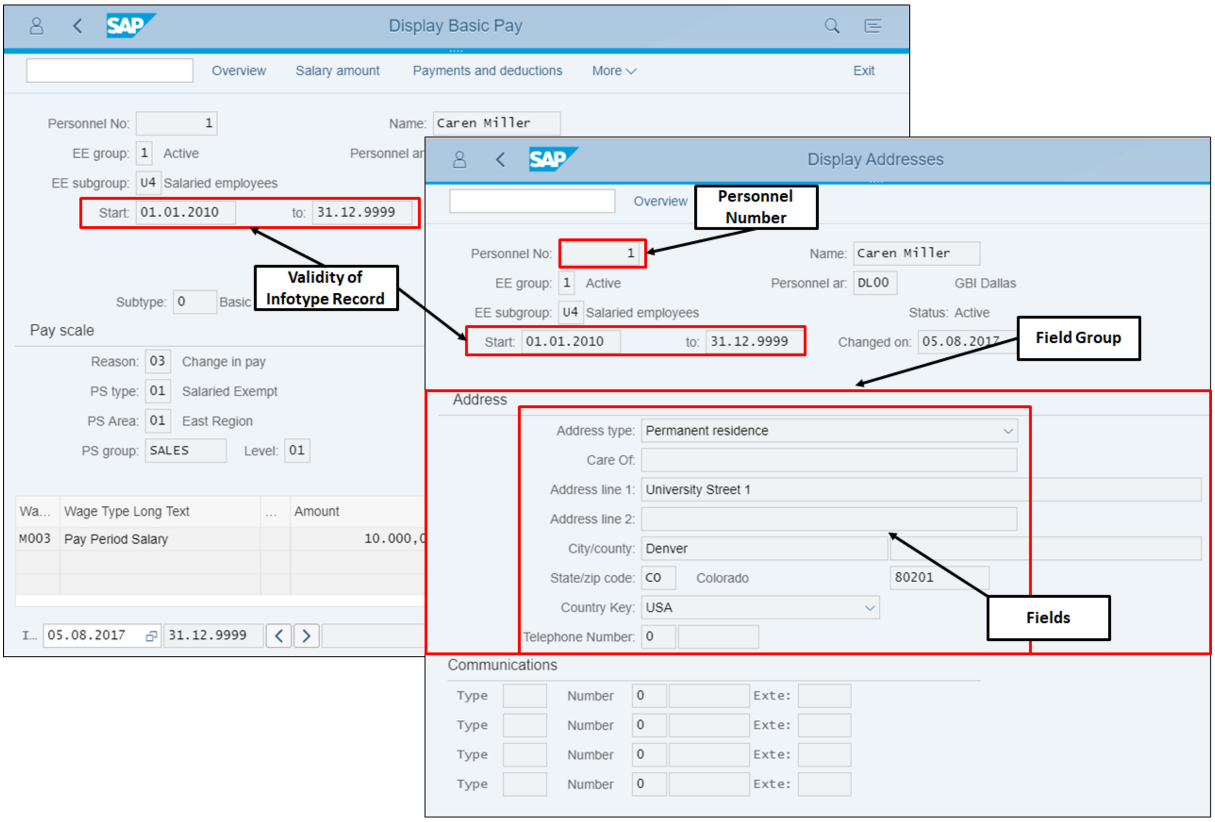


Figure 45: Infotypes: SAP-System-Screenshot

Time Constraints of Infotypes

Each infotype record has a ***validity date***. That is, when creating, e.g., an infotype for basic payment for an employee, you must enter the validity *date from* and *date to* for which the salary is valid. If you create overlapping time intervals, the system issues a warning and deletes existing infotype records if applicable. You can also maintain multiple infotype records with disjunctive validity period in parallel.

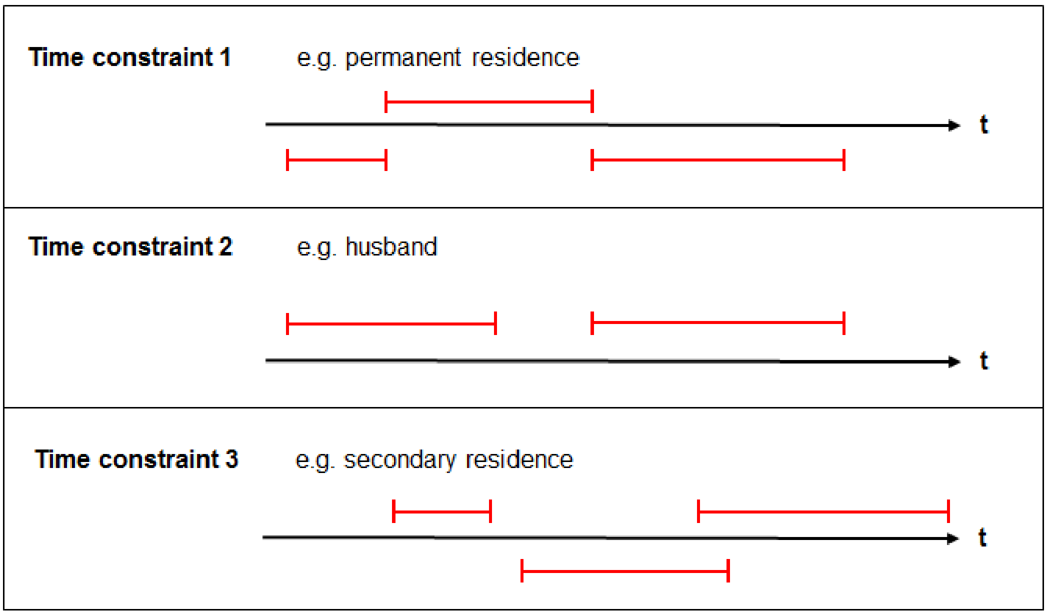


Figure 46: Time Constraints of Infotypes (based on UA 2012)

2.4.2.2 Infotype Maintenance

ERP software must keep employee data up-to-date. When maintaining infotypes, you can display, edit, and supplement employee data. The main transaction for the maintenance of employee data is PA30. Here, you enter and confirm the personnel number of an employee to display the initial screen of the employee's muster data.
The infotypes that are most frequently used are grouped according to their content and assigned to static menus displayed in different tabs. An infotype can be included in more than one menu. Rarely used infotypes might not be included in any menu at all. Menus are called up by selecting the respective tab page in transaction PA30.
A green check mark next to an infotype in the menu list indicates that there is already a record for this infotype for the personnel number.

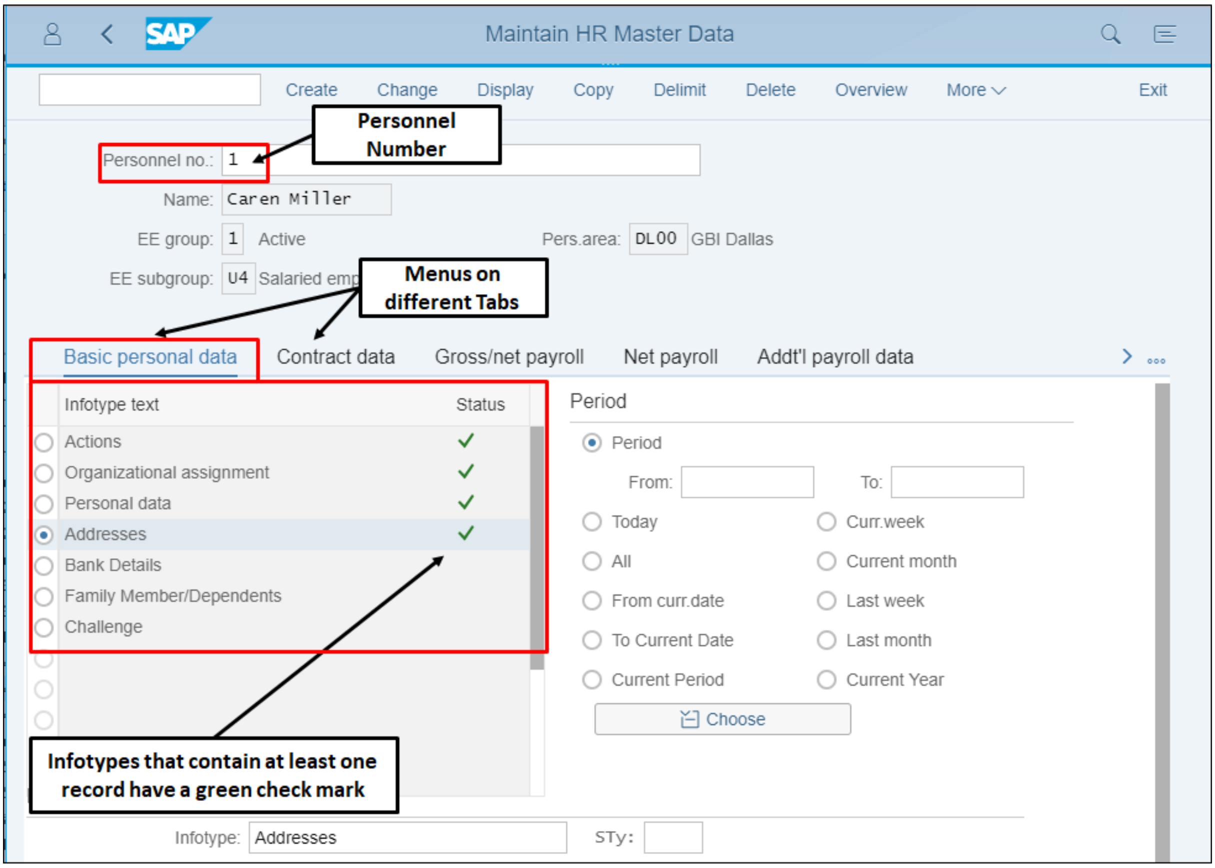


Figure 47: Initial Entry Screen for Maintaining Infotypes: SAP-System-Screenshot

There are three options to maintain Infotypes:

- single screen maintenance
- personnel actions
- fast entry
- fast entry (actions)

Single Screen Maintenance (individual Infotype Maintenance)

For single screen maintenance, one single infotype is called up to maintain data for a certain situation or subject. In single screen maintenance, **one** infotype is maintained for **one** personnel number. Therefore, you select the infotype from the menu and depending on the action that you

want to perform, you press one of the following buttons from the function tool bar create, change, display, copy, delimit, delete, or Overview.
Alternatively, you can enter the four-digit key of the infotype in the ***Direct selection*** field and then press one of the function tool buttons.

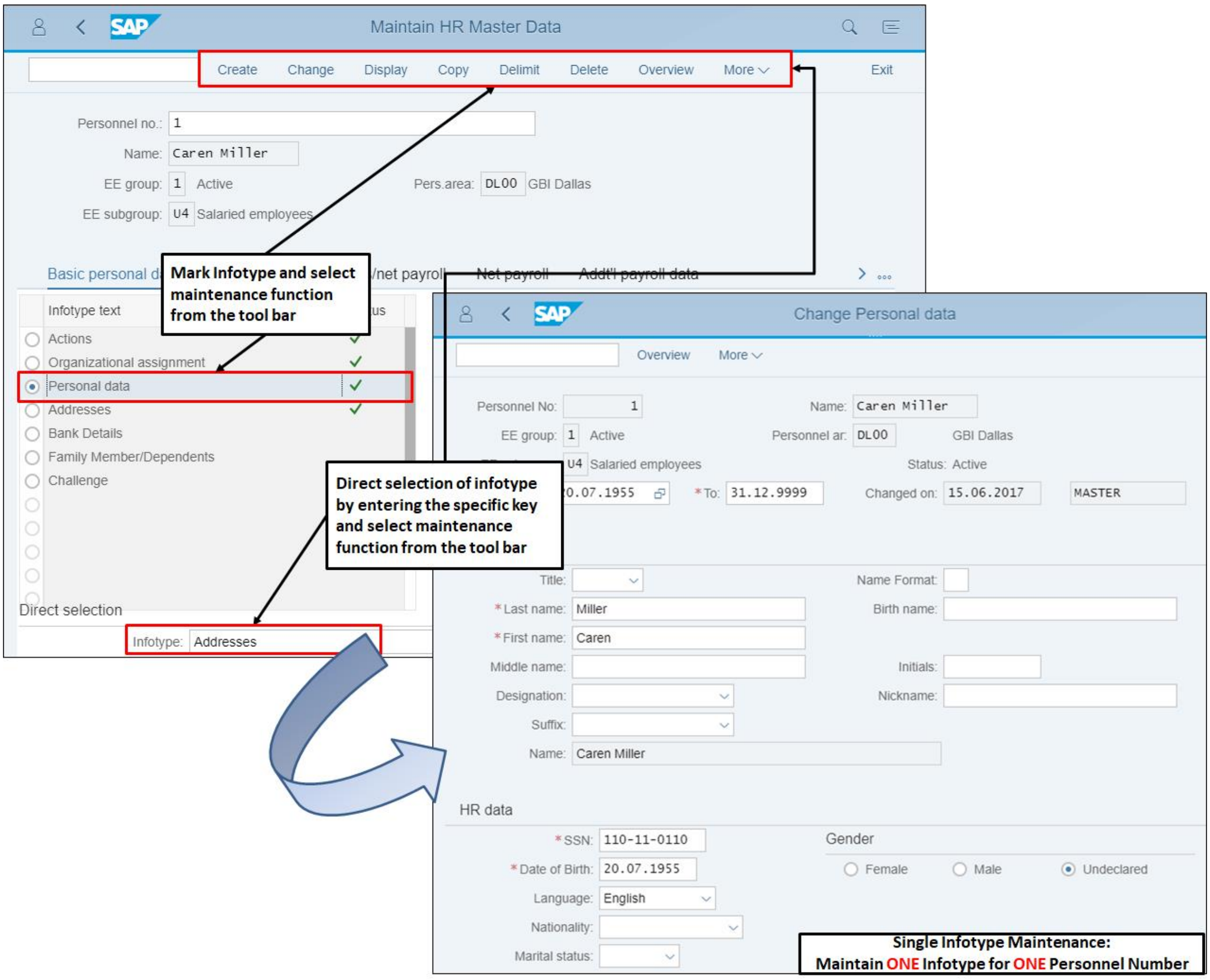


Figure 48: Single Screen Maintenance: SAP-System-Screenshot

Personnel Actions

Personnel actions are used when a subject or situation is rather complex and when more than one infotype is to be maintained. When carrying out a personnel action, the system displays all respective Infotypes to be maintained subsequently, one after another. By using personnel actions in transaction PA40, **multiple** infotypes are maintained for **one** personnel number (employee). For instance, hiring or employee transfer involve the maintenance of multiple subsequent infotypes, such as organizational assignment (0001), personnel data (0002), working times (0007), basic pay (0008), etc. which are then maintained in the given order as specified in the personnel action.

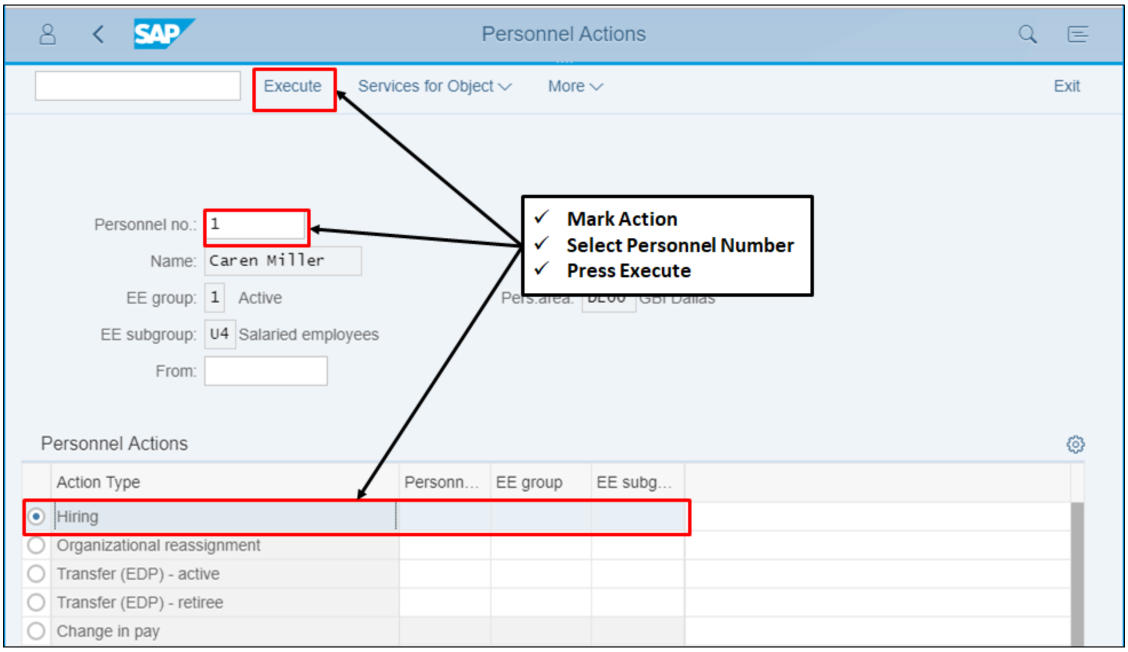


Figure 49: Personnel Action: SAP-System-Screenshot

Fast Entry

In transaction PA70 you can use the **Fast Entry** option for maintaining an infotype for employees. Here, you can maintain **one** infotype for **multiple** personnel numbers at the same time, which facilitates mass maintenance of individual infotypes. As you can see in the following figure, you have different options of selecting the employees to which the fast entry action is applied.

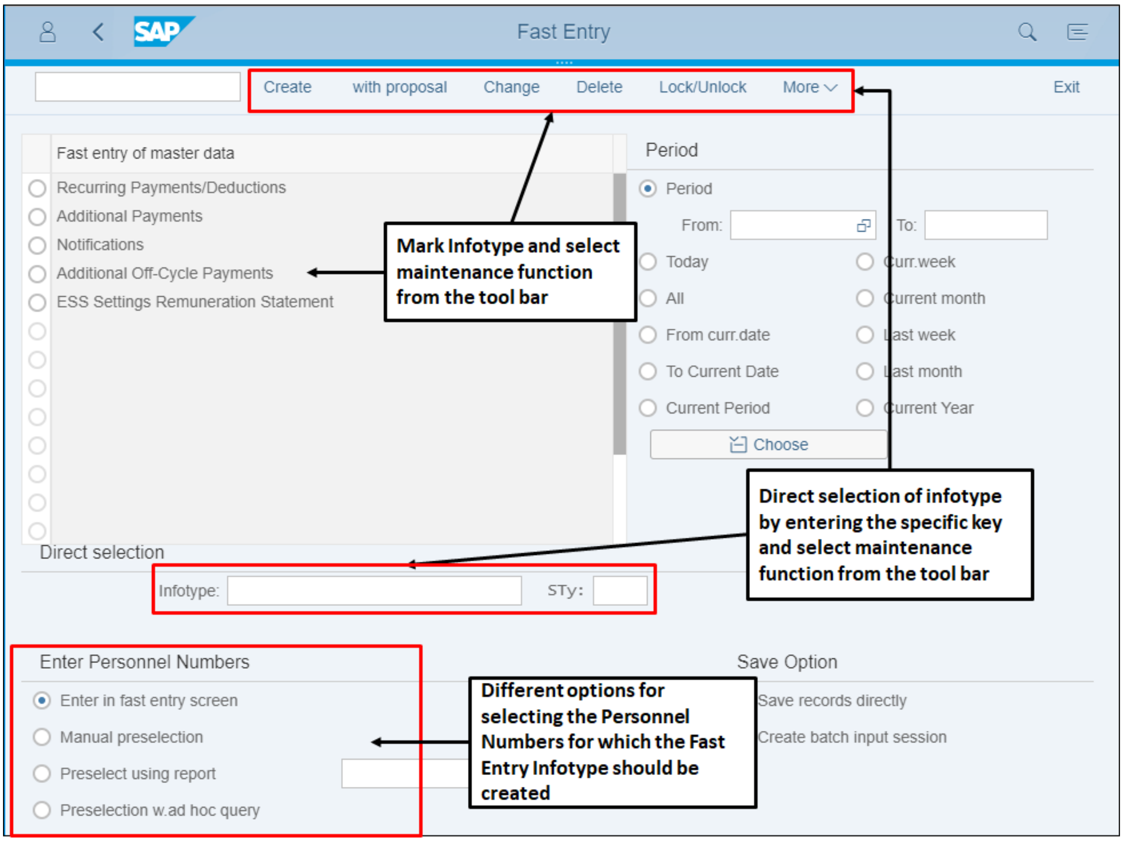


Figure 50: Fast Entry: SAP-System-Screenshot

Fast Entry (Actions)

Finally, you can perform a few personnel actions (complex employee data maintenance that encompass multiple infotypes) in fast entry mode, allowing maintenance of multiple infotypes for multiple personnel numbers. This is executed in transaction PA42.

This option is often used, when multiple applicants are to be hired (action = maintenance of multiple infotypes) simultaneously.

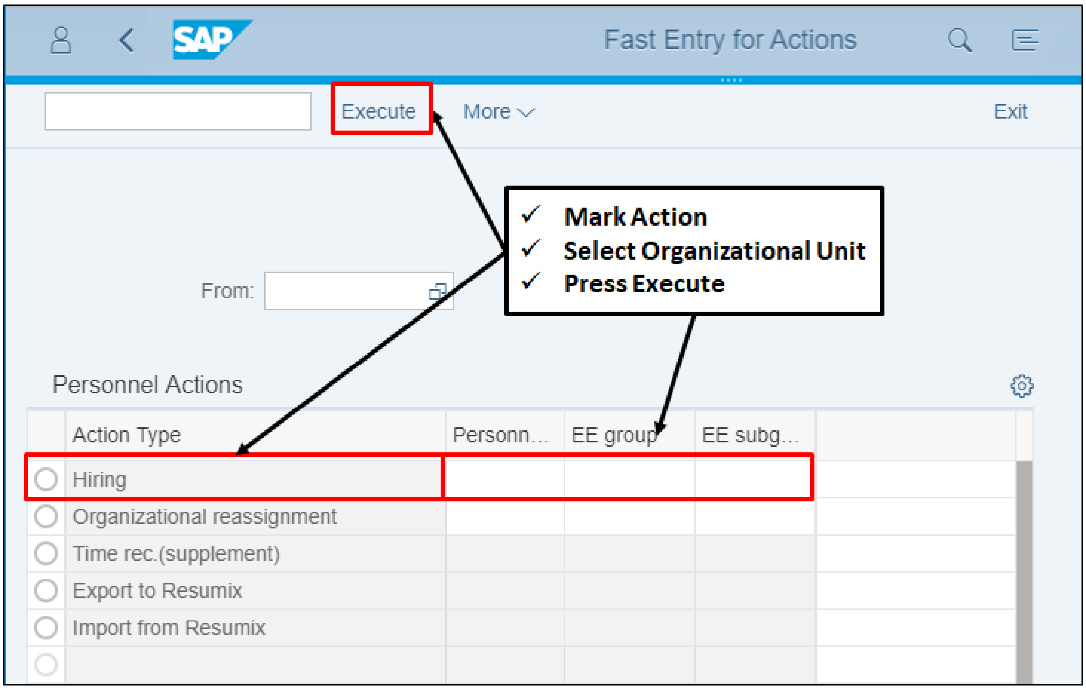


Figure 51: Fast Entry (Actions): SAP-System-Screenshot

2.4.2.3 Personnel File

For each personnel number in the SAP system and, thus, for every employee a **Personnel File** exists that contains all infotypes for which records are stored for this employee. You can access the personnel file in transaction PA10.

When displaying the personnel file, all infotypes are displayed in ascending numerical order according to their key (e.g. infotype Actions = 0000; Organizational Assignment = 0001, etc.). You can scroll through the individual "pages" (infotypes) of the personnel file by using the arrow icons (Previous record, Next record). If there are multiple records for one infotype, the records within the infotype are displayed one after another. Then, the system proceeds to the next infotype. You can also display all records for one infotype by pressing the overview button (Overview).

Once you have reached the last infotype in the personnel file, the system returns to the initial screen when pressing the next button.

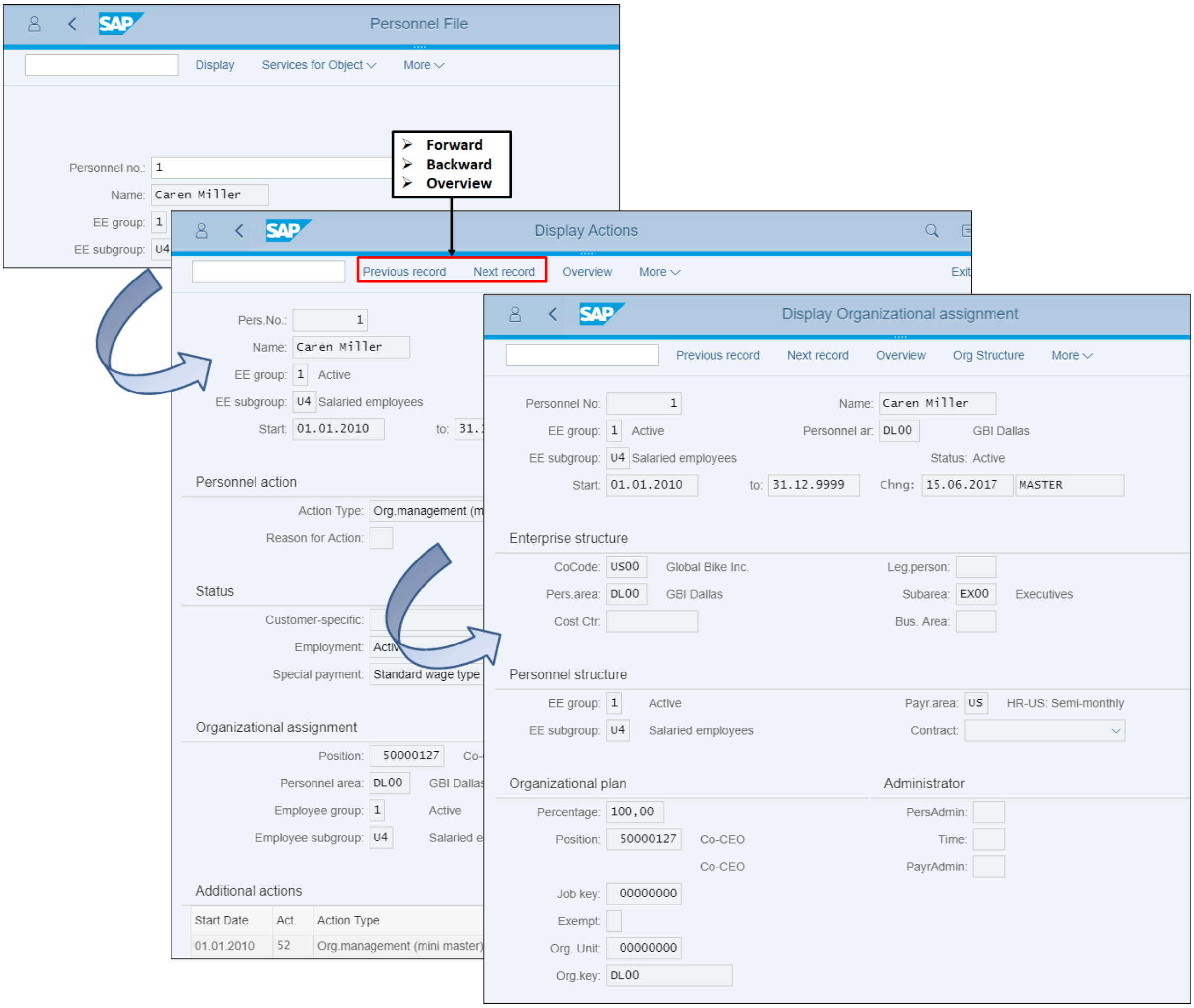


Figure 52: Personnel File: SAP-System-Screenshot

2.4.3 Organizational Assignment of Employees

The employee plays a central role in a company. Every employee is included in the structure of its enterprise. Therefore, employees are assigned to the organizational model in the SAP system. This assignment defines where the employee works, the status and the function the employee has in the company. Thereby, this information is, among others, relevant for

- personnel planning
- reporting
- authorization checks
- entry of additional data
- time management accounting
- payroll accounting

and controls the corresponding business processes in SAP HCM. Thus, assigning employees to the structures of a company has high priority in SAP HCM and is carried out in the first step for entering personnel data and hiring persons.

The infotype that stores all data relevant for the association of the employee with the organizational model is **organizational assignment (0001)**. In this infotype, the employee is uniquely assigned to the organizational model, consisting of the previously introduced:

- **Enterprise Structure**: When entering personnel data in the SAP system the respective employees must be assigned within the **enterprise structure** first. The enterprise structure in the SAP system represents the structure of the company regarding the legal and financial structures. Here the employee is assigned to the ***company code***, a ***personnel area***, and if applicable to a ***personnel subarea***.
- **Personnel Structure**: The **personnel structure** is built less hierarchically but rather relationally. The organizational elements of the personnel structure to which the employee is assigned are an ***employee group***, an ***employee subgroup***, and a ***payroll area***. For personnel administrative purposes, employees are grouped by their **status** (e.g., active or inactive) and by the **type** of contract (e.g., salary or hourly) into employee groups and sub-groups.
- **Organizational Structure**: The **organizational structure** is a functional structure representing the company from a ***task-related*** point-of-view. This organizational plan is used in order to carry out business and human resources processes. Employees are assigned to organizational units and positions, which in turn are assigned to **jobs** and **cost centers**.

In the following figure, you can see the infotype organizational assignment (0001), which contains all the organizational data (organizational, enterprise, and personnel structure) of an employee.

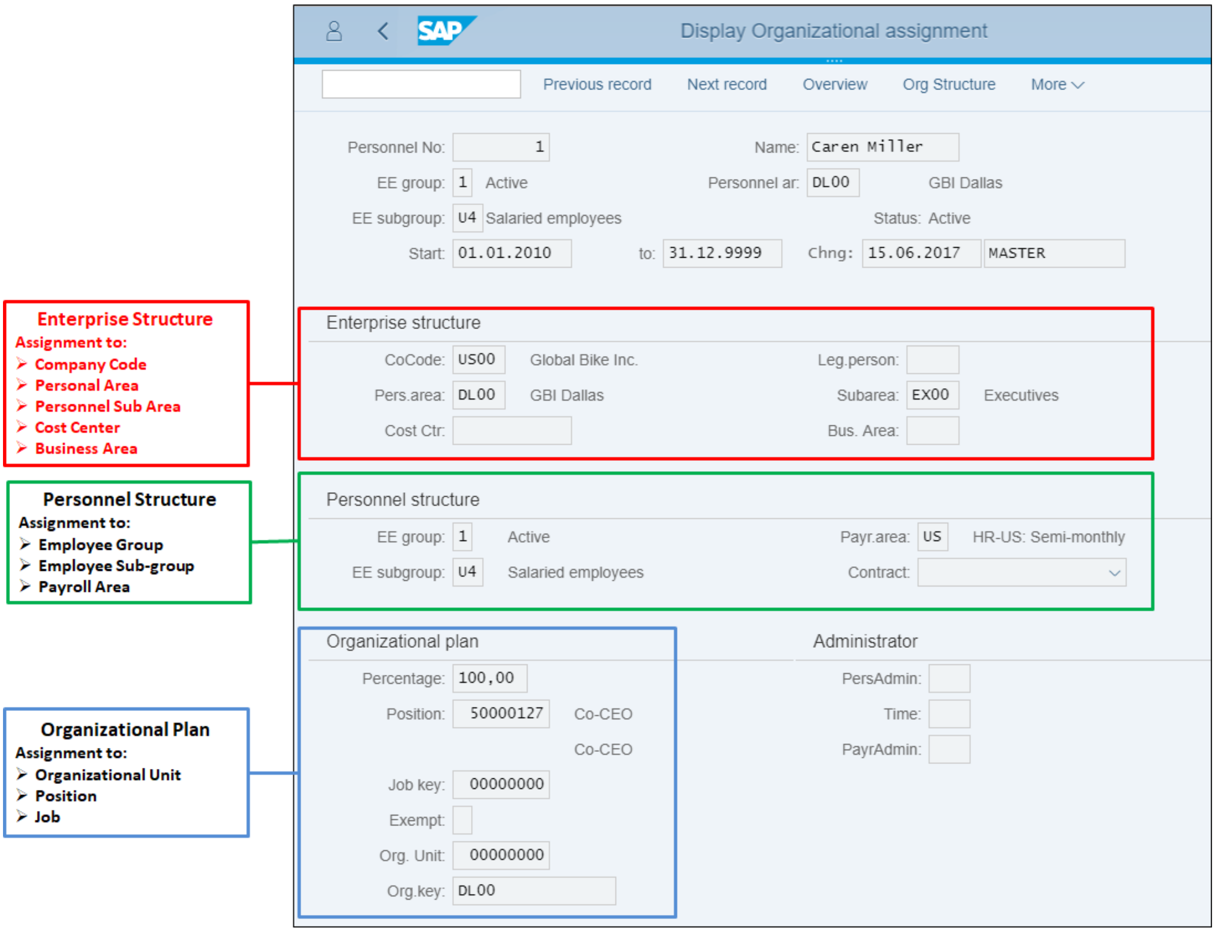


Figure 53: Infotype Organizational Assignment (1): SAP-System-Screenshot

SAP HCM integrates personnel planning and personnel administration. Personnel planning includes, among others, functions for identifying applicants, storing applicant data, such as personnel data, qualifications, certificates and applications, etc. and assigning the vacant position for which the applicant applies. The vacancy assignment plays also a central role in the assignment of an employee to the organizational model. Specifically, the position is the link between the organizational structure and the enterprise structure:

- The **position** within the organizational structure is assigned to an **organizational unit** within the organizational hierarchy and is described by a **job**.
- The position is always assigned to a **controlling area**. Optional assignments to a **company code**, a **personnel area** and a **personnel sub area** as well as a **business area** and **cost center** can be established in the organizational structure.

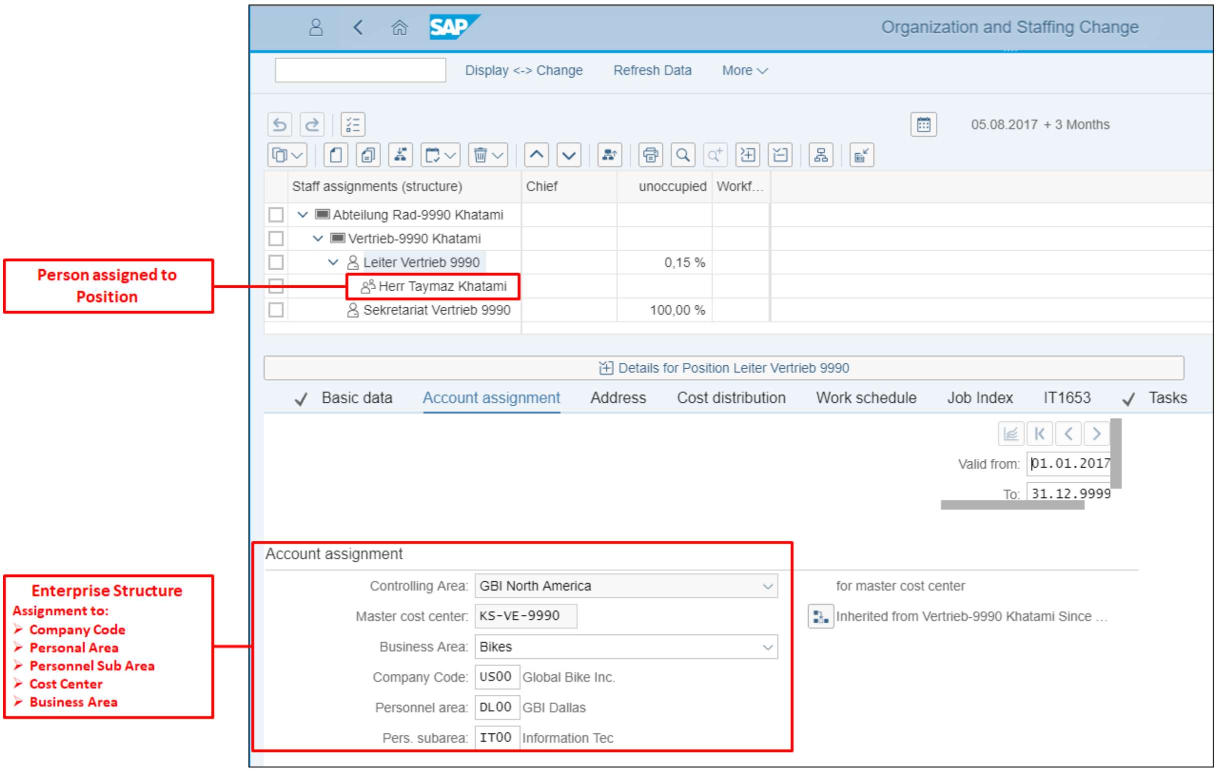


Figure 54: Organizational Structure and Enterprise Structure: SAP-System-Screenshot

When hiring an applicant, you first prepare the hiring in transaction PB40 and create an personnel action (hiring). Here you assign possibly missing organizational data for the ***personnel structure*** such as

- Payroll area,
- Employee group, and
- Employee subgroup

Next, in transaction PBA7, you use the applicant master data that was created previously and transfer the data into the employee master data record. Thereby, you first maintain, confirm, and save the infotype *personnel data* (0002). Then the system automatically displays the infotype *organizational assignment* (0001) where the following fields are already filled in with the organizational units and levels derived from the vacant position assigned to the applicant:

- **Enterprise structure**:
    - Company code
    - Personnel area
    - Personnel subarea
    - Business area
    - Cost center
- **Organizational Structure**:
    - Organizational Unit
    - Job
    - Position

The fields that are derived from the organizational model and the assignment to the position cannot be changed in the organizational assignment infotype during the hiring process. These fields are greyed out and not editable as highlighted in the following figure.

The only way to change the organizational assignment of a hired employee is to run a ***personnel action*** such as *transfer of an employee* to a new position. Performing a personnel action means to run a predefined sequence of infotypes for a particular employee. Personnel actions are executed in transaction PA40. The system creates a relevant record in the *Actions* infotype (0000) for most personnel actions. In this infotype, you enter the personnel action type, the reason for the action, and the employee's employment status. This data is important for managing employee data. All infotypes that belong to this personnel action's infotype group are then called up upon execution.

However, additional or missing data can be entered manually in this infotype. This includes the personnel subarea, the payroll area, the business area, and the contract as well as administration data.

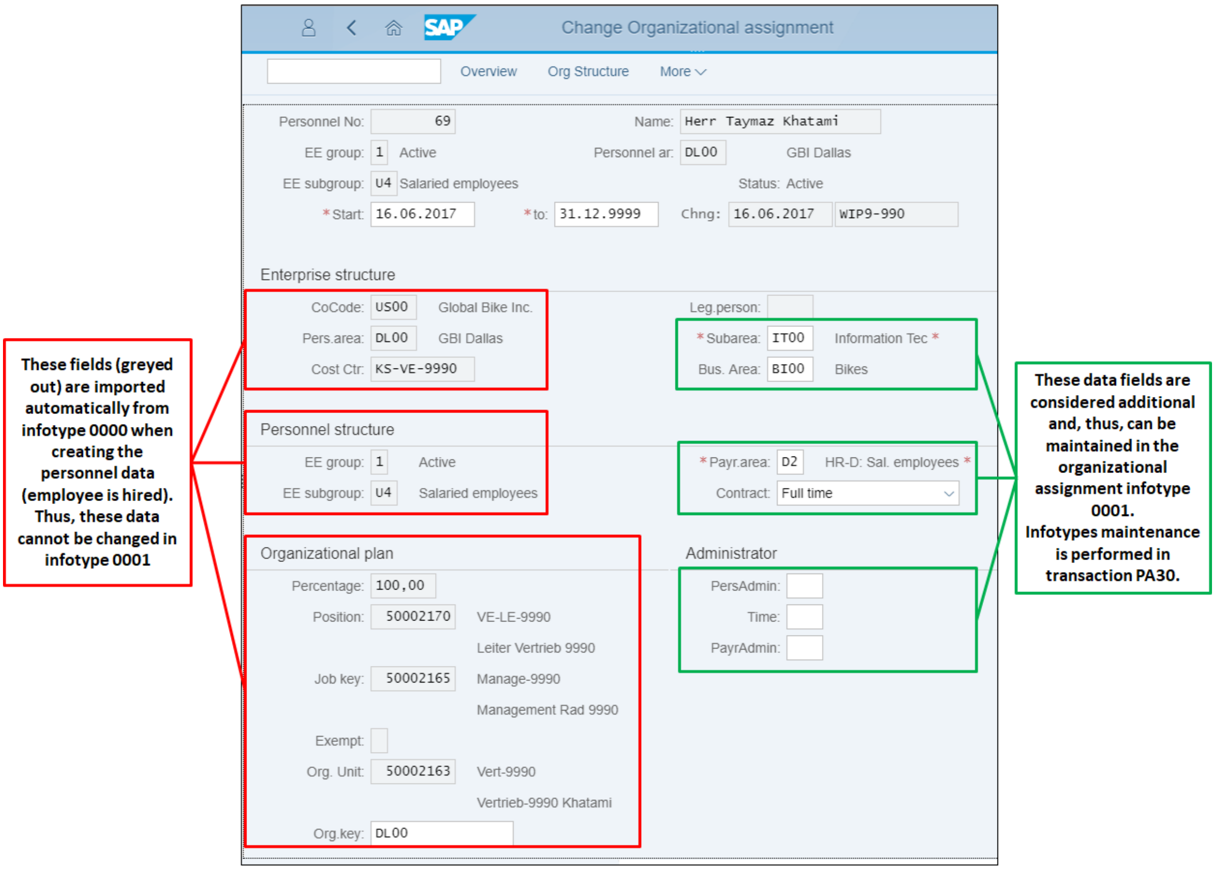


Figure 55: Infotype Organizational Assignment (2): SAP-System-Screenshot

2.5 Practice: Master Data in SAP HCM

An **infotype** is the compilation of data related by its content, e.g., address, bank account, and supplemental payment. From a user point of view it is a **mask for data entry**. An infotype can carry out **plausibility checks**, it can contain **required fields**, it can be structured in **subtypes**, and it always has a validity period. Maintaining personnel data is carried out almost entirely by using infotypes.

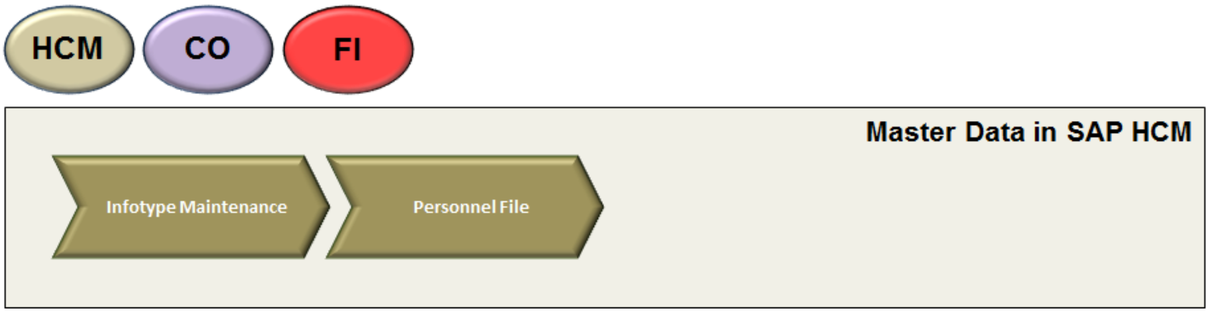


Figure 56: Process Overview: Master Data in SAP HCM

2.5.1 Infotype Maintenance

To display the infotypes of an employee of GBI, choose within the SAP Easy Access Menu

Human Resources → Personnel Management → Administration → HR Master Data → Maintain (PA30)

1. Enter personnel number ***1*** and confirm with ***Enter***.
2. The following figure shows the personnel master data of employee Caren Miller. The ***personnel number*** is 1. In the **Basic personal data** tab you can see that **infotypes *Actions***, ***Organizational Assignment***, ***Personnel Data*** and (dependent on the used system) ***Addresses*** were maintained. They are marked with green check marks.
   By selecting an infotype and clicking one of the symbols on the upper left hand side of the screen, infotypes can be
   - Created Create
   - Changed Change
   - Displayed Display
   - Copied Copy
   - Delimited Delimit
   - or Deleted Delete.

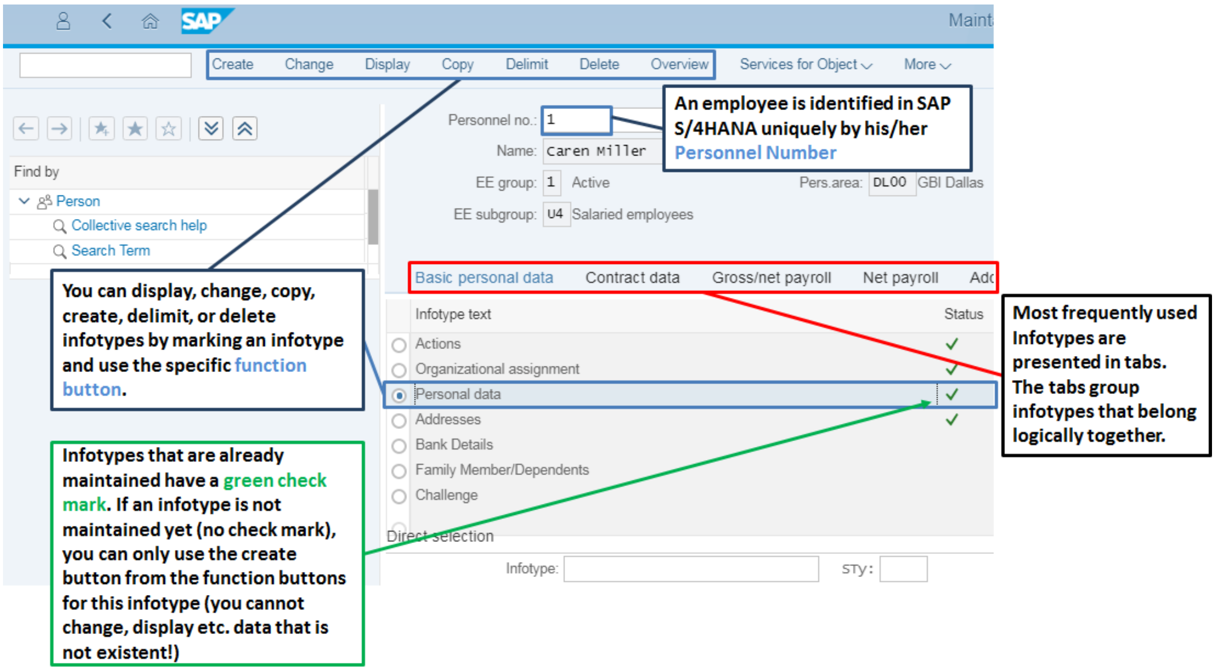


Figure 57: Personnel Master Data: SAP-System-Screenshot

3. The individual infotypes are grouped by particular criteria (tabs).
4. You can also use the **Infotype Direct Selection** to maintain or create personnel data. The **Action** infotype is used to perform **Personnel Actions** upon a person, e.g., for hiring personnel. It is an integration point between personnel administration (for persons already working for the company = employees) and personnel planning (persons who are not (yet) working for the company = applicants, etc.).
   Example: When hiring a person, the master data records of the applicant from the personnel planning are transferred to the personnel administration master data records. Therefore, a ***Personnel Action*** must be executed either in transaction ***PA40*** (Personnel Actions) or in transaction ***PBA7*** (Direct Data Transfer). The data (e.g., organizational unit, position, employee group) entered in the Personnel Action for hiring are transferred to infotype ***Action (0000)*** and create a relevant record there. A Personnel Action normally executes several steps that belong together. Thus, it performs changes to multiple infotypes.
   However, you can also perform the change of one single infotype in transaction PA30 directly. For hiring, you must use infotype Action (0000) and the subtype Hire (01).

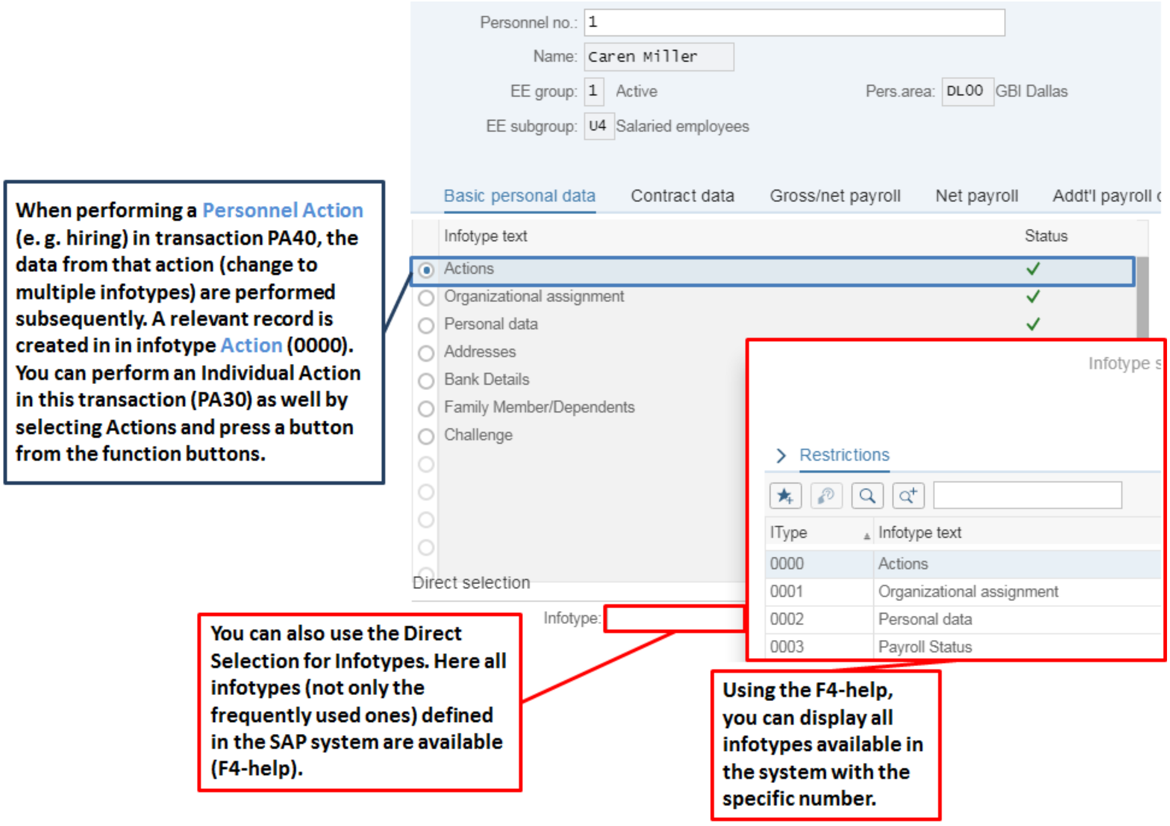


Figure 58: Infotype Maintenance (Infotype Action - 0000): SAP-System-Screenshot

Not every infotype has Action Subtypes. For instance, the infotype Organizational Assignment does not have any subtypes, since you can only perform one action with this infotype.

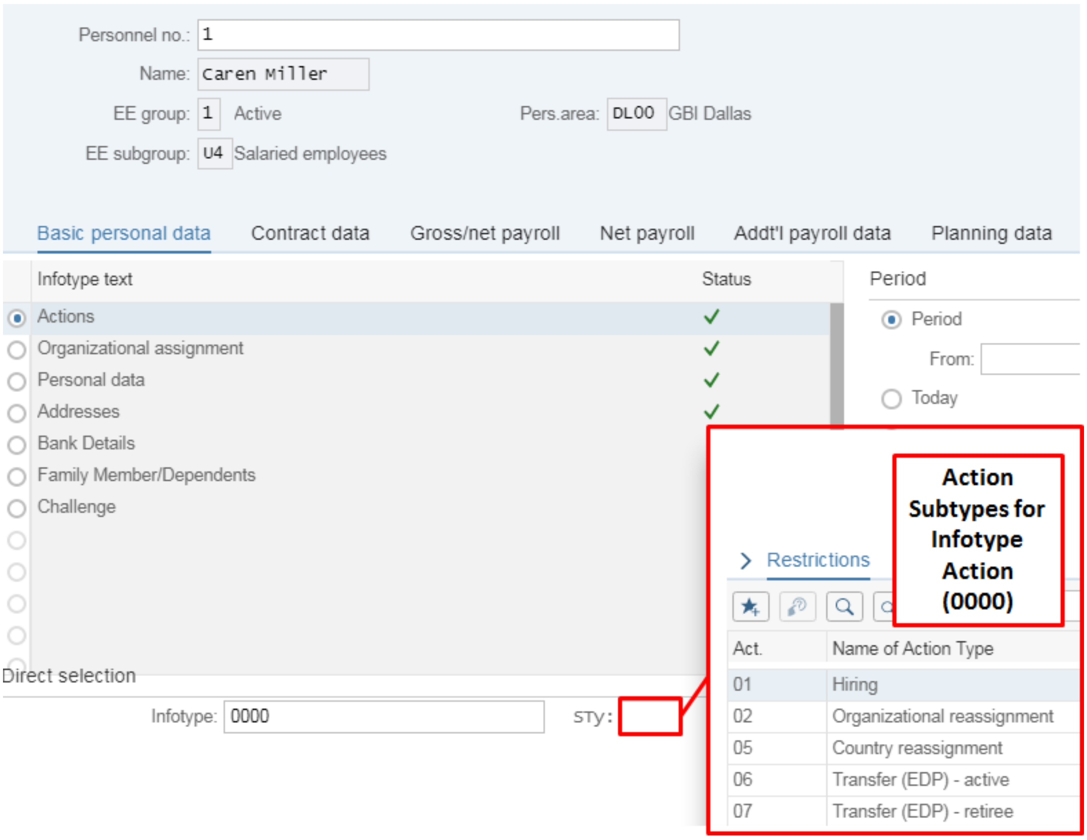


Figure 59: Infotype Action (0000) - Action Subtype Hiring (01): SAP-System-Screenshot

5. Now, select the infotype ***Organizational Assignment*** and choose ***Display***(Display).
6. You can see that Ms. Miller is assigned to the following organizational units:

Enterprise structure:

- Company code US00
- Personnel area DL00

Organizational structure:

- Position 50000127
- Job 00000000
- Organizational unit 00000000

Personnel structure:

- Employee group 1 (Active employee)
- Employee subgroup U4 (Salaried employee)
- Payrol area US (Semi-monthly)

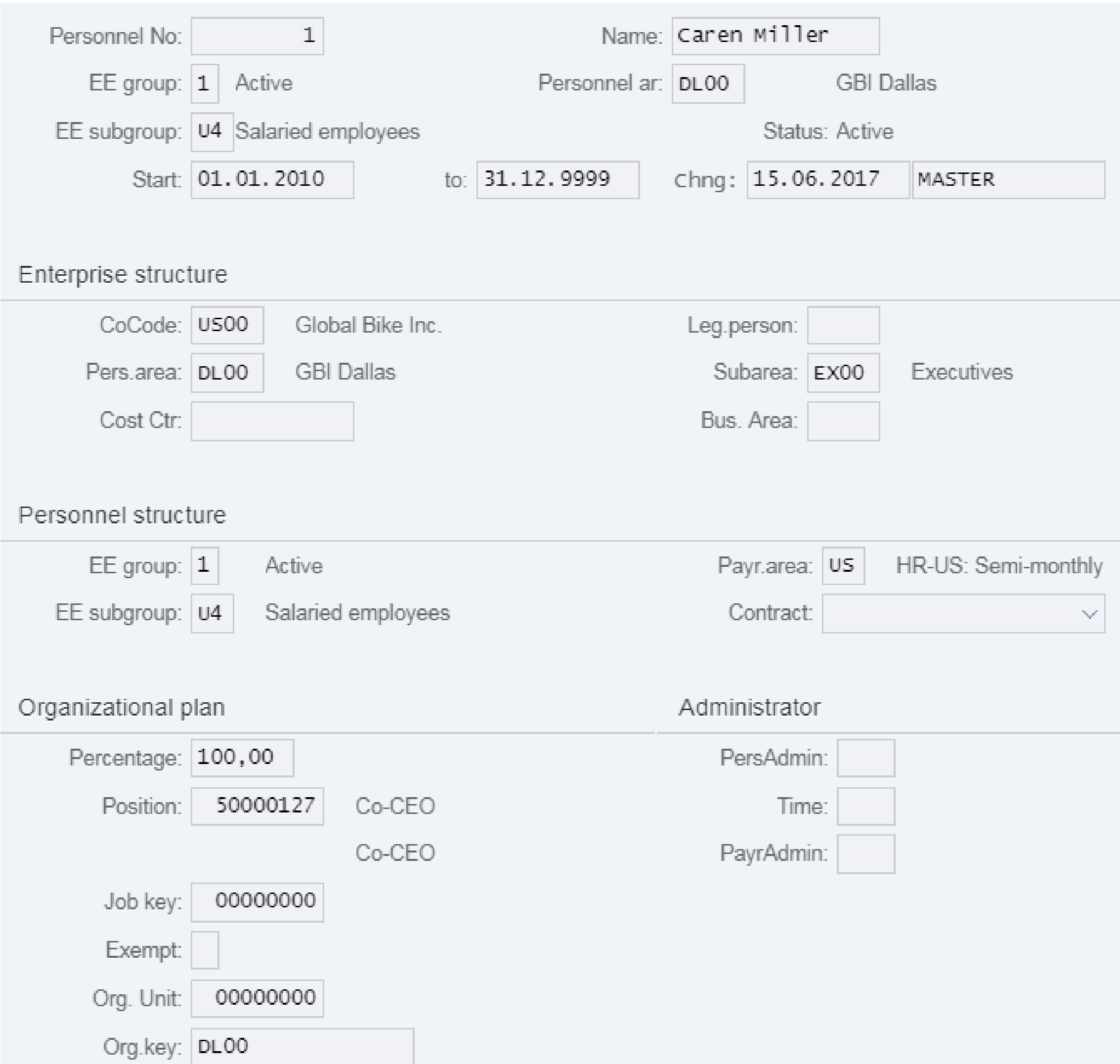


Figure 60: Display Organizational Assignment: SAP-System-Screenshot

7. Return to the previous step and look for the infotype ***Basic Pay*** within the **Gross/net payroll** tab. What is the standard salary of Ms. Miller? List the amount on your data sheet and return to *Maintain HR Master Data* view.

Basic Pay Ms. Miller:

2.5.2 Personnel File

You can open the personnel file via transaction ***PA10 (Human Resources → Personnel Management → Administration → HR Master Data → Personnel File***). In the initial screen of the view, enter **Personnel Number *1*** and press Display. Skim through the infotypes.

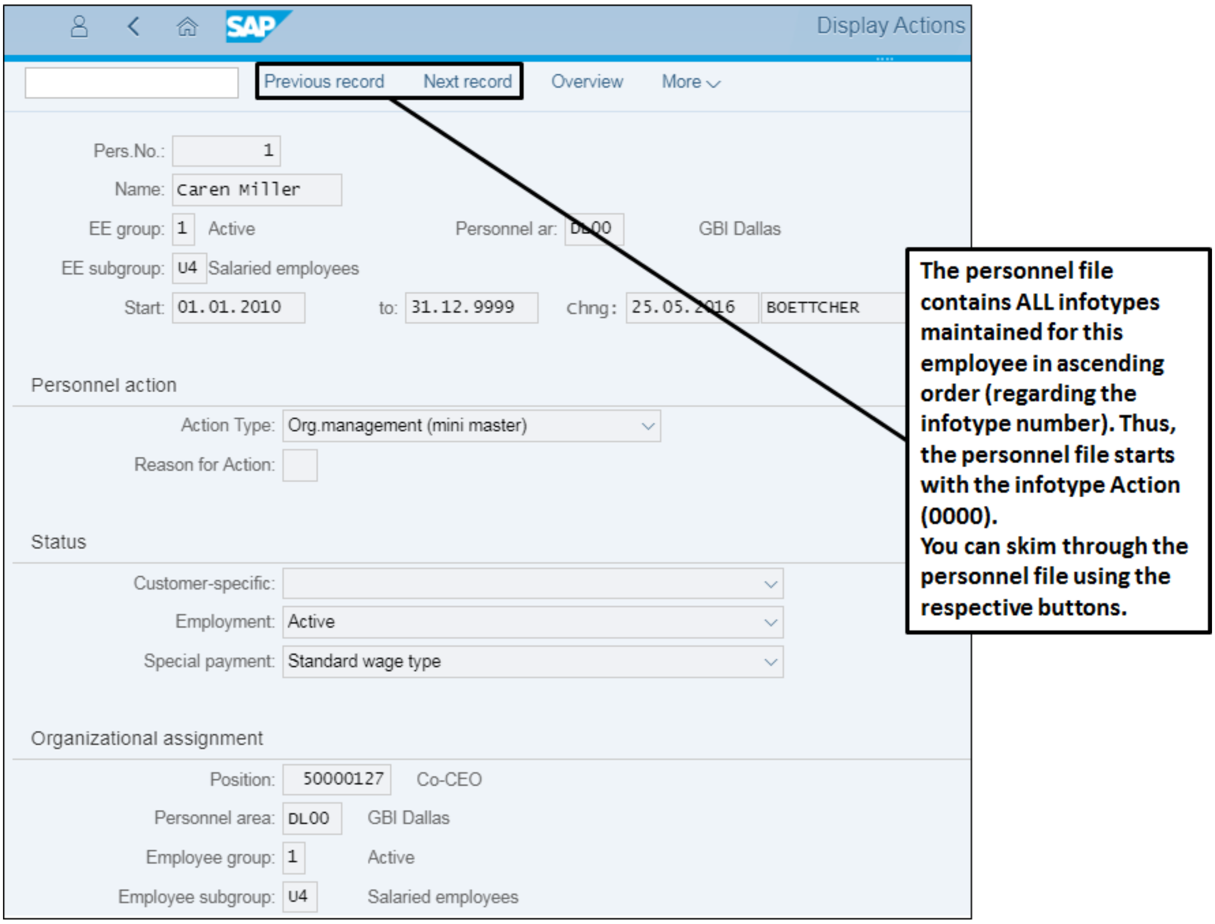


Figure 61: Personnel File: SAP-System-Screenshot

3 Business Processes in Human Capital Management

In times of increasing decentralization and the globalization of markets, an efficient and transparent administration for personnel data is a decisive advantage. The ability to meet personnel requirements is a key for enterprises. The success of an enterprise depends on such factors as quality and availability of personnel. It is particularly important for the development and success of expanding enterprises that they have quick access to adequate personnel.

3.1 Theory: Business Processes in SAP HCM

In this chapter, we will look at the processes in SAP HCM. It should be noted that the classic SAP HCM applications are no longer developed by SAP and will gradually be replaced by the SAP SuccessFactors solution portfolio. Therefore, in this chapter, we will mostly look at the applications of SAP SuccessFactors.

Even though SAP S/4HANA provides a wide range of HR functionalities, SAP will not make any major investments in the classic HCM application. Instead, SAP’s strategy is to integrate the new HCM solutions and functionality provided by SuccessFactors. SuccessFactors is the leading provider of cloud-based HR-applications and was acquired by SAP in 2011. This chapter takes a brief look at the offered solutions.

3.1.1 Classic Self-Service Applications and SAP SuccessFactors

Many HR departments are often overburdened with paperwork, and often data is entered redundantly. By allowing employees to capture personnel data on their own using self-service applications the administrative workload and costs of the HR department is reduced tremendously, as they are freed from many data entry activities and can focus on strategic functions. In addition, enabling employees to maintain their own data and giving them access to their own information increases employee satisfaction and data accuracy.

3.1.1.1 Employee Self-Service (ESS)

Employee Self-Service (ESS) is a set of powerful, yet easy-to-use applications that empower employees to view, create, and maintain their personal and career data in the SAP system through the company intranet. ESS provides an intuitive HTML-based Web interface for employees and features many applications that allow employees to display, to create, and to maintain data in the SAP system over the intranet.

While ESS has been used with SAP HCM for years, the SAP SuccessFactors cloud has given a better user experience for employees to do their Job anytime, anywhere as well as providing real-time access and data maintenance capabilities to the source or owner of the data.

ESS streamlines approval processes for activities such as vacation requests and allows employees to check, for example, their vacation balance or benefits, thus reducing administrative costs by offloading many of the data entry and related customer service activities that may typically be performed in a company's human resources, payroll, benefits, and travel departments.

The following components are integrated in ESS:

- Office
- Time Management
- Payment
- Benefits
- Personal information
- Training and Event Management
- Qualifications
- Appraisals

SAP ESS has more than 70 services that can be used immediately. ESS allows employees to
- search the Who's Who
- view the calendar
- check workflow work items
- submit travel expenses
- enter work times
- enroll for benefits
- update banking information
- enroll in a training course

The following employee information is available by using SAP ESS:
- personal data (address, marital status, payroll, time management, travel expenses, qualifications, etc.)
- public information (Who's Who, calendar, education and training offers, open internal vacancies, etc.)

Some benefits of SAP ESS include:
- well-informed employee decisions
- reduced administrative costs and shorter cycle times
- accurate employee records
- time and resources saved for strategic HR initiatives

Highlights of ESS

ESS provides
- extensive functionality beyond basic HR functionality, including travel management and purchasing
- Inherent integration between SAP system business scenarios, ESS, and Workflow
- Global availability of all functions
- Access from any platform at anytime from anywhere
- Easy-to-use and personalized interface

Figure 62: SAP Employee Self-Services (ESS)

3.1.1.2 Manager's Self-Service (MSS)

SAP **Manager Self Service (MSS)** encompasses a set of easy-to-use tools, transactions, and reporting features and provides managers with central access to information to enable them managing information efficiently, effectively and proactively in a web interface. Managers are supported in executing human resource management and financial management strategies for budgeting, recruitment, reimbursement and cost management to achieve better ROI.
MSS leverages human resources and financial systems by providing relevant information to business managers. Self-service tools automate paper-based processes such as employee master data change requests (e.g., transfers and salary increases) or performance appraisals.
The MSS solution integrates different systems and provides consistent management information across the organization. MSS allows managers to do the following:

- Obtain information
- Recruit employees
- Perform compensation planning
- Control costs
- Manage budget and headcount planning
- Submit personnel data changes

SAP HCM allows managing employees with multiple organizational assignments. In the standard system, all employment relationships of an employee can be tracked and managed in various countries. This is especially important for global enterprises. In SAP HCM, global employees are managed by linking each employee's personnel assignments to the person.

Figure 63: Manager Self-Service

3.1.2 SAP SuccessFactors HMX (Human Experience Management)

While the classic SAP HCM focused on the organization's needs for Human Resources, the re-branded SAP HXM (Human Experience Management) puts the employee's experience at the center of attention, by moving from data and process workflows, to designing employee journeys with facilitated transactions and easy-to-use Apps.

3.1.2.1 Overview of Human Experience Management

The traditional SAP HCM platform of the SAP S/4HANA system continues to provide the basic, business-critical master data and operational data transactions to the SAP HXM. This means that the organizational model (organizational units, positions, positions, cost center assignments, etc.), employee master records as well as specific controlling and finance-related data are provided via the integration with the HCM core of the SAP S/4HANA system. These data elements are retained, from the procurement of talent and the payment of employees to the analysis of talent data in the new SAP HMX.

SAP HMX uses this data and uses it to create an extensive catalog of functionalities that goes far beyond the functional scope of the traditional HCM platform. All areas, from HR core functions to recruiting, onboarding, training, development, succession planning, personnel analysis, employee experience management, performance, and goals as well as payroll are linked through a consistent and simple experience for the benefit of the employees:

- At the center of the HMX concept are the levels of individuals, teams, and organizations on which all personnel-related results are to be made possible. In addition to individual experiences, teams should be supported in fulfilling their tasks (e.g., project management) and organizations in achieving goals.
- The employee experience goes beyond the HR department and exceeds the traditional module boundaries. The HXM offers employees added value in the performance of their work by making intuitive functions (e.g., ordering consumables, booking trips, or filling out an expense report) available throughout the intelligent company.
- Collaboration functions make it easier to work together when carrying out tasks or editing content and help to divide tasks among individuals or teams. Communities and connections provide the opportunity to expand networks, reach out to others, build communities, and participate in common goals and cultures.

  Central employees can act as enablers and give other employees a voice and feedback. They connect through the work content and through collaboration. These enablers are natively embedded in the solution suite to control the correct actions and decisions of the employees as well as to guarantee personalized experiences.
- Finally, HXM also includes a learning solution that provides functions for coaching, mentoring and feedback as well as drawing up performance targets and a development plan to optimally develop the company's employees.
- The HMX Suite is powered by intelligent technologies such as Artificial Intelligence (AI) and machine learning to provide prescriptive guidance for many strategic areas:
  - In this way, the development of the talent pool can be modelled and predicted to achieve company goals as good as possible. Employees can be offered personalized learning recommendations made possible by machine learning functions. To ensure maximum relevance, employees indicate topics that are

relevant to them. In return, the algorithm offers the best possible learning options that match the employee's preferences.

- In addition, Conversional AI, which for example through natural language searches and interaction with the system, or RPA (Robotic Process Automation), which could take on repetitive standard tasks, increase the effectiveness and efficiency at work.
- Nudges and recommendations are used for machine learning to provide appropriate content and solutions as well as contextual guidance for specific decisions and actions.

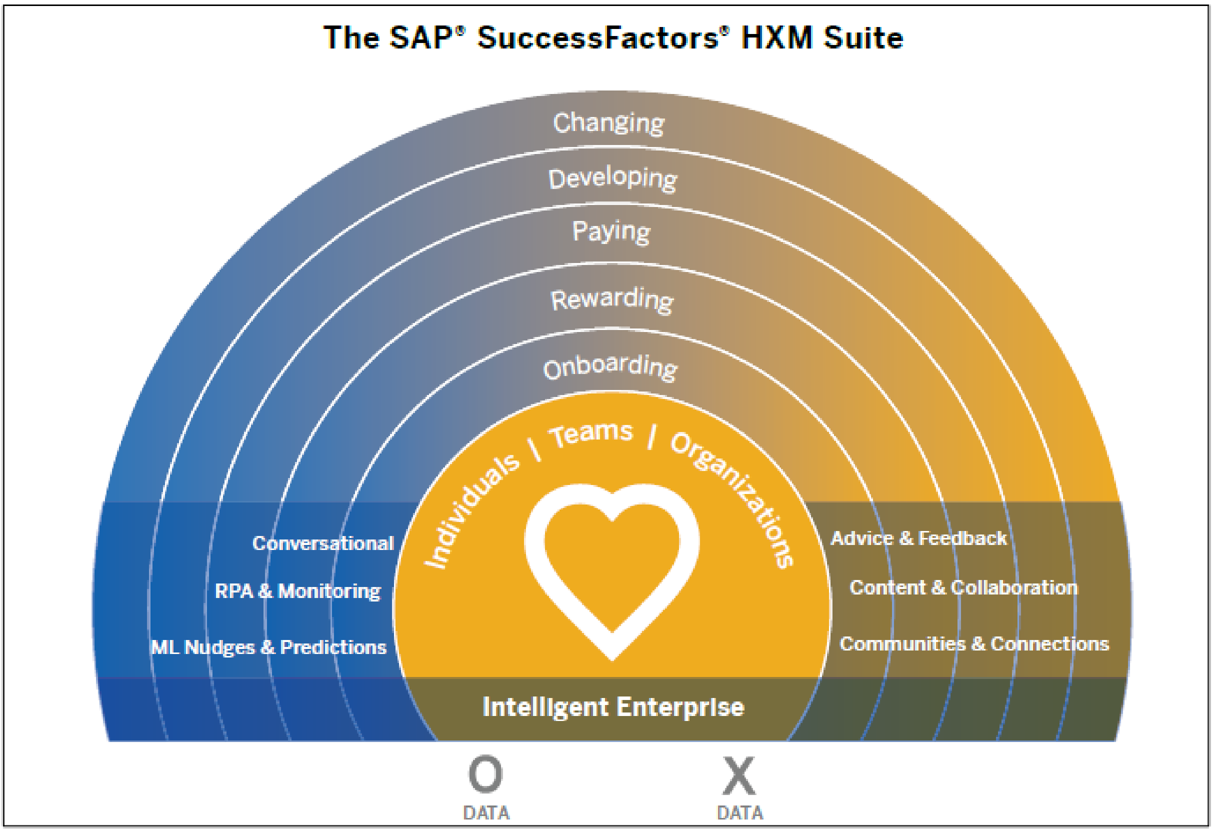


Figure 64: SAP SuccessFactors HXM Suite (www.sap.com)

3.1.2.2 Components of SAP SuccessFactors

With SuccessFactors, SAP offers a suite that covers all HCM requirements of a company, including core HR processes, talent management, workforce analytics and planning. This covers the entire employee lifecycle from recruit to retire, simultaneously offering compliance and strategic metrics. The so-called SAP SuccessFactors HCM Suite is comprised of a set of tightly integrated, modular solutions based on modern cloud technology.

The cloud-based, modular structure of SuccessFactors enables companies to introduce individual solutions gradually or completely into the company. Investments in existing on-premise HR solutions are protected by seamlessly integrating individual SuccessFactors applications and enhancing existing capabilities. For example, central HR, talent and analysis solutions can first be moved to the SuccessFactor cloud and then gradually use the entire solution portfolio of HR processes in the cloud.

HR scenarios are supported by pre-built integration packages that are developed and maintained by SAP to keep total cost of ownership (TCO) low. Implementing SuccessFactors solutions is usually very cost effective and only takes two to six months. The software is updated four times a year, so that companies benefit from new features four times a year.

The SAP SuccessFactors Hire-to-Retire process is integrated with S/4HANA and SAP Analytics Cloud (SAC) from planning the hiring of employees to planning retirement.

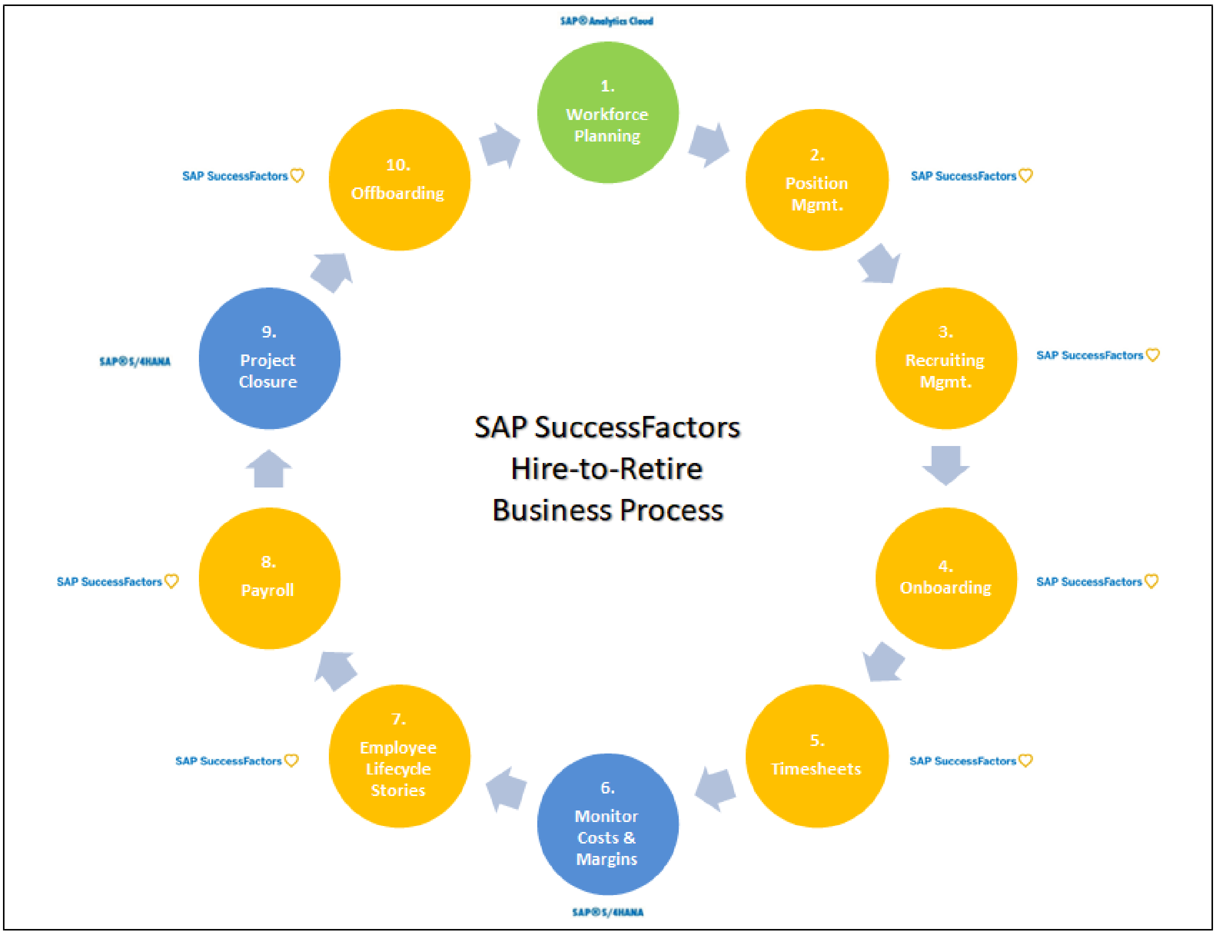


Figure 65: SAP SuccessFactors: Hire-to-Retire-Process (1) (www.sap.com)

For every phase of an employee's life cycle; their engagement, work, and results can be measured and awarded. Key Performance Indicators (KPIs) are involved in every phase to display results and monitor changes.

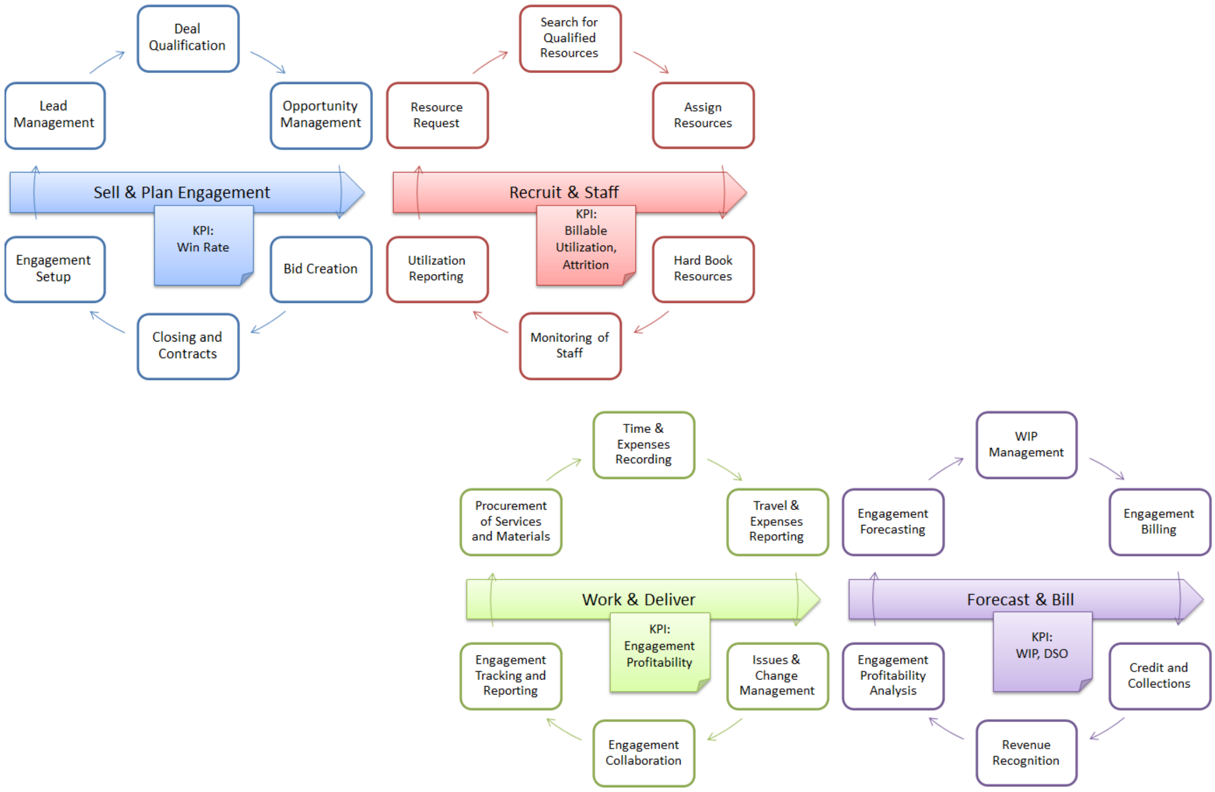


Figure 66: SAP SuccessFactors: Hire-to-Retire-Process (2) (www.sap.com)

The SuccessFactors HCM suite, therefore, consists of the following solutions which we will briefly discuss:

- *Employee Central*
- *SAP Cloud Payroll available for Employee Central*
- *Compensation*
- *SAP JAM*
- *Learning*
- *Performance & Goals*
- *Recruiting*
- *Succession and Development*
- *Workforce Analytics & Reporting*
- *Workforce Planning*

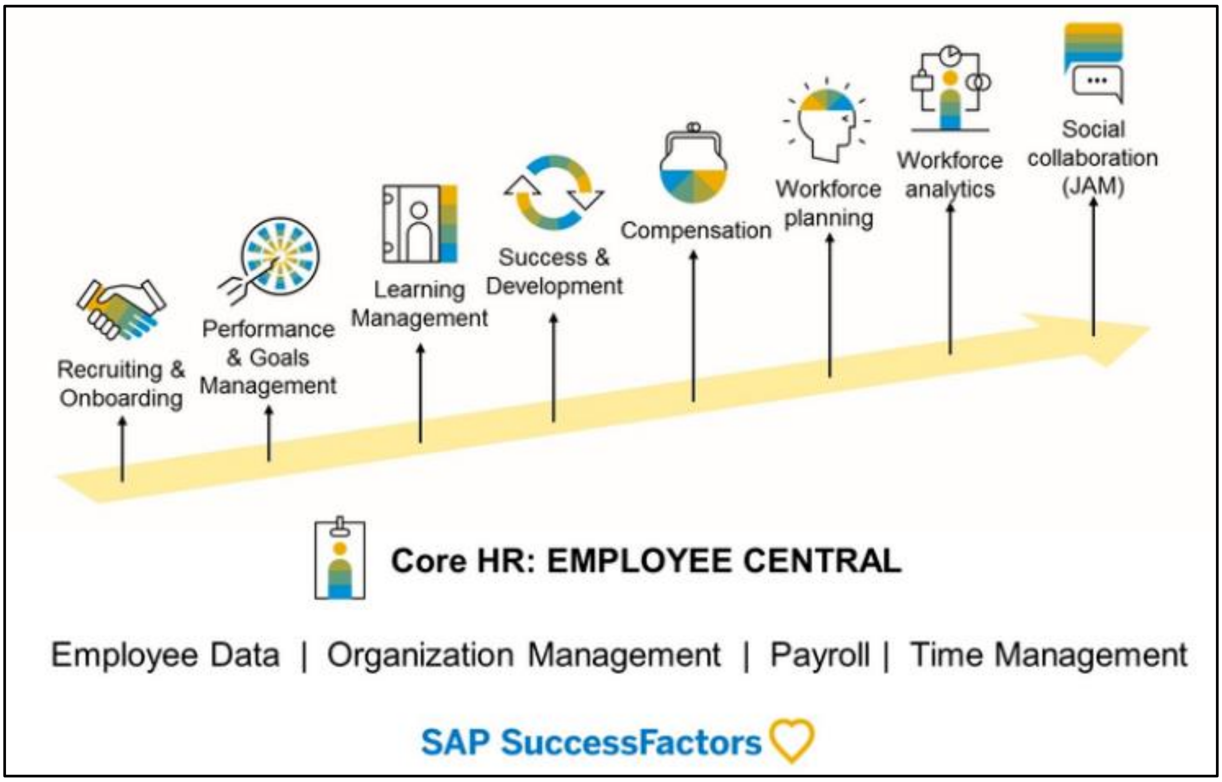


Figure 67: SAP SuccessFactors: HCM in the Cloud (www.sap.com)

3.1.2.2.1 Employee Central

Employee Central is the *core* solution of the SuccessFactors HCM suite, as you can see in the previous figure, and consists of a variety of applications that are built using modern technology in order to be flexible and easy to use. The solution consists of the so-called next-generation core HR system (HRIS), which is designed for a global approach to managing enterprise workforce and delivered securely through the SuccessFactors cloud. The Employee Central also hosts the central repository that stores the employee master and provides the foundation for all other SuccessFactors solutions in this way. Among others, it offers the following functionality:

- *One global system of record*: A platform that is effective-dated globally across geographies, cost centers, legal entities, and employee types.
- *Complete workforce data*: Combined HR and talent data to deliver comprehensive employee profiles.
- *Analytics*: Correlate your workforce data with financials, CRM, and other data to gain actionable insight.
- *Social collaboration*: Optimize workforce productivity and be able to accelerate innovation.
- *Integration*: You can easily connect with on-premise or cloud-based applications, such as (SAP) ERP, time and attendance, and benefits.
- *Innovation*: Enhancements are delivered continuously through the cloud four times per year with no additional cost or disruption.

3.1.2.2.2 SAP Cloud Payroll available for Employee Central

SAP Cloud Payroll is SAP's global payroll solution available as a hosted option that comes integrated with Employee Central. If your company wants to manage payroll in-house using a cloud-based solution, *Employee Central Payroll* offers the same functionality as the SAP on-premise payroll solution. The cloud-based solution is delivered through the SucessFactors cloud taking advantage of its security, scalability and flexibility, and offers the following benefits:

- *Proven solution*: Employee Central Payroll is a leading-edge payroll solution currently used by thousands of organizations worldwide.
- *Global reach*: The solution is currently available for 22 countries.
- *Choice*: The solution is available for companies who to leverage the advantages of cloud delivery while maintaining control of the implementation and managing payroll in-house.
- *Lower TCO*: With the cloud-based solution you can realized significant cost advantages.
- *Compliance*: Employee Central Payroll provides legal compliance and best practices. Dedicated specialists and country-specific product managers stay on top of all local statutes so you do not have to.

3.1.2.2.3 Compensation

SuccessFactors Compensation is the solution that enables you to manage one of the traditionally largest expense factors in companies, i.e. employee compensation, by allocating compensation funds effectively between top performers and underachievers. In addition to rewarding performance, the solution offers the following functionality:

- *Easy compensation management*: The application offers simple, accurate and streamlined workflows for intuitive and configurable processes for base and variable pay.
- *Eliminate manager bias*: Improve fairness and retention by means of performance-based calibration across your company.
- *Metrics to increase insight*: You can combine different dashboards and reports with other business data for comprehending employee compensation analyses.
- *Improve budget and regulatory compliance*: Automated monitoring and built-in reports keep payouts in line with budgets and regulations.
- *Assure Data integrity*: Data integrity is achieved by automatically stored data save times to reduce risk and improve audit compliance.

3.1.2.2.4 SAP JAM

SAP Jam can be understood as a private social network for your company. This solution provides social collaboration to connect your customers, partners and your co-workers with information, applications, and processes to solve problems and drive results. This is done in your business applications, on the go on your mobile device, or in SAP Jam. By adding social collaboration to your sales, HR, and other business processes, SAP Jam aims at shortening sales cycles, increasing customer and employee engagement, and reducing training costs. Furthermore, SAP Jam aims at eliminating disconnected “silos” of collaboration by delivering a single social foundation across your entire business instead. In detail, the solution offers:

- *Connect*: Improve the connection and communication between your employees across different countries.
- *Improve information sharing*: Enable your employees to find subject matter experts more quickly and share best practices.

- *Drive decision making*: Help your teams to tame project chaos, build consensus, and drive informed decisions.
- *Collaborate externally*: Strategize, communicate, and drive progress with customers, vendors, and your partners.
- *Conduct social or blended learning*: SAP Jam enables you to reduce training costs by means of informal learning. Experts can create content and share their expertise with co-workers. You can complement formal training with collaborative communities.
- *Conduct social onboarding*: Connect new employees with the people and content they need to know to improve time to contribution.
- *Implement collaborative performance and goal management*: You can create and share goals collectively for faster and better goal alignment and completion.
- *Implement collaborative opportunity management*: Bring together key participants, such as sales, product management, service, partners, and others in the opportunity process to reduce analysis and proposal development time. Keep key stakeholders updated in real-time regarding the opportunity progress.

3.1.2.2.5 Learning

SAP SuccessFactors Learning provides your company with a complete learning management system (LMS). It enables you to manage, develop, and deploy instructor-led, formal and social online learning combined with content management, reporting, analytics, and mobile abilities. By applying the following features to your business scenarios, SuccessFactors Learning aims at transforming your business and providing verifiable ROI:

- *Managing learning more efficiently:* House learning activities in a single location to reduce costs and create greater visibility.
- *Improving compliance reporting:* Use the LMS to track, train, and automate required certification assignments.
- *Blending formal and social for greater ROI:* Seamlessly combine *Learning* with *JAM* as part of learning activities to accelerate performance and increase learning retention.
- *Extending learning easily:* Extend training to your partners and customers using an Extended Enterprise solution that includes e-commerce functions.
- *Making administration more powerful and intuitive:* Wizard-based processes and assignment profiles provide automation for your administrators.
- *Improving content delivery:* Reduce costs, increase efficiency, and assure that e-learning exceeds business results with a unique iContent service.

3.1.2.2.6 Performance & Goals

SuccessFactors Performance & Goals is the solution which provides you with in-depth information in order to retain, reward, and develop your best employees. Featuring innovative capabilities and an intuitive UX it aims at ensuring aligned and clear goals, and accurate and objective talent assessments:

- *Align goals*: Enable employees and managers to align individual goals with the company’s strategic goals.
- *Deliver relevant formal reviews*: Expand performance insight and improve employee engagement and retention with easy and engaging focal reviews and 350-degree assessments.

- *Calibrate performance*: Ensure objective and fact-based assessment decisions by means of intuitive, visual employee comparisons.
- *Support managers*: The *Writing Assistant* and the *Coaching Advisor* help your managers to provide more meaningful feedback and coaching.
- *Identify top talent*: Compare and rate your employees across the same dimensions to identify high performers and potential future leaders.
- *Communicate continuously*: Easily track issues and accelerate work on top-priority projects using *SuccessFactors Mobile Touchbase*.

3.1.2.2.7 Recruiting

SuccessFactors Recruiting is a comprehensive recruiting solution that helps you to attract and engage top talent, select and hire best-fit candidates, and measure business results enabling you to focus on more than just the selection phase:

- *Target the talent you need*: *SuccessFactors Recruiting* offers a patented methodology which ensures that jobs get to the right candidate with the right message at the right time.
- *Engage easily and effectively*: You can apply marketing best practices to get strong candidates, save your recruiters time and get the best results.
- *Improve selection*: SuccessFactors social, mobile and competency-based approach to evaluating candidates aims at accelerating the hiring process while keeping things fair.
- *Onboard seamlessly*: Accelerate new-hire engagement and impact with automated forms and broaden your access to people and resources in the employee social network.
- *Get results you can see*: Improve return on recruiting investments and demonstrate how your recruiting strategy is driving business results.

3.1.2.2.8 Succession and Development

SuccessFactors Succession & Development helps you identify, develop, and retain talent at every level of your company to keep your workforce responsive and flexible. Offering a dynamic, comprehensive, and objective view of your workforce, this solution enables you to recognize and bridge talent gaps in the company and ensure to have the right people in the right places:

- *Identify key positions*: With succession management you can address current and potential talent gaps to reduce risk.
- *Provide talent continuity*: Proactively identify employees to develop them for upcoming job transitions.
- *Gain workforce insight*: Gain visibility into your employees' experience, expertise, performance, and career aspirations.
- *Understand employee histories*: Map every staffing move across your company and see gained employee experience.
- *Improve career planning*: Address talent gaps, engage employees, and accelerate learning with targeted development plans.
- *Calibrate ratings*: Ensure objective and accurate ratings across groups and departments using competency-based criteria.

3.1.2.2.9 Workforce Analytics & Reporting

While most organizations have more data than ever, they continue to be surprised by experience gaps in their workforce. You see, there are two types of data that organizations often keep in silos:

- O-Data is rich, transactional HR data such as: how many employees are leaving the organization, how many candidates accept offers, or what percent of training is completed. Operational data is very powerful. It tells you WHAT is happening in your organizations.
- X-Data, on the other hand, is the human factor data. The beliefs, emotions, and intentions that tell you WHY employees are leaving the organization even as others are thriving. Organizations can't change the employee experience until they can truly understand the what with the why.

SuccessFactors Workforce Analytics enables you to improve decision making by helping you find answers to key questions about workforce challenges and providing guidance to solve them. Features of Workforce Analytics include:

- *Designed for business execution*: The solution is fully integrated with the SuccessFactors suite, is easy to use, and provides the insight and tools you need to take action.
- *Built-in expertise*: With more than 30 years of HR expertise built into SuccessFactors' tools, technology, processes, and services, the solution sets the standard for workforce metrics and benchmarks.
- *Access to expert community*: SuccessFactors consultants offer proven excellence in HR analytics, planning, and metrics, and are available for you to share best practices and accelerate your business execution. You are encouraged to join a peer community and share and exchange ideas.

3.1.2.2.10 Workforce Planning

Lastly, SuccessFactors Workforce Planning helps you manage your organization's exposure to risks from global talent shortages or an aging workforce. Again, Workforce Planning aims at ensuring that your company has the right people with the right skills at the right time and cost so that you can successfully execute on your business strategy by understanding and closing the gap between current and project talent needs. Workforce Planning is also fully integrated with SuccessFactors to allow "what-if" scenario planning and analyses enabling management to act confidently and with a clear understanding of financial and operational implications of your plans. Proper planning results in improved short- and long-term recruiting, succession, learning, development, performance, and other workforce initiatives.

3.1.2.3 Integration Options

You can choose solutions based on your business needs. A comprehensive portfolio of Solutions is available to run your SAP S/4HANA processes fully in the cloud. on-premise, or in a hybrid deployment combining both.

With SuccessFactors, SAP has the unique capability to offer integration out-of-the-box more cost-effective than any other combination of SAP and non-SAP software. SAP describes the overall offered cloud strategy as a loosely-couple suite (or a suite of best of breed solutions). You can realize the benefits of cloud-based solutions on top of your existing on-premise solutions and allow for seamless integration, as illustrated by the previous figure. For this reason, SuccessFactors solutions for Talent Management and SAP HCM are separate so that you can leverage the advantages at your pace when required. The existing integration packages ensure that all employee master data is available to all SuccessFactors talent modules, including core Talent Management as well as learning, recruiting, and analytics. Furthermore, deeper integration for areas such as compensation management and recruiting is supported through various interfaces.

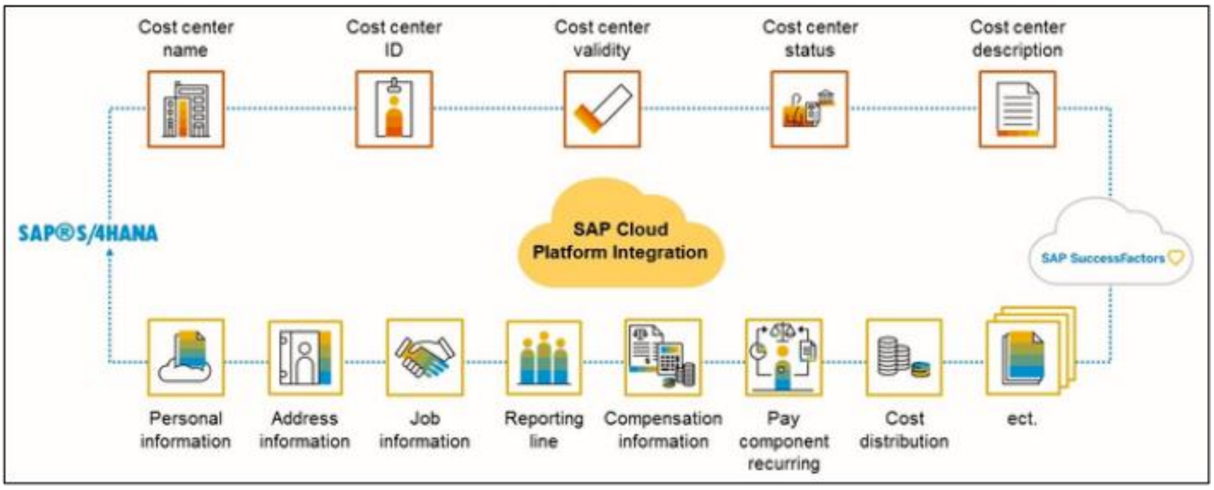


Figure 68: Integration of SuccessFactors and SAP SAP S/4HANA (www.sap.com)

3.2 Practice: Business Processes in SAP HCM

PRACTICE

In this exercise, you will accomplish the whole recruitment process, from advertising the vacant position in your company to hiring an applicant and apply several personnel administration functions upon the newly hired employee.

3.2.1 Recruitment

You are looking for a new employee for your sales and distribution department. First of all, you are going to check the Staffing status of the position in your organizational plan. It should be set to "Vacancy open". Then you will create an advertisement for the vacant position.
Note that all Transaction regarding Recruitment start with P**B**, whereas Transactions regarding Personnel Administration start with P**A**.

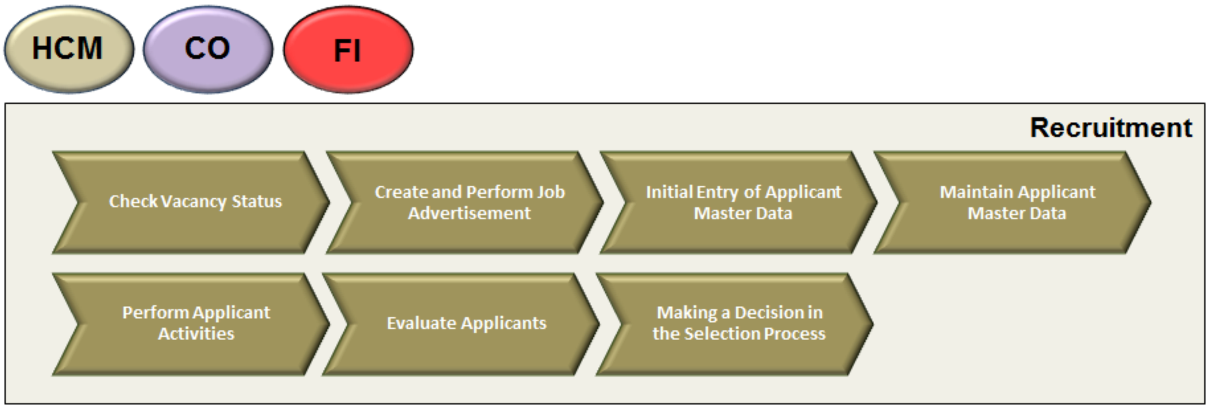


Figure 69: Process Overview: Recruitment

3.2.1.1 Check Vacancy Status

First of all, check the Staffing status of your position. Therefore, select within the SAP Easy Access Menu

Human Resources → Organizational Management → Organizational Plan → Organization and Staffing → Change (PPOME)

1. Search for your Organizational Unit ***DepBike-xyyy***. You should know by now how the search function works.
2. Expand the nodes of your organizational plan and double-click on the position ***Department chief SD xyyy***.
3. In the position details, the **Staffing status** should be ***Vacancy open***. Note the position ID for yourself; you will need it in the following processes.

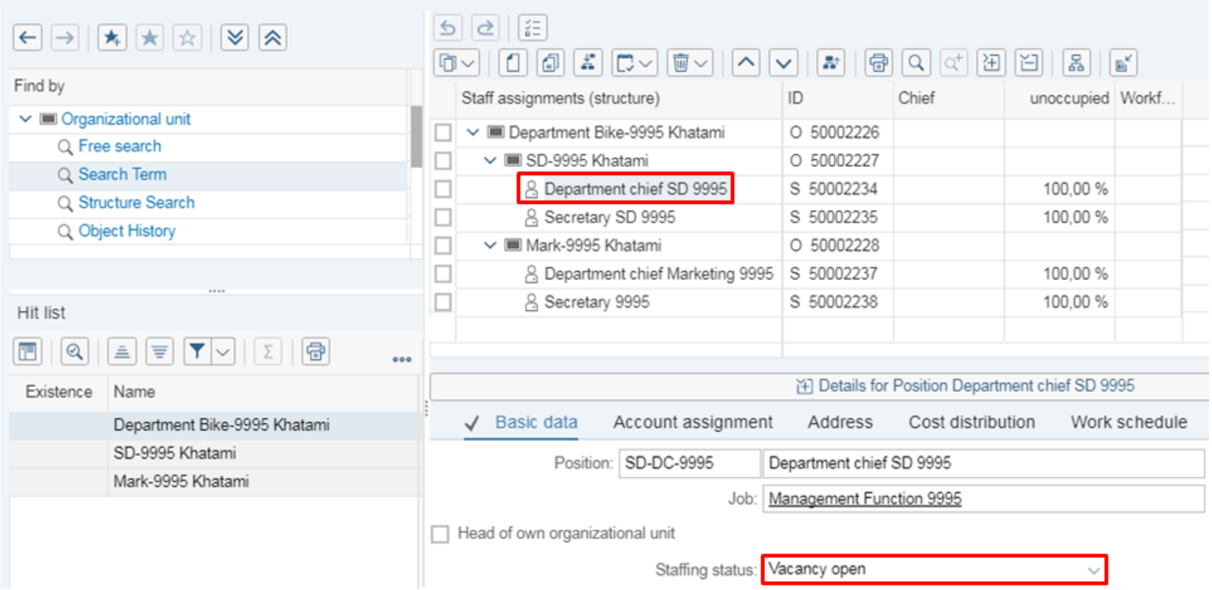


Figure 70: Staffing Status Vacancy Open (1): SAP-System-Screenshot

4. Leave the transaction.

You also can check vacancies in the Recruitment component by selecting

Human Resources → Personnel Management → Recruitment → Advertising → Vacancy → Maintain (PBAY)

5. Enter the following data:
   - **Data selection period from** *current day*
   - **Data selection period from** *31.12.9999*
   - **Vacancy** *ID of the position of SD chief*
   - Press *Execute*.
6. In this transaction you can see the vacancy status, you can change it, or you can create a new vacancy. This was only meant to show you that employees who only have authorization for the Recruitment component can also access the vacancies of the company, since that is the primary focus of their job.

Figure 71: Staffing Status Vacancy Open (2): SAP-System-Screenshot

7. Leave the transaction by pressing ***Exit***.

3.2.1.2 Create and Perform Job Advertisements

Within master data maintenance, it is now your job to create and perform the advertisement for the new position of chief SD.

The corresponding transaction is:

Human Resources → Personnel Management → Recruitment → Advertising → Advertisement → Maintain (PBAW)

1. Create a new **Job advertisement.** Therefore, choose ***Execute*** or press ***F8***.
2. In the next dialog, choose ***Create advertisement*** (Advert) or ***F7***.

NOTE

If you hover with your cursor above the particular buttons, you can see the respective short descriptions.

3. Let the system propose the ***Next free advertisement number,*** by clicking the respective button (Next free advertisement number).
4. List the advertisement number on your data sheet.

Advertisement Number:

5. Select **Instrument *FAZ (00000200)***.
6. Choose the ***current date*** as **Publication date**.
7. **Advertisement end** is ***currents date + 1 week***.
8. **Publication costs** amount to ***15,000.00 USD***.
9. Enter ***Job advertisement Sales Manager xyyy*** as **Text name**.
10. Maintain a text of your choice choosing ***Maintain text*** (Maintain text). Note that you can only maintain the text if you have installed Microsoft Word. If you do not have this software, leave this step out. ***Save*** the maintained text and go one step back (<) to the advertisement screen.

NOTE

*If a popup window regarding SAP Security appears, select **Remember My Decision** and confirm with **Allow** (dependent on the settings maybe multiple times).*

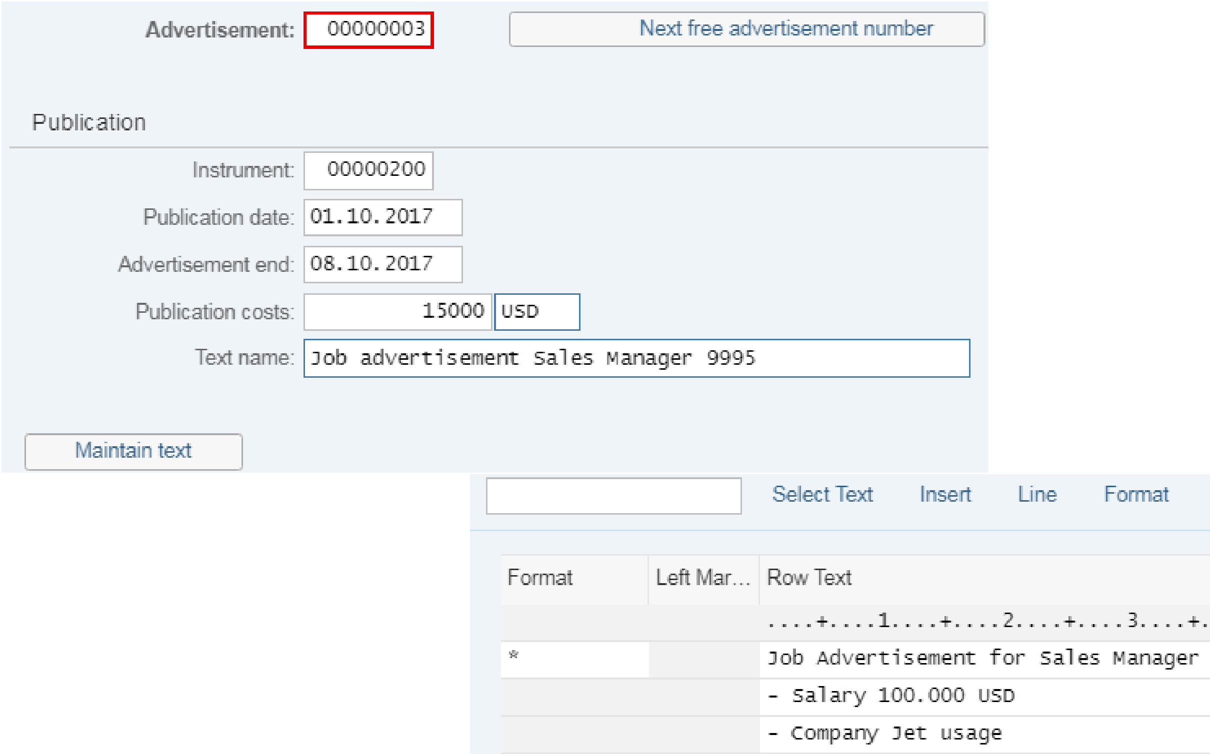


Figure 72: Create Job Advertisement: SAP-System-Screenshot

11. Press Add to add the vacant position to the advertisement.
12. In the following pop-up, search ( ) for **YOUR** position of ***Department chief SD xyyy*** (use the Asterisk search method). Select the row so that it is highlighted and press the green checkmark ( ). Skip possible system messages with ***Enter***.

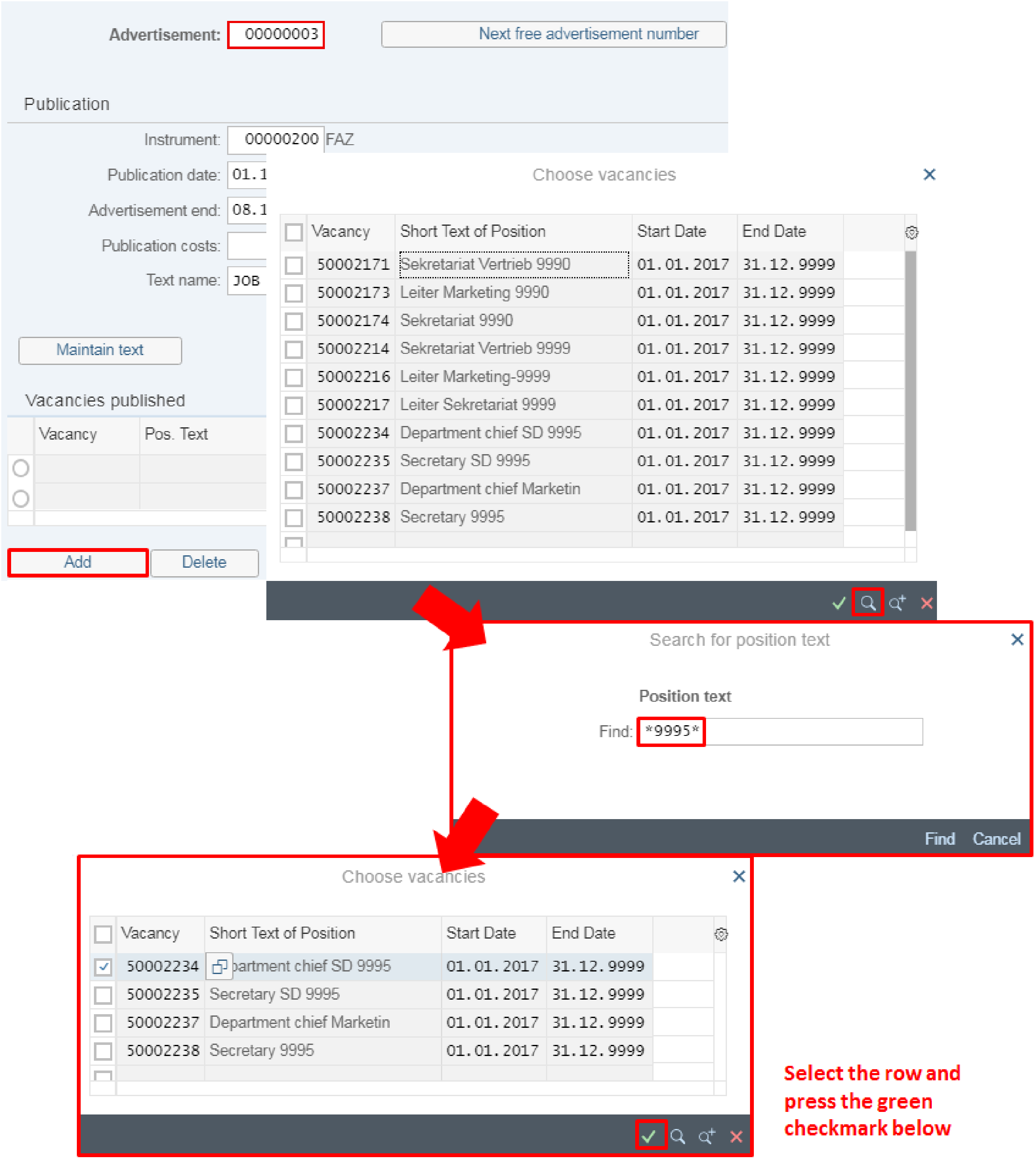


Figure 73: Add Vacancy to Advertisement (1): SAP-System-Screenshot

13. The vacancy should now be stated in the *Vacancies published* field.

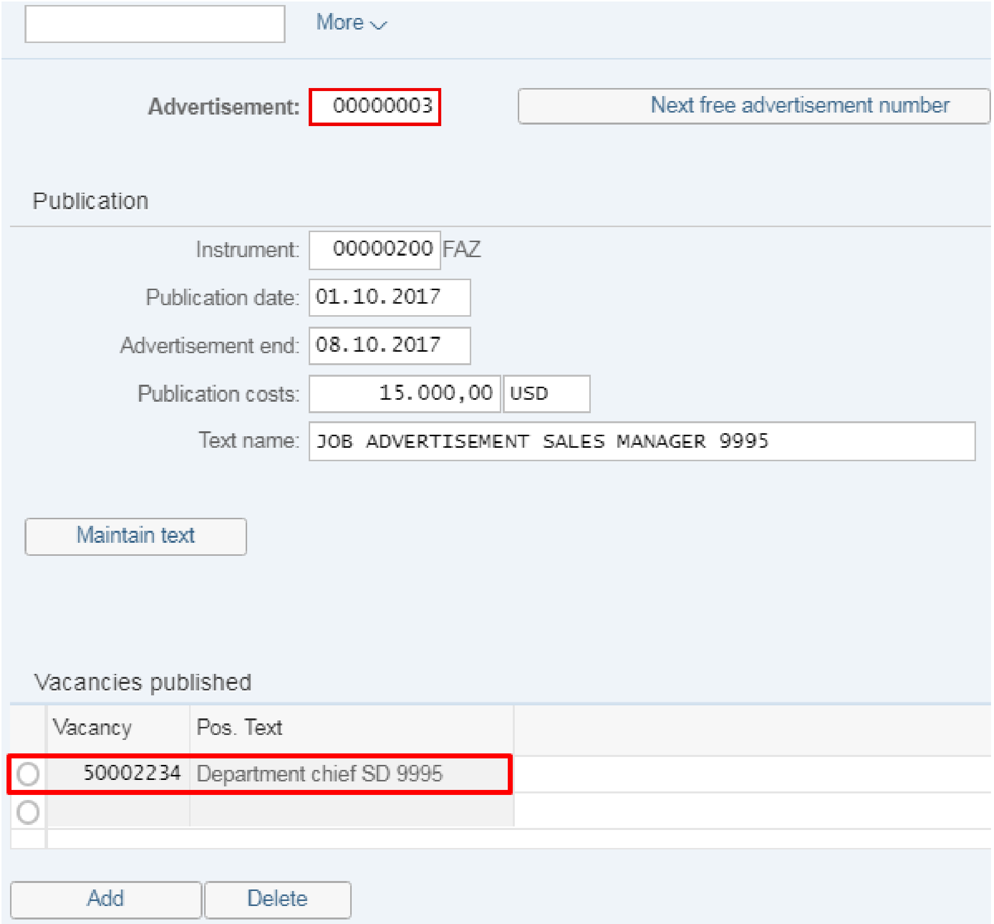


Figure 74: Add Vacancy to Advertisement (2): SAP-System-Screenshot

14. ***Save*** your advertisement.

Your boss requests a **list of all advertisements** existing in the system.

15. Export the file to **Office → Private folders** by clicking the ***Export*** icon and then select ***SAPoffice Folders***. **Add** your number xyyy to the title. By using the ***Move*** button, your document is stored in your private folder. Leave the transaction and return to the Easy Access Menu ().

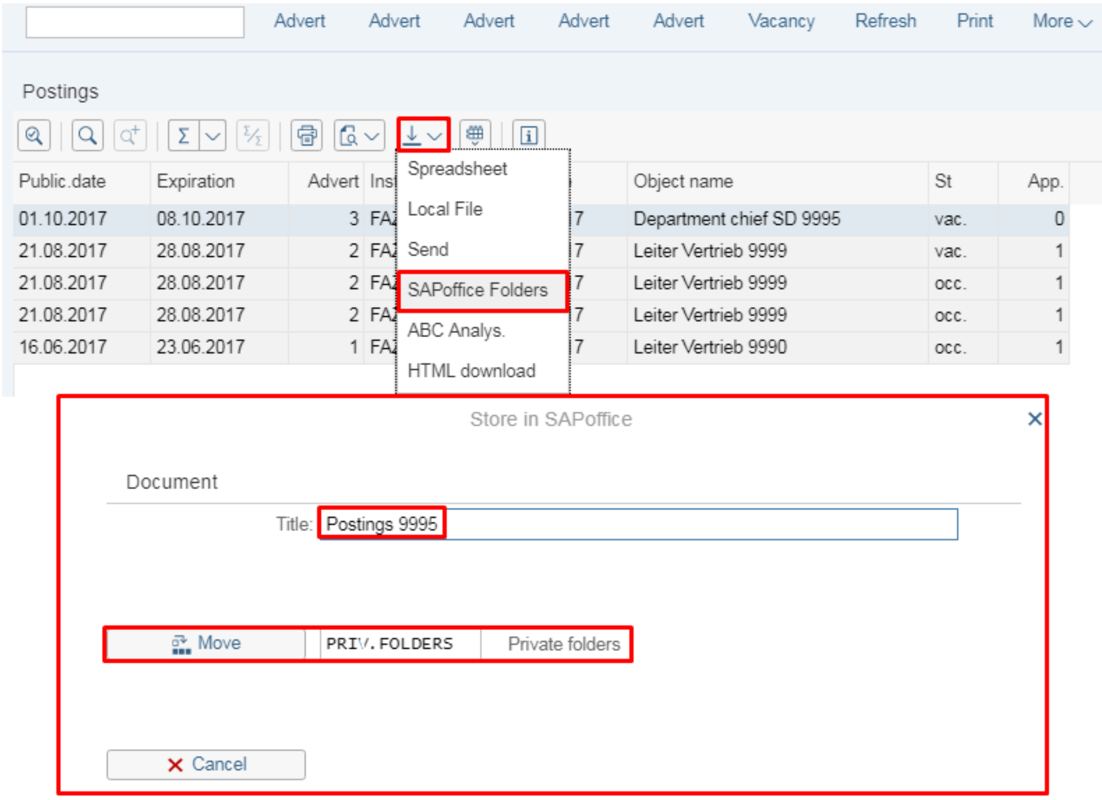


Figure 75: SAP Business Workplace (1): SAP-System-Screenshot

16. Click the SAP Business Workplace button from the function menu (SAP Business Workplace).

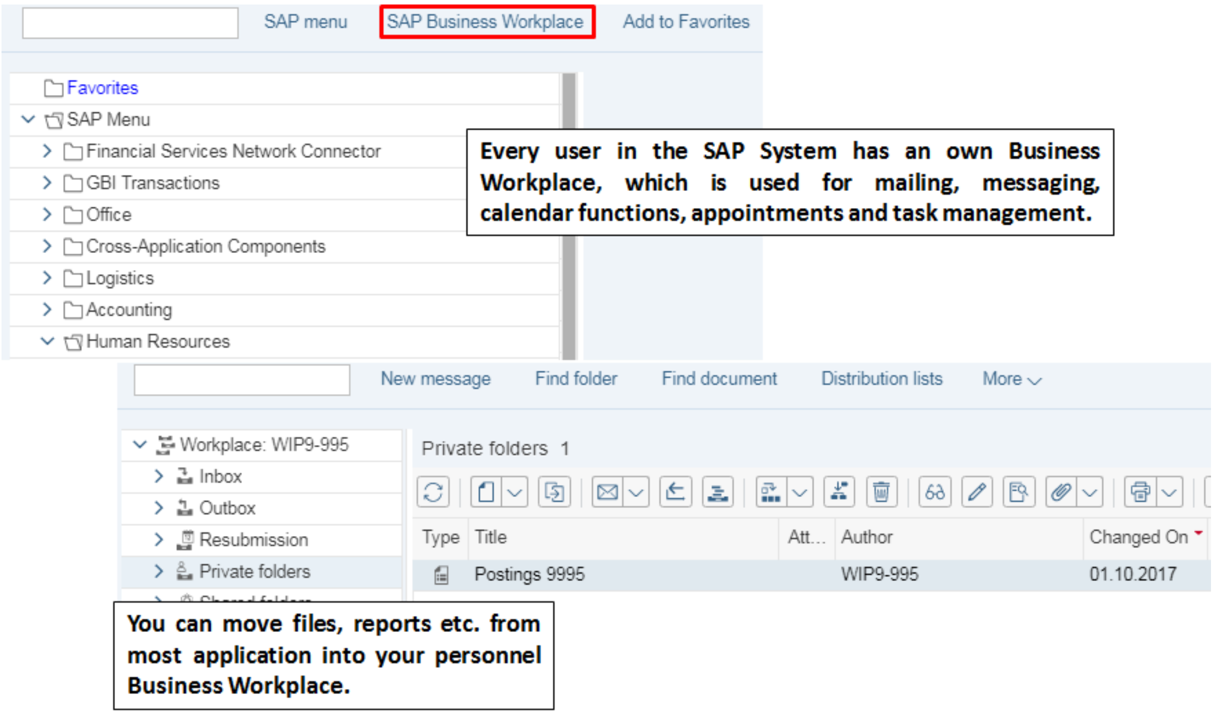


Figure 76: SAP Business Workplace (2): SAP-System-Screenshot

EXCURSUS

Definition of the SAP Business Workplace

Using SAP Business Workflow, you can easily structure business processes that are not yet included in the SAP System. These may be simple release or approval procedures, or more complex business processes such as creating a material master and the associated coordination of the departments involved. SAP Business Workflow is particularly suitable for situations in which work processes have to be run through repeatedly, or situations in which the business process requires the involvement of a large number of agents in a specific sequence.

Features

SAP Business Workflow provides a number of tools for defining and analyzing workflows as well as for monitoring operation. You can also use SAP Business Workflow / WebFlow over the Internet.

With SAP Business Workflow, you can define suitable agents for each step of the workflow while the workflow is being executed. You can use deadline monitoring for the start and execution of all steps, so that each missed deadline provokes an individual reaction. Using an ad hoc workflow, you can quickly create a workflow while the system is in operation.

The end user receives information about the activities that they are to be carried out in their ***Business Workplace****. This provides them with a central overview of all the activities that they are authorized to carry out. They can commence the activities from here.*

3.2.1.3 Initial Entry of Applicant Master Data

After creating and performing the advertisement, you received applications for the vacant job. The application process is completed and many applicants applied for the sales manager job. You already have a favorite candidate. Next, you have to deal with the **recruiting** process. Now, **enter** and **maintain applicant master data**.

Choose within the SAP Easy Access Menu the following transaction to initially enter applicant master data:

Human Resources → Personnel Management → Recruitment → Appl. master data → Initial data entry (PB10)

1. On the *Initial entry of basic data* screen, enter the subsequent data:

Reason	04 (New application)
Per. area	DL00 (GBI Dallas)
Subarea	IT00
Ap. group	1 (Active (external))
Appl. range	Managerial staff
Pers. off	US1 (Chris Thomas)
Title	Ms/Mrs/Mr
First name	Your first name
Last name	Your last name
Birth dt.	Your date of birth
Language	English
Nationality	American US
Street	University Street ***xyyy***

Postal code (PC)	80201
City	Denver
Tel.no.	720333*xyyy*
Email	Firstname.lastname@uni-due.de
Country	USA
Advert	Your advertisement number

2. Next, select Save+add.data. Confirm the popup and in case you are asked for a **State**, enter ***CO (Colorado)*** and save again. Any system notifications can be confirmed with Enter.
3. List the ***Applicant number*** that the system displays. Leave the transaction.

Applicant Number:

3.2.1.4 Maintain Applicant Master Data

After you initially entered data for your applicant, you need to maintain further data in the applicant's master data.

3.2.1.4.1 Maintaining the Qualifications of the Applicant

Now, you want to maintain the applicant's qualifications. Therefore, call up the following transaction within the SAP Easy Access Menu:
Human Resources → Personnel Management → Recruitment → Appl. master data → Maintain (PB30)

1. On the initial screen, enter your **applicant number** and press *Enter*.
2. You see that several infotypes are already maintained (✓) due to the initial entry of applicant data in transaction PB10. You can check the entries by marking a maintained infotype and press the display button (Display). For instance, you see that the **Applications** infotype holds the assignment to the job advertisement.

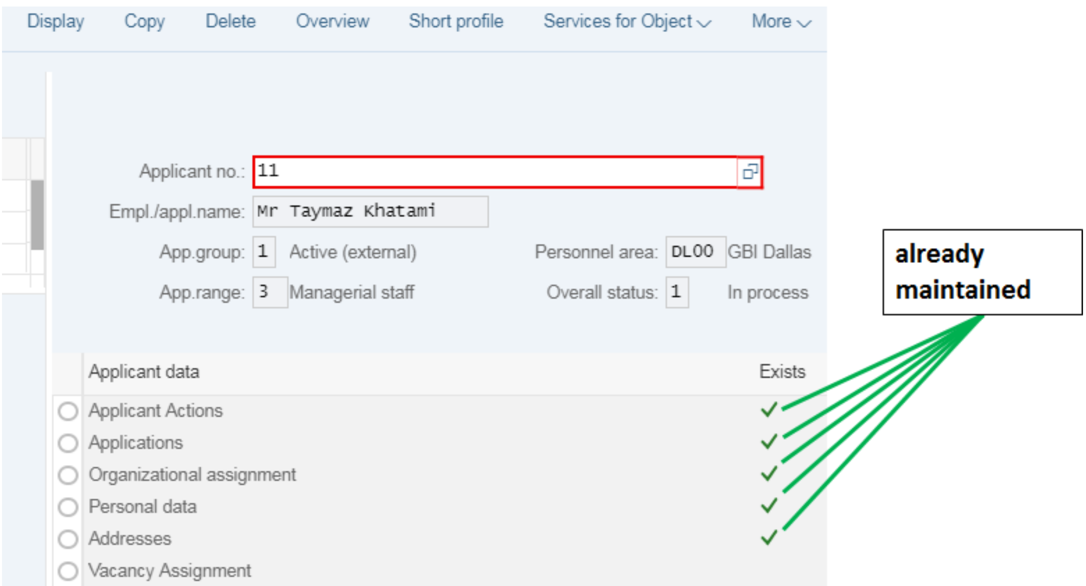


Figure 77: Infotypes maintained: SAP-System-Screenshot

3. To maintain the qualifications of your applicant, go back to the SAP Easy Access Menu and switch to transaction PPPM.

Human Resources → Personnel Management → Personnel Development → Profile → Change (PPPM)

4. Search your applicant and double click on it.

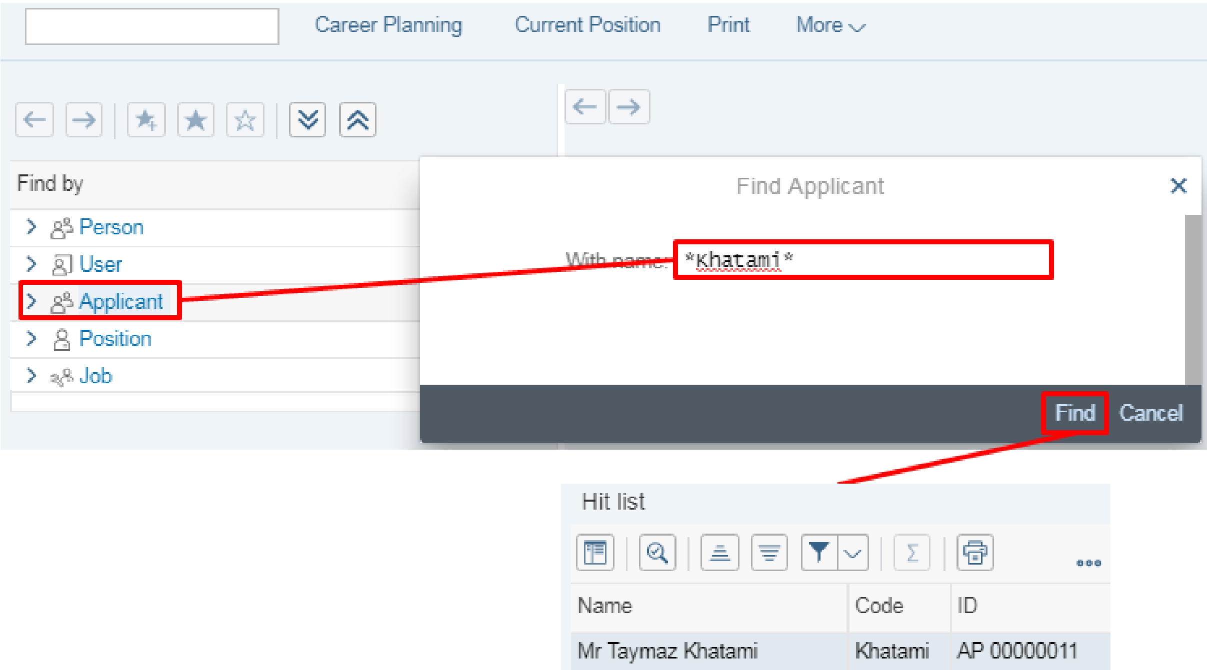


Figure 78: Search Applicant: SAP-System-Screenshot

On the new screen you see the tabs *Qualification*, *Potentials*, *Preferences*, *Dislikes*, and *Appraisals*. Now, maintain the ***qualifications*** tab. The applicant has the following qualifications that you have to find by using the search function:

- ***2-4 years*** **Management Experience**
- ***2-4 years*** **Project Management**
- ***Average*** **Knowledge of SAP BW**
- ***High*** **Knowledge of SAP ERP**
- ***2,75-2,99*** **Masters**

5. Therefore, choose ***Create*** () from the lower menu and enter ***Management*** in the search field. Press *Search*.

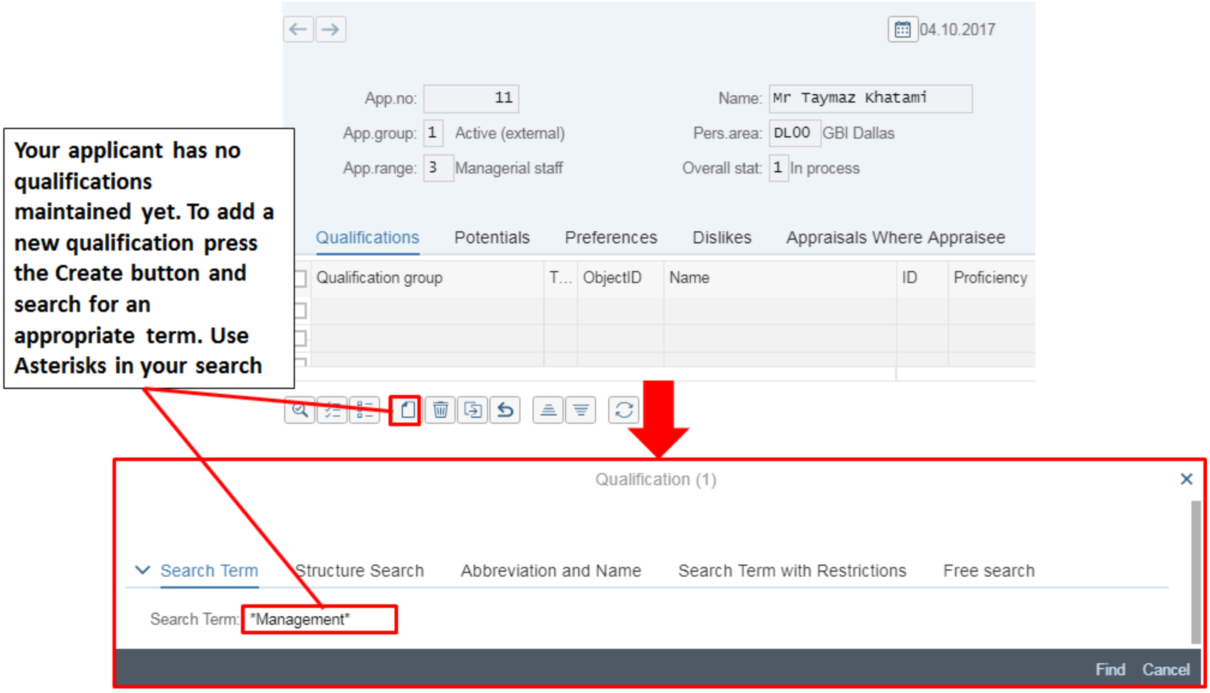


Figure 79: Create new Qualification (1): SAP-System-Screenshot

6. In the result list, search for the Qualification **Management Experience** and double-click on it. The Qualification is added to the applicants Qualification Profile.

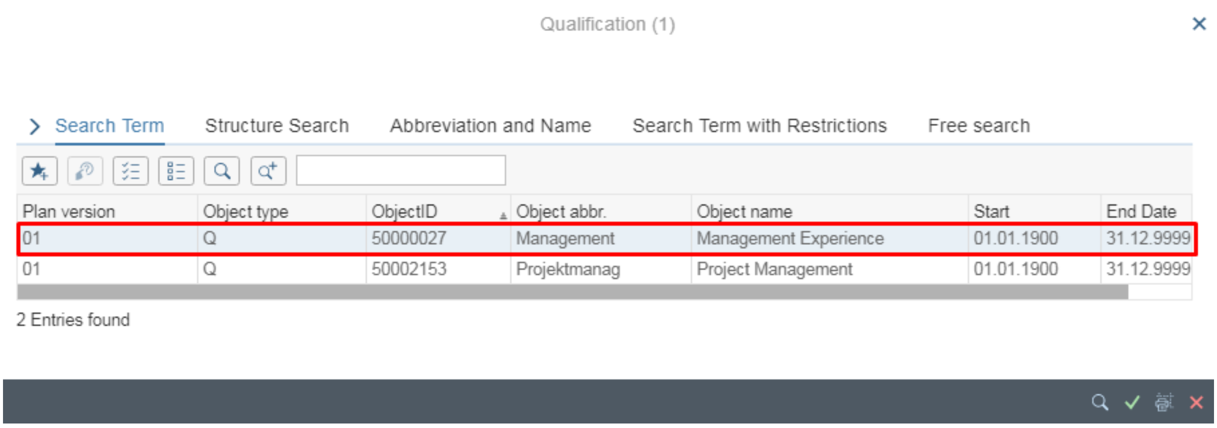


Figure 80: Create new Qualification (2): SAP-System-Screenshot

7. Now, add the proficiency value ***2-4 years*** in the field **Proficiency** using the F4 help.

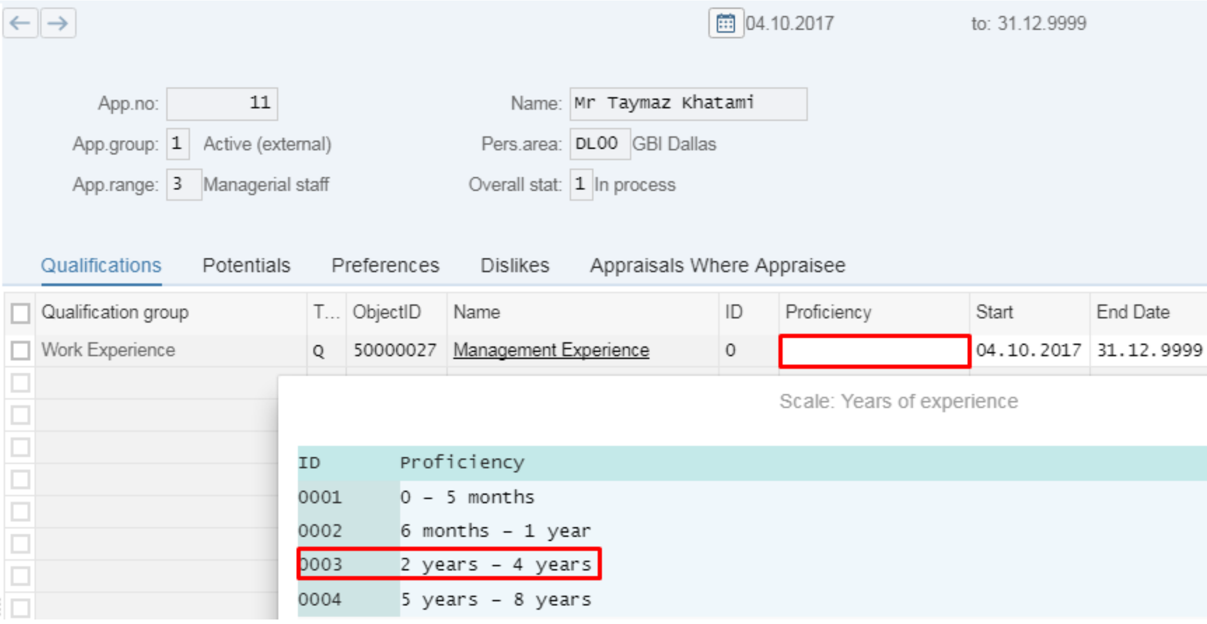


Figure 81: Create new Qualification (3): SAP-System-Screenshot

8. Now, maintain the remaining four Qualifications on your own. Use the following data:

Make use of asterisk search. E.g. if you cannot find ***Knowledge of SAP ERP****, then, search for* ****ERP**** *and within the result list, double-click on the respective entry*

Name of Qualification	Proficiency
Project Management	*2-4 years*
Knowledge of SAP BW	*Average*
Knowledge of SAP ERP	*High*
Masters	*2,75-2,99*

9. The result should look like this whereas the order of the qualifications does not matter. ***Save*** after completing the qualification entries and confirm a possible Customizing Request.

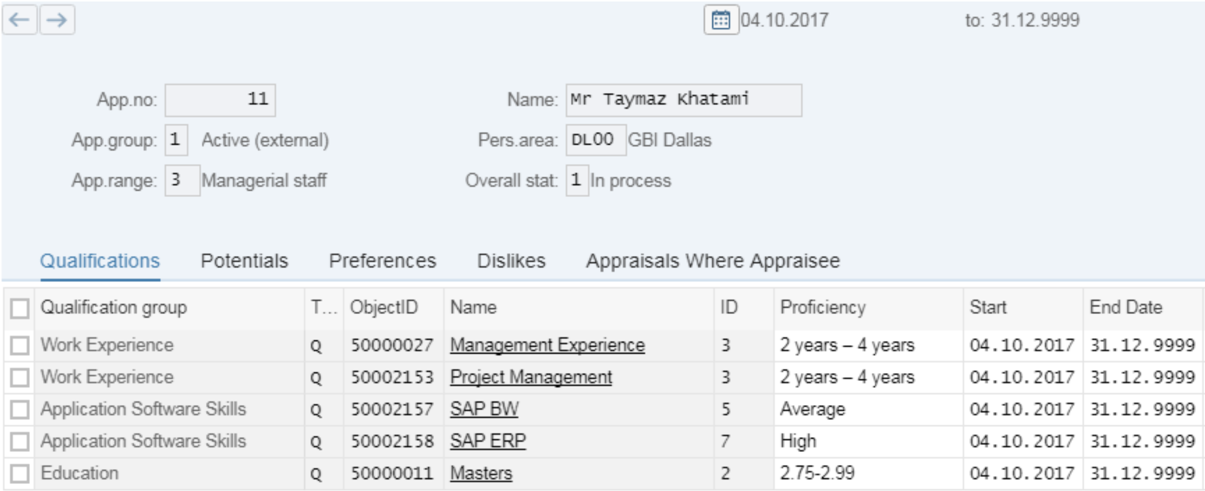


Figure 82: Create new Qualification (4): SAP-System-Screenshot

10. Now, maintain the remaining tabs on your own. Save when prompted.

Tab	Type	Qualification
Potentials	Qualification	English
Potentials	Qualification	French
Preferences	Qualification	Knowledge of SAP CRM
Dislikes	Qualification	Knowledge of SAP ABAP

11. *Save* the data and leave the transaction by pressing ***Exit***.

3.2.1.4.2 Export Applicant Master Data

Now, you can see that on the initial screen of the *Maintain applicant master data* screen, the qualifications for the applicant were maintained (green checkmark).

1. In transaction PB30 call up the **recently entered master data** of the applicant again and check his dates. There should be a green checkmark for the following applicant data:
   - ***Applicant Actions***
   - ***Applications***
   - ***Organizational Assignment***
   - ***Personal Data***
   - ***Addresses***
   - ***Qualifications***
2. Call up the ***Short profile*** (Short profile) or ***More*** → Short profile) and check regarding completeness.
3. Save the short profile of your applicant via ***More*** → ***System*** → ***List*** → ***Save*** → ***SAPoffice Folders*** to your ***private folder*** and turn back to the SAP Easy Access Menu.

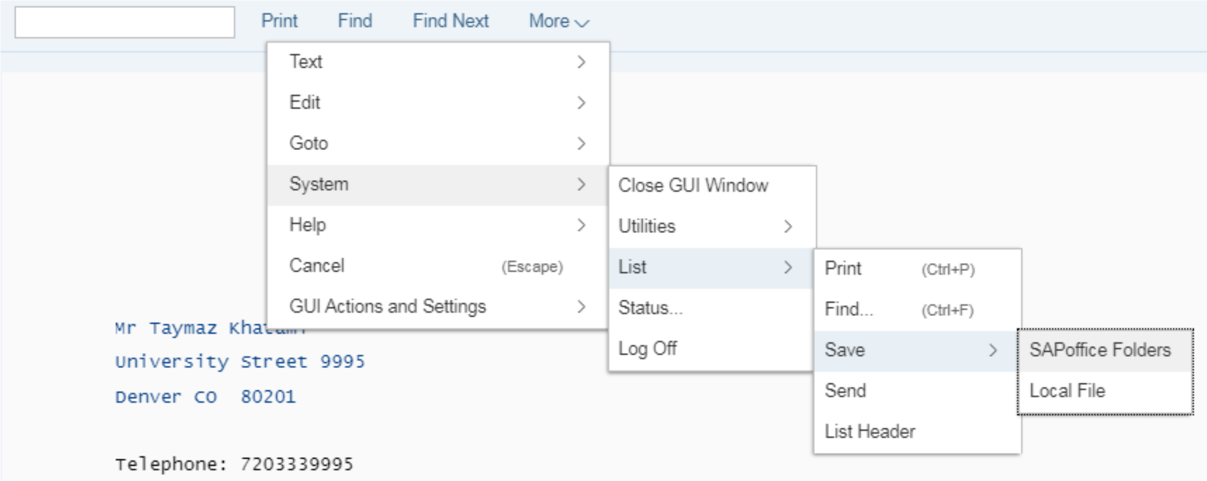


Figure 83: Short Profile: SAP-System-Screenshot

3.2.1.4.3 Assign Vacant Position

Now, the vacancy (***SD-DC-xyyy***) you created in organizational management is supposed to be filled with your applicant (***PB30***). Add the new information to your applicant's data from **the previous task** and maintain the applicant master data again.

1. Select the ***Vacancy Assignment*** infotype and choose Create.
2. Enter the following data:
   - **Start date** ***Current date***
   - **To date** ***31.12.9999***
   - **Vacancy priority** ***1***
   - **Vacancy** ***ID*** of your position ***SD-DC-xyyy***
   - **Vac.assign.stat** ***1 (In process)***
   - **Status reason** ***04 (New application)***
3. ***Save*** the infotype and confirm a possible Customizing Request. Finally press ***Exit***.

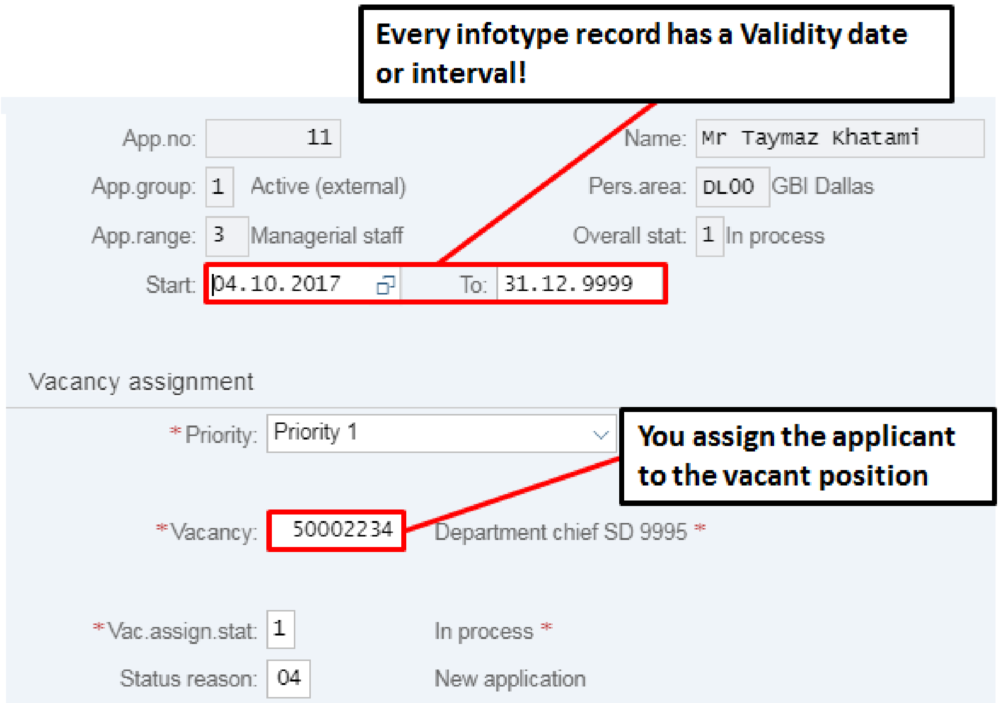


Figure 84: Vacancy Assignment: SAP-System-Screenshot

3.2.1.5 Perform Applicant Activities

You check the applicant activities transaction and want to notify the applicant regarding application receipt by sending him a letter. Therefore, you need to **maintain applicant activities** within **recruiting**. Call up the following transaction:

Human Resources → Personnel Management → Recruitment → Applicant activity → Maintain (PB60)

1. On the *Maintain Applicant Activities* initial screen, enter your **applicant number** and choose ***Execute***.
2. On the lower screen part, you see the *Planned Activities*. On the upper screen part, you have the *Completed Activities*. You have the activity ***receipt of application*** in the *Planned Activities* area. Select the line and press Activity (***Change Activity*** → As you already should know, you can see the short description of the button, if you hover with your cursor above it) to maintain the activity. Enter your vacancy number (ID of your position SD-DC-xyyy) in the *Vacancy* field if it is not presented there. Confirm with ✓ and skip any system notifications by pressing ***Continue***.

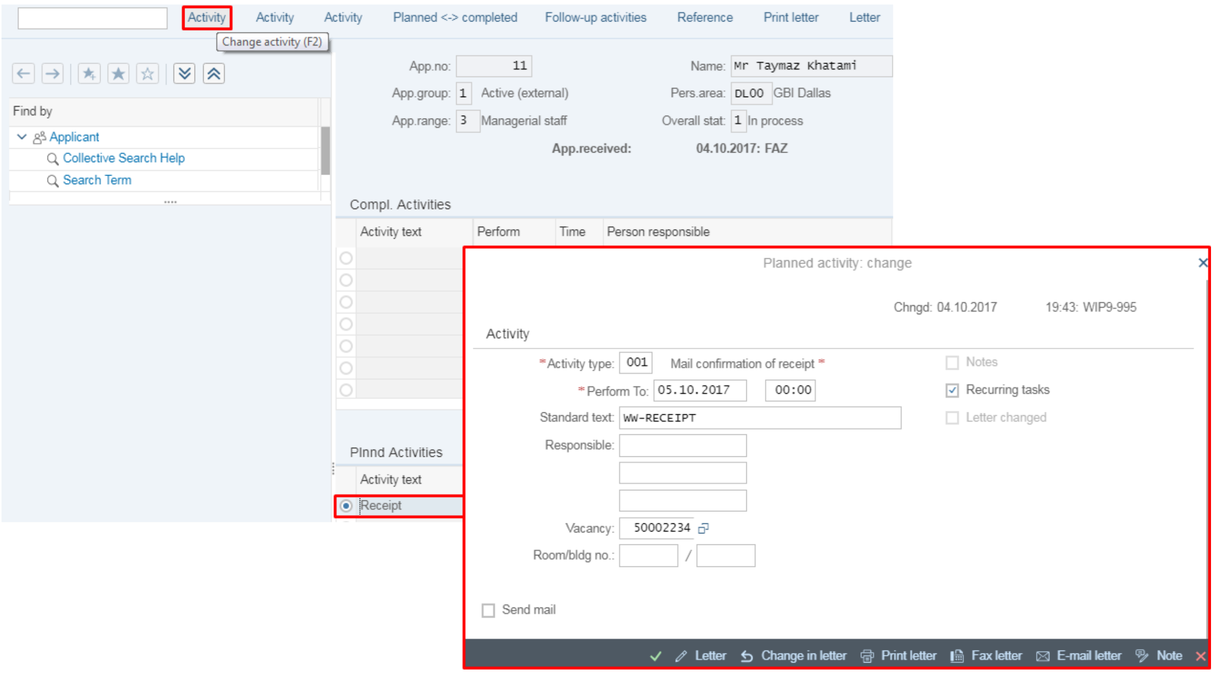


Figure 85: Maintain Applicant Activities (1): SAP-System-Screenshot

3. ***Save*** your data. You should be within the *Maintain Applicant Activities* view. Execute.

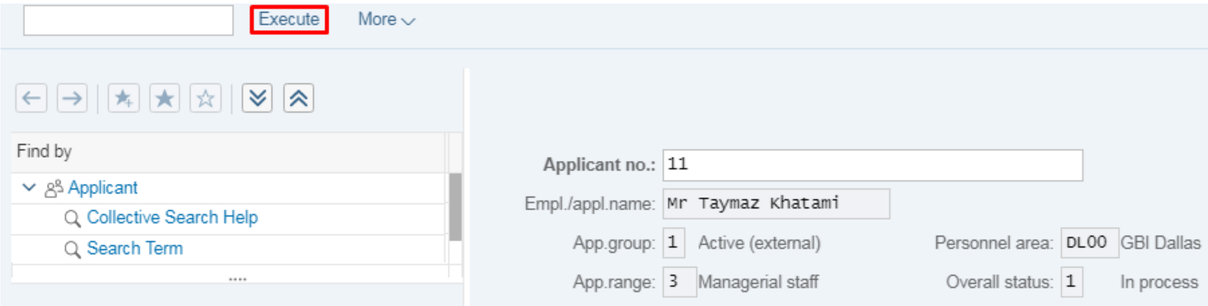


Figure 86: Maintain Applicant Activities (2): SAP-System-Screenshot

4. Now that you have created the receipt notification, you can confirm the activity and mark the applicant activity as ***completed.*** Therefore, select the line with the Receipt activity, press Planned <-> completed and confirm the next screen. Thus, the activity is labeled completed and transferred from the lower window to the upper one.

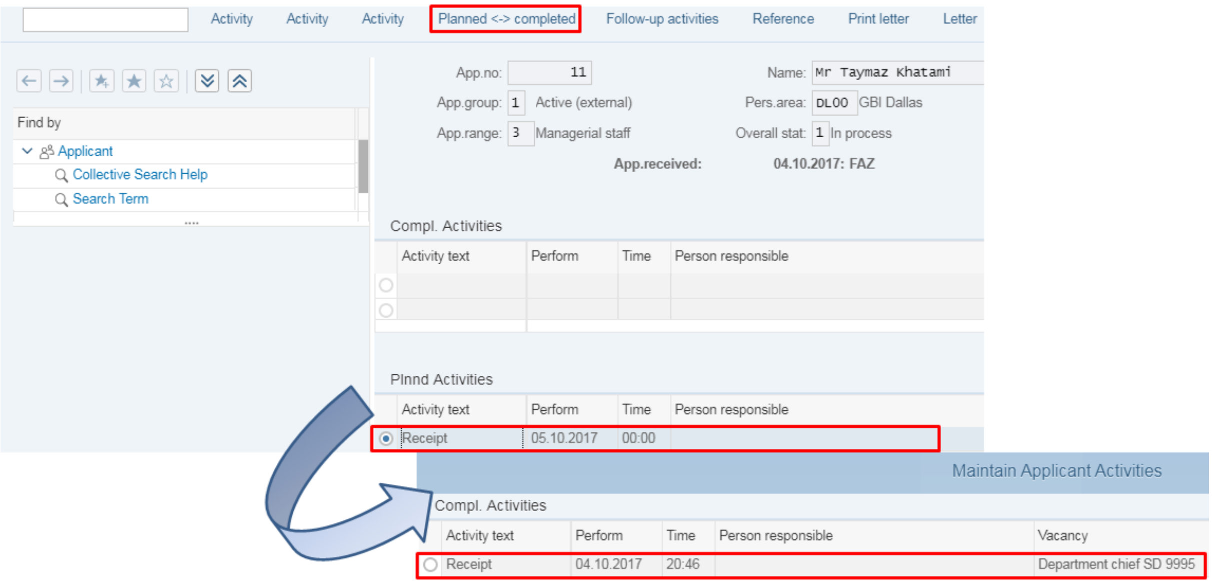


Figure 87: Complete Activity: SAP-System-Screenshot

5. ***Save*** the applicant activity and close the current view.

3.2.1.6 Evaluate Applicants

Next, you want to gain an overview of the applicants and **check** their **suitability**. However, regarding the vacant position, you are only interested in applicants that have a **certain profile**. Your next task is to create a list with all applicants to be considered. Therefore, within the SAP Easy Access Menu, call up the following transaction:

Human Resources → Personnel Management → Recruitment→ Selection procedure → Applicant pool → Via qualifications → External applicants (PBAQ)

Display a list containing all possible applicants that possess **<u>at least</u>** ***2-4 years*** **project management** skills and ***high*** **knowledge** in **SAP ERP.** Thereby, the first requirement is **essential**.

1. Search Qualifications for **Knowledge of SAP ERP** and **Project Management**.

2. Enter the proficiencies.
3. Select the comparison option (Greater Than or Equal To).
4. Select whether qualification is essential or not.
5. Execute the comparison.

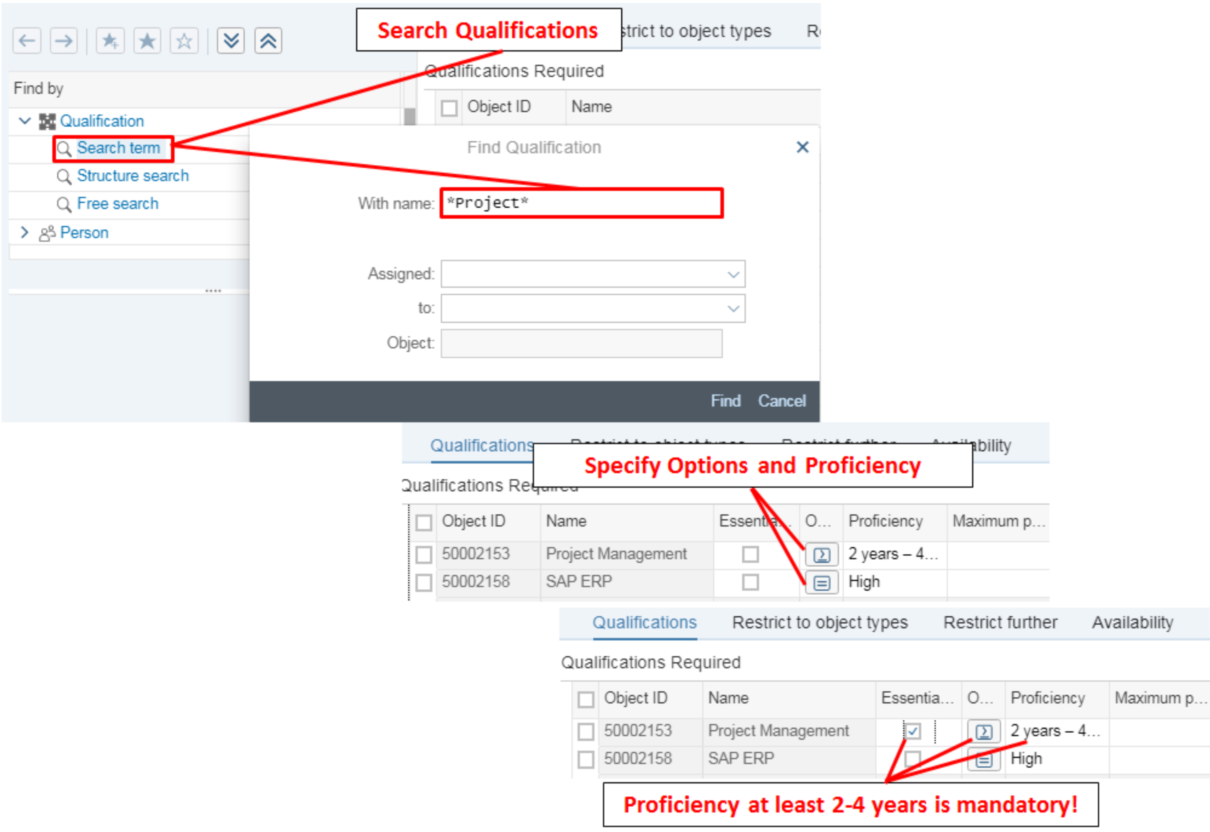


Figure 88: Generate Applicant List: SAP-System-Screenshot

6. Select ***Execute*** and analyze the result. Finally, press ***Exit***.

3.2.1.7 Making a Decision in the Selection Process

Now, make a decision in the selection process and invite an applicant for an interview. Firstly, maintain **another applicant activity**. Then, create the next planned activity (**subsequent activity** to **receipt of application confirmation)**, i.e., the ***invitation for today via telephone***; ***Chris Thomas*** is in charge of this activity. Again, select:

Human Resources → Personnel Management → Recruitment → Applicant activity → Maintain (PB60)

1. Enter your applicant number and press *Execute*.
2. Select the activity that is already completed (Receipt) and choose Follow-up activities. Select ***Tel. invitation*** *planned* and confirm with *Transfer*.
3. Delete the standard text if necessary and the entries in the **Responsible** fields. Choose **Chris Thomas** as person in charge (first **Responsible** field) by using the F4-Hep.

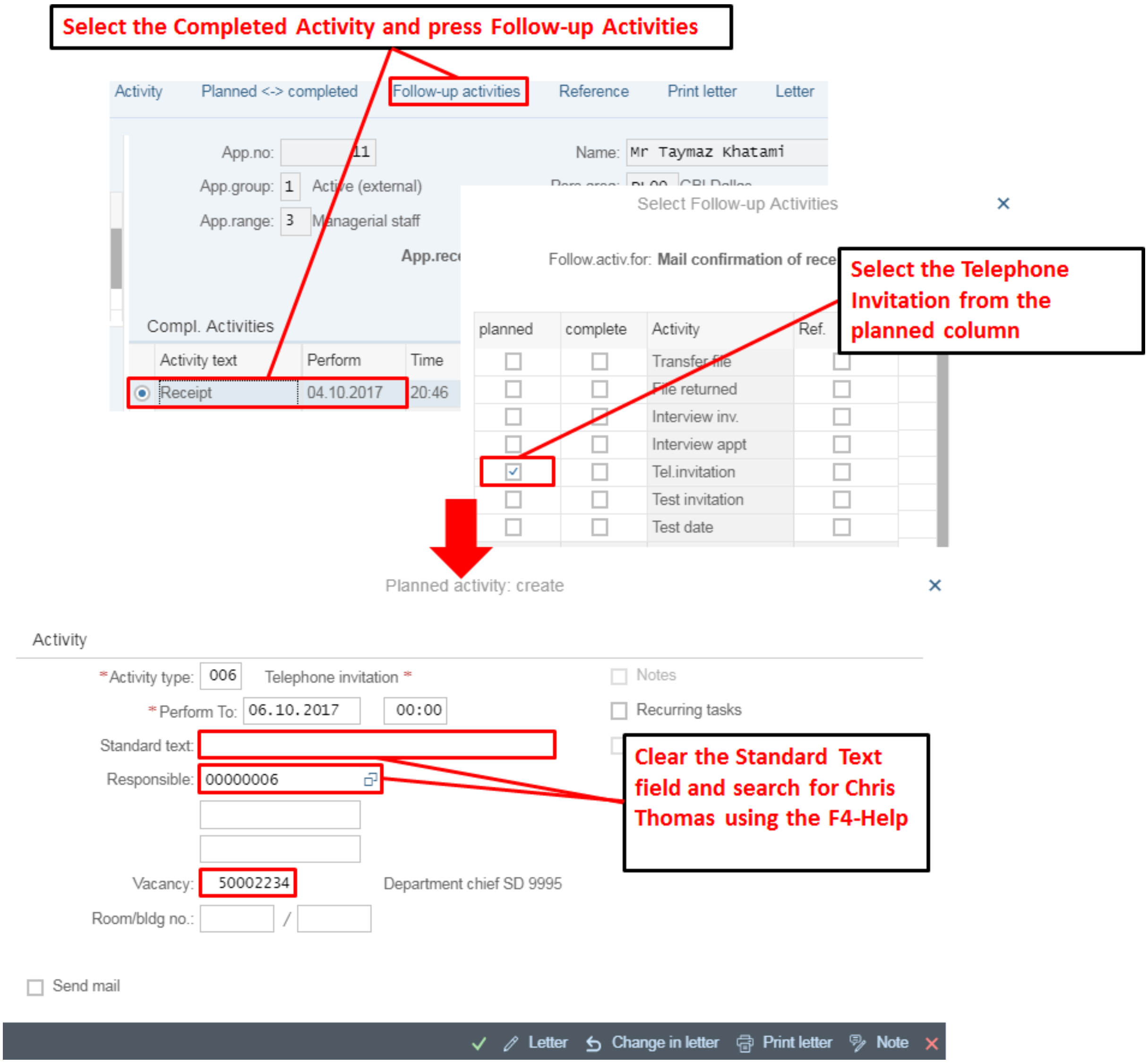


Figure 89: Create Follow-up Activity: SAP-System-Screenshot

4. Make sure that the **vacancy (your position) is entered** and confirm with .
5. *Save* the activity.

After a successful telephone interview, you are enthusiastic about the applicant and decide to invite him/her for a personal interview.

Making a decision regarding a personal interview

Create another applicant activity as follow-up to the telephone invitation.

6. If necessary, select ***Execute***.
7. The *follow-up* activity to telephone invitation is the ***Interview Invitation (Test invitation)***
   - This time, do **not** delete the **Standard text**.
   - The person in charge of this activity is ***Chris Thomas***.
   - Make sure that the **Vacancy** is entered and confirm with .

The applicant was strongly convincing and, thus, your next task is to prepare hiring. Before that, you need to mark all previous tasks as ***completed*** (***PB60***).

8. Mark the activities ***telephone invitation*** and ***test invitation*** as **completed**. *Save* and press ***Exit***.

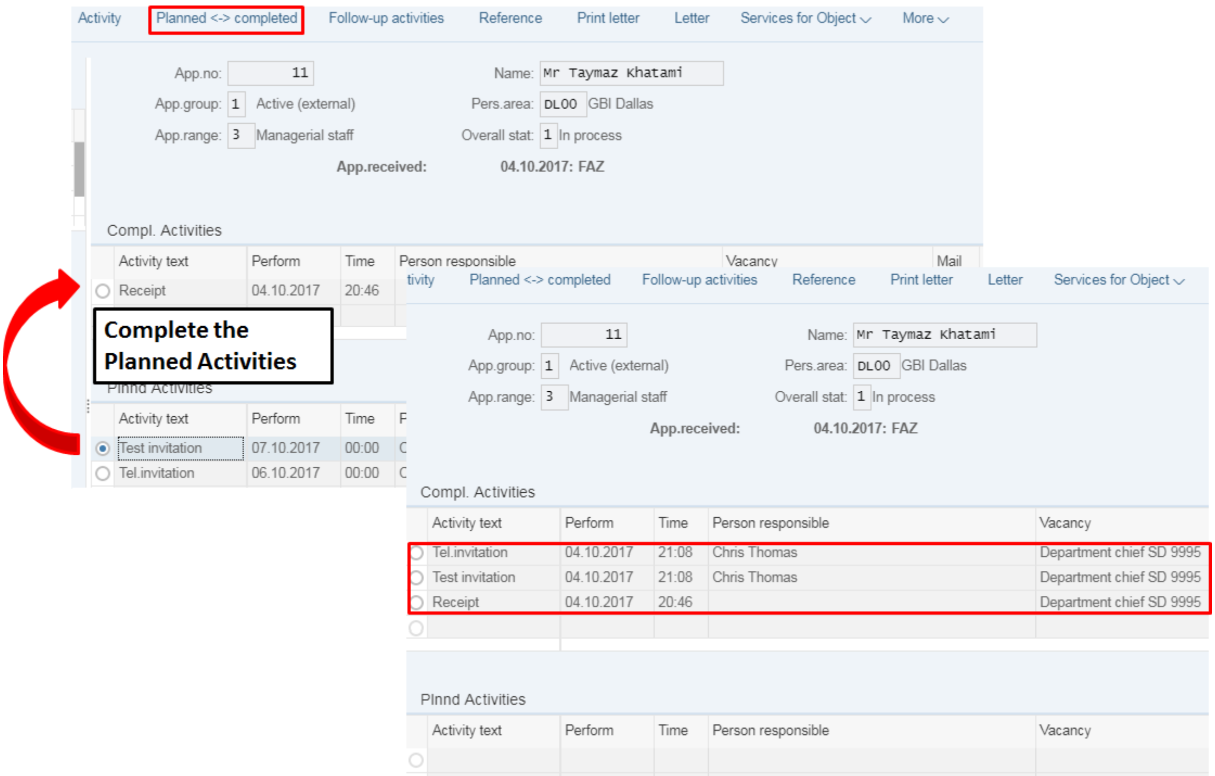


Figure 90: Complete Activities: SAP-System-Screenshot

3.2.2 Hiring

You have decided to hire the applicant. Within ***recruiting***, you have to **prepare to hire the applicant** and then transfer the applicant data to the Personnel Administration.

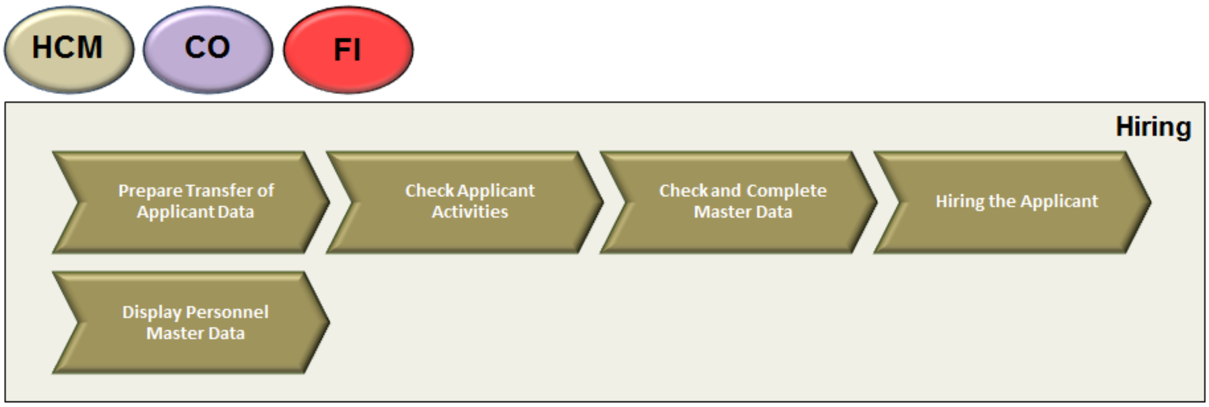


Figure 91: Process Overview: Hiring

3.2.2.1 Prepare Transfer of Applicant Data

To allow for the transfer of applicant master data to the personnel master record, you need to maintain the applicant activity for hiring. Therefore, within the SAP Easy Access Menu call

Human Resources → Personnel Management → Recruitment → Applic.master data → Applicant actions (PB40)

1. On the initial screen *Applicant actions* enter your ***applicant number***.
2. Enter the ***current date***.
3. Select **applicant action type *Prepare for hiring*** and ***Execute*** (F8).

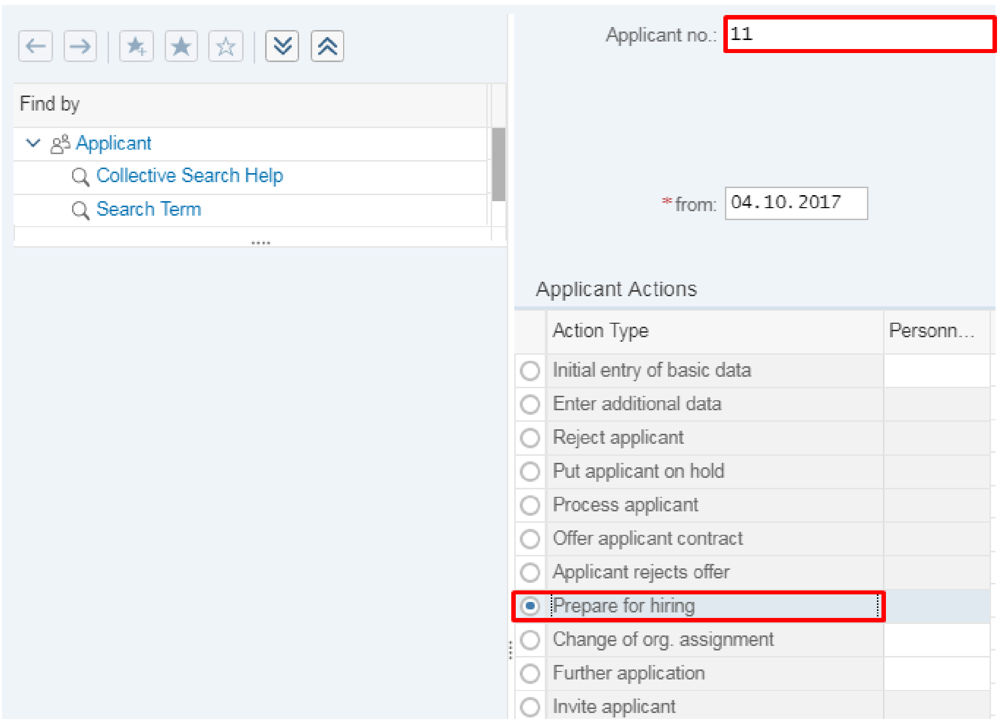


Figure 92: Hiring applicant: SAP-System-Screenshot

4. *Save* and skip the possible system notifications with *Enter*.

NOTE

Maybe the system asks for a Personnel Officer. In this case enter ***US1*** *and confirm (Enter / Confirm).*

3.2.2.2 Check Applicant Activities

Check the applicant activities for your applicant. Select
Human Resources → Personnel Management → Recruitment→ Applicant activity → Maintain (PB60)

1. By running the activity **Prepare for hiring**, only two new activities should be planned under ***planned activities***. In case the activities ***Transfer data*** and ***Hiring date <u>occur more than once each</u>*** select and delete repetitive entries (Activity).

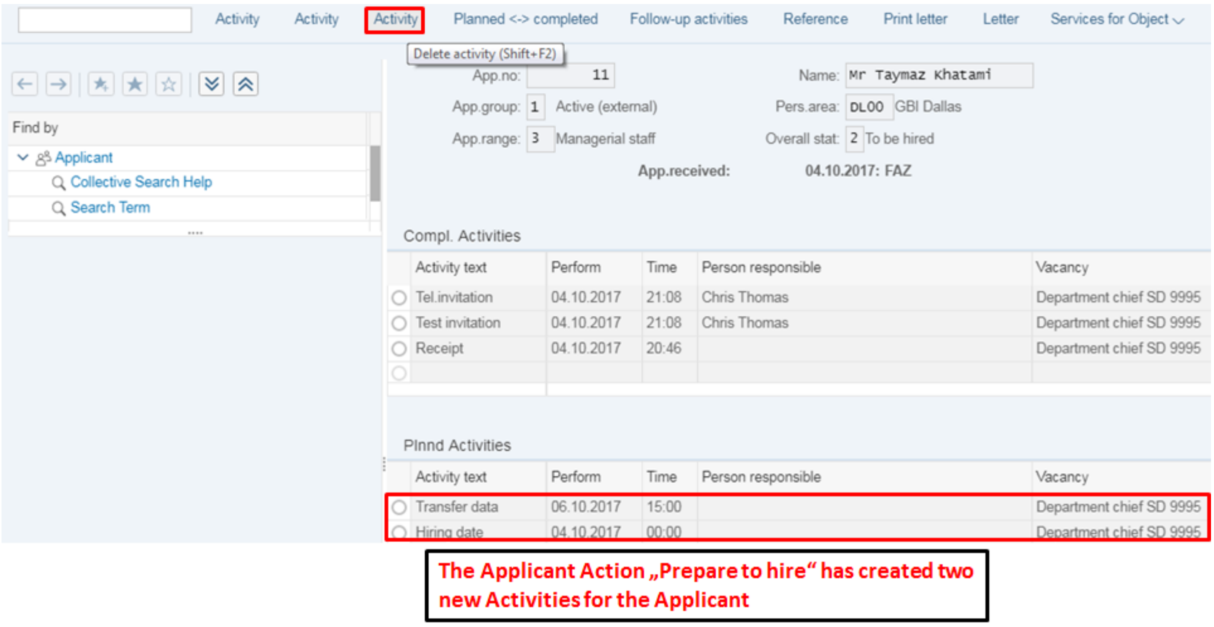


Figure 93: Planned Activities: SAP-System-Screenshot

NOTE

Repeat PB40 if the new planned activities are not displayed.

3.2.2.3 Check and Complete Master Data

Prior to data transfer, check the applicant data regarding completeness and if necessary, add required information. Select
Human Resources → Personnel Management → Recruitment → Appl. master data → Maintain (PB30)

1. Display infotype **Applicant Actions** within the applicant master data regarding completeness. The **Applicant Action type** should be ***Prepare for hiring***.
2. Go one step back.
3. Maintain the infotype ***Bank Details*** of the applicant. Therefore, mark the bank details infotype and press ***Create***.
4. Position your cursor in the **Bank Key** field, open the **F4 help**, enter ***Citibank*** as **Bank name** and confirm with ***Continue***.
5. The ***Bank Account*** is ***129xyyy.***
6. The **Payment method** is ***P (Bank Transfer)***.
7. Enter the ***Salary Payment*** as **Purpose** and press *Save*.
8. Next, maintain all entries concerning the **Other/Previous Employers** where the applicant was hired from ***01.01.2005*** until the ***end of the previous month***.

Employer	***Linde AG***
City	***Denver***
Country Key	***USA***
Industry	***Industry 0001***
Job	***System analyst***

9. Finally, maintain infotype **Education**. Create the data **at your discretion**. However, note that education must not end later than 31.12.2004.
10. Check whether all master data (infotypes) were maintained (green ticks!).

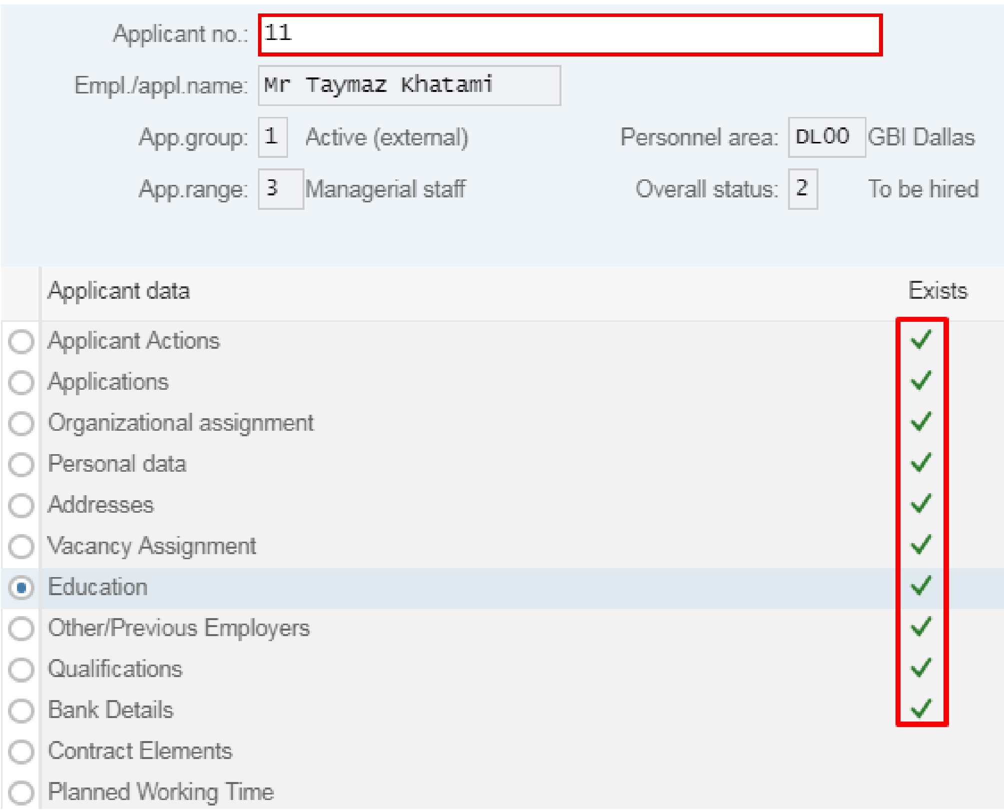


Figure 94: Completed Applicant Master Data: SAP-System-Screenshot

3.2.2.4 Hiring the Applicant

Now that all preparations are completed, the applicant can be added to the personnel master. This is your next task.

***Transferring applicant data** to the **active personnel master** requires that you have completed the applicant activity at the beginning of the chapter hiring.*

Call up the following transaction:
Human Resources → Personnel Management → Recruitment → Applicant activity → Transfer applicant data → Execute (PBA7)

1. You are now in the **Direct Data Transfer** screen. To transfer the applicant data to the personnel master directly, enter ***01 (Hiring)*** in the **Action for hiring** field and enter ***your applicant number*** in the **Applicant number** field. Execute the transaction.

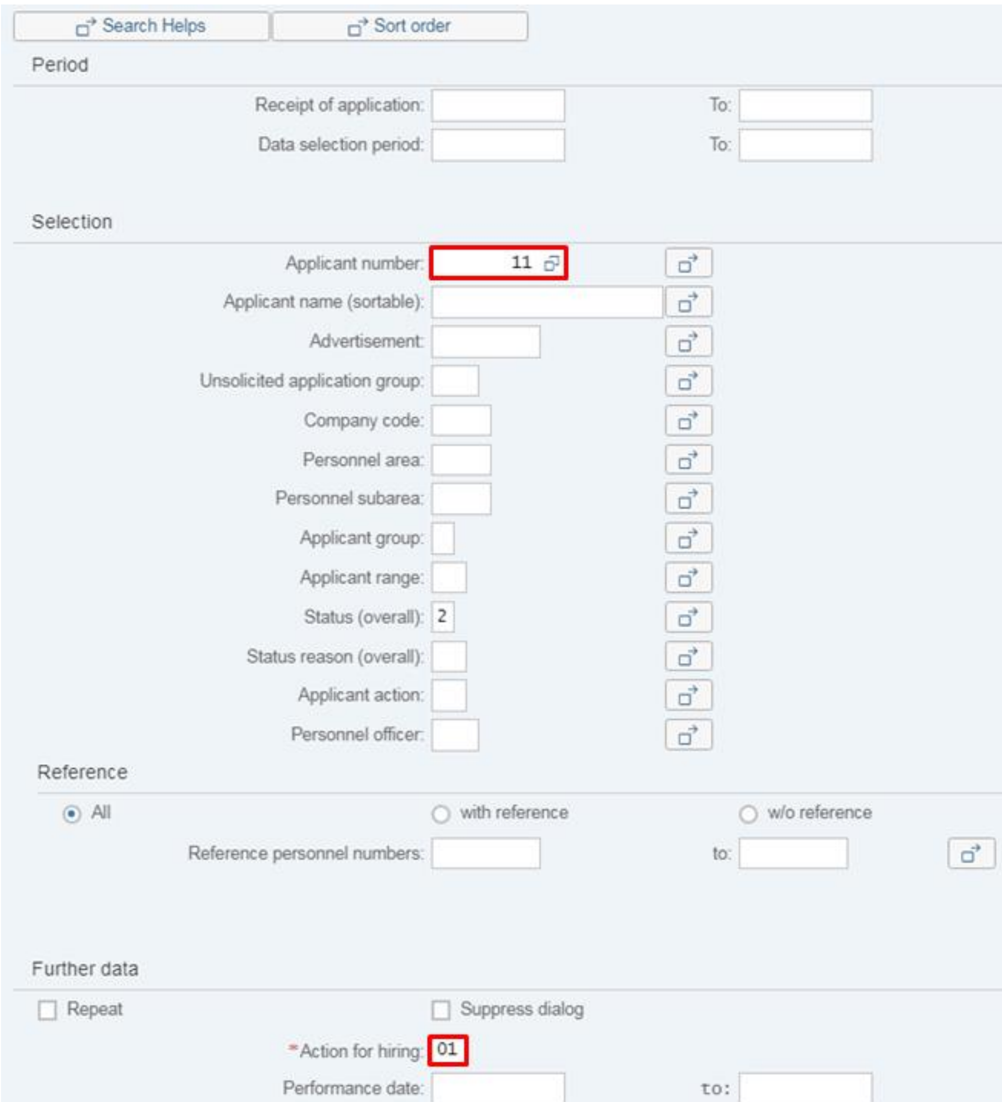


Figure 95: Transferring Applicant Data: SAP-System-Screenshot

2. On the next screen **Create Actions**, check
   - **Personnel area** should equal ***DL00***
   - **Position** should correspond to your position ***SD-DC-xyyy***
   - Leave **Reason for Action** and **Reference Pers Nos.** fields *empty*
   - Enter the **Employee group** ***1 (Active)*** and the **Employee subgroup** ***U4 (Salaried employees)***

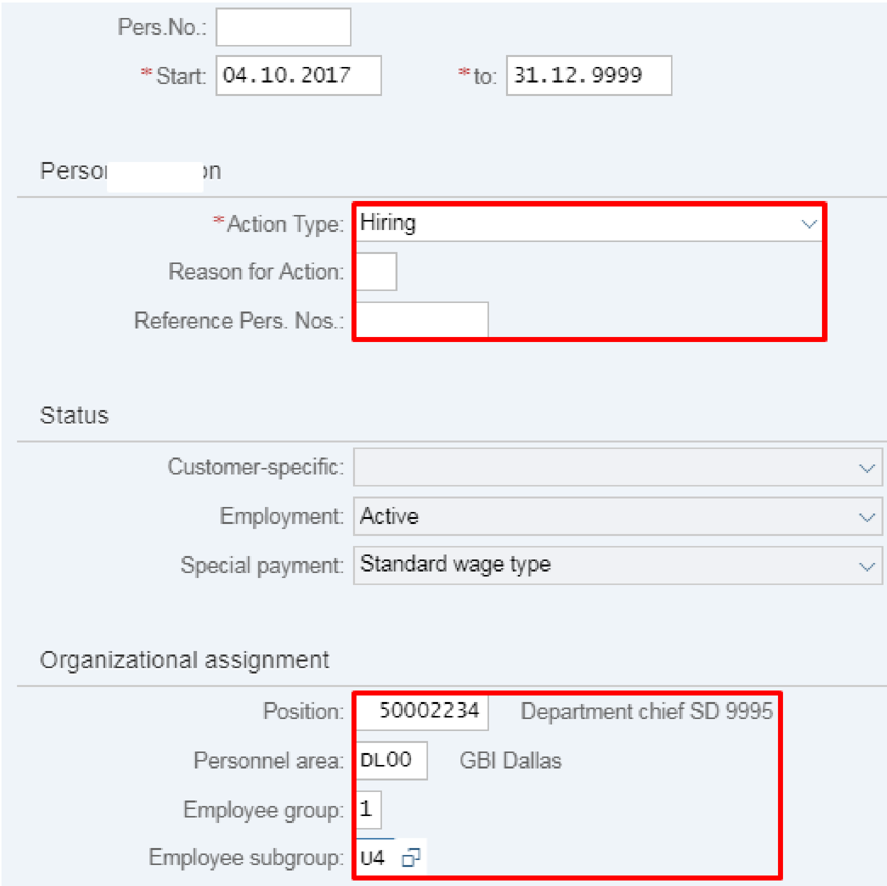


Figure 96: Create Action: SAP-System-Screenshot

   - *Save* the entries and list the personnel number, which is displayed in the upper area, on your datasheet

Personnel Number:

3. Add the missing data in the subsequent window as follows:

Title	***Mr./Mrs./Miss***
Initials	***Your initials***
Middle name	***Leave blank***
Your nationality	***German***
Marital status	***Single***
SSN	***999-99-xyyy***
Gender	***Your gender***

Save the infotype.

4. Next is the **Organizational Assignment** view, check (if necessary, change the respective data) the organizational assignment of your employee to
   - **CoCode** ***US00***
   - **Pers. area** ***DL00***
   - **Cost Ctr** ***CC-SD-xyyy***
   - **EE group** ***1***
   - **EE subgroup** ***U4***
   - **Payr.area** ***US***
   - **Position** ***Your Position of SD-DC-xyyy***
   - **Job key** ***Manage-xyyy***
   - **Org. Unit** ***SD-xyyy***

   Add the following data on the Organizational Assignment screen:
   - **Subarea** ***IT00***
   - **Contract** ***Full time***

   List the following organizational data.
   - ***Position*** __________________
   - ***Job Key*** __________________
   - ***Org. Unit*** __________________
   - ***Org. Key*** __________________

   Save the infotype and ***delimit*** the vacancy by selection ***yes*** from the pop-up menu **Delimit Vacancy**.

5. *Save* **Create Addresses** infotype and confirm a possible system message.
6. In the **Residence Tax Area** view, within the popup **Tax Area** double-click on ***State of Colorado (CO)***. *Save* the infotype and confirm a possible system message.
7. If displayed, ***save*** the **Create Work Tax Area** view without entering any data.
8. ***Save*** the **Unemployment State** view.
9. *Save* **Create Withholding Info W4/W5 US** infotype and confirm a possible system message.
10. In the next view, maintain the **Planned Working Time**. Therefore, enter ***8 hours*** **daily working hours** and ***5*** **weekly workdays**. *Save* the infotype.
11. In the **Create Basic Pay** view, maintain the applicant's salary. The hired applicant has the following data:
    - Pay Scale **type** ***01***
    - Pay Scale **Area** ***01***
    - Pay Scale **group** ***SALES***
    - **Ann.salary** ***74000 USD***
    - Confirm with *Enter* and *save* your entries.

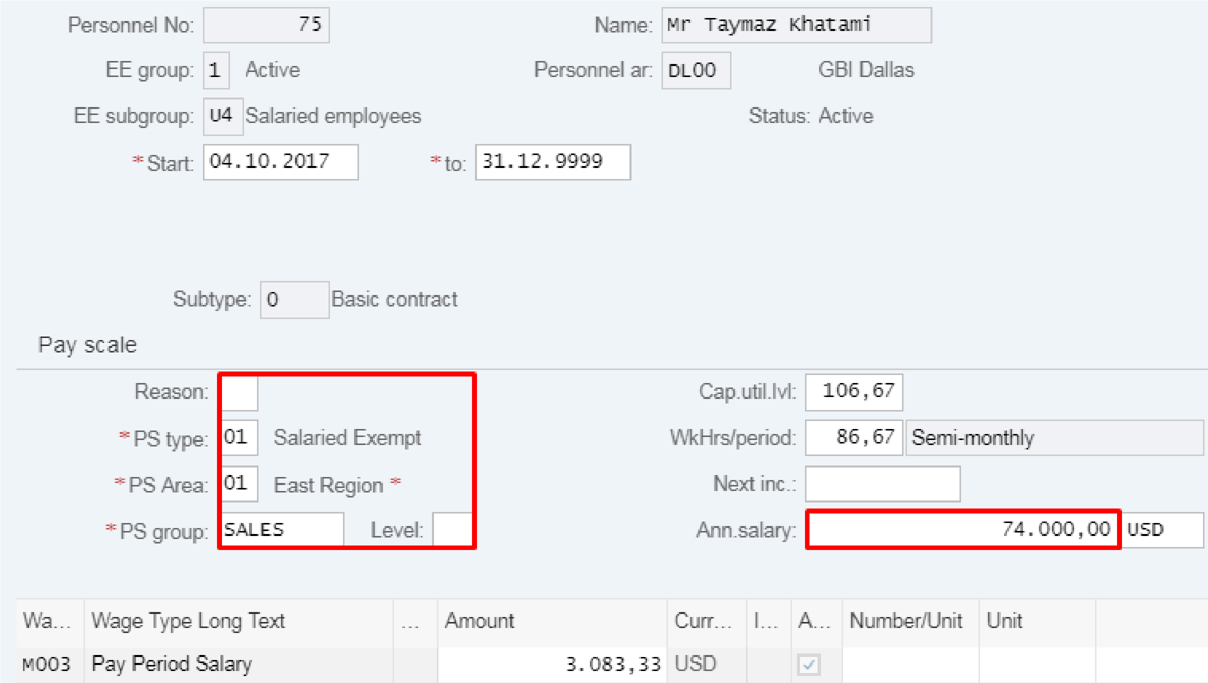


Figure 97: Create Basic Pay: SAP-System-Screenshot

12. You already maintained the next view **Bank Account**. Consequently, you do not have to change anything here, but *save* the view.
13. Confirm a possible system notification with . **Skip** the next steps until the system confirms the **direct transfer of applicant data.** These views concern
    - **Absence Quotas (press save)**
    - **Create Personal IDs (Cancel)**
    - **Education (press save)**
    - **Others / Previous Employers (press save)**
    - **Communication (press save and confirm message with Enter)**

You might have noticed that with the execution of transaction PBA7 multiple subsequent screens were maintained. As you know from the theory of chapter "infotypes", this is due to the usage of a *Personnel Action*. The *Personnel Action* in this case was the "**01**" you entered in the initial screen of PBA7 in the field *action for hiring*. This Personnel Action grouped all necessary infotypes to be maintained upon data transfer from Recruiting to Personnel Administration.

NOTE

The views you just saved without altering or the view you just skipped were either already maintained or they are not relevant to this case study or would require much differentiated entries, respectively.
*With the last saving operation, your data should be accepted, and the status is **O.K**. However, if the status presented differs from O.K., this is not dramatically at all. Check the employee's master data in the next step, to see if you can go on with the case study.*

3.2.2.5 Display Personnel Master Data

Finally, check whether your applicant was entered correctly into the system (Personnel Administration) and maintain further infotypes if required. Therefore, call up the following transaction and enter your new personnel number:

Human Resources → Personnel Management → Administration → HR Master Data → Maintain (PA30)

In case data from the applicant master or from the information of section 3.2.2.4 (hiring applicant), steps 6-13 are missing (e g., because the process of transferring applicant data was not completed), maintain these data manually.

At least, the following infotypes should be maintained (green checkmark):

Basic personal data: Actions, Organizational Assignment, Personnel Data, Addresses, Bank Details

Contract data: Organizational Assignment, Personnel Data, Planned Working Time, Travel Privileges

*Dependent on the current systems settings it is possible that **Travel Privileges** were not displayed in PBA7. In this case (if there is no green checkmark), maintain the infotype manually. Therefore, mark the infotype and click on* Create*. Save without entering data and make sure that the Travel Privileges entry now contains a green checkmark.*

*Do **not (!)** continue, before there is a green checkmark at Travel Privileges since this infotype is important for further processing.*

Gross/net payroll: Basic Pay

Net payroll: Organizational Assignment, Payroll Status

Addt'l payroll data: Organizational assignment, Payroll Status

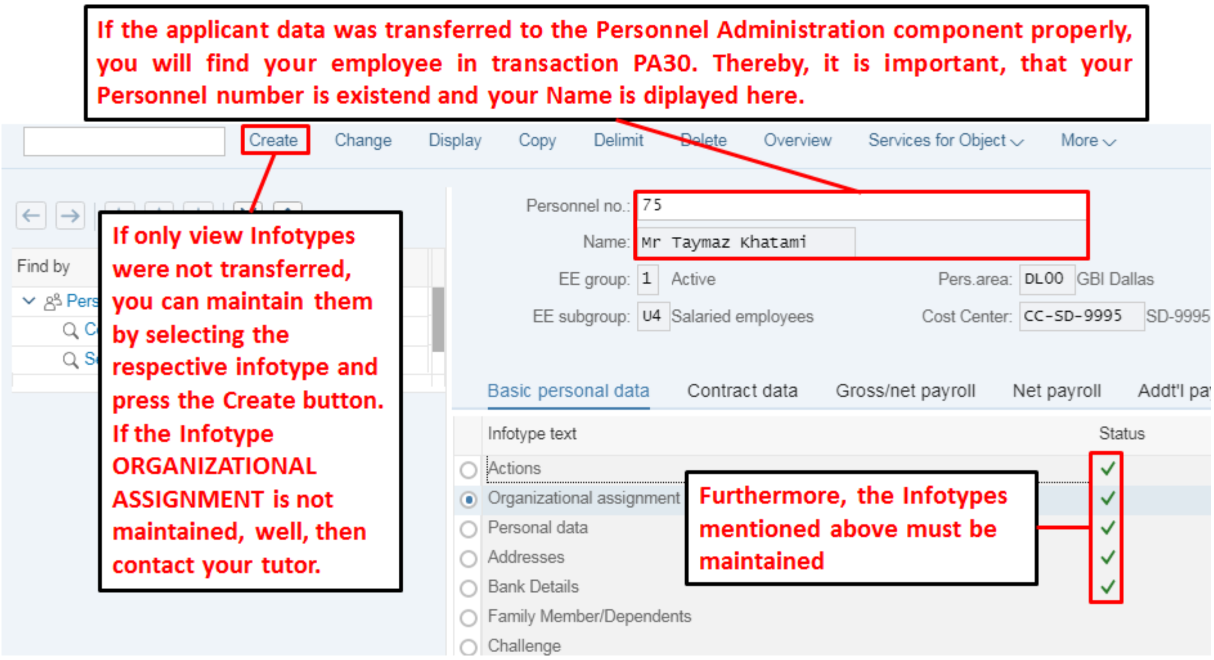


Figure 98: Check Transfer Results: SAP-System-Screenshot

3.2.3 Personnel Planning and Development

Now that your new employee commenced work, it is time to tap his full potential. Correspondingly, the next section deals with personnel development. Moreover, you search an employee to manage the marketing department. This job is supposed to be filled with an internal applicant. An employee from GBI, Ms. Paula Fisher, is interested in this job and announces her interest.

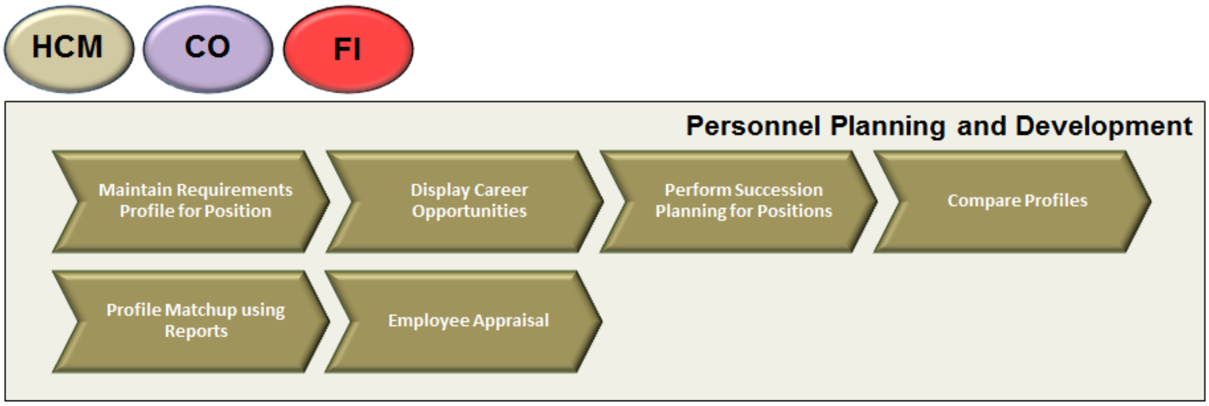


Figure 99: Process Overview: Personal Planning and Development

You first task is to create a requirements profile for the vacant job, to state Ms. Fisher's **further career and development opportunities** and to check her suitability for the job in **succession planning**.

3.2.3.1 Maintain Requirements Profile for Position

Definition: Profile

Using a profile, specific characteristics, and information regarding an object can be maintained. Each profile consists of several sub-profiles (for persons, e.g., qualifications, potentials) and some standard information regarding an object (for persons, e.g., name, personnel number).

Usage

You can use profiles and sub-profiles to assign particular characteristics to objects. Thus, you can, for example, assign qualifications and potentials to a person and requirements to a position. Sub-profiles of objects can be compared and evaluated. Thus, you can determine suitability or deficits of objects (e.g., of persons for positions). Each sub-profile and the complete list of sub-profiles can be displayed graphically and printed.

To create the requirements profile for the Marketing position, call up the following transaction:

Human Resources → Personnel Management → Personnel Development → Profile → Change (PPPM)

1. Under **Position,** look for your position ***Department chief Marketing xyyy (MA-DC-xyyy)*** and double-click the entry within the Hit list.

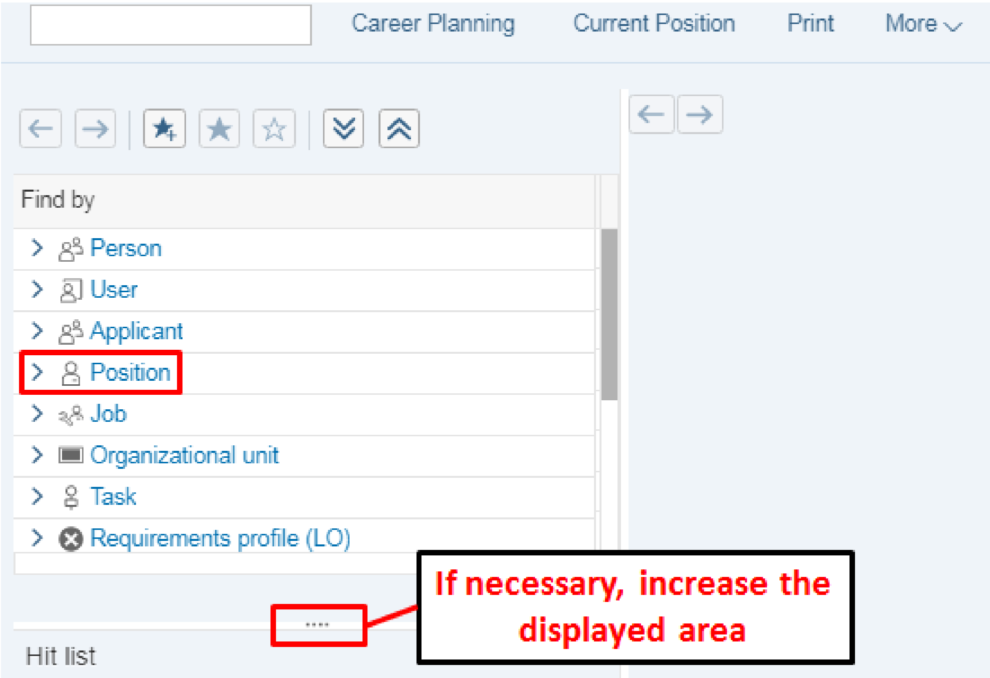


Figure 100: Create Position Profile (1): SAP-System-Screenshot

2. In the **Requirements** tab, enter the following qualification requirements with respective values ( ):

Qualification/Requirement name	Proficiency
MS Office	Very High
SAP CRM	High
SAP ERP	High
French	Very Good
Oral communication	Very Good
Written communication	Good
Masters	2.50 - 2.74
Management experience	2 - 4 years

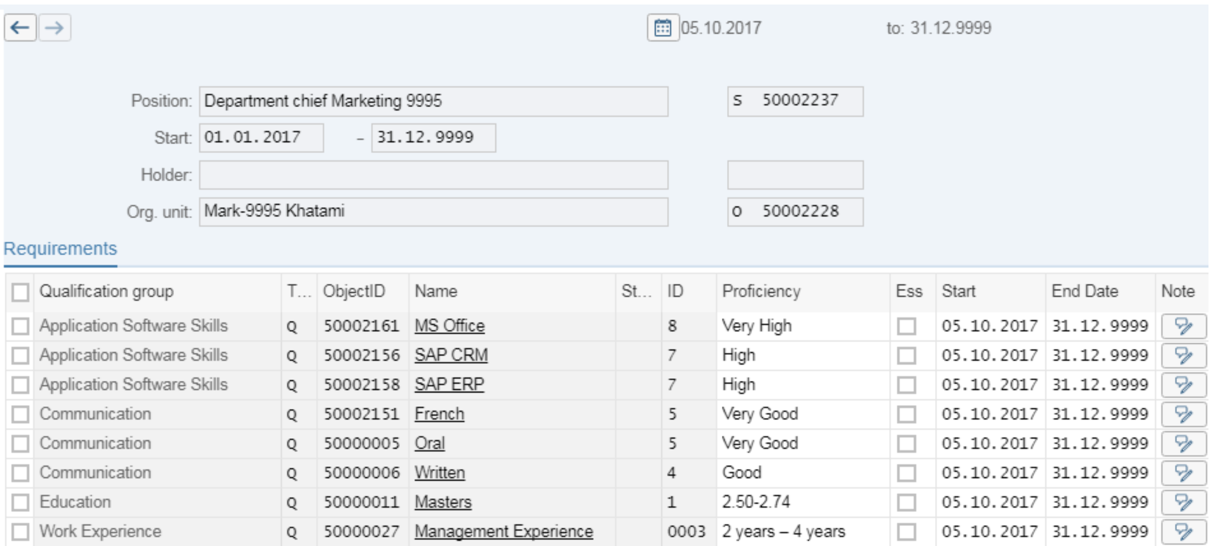


Figure 101: Create Position Profile (2): SAP-System-Screenshot

3. *Save* your entries and confirm a possible Customizing Request. Finally, press ***Exit***.

3.2.3.2 Display Career Opportunities

Ms. Paula Fisher is an employee at GBI and she is looking for career opportunities both on horizontal as well as on vertical level. To carry out career planning for your employees, call up transaction:

Human Resources → Personnel Management → Personnel Development → Planning → Career (PPCP)

1. Career planning is carried out for an individual **Person**. Enter the **Personnel ID *2 (Ms. Paula Fisher)***. Select the ***Include qualifications*** option on the career-planning screen. Execute planning.

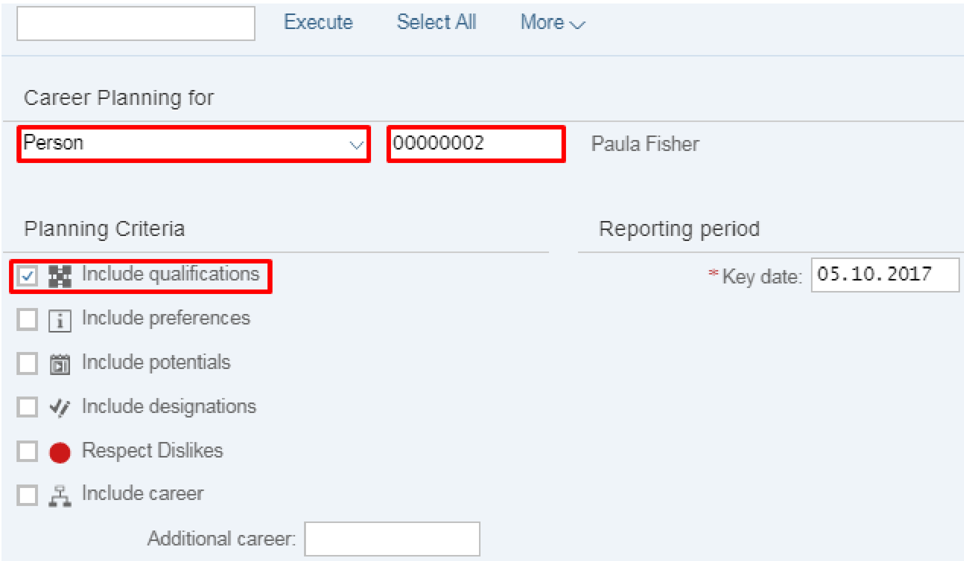


Figure 102: Career Planning (1): SAP-System-Screenshot

2. The system proposes possible Positions available at the company for which she has qualifications.

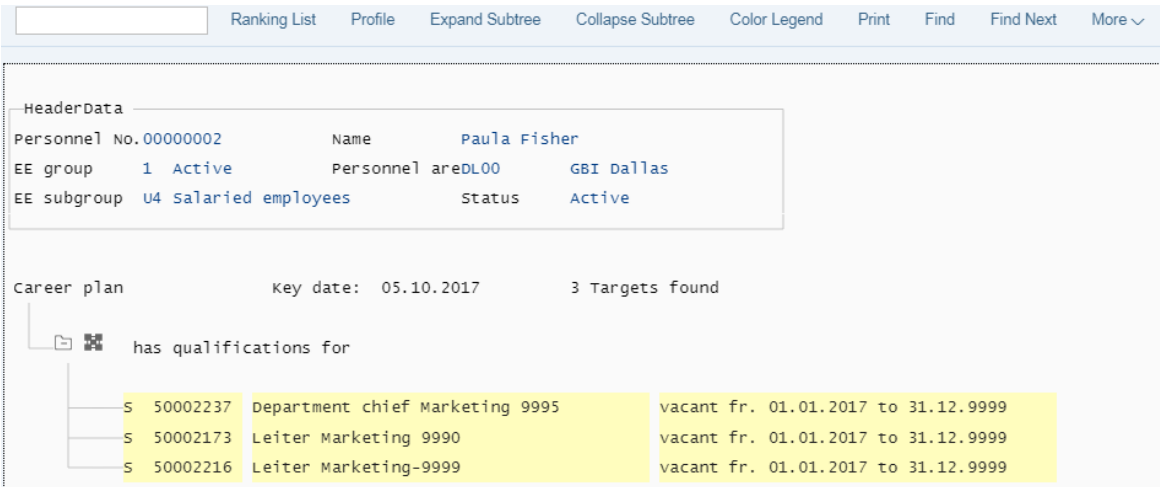


Figure 103: Career Planning (2): SAP-System-Screenshot

3. Within the Header Data, position the cursor on the name **Paula Fisher**. Select ***More*** **→** ***Goto*** **→** ***Ranking List*** from the menu. What is the most suitable position for Ms. Paula Fisher proposed by the system? What is the matching percentage? Finally, press ***Exit***.

Most suitable Position:
Matching Percentage:

3.2.3.3 Perform Succession Planning for Positions

Paula Fisher applies for the job of the Marketing department chief. However, after identifying career opportunities for Ms. Fisher, you want to determine whether there is a more suitable candidate within GBI for the Marketing post. Using the recently created requirements profile for the vacant position, you will perform a profile match-up the other way around this time by comparing all employees with the given Position. Look for a **potential employee** whose **qualifications matches best the profile of the vacant position**.
To find a suitable employee for the position in marketing, call up the following transaction:

Human Resources* → *Personnel Management* → *Personnel Development* → *Planning* → *Succession (PPSP)

1. Succession planning is carried out for the **<u>Position</u>** ***MA-DC-xyyy (Department chief Marketing xyyy)***.
2. In the planning criteria, select ***Include qualification***. Execute planning. An alphabetical list of all employees to be considered is displayed.

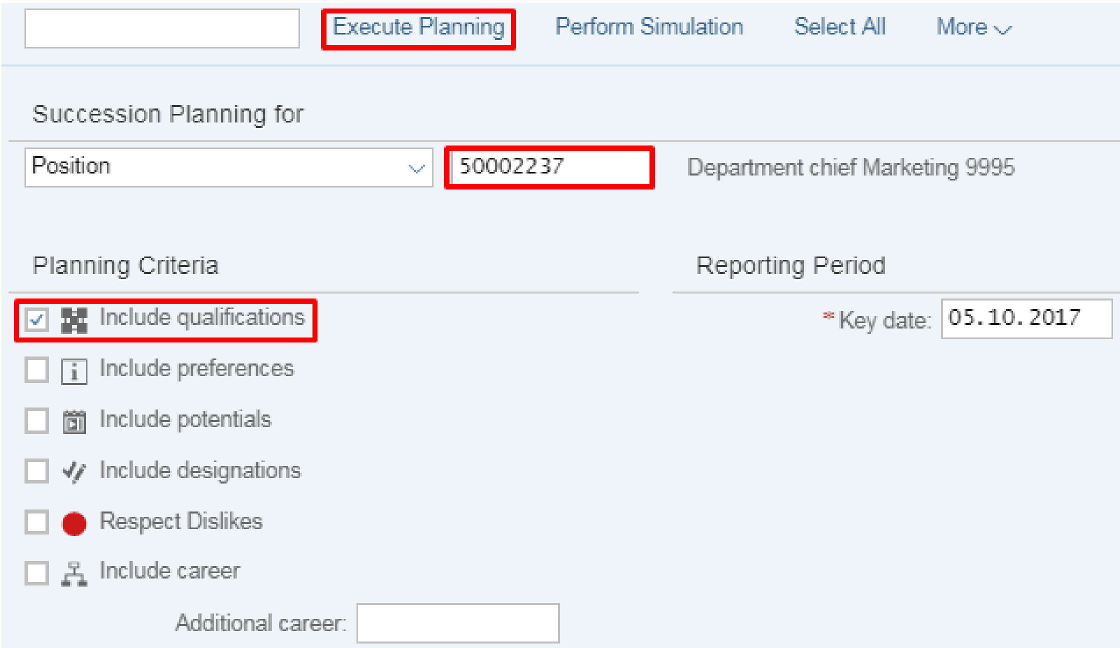


Figure 104: Succession Planning: SAP-System-Screenshot

3. This time, the system proposes all candidates that might be interesting for the Marketing Position.

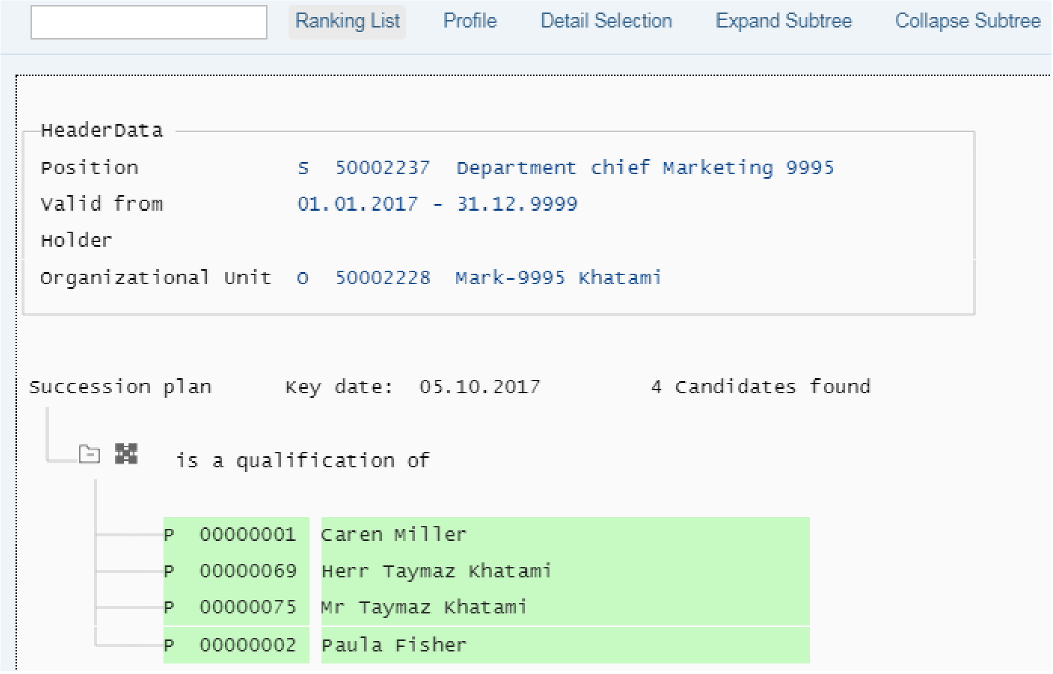


Figure 105: Interesting Candidates for the Marketing Position: SAP-System-Screenshot

4. Again, display a ranking regarding suitability. Carry out a ranking by choosing ***More* → *Goto* → *Ranking List*** from the menu.
   - Which person seems to be most suitable for the position?
   - What is the percentage of the best applicant?
5. List the ***name*** and ***suitability percentage*** of the two most suitable employees on your data sheet.

Name and Suitability Percentage two Best Applicants:

6. Display the Profile of the best suitable applicant by marking the row with the person and pressing Profile.
7. Go directly to the **personnel master data** of the best applicant (***More* → *Goto* → *HR Master Data***). To what EE Group is the best applicant assigned organizationally in GBI?

EE Group Best Applicant:

8. To which Personnel Area is the best applicant assigned? List the answer on your data sheet and leave the transaction.

Personnel Area Best Applicant:

3.2.3.4 Compare Profiles

It seems like Ms. Fisher is not the only candidate for the vacant position. Display now the profile of the employee who is also suitable for the position. Call up the following transaction

Human Resources → Personnel Management → Personal Development → Profile → Display (PPPD)

1. Display the profile of Ms. Miller. Find her by using the ***Find by Person Search Term***.
2. Which qualification has Ms. Miller?

Qualification Ms Miller:

3. Again, go directly to the **personnel master data** ***(PA30 → Personnel number 1)*** infotype of Ms. Miller. When was Ms. Miller born? ***List*** the date on your data sheet.

BDay Ms Miller:

To determine which employee you promote to the Marketing head of department job, display a comparison of both employee profiles.

3.2.3.5 Profile Matchup using Reports

Perform a ***profile evaluation*** of Ms. ***Paula Fisher*** and Ms. ***Caren Miller*** using a HR Report. Therefore, select

Human Resources → Personnel Management → Personnel Development → Information System → Reports → Profile Matchup (PEPM)

1. On the left side, select **Person**. Select ***Paula Fisher*** (using the F4 Input Help in the field right next to the Person drop-down field) and press Enter. Select ***Caren Miller*** in the same way to add her to the left-hand list.
2. On the right side, add the **Position** ***MA-DC-xyyy*** to the right-hand list. Press *Execute*.

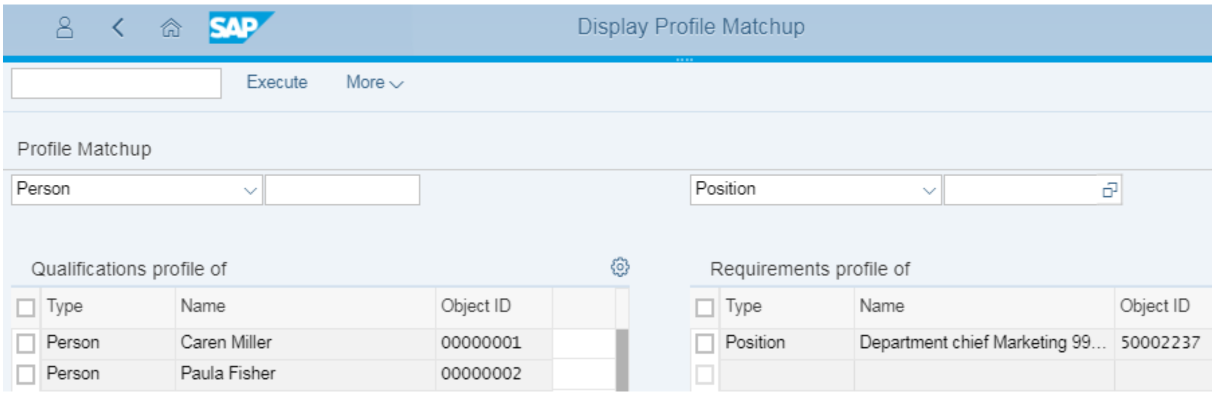
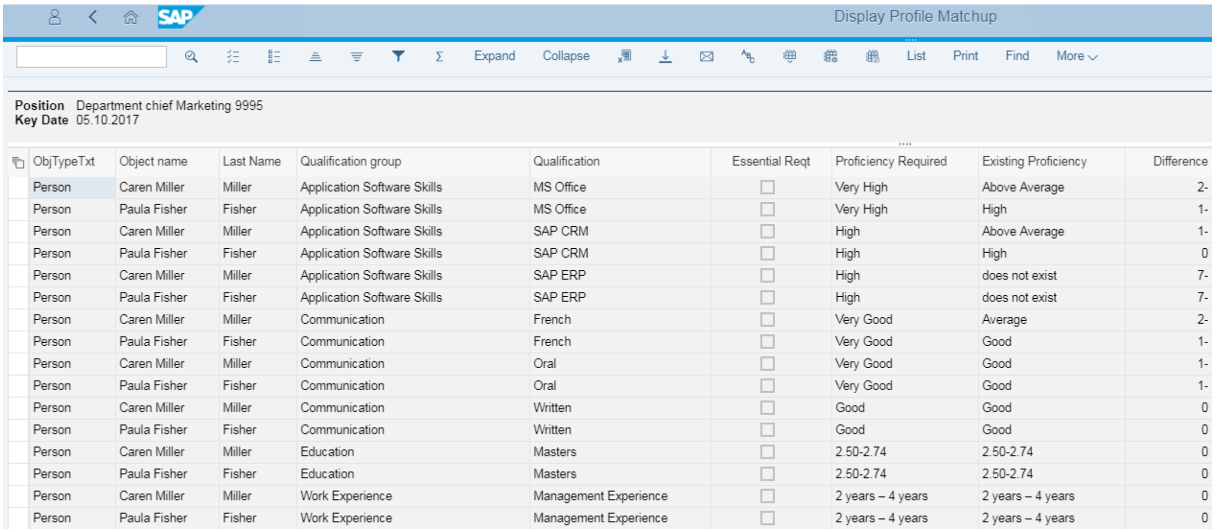


Figure 106: Profile Match-up (1): SAP-System-Screenshot

3. The system now presents a matching of both persons with the position. Hereby, the individual qualifications are matched against the requirements of the position and a Difference is calculated.



Display Profile Matchup

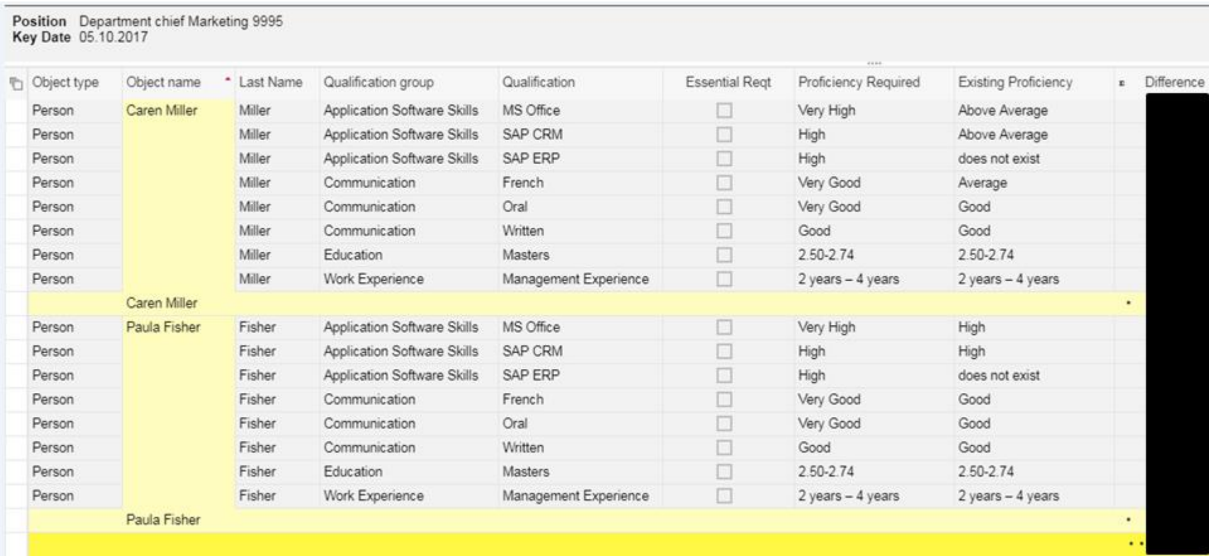
Expand Collapse List Print Find More

Position Department chief Marketing 9995
Key Date 05.10.2017

ObjTypeTxt	Object name	Last Name	Qualification group	Qualification	Essential Reqt	Proficiency Required	Existing Proficiency	Difference
Person	Caren Miller	Miller	Application Software Skills	MS Office	☐	Very High	Above Average	2-
Person	Paula Fisher	Fisher	Application Software Skills	MS Office	☐	Very High	High	1-
Person	Caren Miller	Miller	Application Software Skills	SAP CRM	☐	High	Above Average	1-
Person	Paula Fisher	Fisher	Application Software Skills	SAP CRM	☐	High	High	0
Person	Caren Miller	Miller	Application Software Skills	SAP ERP	☐	High	does not exist	7-
Person	Paula Fisher	Fisher	Application Software Skills	SAP ERP	☐	High	does not exist	7-
Person	Caren Miller	Miller	Communication	French	☐	Very Good	Average	2-
Person	Paula Fisher	Fisher	Communication	French	☐	Very Good	Good	1-
Person	Caren Miller	Miller	Communication	Oral	☐	Very Good	Good	1-
Person	Paula Fisher	Fisher	Communication	Oral	☐	Very Good	Good	1-
Person	Caren Miller	Miller	Communication	Written	☐	Good	Good	0
Person	Paula Fisher	Fisher	Communication	Written	☐	Good	Good	0
Person	Caren Miller	Miller	Education	Masters	☐	2.50-2.74	2.50-2.74	0
Person	Paula Fisher	Fisher	Education	Masters	☐	2.50-2.74	2.50-2.74	0
Person	Caren Miller	Miller	Work Experience	Management Experience	☐	2 years – 4 years	2 years – 4 years	0
Person	Paula Fisher	Fisher	Work Experience	Management Experience	☐	2 years – 4 years	2 years – 4 years	0

Figure 107: Profile Match-up (2): SAP-System-Screenshot

4. Select the **Difference** column and press the **Total**-button (Σ). The system calculates the total sum of all differences.
5. Since this value has no meaning at all, you want the differences to be presented differentiating between the two persons. Therefore, select the **Object name** column and then press the **Subtotals**-button (Subtotals…). Now you get a better view on who is more suitable for the position.



Position Department chief Marketing 9995
Key Date 05.10.2017

Object type	Object name	Last Name	Qualification group	Qualification	Essential Reqt	Proficiency Required	Existing Proficiency	Difference
Person	Caren Miller	Miller	Application Software Skills	MS Office	☐	Very High	Above Average	[redacted]
Person		Miller	Application Software Skills	SAP CRM	☐	High	Above Average	
Person		Miller	Application Software Skills	SAP ERP	☐	High	does not exist	
Person		Miller	Communication	French	☐	Very Good	Average	
Person		Miller	Communication	Oral	☐	Very Good	Good	
Person		Miller	Communication	Written	☐	Good	Good	
Person		Miller	Education	Masters	☐	2.50-2.74	2.50-2.74	
Person		Miller	Work Experience	Management Experience	☐	2 years – 4 years	2 years – 4 years	
	Caren Miller							
Person	Paula Fisher	Fisher	Application Software Skills	MS Office	☐	Very High	High	
Person		Fisher	Application Software Skills	SAP CRM	☐	High	High	
Person		Fisher	Application Software Skills	SAP ERP	☐	High	does not exist	
Person		Fisher	Communication	French	☐	Very Good	Good	
Person		Fisher	Communication	Oral	☐	Very Good	Good	
Person		Fisher	Communication	Written	☐	Good	Good	
Person		Fisher	Education	Masters	☐	2.50-2.74	2.50-2.74	
Person		Fisher	Work Experience	Management Experience	☐	2 years – 4 years	2 years – 4 years	
	Paula Fisher							

Figure 108: Profile Match-up (3): SAP-System-Screenshot

6. Which employee would you pick? ***Substantiate*** your decision and ***list*** your answer in ***one sentence*** on your ***data sheet***.

Hiring Decision:

3.2.3.6 Employee Appraisal

Your new department chief SD was convincing until now. You need to create an appraisal of his/her performance. Create a first appraisal for your new employee (we are talking here about the employee you hired in the Recruitment process, not Ms. Fisher or Ms. Miller). Therefore, call up the following transaction:

Human Resources → Personnel Management → Personal Development → Appraisal → Create (APPCREATE)

1. Select ***Individual Performance Appraisal xyyy*** as **Individual appraisal**.
2. Choose **01.this month** to **today** as **Period appraised**.
3. Enter **your employee** as person (make use of F4 help). The **Employee** is your ***newly hired employee for the SD-DC-xyyy Position (<u>not Ms. Fisher or Ms. Miller</u>)***, i.e., yourself (your employee).
4. Press *Enter* and your employee will appear in the table below.
5. Mark this row and press *Perform.*
6. Assign the following appraisals for his competencies:
   Timeliness ***Very Good***
   Flexibility ***Good***
   Interpersonal skills ***Very Good***
   Fitness ***Satisfactory***
7. ***Save*** the appraisal and confirm a possible Customizing Request (if necessary, multiple times).

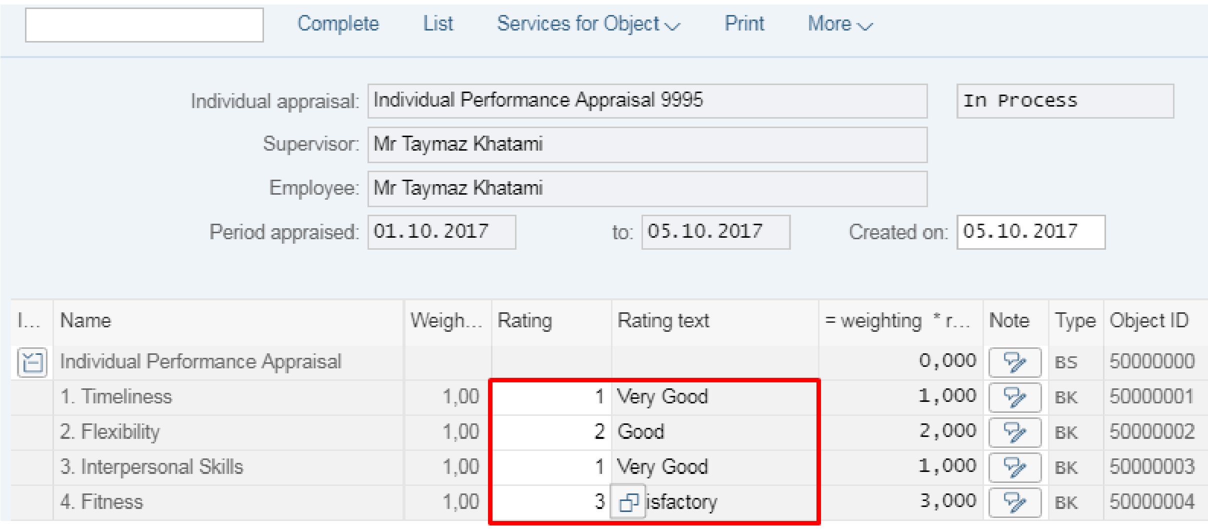


Figure 109: Perform Appraisal: SAP-System-Screenshot

8. Leave the transaction by pressing ***Exit***.

3.2.4 Training and Event Management and Travel Management

You concluded that your employee has deficits regarding security topics at the working place. Thus, you want to book him/her for a training course. Carry out training and event management in the SAP system.

Figure 110: Process Overview: Training and Event Management

3.2.4.1 Create Business Event

Now, you will create an own business event. This exercise is only meant to show you how business events are created. In reality, you would of course attend an existing course and not create an own course to visit it.
To create a Business Event, select:

Human Resources → Training and Event Management → Business Events → Dates → Create without Resources (PV11)

1. If prompted, select ***Current plan*** from the **Choose plan version** popup.
2. Enter the following date:
   - **Business event type** *50000250*
   - **Business event** *xyyy*
   - **Start date** *Today's date*
   - Press Data Screen.
3. On the next screen, maintain the following data:
   - **Name** *Train-xyyy* *Training-xyyy*
   - **Location** *50000251*
   - **Language** *English*
   - **Number of Attendees** *Min 1* *Optimum 10* *Max 20*
   - **Internal price** *1700 United States Dollar*
4. Press the Create-button.
5. Switch to the **Without pattern** tab and choose 1 day and 24 hours. Confirm with Transfer.

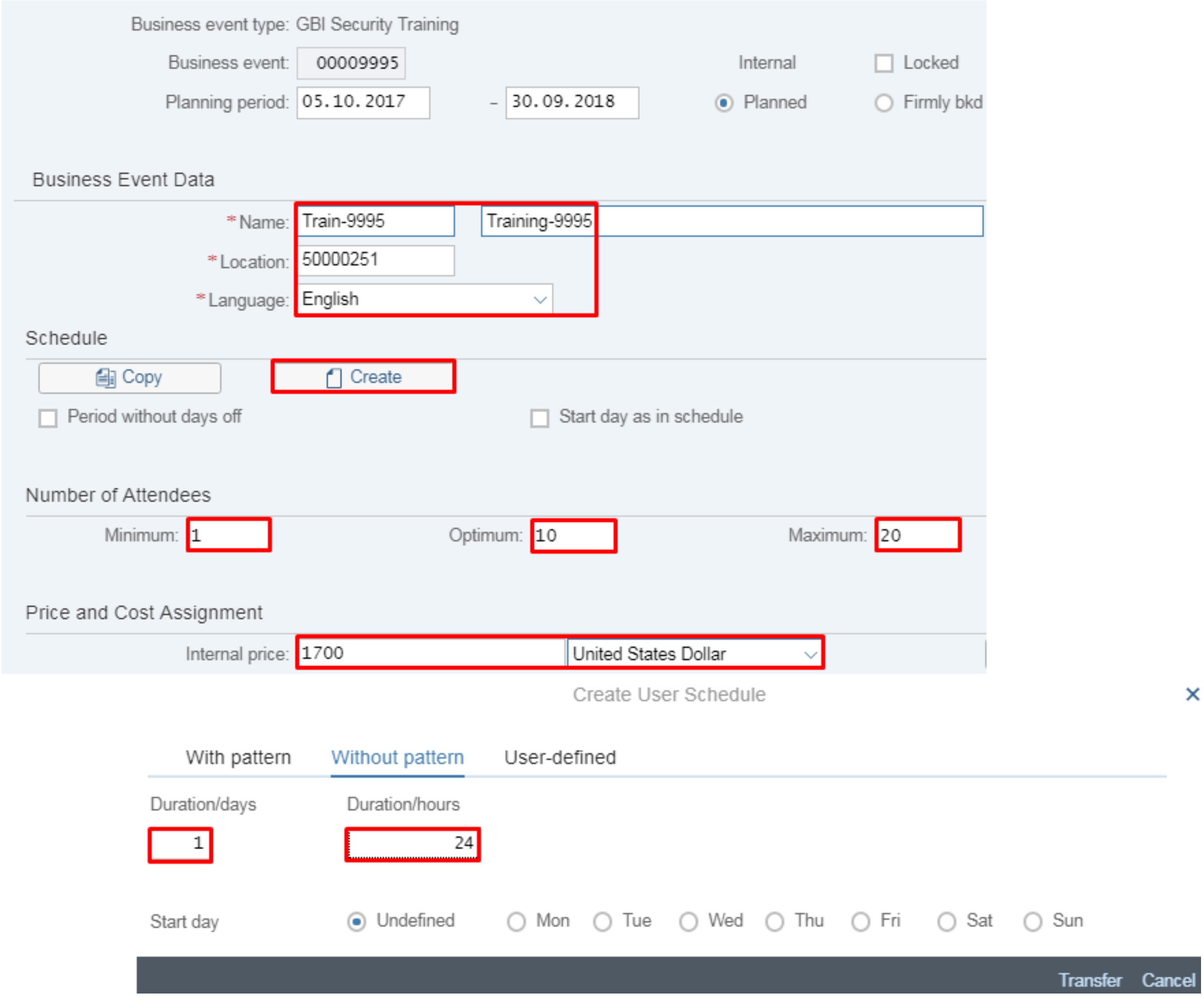


Figure 111: Create Business Event: SAP-System-Screenshot

6. ***Save*** your event and confirm a possible Customizing Request. Finally, press ***Exit***.

3.2.4.2 Book Business Event

Now, book your own business event. Therefore, call up

Human Resources → Training and Event Management → Attendance → Attendance menu (PSV1)

1. Select ***GBI Training and Education → Security Training → GBI Security Training***.
2. Search your own business event. Right-click on is and select ***More → Attendance → Book***.

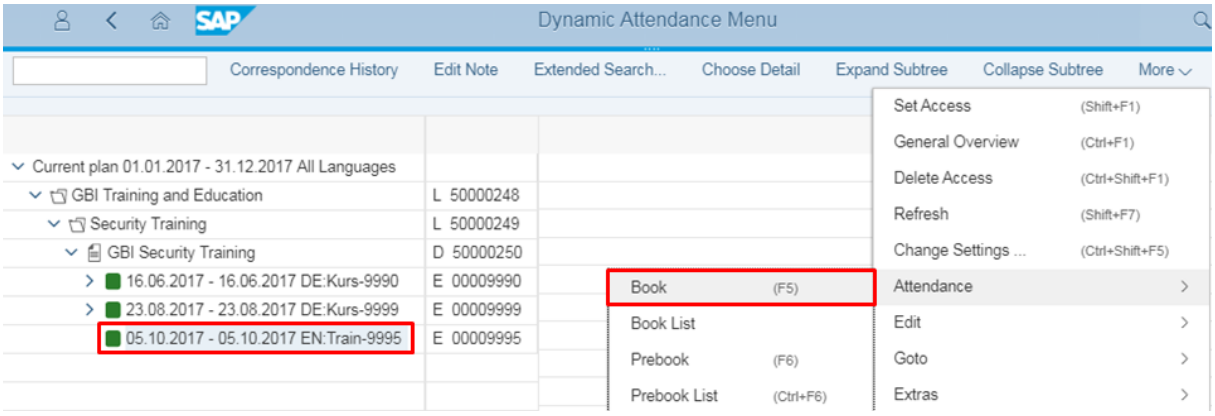


Figure 112: Booking a Course (1): SAP-System-Screenshot

3. In the **Person** field, enter your ***Personnel Number*** and choose Book/Payment Info.
4. Skip a possible message regarding a not attended class with *Enter* and choose the ***Free of charge*** option from the **Fee and Assignment** dialog.
5. *Save* your entry and confirm a possible Customizing Request.
6. Leave the **Book Attendance: Data** window with cancel ( ). Finally, press ***Exit***.

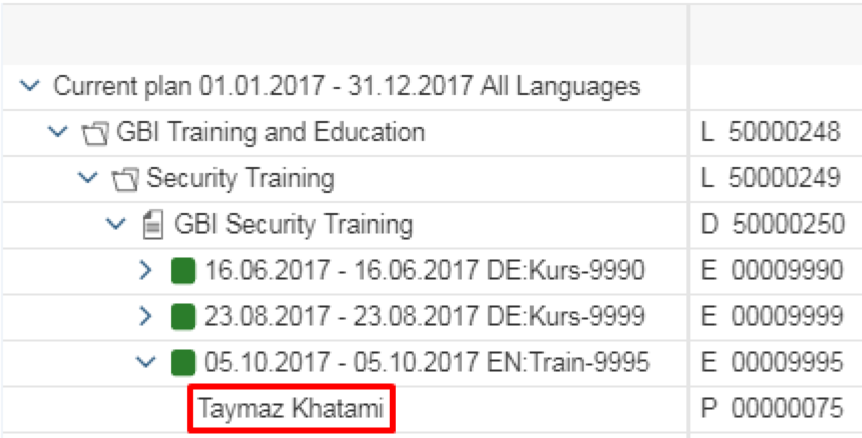


Figure 113: Booking a Course (2): SAP-System-Screenshot

3.2.4.3 Traveling Costs

Your employee attended the course. Thus, travel expenses occurred that you have to settle. Therefore, enter the transaction code ***TRIP*** **(Travel Manager)** into the command field.

If you receive a message that travel privileges are not available for your employee, then go to transaction PA30 and create the Infotype Travel Privileges for your employee.

1. Enter **your personnel number** and confirm with *Enter*.
2. Choose ***Create Travel Expense Report***. *Confirm* the possible next pop up**.**
3. Enter any **<u>future</u>** dates as **start date** and **end date** as trip dates.
4. Enter ***Dallas*** as **First Destination**.

5. Enter ***Training*** as **Reason for Trip**.
6. In the lower window *Expense Receipts*, subsequently enter the following data and confirm with *Enter*:
   - Expense receipt **Flight**, Amount 500
   - Expense receipt **Hotel**, Amount 150, enter any data in required fields
   - Expense receipt **Entertainment**, Amount 200, enter any data in required fields

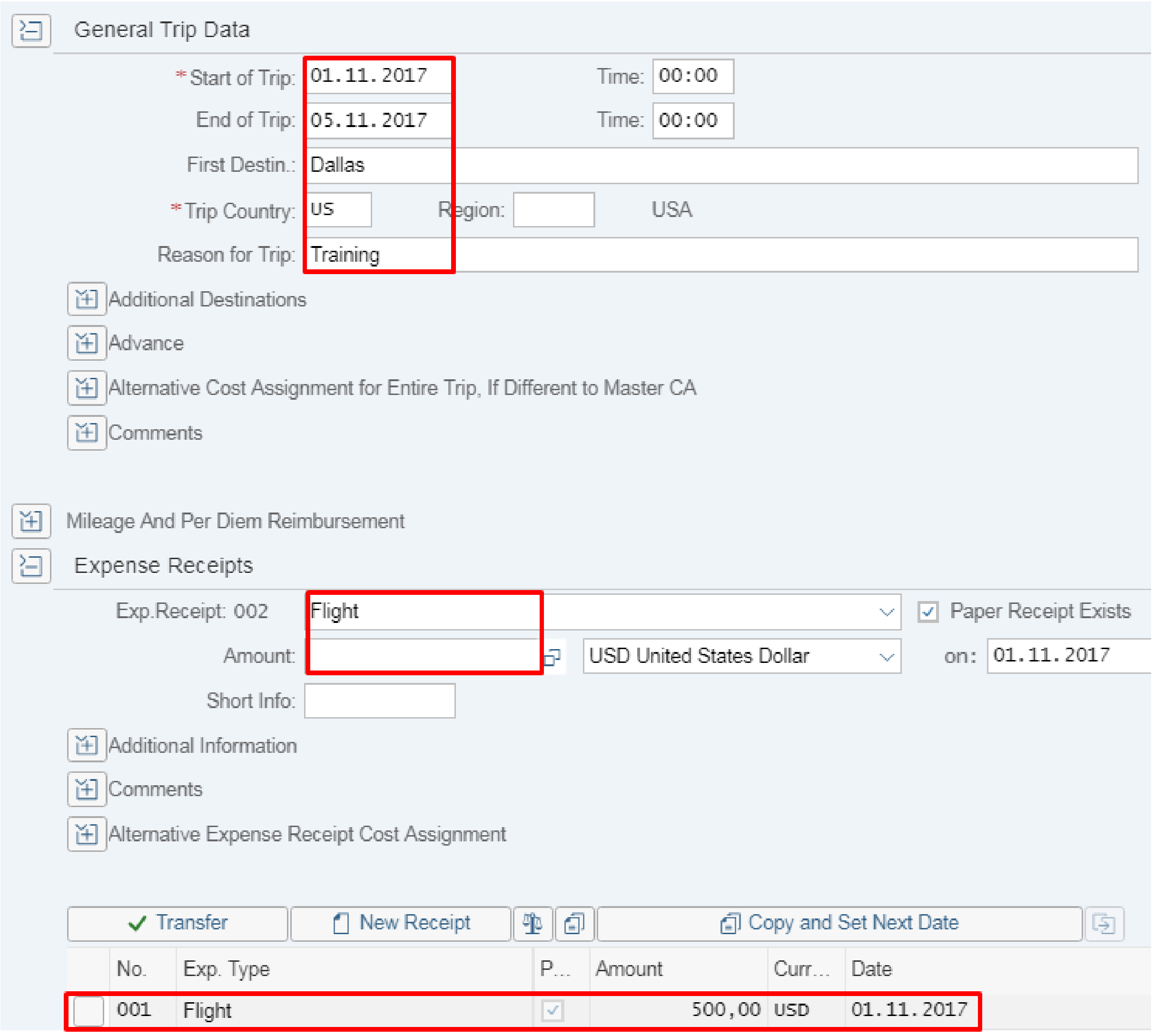


Figure 114: Create Expense Report: SAP-System-Screenshot

7. *Save* the expense report.
8. Return back to the travel manager. You can now see the reimburse amount.
9. Finally, choose the option *Change Travel Expense Report* in the very right column. In the title bar, you can see the number of your travel expense report. List the number on your data sheet.

Travel Expense Report Number:

Data Sheet

*Congratulations! You completed the **Human Capital Management** case study.*

The subsequent case studies are based on the results of this case study. In case your data differs from the description in the script, please contact your tutor prior to processing another case study.

Finally, please **submit the carefully completed data sheet** to your tutor (use support email address from the welcome mail) for the case study ***Human Capital Management***.

Please comply with the naming rules. Non-compliant data sheets will not be accepted; i.e. re-name the document that you downloaded from this course's download area as follows:

04-Human_Capital-xyyy-zzz-lastname.doc

Thereby, you need to replace **xyyy** with your user number **without** the "***WIP***" and without the hyphen (WIPx-yyy) and replace zzz with the number of the client you are working on.

Example:
Your name is **Max Mustermann,** you are working on **client 700**, and your **user number is** WIP**9-999**. Then, name the document as follows:

04-Human_Capital-**9999-700-Mustermann**.doc

List of Literature

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