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Talent Management with SAP® ERP HCM

SAP PRESS

Talent Management with SAP® ERP HCM

Based on SAP ERP 6.0, enhancement pack 5

▶ Comprehensive overview of Talent Management with SAP
▶ Understand the core Talent Management functions
▶ Discover how to integrate Talent Management with other modules, and how it can be used to optimize your business processes

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Contents at a Glance

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Organizations must have a process for identifying, acquiring, developing, and retaining their employees, which makes establishing workforce plans that align with the business strategies a necessity. This is all encompassed in the induction phase. After new employees are hired, they can maintain their talent profile in preparation for the development phase.

5   Induction Phase

Now that you have a deeper understanding of the Talent Management modules from both an EhP 5 and basic integration perspective, let's explore the integration of the Talent Management modules in further detail as we walk through a year in the life of an employee from an SAP perspective. The first of four phases, the *induction phase*, involves creating the new position in SAP and ensuring that the proper qualifications have been assigned.

As soon as the new position has been entered into the SAP system and is available to be filled, either the recruiter or hiring manager enters a new requisition into the system. The candidate then applies for this position, is screened by a recruiter through various activities, and then interviewed and eventually hired—all via the SAP E-Recruiting module (which we'll refer to as simply E-Recruiting).

After the candidate becomes an employee, his journey with the new company continues when he starts maintaining his talent profile. This includes current and previous education, work experience, and career goals. Required qualifications can be viewed in the talent profile, so that the new employee can develop to become qualified for his next position in the company.

However, before we can talk about getting the new position into SAP, we need to first discuss the workforce planning process, which enables organizations to do the following:

▶ Develop a strategy for allocating resources to meet its staffing goals.

▶ Prepare a framework for the growth and progress of the organization.

▶ Proactively anticipate the workforce needs of the company.

▶ Create a foundation for making strategic business decisions.

Planning for HR needs is one of the greatest challenges facing managers and leaders. To meet this challenge, a uniform workforce planning process that provides a disciplined approach for matching HR with the anticipated needs of the organization is essential.

5.1 Workforce Planning

Workforce planning refers to the method of ensuring that an organization has access to talent and the necessary tools for success. It's a process designed to anticipate and integrate the HR response to an organization's strategic plan. Simply put, workforce planning is the process of placing the right number of people with the right skills, experiences, and competencies in the right jobs at the right time.

Workforce planning is a fluid process that typically takes place on an annual, quarterly, and ongoing basis. Moreover, many companies have created their own processes and terminology for workforce planning, but they are all very much alike and include the following key components:

► Present workforce competency analysis

► Identification of future required competencies

► Comparison of current and future workforce needs to identify competency gaps and surpluses

► Execution of a plan to build the workforce required in the future

► Evaluation processes to ensure that objectives are being met

Workforce planning is also an endeavor for developing information that can help an organization make decisions for both the short and long term, yet allow for flexibility in an ever-changing environment. The plan is intended to help provide solutions to staffing issues that are related to position movement into, around, and out of an organization.

Workforce planning is also a management framework that ties HR decisions to the strategic plan of the organization. It provides managers with a framework for making staffing decisions based on an organization's mission, strategic plan, budgetary resources, and a set of desired workforce competencies. Managers can develop a better understanding of the areas of the organization's workforce that need to be

strengthened. This step is the key element in the workforce planning process, and it involves asking questions such as the following:

▶ Is the organization aligned with strategic business goals?

▶ Are there certain parts of the organization that experience higher turnover than others?

▶ What is the right organizational structure?

▶ Can the organization identify the factors that contribute to turnover?

▶ Have the skill sets within certain parts of the organization been reduced due to turnover?

Answering these questions helps organizations identify competencies needed in the workforce and determine how recruiting, developing, and training employees can build the workforce of the future.

Workplace planning is of paramount importance because organizations need to ensure they have adequate resources to help fulfill their strategic goals. Because all employers compete for employees from the same labor pool, workforce planning is critical for attracting and retaining the talent required to serve the needs of the organization.

Workforce planning has become increasingly important to organizations over the past several years in large part due to increased retirements, as well as retention and restructuring strategies.

Several relatively recent trends illustrate the importance of workforce planning:

▶ Aging of the population

▶ Baby boomers redefining the age of retirement

▶ Technology trends that are changing the HR function

▶ Unprecedented growth of job candidates with advanced educational degrees

A key consideration of workforce planning is the benefit it has to managers. Workforce planning provides managers with a solid foundation for making HR decisions. It allows them to anticipate change and provides them with the means for addressing present and future workforce issues.

Some components of workforce planning, such as workforce demographics, retirement projections, and succession planning, are already familiar to managers.

Workforce planning provides transparency and allows managers to better plan by providing more information on changes to be anticipated, the competencies needed within the organization, and key positions that may need to be filled.

Because planning for human capital needs is one of the greatest challenges facing managers and leaders, a uniform process that provides a disciplined approach for matching HR with the anticipated needs of the organization is critical. A workforce plan is a fundamental planning tool important to quality performance; it contributes to the achievement of organizational strategic objectives by providing a basis for justifying budget allocations and workload staffing levels.

An important aspect of workforce planning is position management, which helps organizations ensure that they have adequate resources to help fulfill their strategic goals.

5.2   Position Management

To support an organization's strategic objectives, hiring managers should adhere to position management guidelines that ensure the workforce plan is considered when evaluating vacated positions. Some examples of position management guideline considerations include (but aren't limited to) the following:

▶ What work needs to be completed?

▶ Does the position description accurately reflect currently assigned responsibilities?

▶ Is the vacant position considered a critical position?

▶ Can the responsibilities be redistributed across the rest of the remaining team members?

Only after these guidelines have been considered should the hiring manager (in consultation with the supervisor and HR specialist) make an informed decision on whether the vacancy should be filled.

At a high level, position management is the continuous and systematic process for determining the number of positions needed, the skill and knowledge requirements of those positions, and the organizational grouping of positions to carry out the work done during the workforce planning process.

Position management is a significant aspect of each manager's personnel management responsibility. To be effective at position management, a conscious effort needs to be made to organize and assign the work in the most efficient and economical way. Each organization should review its position management methods and processes periodically in an effort to make continuous improvements. These reviews should be initiated by upper management to be deemed effective.

5.2.1   Position Management Tools

Like any discipline, position management has tools designed to improve position management methods and processes. To this end, there are established guidelines that use common "symptoms" to help managers diagnose problems. Some examples of these "symptoms" include (but aren't limited to):

▶ **Layering**
  This occurs when there are too many levels in the chain of command. This can be corrected by asking questions such as "What is the ratio of supervisors to workers?"

▶ **Unnecessary positions**
  This sometime occurs when there are "carryovers" from previous operating structures or simply duplicate positions that may not be needed. You can correct this symptom by asking questions such as "Are all administrative assistant positions needed, or can they be shifted, eliminated, or both?"

▶ **Inaccurate position descriptions**
  This can result in misclassifications, with the incumbents being over-graded or under-graded. Inaccurate position descriptions can be alleviated by periodic review of position descriptions with employees and by rewriting descriptions immediately when changes are required.

▶ **Fragmentation**
  This is a situation when an organization is needlessly split into many small segments. It requires more supervisors, restricts the development of employees, interferes with communications, and causes over-specialization. This can be corrected by asking questions such as "Are all of these functional areas really necessary?"

Because no two organizations are identical, these types of tools should be used in different combinations to achieve sound position management.

5.2.2   Why Is Position Management Important?

Organizations can gain direct advantages from practicing sound position management, including the following:

▶ Work can be done more efficiently.

▶ Processes can be streamlined.

▶ The organization can be staffed using the available labor market in more effective ways.

▶ Employees can use their capabilities to the fullest.

▶ Employee engagement can improve.

▶ Organizations can provide better career opportunities for their employees.

▶ Roadblocks such as high turnover can be reduced.

Although these benefits may not be achieved in every organization, you should gain several such improvements after sound position management methods and processes have been implemented. Finally, if position management is used wisely, organizations can be more effective at adjusting their own positions and organizational structures to meet the needs of the enterprise, realize economies of scale, and attain a competitive advantage.

5.2.3   The Cost of Unfilled Positions

Numerous costs are associated with an unfilled position in any company. Many of these costs are difficult to quantify, but they are very real, nonetheless, and can have a negative impact on the company's bottom line. Several organizations calculate the cost of a hire—some even calculate the cost of a bad hire—but few take the time to calculate the cost of a vacant position. Given the fact that many vacancies often exceed 100 days, these are potentially significant financial impacts. Examples of these impacts include the following:

▶ **Product/productivity**
Vacancies in key skill positions can mean that products and projects may need to be dropped altogether.

▶ **Employee impacts**
Vacancies may cause overworked employees, which may lower productivity or force the affected employees to resign.

▶ **Increased management time**
Vacancies often oblige managers to "fill in" for the vacant employee, forcing them to push aside their own responsibilities.

▶ **Customers**
Excessive vacancies may cause confusion for suppliers and customers regarding whom they can contact, and might send the message that the organization is getting weak or that it doesn't care about them.

▶ **Competitive advantage**
Vacancies in key positions or a large number of vacancies could lead to hiring too quickly and ultimately weaken the corporate culture.

▶ **Image/recruiting**
High vacancy rates could send a message to future recruits that the organization isn't able to easily recruit replacements or that no one wants to work there.

▶ **Out-of-pocket costs**
Vacancies in key positions could lead to having to hire high-cost consultants as "fill-in help," which could mean higher costs (especially if those consultants are billing hourly).

Organizations that take the time to calculate the cost of vacant positions understand the implications. When they realize the potential significant costs involved, these organizations can create a competitive advantage in the marketplace by using mitigation strategies in their position management methods and processes.

5.2.4 Position Management in SAP

Now that the workforce plan has been created and aligned with the strategic plan of the organization, let's begin the process of walking through a year in the life of an employee from an SAP perspective. The first step in this process is to create a new position in SAP and ensure that the proper qualifications have been assigned.

To this end, you'll create a position based on the following SAP Job Architecture example that was used in Chapter 3:

▶ Functional Area = Human Resources

▶ Job Family = HR Payroll

▶ Job = Payroll Administrator

Using the steps outlined in Chapter 3, you can now create the position of Payroll Manager that will eventually be filled by the new employee. Figure 5.1 shows the Basic data tab of the newly created position.
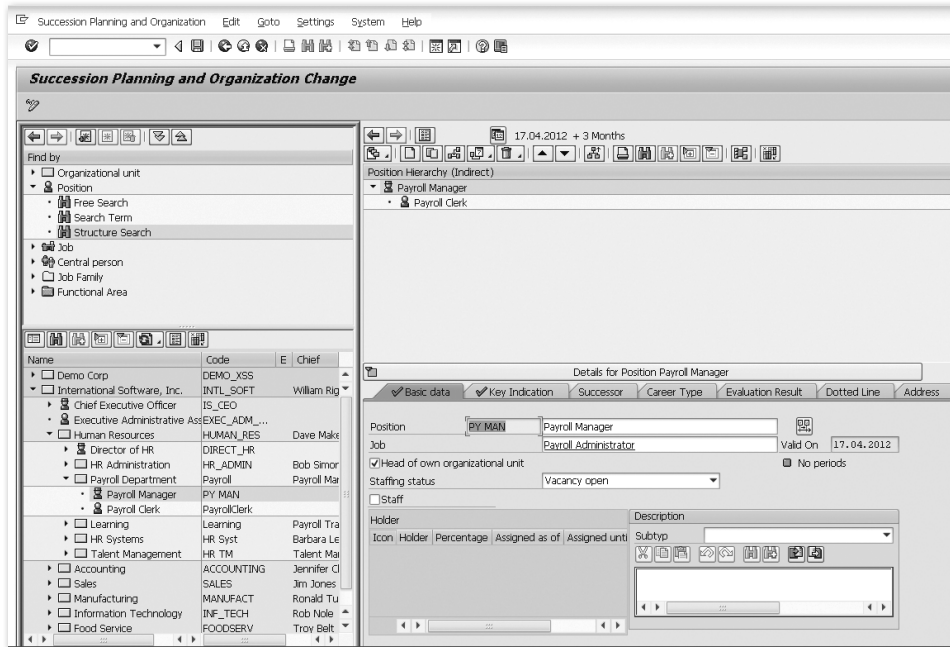
Figure 5.1 Payroll Manager Basic Data

> **Key Point**
>
> There are a handful of frontend (visualization) solutions on the market that allow positions to be created and managed and the organizational structure to be generally managed in a more aesthetically pleasing graphical user interface (GUI). As a result, we're only reviewing the standard SAP transactions for position management.

Now let's establish the relationship between the newly created payroll manager position and the payroll administrator job using Transaction PP01. This will allow the position to inherit the qualifications that have already been assigned to the job within the SAP Job Architecture. Figure 5.2 illustrates the Payroll Manager position that will be modified.

After you've found the Payroll Manager position in Transaction PP01, you need to create the relationship to the payroll administrator job. To do this, you highlight

the RELATIONSHIPS row and select the CREATE icon from the menu in the top left-hand side of the screen in Figure 5.3.
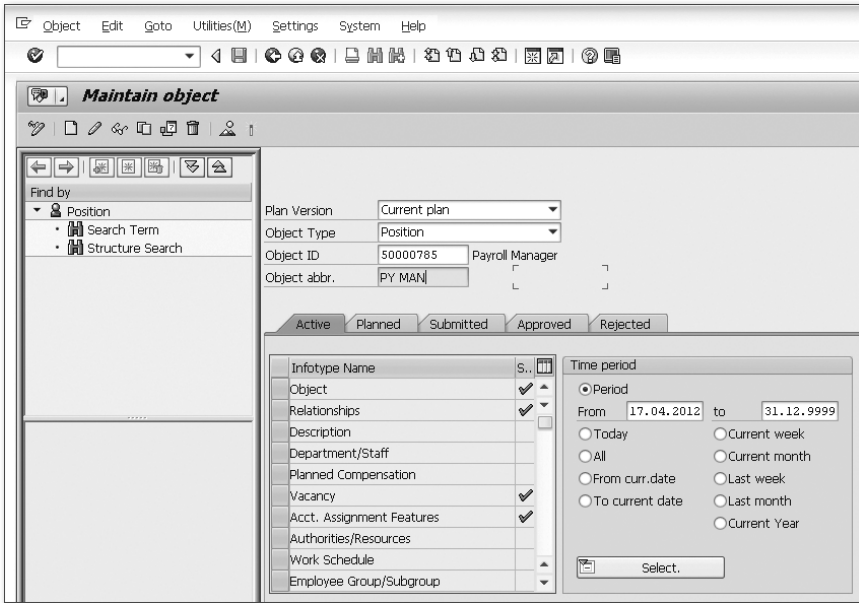
Figure 5.2 Payroll Manager Position in Transaction PP01
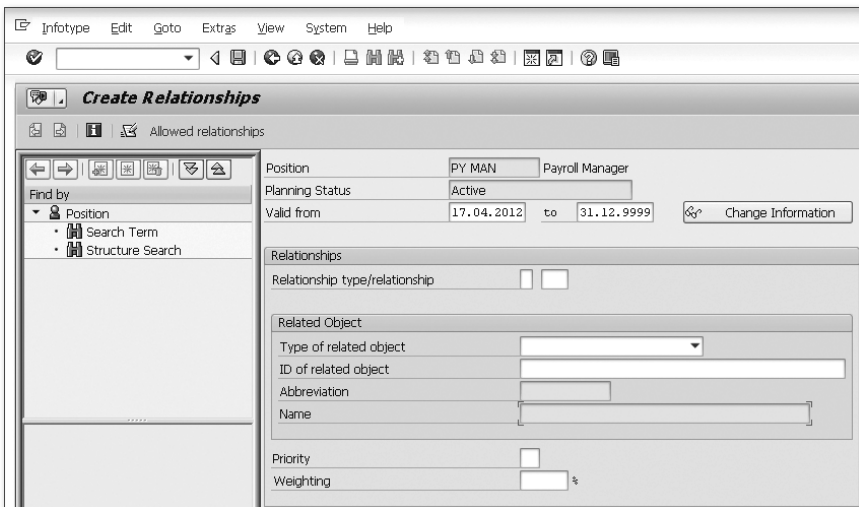
Figure 5.3 Create Relationship Infotype in Transaction PP01

On the new screen that appears, the first piece of information to be defined is the type of relationship you want to create. In this case, you'll create the relationship B|007 (Is DESCRIBED BY). Figure 5.4 illustrates both the number of relationship options and your selection.
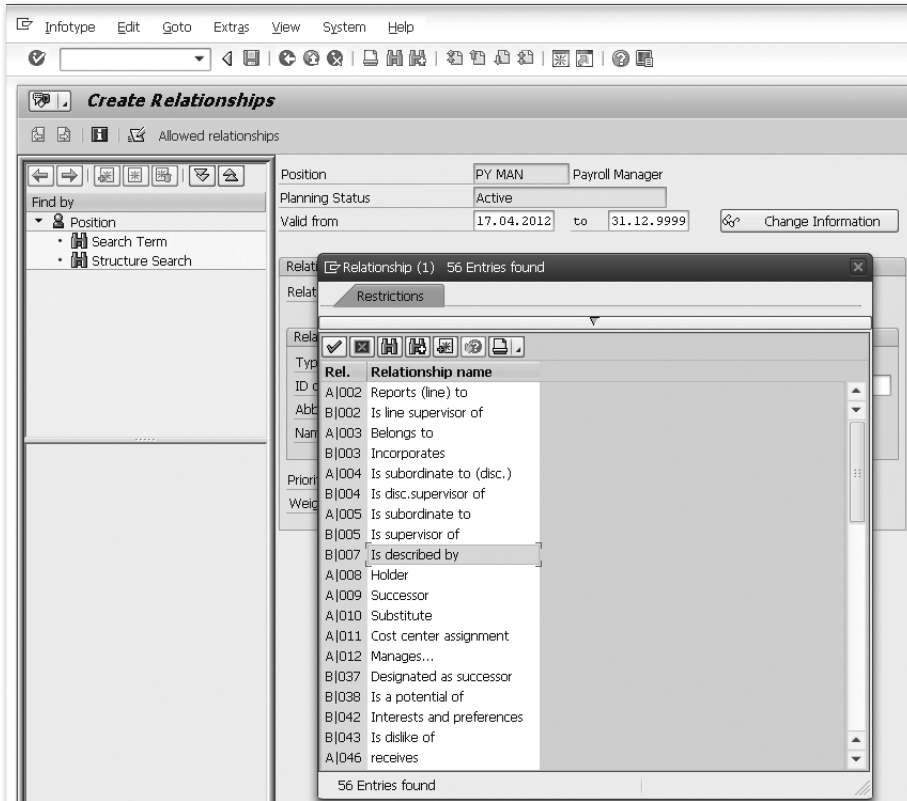
Figure 5.4 Relationship Type B|007 (Is Described By)

You now need to define the type of object that the new payroll manager position needs to be described by. In this case, we want to have the POSITION of PY MAN (PAYROLL MANAGER) described by the job of PAYROLL ADMINISTRATOR (entered in the NAME field), as shown in Figure 5.5.

Figure 5.5 Payroll Administrator Job Describes Payroll Manager Position

After the information is saved, you can go to Transaction PPPM to see that the Payroll Manager position has inherited the qualifications from the payroll administrator job (from Chapter 3), as shown in Figure 5.6.

Figure 5.6 Payroll Manager Position Inherits Qualifications of Payroll Administrator Job

The final task within position management in SAP involves indicating whether the position is a "key position." This can be accomplished for individual positions via Transaction HRTMC_PPOM, as well as in STVN SuccessionPlanning. We'll review

Transaction HRTMC_PPOM first. The key position capability for STVN Succession-Planning will be reviewed in more detail in Chapter 8.

The KEY INDICATION tab of the position within Transaction HRTMC_PPOM holds the following fields:

- ▶ NOMINATION STATUS
- ▶ NOM./APPROV. REASON
- ▶ DECIDED BY
- ▶ REJECTION REASON
- ▶ DECIDED BY
- ▶ COMMENT

For the purposes of this exercise, we'll assume that the payroll manager position has been identified and approved as a key position. Figure 5.7 illustrates the information that we've included for the PAYROLL MANAGER position.
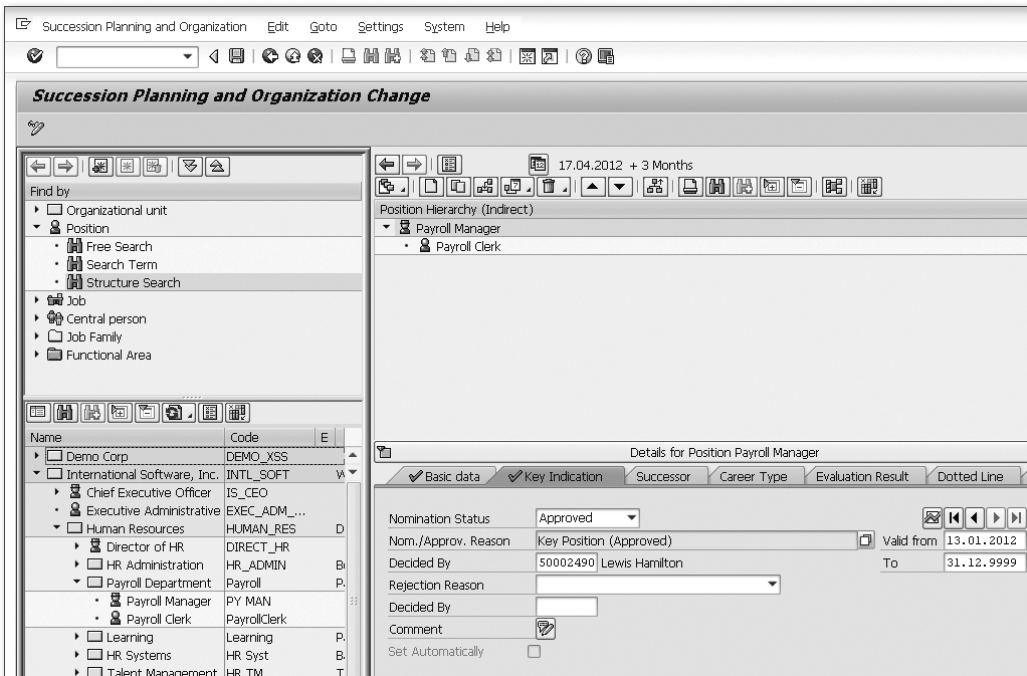
Figure 5.7 Payroll Manager Key Indicator Tab

You can also set a number of key positions in a single transaction by using Transaction SE38 (see Figure 5.8) and running Report RPTMC_SET_KEY_INDICATION.

Figure 5.8   Report RPTMC_SET_KEY_INDICATION

Now that the position has been created and a vacancy has been established, you can use E-Recruiting to find potential candidates to fill the position.

5.3   E-Recruiting

Now that the payroll manager Position has been created in the SAP ERP HCM system, you'll use the E-Recruiting application to begin the process of filling this key position. As mentioned in Chapter 4, E-Recruiting comes with many flexible tools

that can handle high-volume recruiting with efficiency, objectivity, and collaboration from all members involved in the recruiting process. To this end, the recruiting process always begins by creating a requisition with the following assumptions:

▶ The position being recruited for has already been approved and created in the SAP ERP HCM system.

▶ The position is available in E-Recruiting via ALE from the SAP ERP HCM system. (Refer to Chapter 4 for more information on ALE.)

> **Key Point**
>
> Organizations too often (mistakenly) try to incorporate parts of their workforce planning process into E-Recruiting and contemplate making customizations to the application to help cover up the inefficiencies in their position management process. It may be necessary to analyze how positions are created and approved to avoid costly enhancements to E-Recruiting.

5.3.1   Requisition

Each organization differs in terms of who creates the requisition and how the requisition is created from a process point of view. For the purposes of this book, we'll look at the creation of a requisition from an SAP Best Practice perspective and from the lens of EhP 5.

Manager

With this in mind, let's ask the hiring manager (Dave Maker) to create the requisition using HR HCM Processes and Forms (HCMPF), which leverages the SAP Process Integration (PI) framework via the Manager Self-Service (MSS) functionality in the SAP Enterprise Portal (see Figure 5.9).

First, let's take a moment to talk about HCMPF generally to establish context. The HCMPF framework offers an efficient way to manage cross-role processes involving HR master data. This structure allows organizations to build their own specific processes, irrespective of the data, process flow, and roles.

The HCMPF framework is based on three components:

▶ **Table configuration**
This facilitates the implementation of processes without requiring developers to write any code.

▶ **Adobe Interactive Forms**
This allows for all business roles to be integrated into processes.

▶ **SAP Business Workflow**
This workflow engine enables improved flexibility.
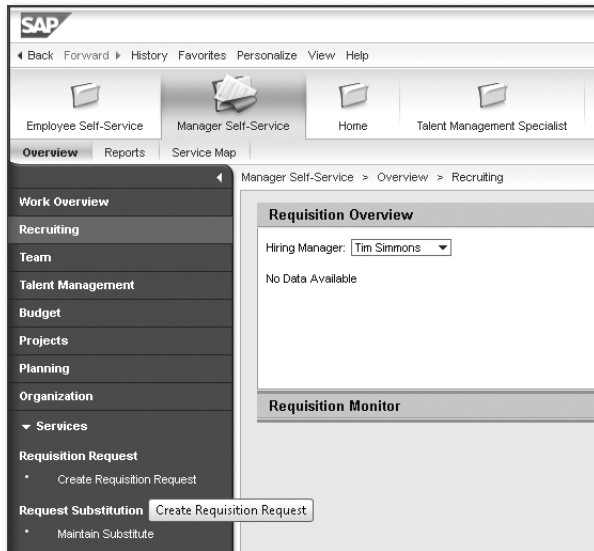
Figure 5.9 Create Requisition Request in Manager Self-Service

Now let's look at the *standard* requisition form for managers specifically. The main sections of the form include the following:

▶ REQUEST TEMPLATE
Information from a previous requisition can be used as a template, which saves the manager time.

▶ BASIC DATA
Includes REQUISITION TITLE (we'll use "Payroll Manager" in the interest of consistency) and INTEREST GROUP fields. These selections are shown in Figure 5.10.

▶ CONTACT PERSON
Includes the HIRING MANAGER, REQUESTER, and SUPPORT GROUP fields.

▶ ORGANIZATIONAL DATA
Includes POSITION, ORGANIZATIONAL UNIT, and number of positions.

Figure 5.10 Basic Data Information

When the manager creates a requisition based on an existing position, he can see all existing positions that are his direct reports, whether the position is vacant, and the name of the existing position holder if the position is currently filled by an incumbent. The screen that Dave Maker sees is shown in Figure 5.11. Section 1.3 has more information on chief positions. For the purposes of our walk-through, the position of payroll manager will be used in the requisition, which includes the following fields:

▶ PAYMENT INFORMATION
  Includes salary information (currency, salary range, etc.).

▶ EMPLOYMENT INFORMATION
  Includes branch, industry, hierarchy level, functional area, work contract type, employment fraction, and employment start date.

▶ EDUCATION AND TRAINING
Includes education type, education level, field of education, and subject.

▶ QUALIFICATIONS
This is a free-form text field that the manager can use to include required and desired qualifications for the position. Qualifications are defaulted into the requisition based on the job/position brought over from SAP ERP HCM into E-Recruiting via ALE. Any information entered in this field is for informational purposes only.

▶ JOB POSTING TEXT
Includes company, department, project, requirements, and tasks.

Key Point

SAP can default posting text into the form from SAP Job Architecture via a delivered BAdI. Refer to Chapter 9, Section 9.5, for more information on BAdIs.
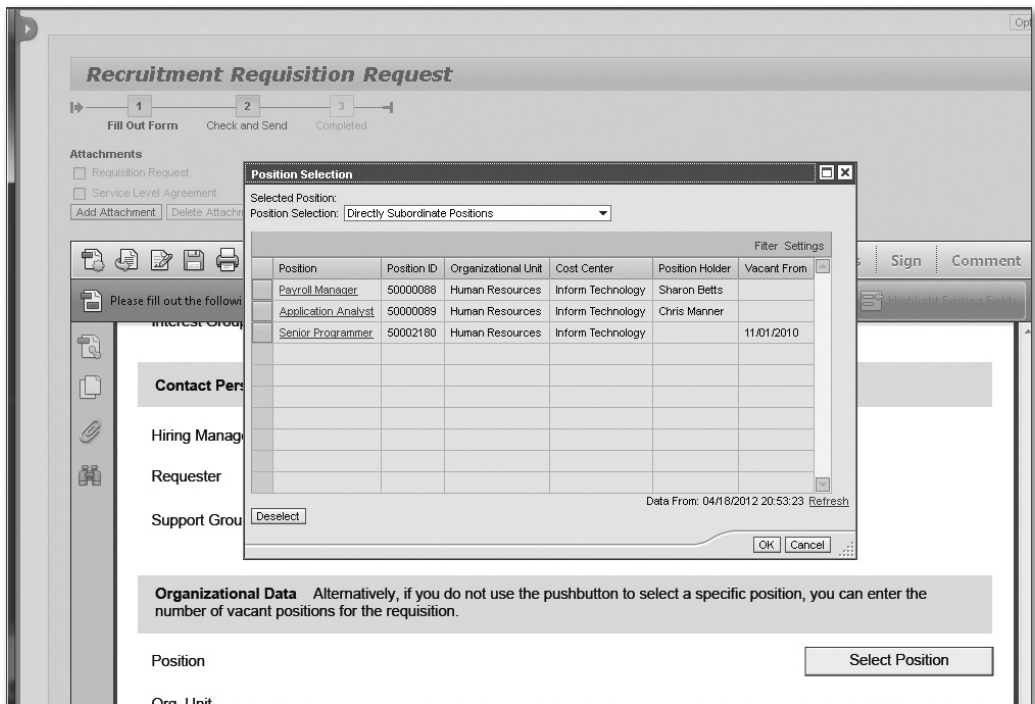
Figure 5.11 List of Existing Positions

Key Point

The E-Recruiting administrator should have already set up corresponding support groups with lead recruiters assigned. This default will control how requisitions created from the manager will appear in the dashboard queries for the lead recruiter after the requisition has been released by the manager. For more information on support groups and other E-Recruiting topics, refer to *E-Recruiting with SAP ERP HCM* by Jeremy Masters, Christos Kotsakis, and Venki Krishnamoorthy (SAP PRESS, 2010).

As discussed earlier, each organization will differ in terms of the necessary fields on the form and the required approval process for requisitions. You can decide how to customize the forms and processes based on your specific business requirements. For more information on HCMPF, refer to *Discover SAP ERP HCM* by Greg Newman (SAP PRESS, 2009).

Now that all of the specific information for the payroll manager requisition has been entered and it has been routed through the proper approval process, an email will be sent to the lead recruiter letting him know that he has a new requisition to review. The lead recruiter then logs into SAP Enterprise Portal and views the new requisition in the MY DRAFT REQUISITIONS query, shown in Figure 5.12. Remember that the lead recruiter was defined in the support group that was selected by the manager, Dave Maker.

Figure 5.12 Payroll Manager Position in My Draft Requisitions Query

Let's examine the role of the recruiter further.

> **Key Point**
>
> One of the standard SAP roles is a restricted recruiter, who can also start the create requisition process. In this scenario, the restricted recruiter creates the requisition directly in E-Recruiting and then sends it to a recruiter for approval.

Recruiter

Now the recruiter can review or modify the newly created payroll manager requisition so that it can be released and candidates can begin applying. For the purposes of the book, we'll assume at this point that the recruiter and hiring manager have already discussed all of the important information that should go into the payroll manager requisition, so that by the time the recruiter gets the notification, he will be able to make the appropriate modifications.

Notice in Figure 5.13 that all of the information relating to the GENERAL JOB INFORMATION tab that was entered during creation of the payroll manager requisition has been carried over into the recruiter view. Take note of the PAYROLL MANAGER position, as it will increase in importance when we discuss the REQUIREMENTS tab.

The recruiter now reviews the GENERAL JOB INFORMATION tab for the payroll manager requisition. At this point, the recruiter could add additional information that was not included during the initial creation of the requisition such as the following:

- ▶ PROCESS TEMPLATE
- ▶ BRANCH
- ▶ SALARY RANGE/ADDITIONAL INFORMATION
- ▶ NUMBER OF POSITIONS
- ▶ COST CENTER
- ▶ ATTACHMENTS
- ▶ JOB FOR POSITION

After completing the GENERAL JOB INFORMATION tab, the recruiter then moves to the REQUIREMENTS tab, shown in Figure 5.14.

Figure 5.13 General Job Information Tab

Figure 5.14 Requirements Tab

The recruiter now reviews the Requirements tab, which is broken down into three sections:

▶ EDUCATION REQUIREMENTS
  This is carried over from when the manager created the payroll manager requisition.

▶ QUALIFICATIONS
  These are the same qualifications that were assigned to the payroll manager position in Section 1.2.4.

▶ QUESTIONNAIRES
  These could be included on the process template or added here on this tab.

At this point, the recruiter could add additional requirements that were not included during the initial creation of the requisition. After completing the REQUIREMENTS tab, the recruiter then moves to the SUPPORT TEAM tab shown in Figure 5.15.

Figure 5.15   Support Team Tab

Members of the support team will be able to view and modify the payroll manager requisition depending on their role. Recall that the lead recruiter was defined in the support group that was selected by the manager. In addition, the manager that created the requisition is also defaulted in the SUPPORT TEAM tab.

At this point, the recruiter can add additional members to the support team. After the recruiter completes the review of the SUPPORT TEAM tab, he then moves to the JOB POSTINGS tab shown in Figure 5.16.

The JOB POSTINGS tab is broken down into three sections:

▶ GENERAL POSTING INFORMATION
  this is information that was initially entered in the payroll manager requisition by the manager.

▶ POSTING TEXT
This contains all of the relevant information that needs to be communicated about the vacancy. This could have been filled in manually by the manager, or (as was mentioned previously) it could be defaulted via a BAdI.

The posting text can be entered before releasing the requisition, but to create publications, the requisition needs to be in a "Released" status.

▶ PUBLISHED JOB POSTINGS
This is the physical release of the of the posting information for a specified period of time. As discussed previously, the recruiter and manager would have already had a discussion regarding the best channels to post the vacancy (job boards, internal career site, etc.).

Edit Requisition: Payroll Manager (Open – First Staffing of Job)

Save | Close | Release | Candidate Search | Print Preview | Change Status Reason

General Job Information | Requirements | Support Team | **Job Postings (1)**

General Posting Information
You can select additional work locations, functional areas, and hierarchy levels. These are then taken into consideration when a candidate performs a job search.

Add | Add | Add

Work Location	Delete	Functional Area	Delete	Hierarchy Level	Delete
USA		Controlling / Accounting / Financials		Management / Project Lead	

Posting Texts
Add

Alias	Language	Copy	Edit	Delete
343434	English	🖺	🖉	🗑

Published Job Postings
You have to release the requisition before you publish a job posting.

Add | Extend Publication Period

View: [Standard View] ▼   Filter Settings

Posting Channel	Reference Code	Posting Title	Publication Period	Preview	Last Changed by	Hot Job	Status	Edit	Withdraw
For Internal Candidates	456567567	Payroll Manager	26.02.2012 - 26.02.2012	English - 343434	Tim Simmons	☐	Published		
For External Candidates	345456457	Payroll Manager	26.02.2012 - 28.02.2013	English - 343434	Tim Simmons	☐	Published	🖉	🗑

Figure 5.16 Job Postings Tab

Key Point

Many organizations use a job board distributor to post jobs to multiple sites at one time using a single interface. E-Recruiting can be integrated with a job board distributor based on client-specific requirements by using either SAP NetWeaver PI or a custom interface.

After the recruiter has reviewed all of the information and made the required changes, the payroll manager requisition is posted so that candidates can begin applying, which is part of the source process.

5.3.2   Source

The source process begins after the publication has been released. The candidate can search for open jobs, register, and eventually submit an application. In addition, the recruiter can search the talent pool and invite candidates to apply for open jobs.

Now that the requisition is created and posted, let's follow along as a candidate (Frank Jenkins) searches for the newly posted payroll manager position. At this point, the candidate could search on the company's career website, if it's a company that the candidate is targeting, or on various job boards such as Monster or CareerBuilder.

Candidate

For now, we will assume that Frank Jenkins will search on the company's career website for a payroll-related position. His search is shown in Figure 5.17.

Figure 5.17   Job Search for Payroll Position

After the results come back from the "payroll" search, Frank finds that the payroll manager position best matches his background, so he chooses to apply. He will now be asked to register with the website using the Application Wizard shown in Figure 5.18. The one major change in the registration screen with EhP 5 is the ability to use an email address as the user name.

Figure 5.18 New Registration in EhP 5

After Frank Jenkins confirms his registration, he can complete the application. The standard system includes supplying the following data in the application process:

- Personal data
- Education/training
- Work experience
- Attachments
- Qualifications
- Cover letter
- Complete application

> **Key Point**
>
> Since EhP 4, E-Recruiting has enhanced the application to allow candidates to parse their résumés, which adds an additional step at the beginning of the process to upload a résumé. After the résumé is uploaded, information can then be parsed into the PERSONAL DATA, EDUCATION/TRAINING, WORK EXPERIENCE, ATTACHMENTS, and QUALIFICATIONS sections. SAP has vendors that have been certified on the résumé parsing interface.

Note the education information entered by Frank Jenkins, as shown in Figure 5.19. This will become important when we discuss the talent profile in Section 5.4.

Figure 5.19 Education Information of Application

It's also worth noting that the qualifications that were assigned to the position earlier now appear in the QUALIFICATIONS step of the application process for Frank Jenkins, as shown in Figure 5.20.

Figure 5.20 Qualifications of the Payroll Manager Position

Recruiter

From a recruiter point of view, the source process consists of two main activities:

▶ Searching the talent pool

▶ Inviting candidates to apply

After a recruiter has posted the requisition, a common activity is to search the available (internal or external) candidates within the talent pool that meet the minimum requirements. The talent pool lists the candidates that have released their profile and made themselves available for searches (see Figure 5.21).

Figure 5.21 Talent Pool

The search function enables the recruiter to comb through the talent pool for suitable skills and assign them to the requisition. The search criterion defaults the structured data that was initially entered on the payroll manager requisition. The search can also be executed using unstructured (free-form text) data, as shown in Figure 5.22.

Figure 5.22 Search Criteria for the Payroll Manager Requisition

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Key Point

In the United States, organizations are required to follow the guidelines set forth by the U.S. Office of Federal Contract Compliance Programs (OFCCP). As a result, the candidate search functionality usually becomes a major discussion point with the respective organization's legal department during implementation. To this end, companies should consult with their compliance officers or legal counsel during the implementation of E-Recruiting to verify that their recruiting procedures ensure compliance with the OFCCP guidelines and regulations.

After the recruiter has narrowed down the search results to a suitable number of candidates (only those who have not already applied), he can first assign those candidates to the requisition and then invite the same candidates to apply to the posting using the Invite to Apply activity. Figure 5.23 shows the INVITE TO APPLY selection in the PRESELECTION menu, which automatically sends an email message to internal and external candidates. You'll notice that Frank Jenkins doesn't appear in the list of candidates within the INBOX tab because he has already applied.
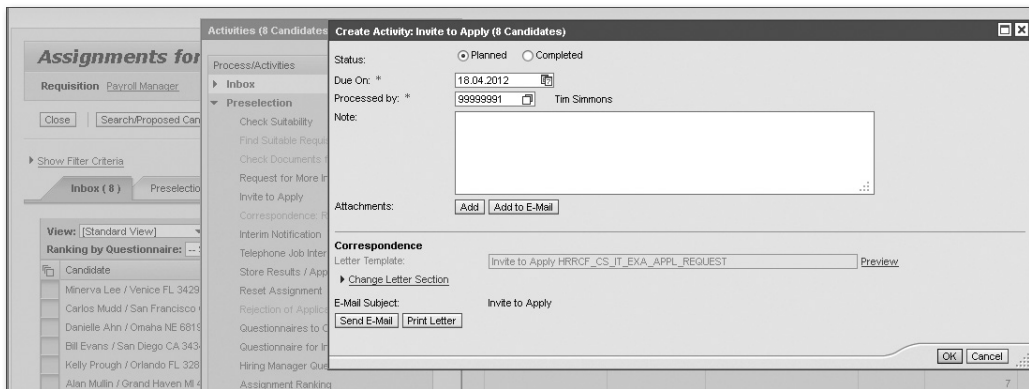
Figure 5.23 Invite to Apply Activity

After the activity has been completed, each candidate will get an email with a link back into E-Recruiting that allows them to apply to the payroll manager posting. After the recruiter finds candidates that meet the minimum requirements, the process then moves on to screening.

5.3.3 Screen

There are typically three main steps in the screening process:

▶ Suitability check

▶ Completing assessments (optional)

▶ Hiring manager review

Let's explore how each character in the E-Recruiting story plays a role in the screening process.

Recruiter

As part of the suitability check, the recruiter typically reviews the candidate résumé, assesses and ranks candidates by completed candidate questionnaires (shown in Figure 5.24 and Figure 5.25), ranks the candidates based on other search criteria, or performs a side-by-side comparison between multiple candidates using the comparison functionality shown in Figure 5.26.
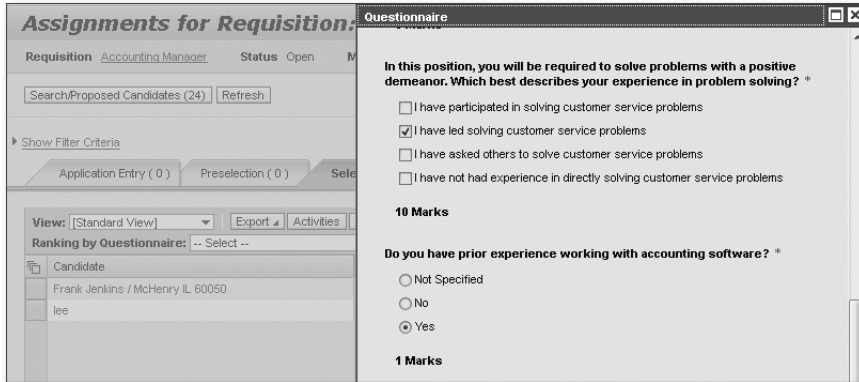
Figure 5.24 Assess Completed Questionnaires
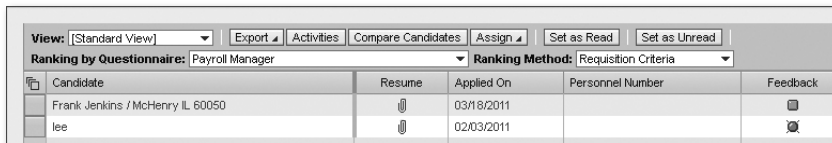
Figure 5.25 Ranking by Questionnaire
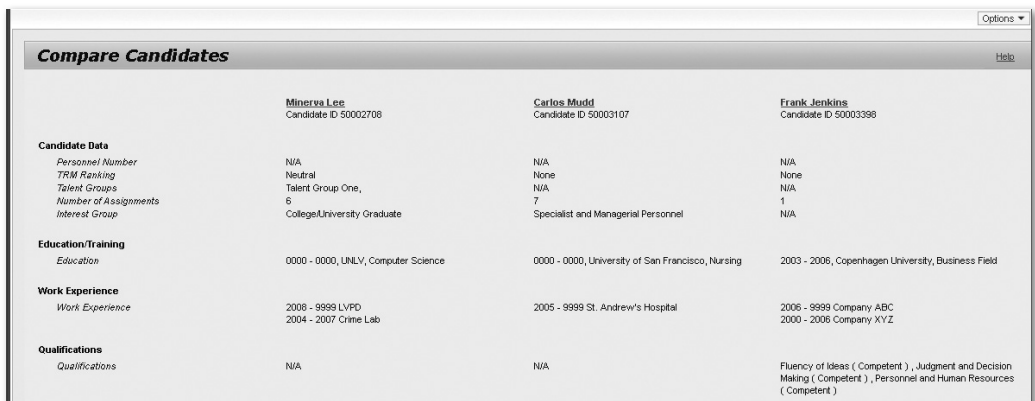
Figure 5.26 Compare Candidates Side by Side

After the recruiter completes the suitability check, he may then choose to conduct phone interviews with those candidates deemed suitable.

There is also an optional step within the screening process that typically takes place outside of E-Recruiting in which the candidate is sent to an assessment vendor for

additional screening or processing. Again, this may not be a step that occurs with every candidate that passes the suitability check, but it's worth mentioning.

For our purposes, let's assume that the recruiter has completed a suitability check on all of the applicants and that Frank Jenkins not only meets the minimum requirements but is considered to be one of the top candidates for the payroll manager posting. To this end, Frank will be sent over to the manager, Dave Maker, for review via an activity that the recruiter executes, as shown in Figure 5.27.
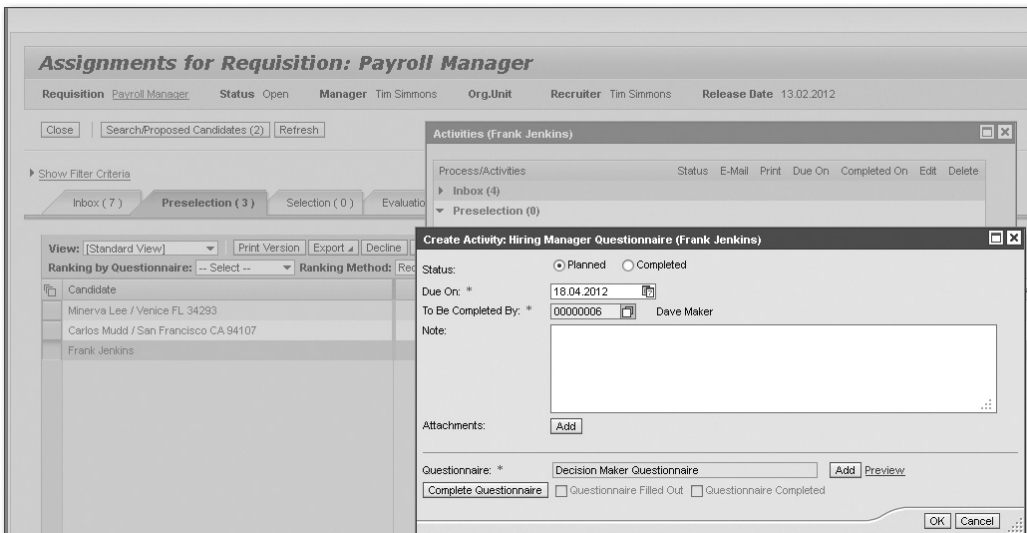
Figure 5.27 Send Candidate to Manager Activity

Manager

After the recruiter completes the activity, manager Dave Maker receives an email letting him know that Frank Jenkins is ready to be reviewed. He then reviews the résumé and questionnaire responses for Frank Jenkins. After Dave Maker completes the review, he finalizes the process by filling out a questionnaire that gets sent back to the recruiter, as shown in Figure 5.28.

If the manager deemed Frank Jenkins to be a suitable candidate, he completes a questionnaire that will be sent back to the recruiter. After the hiring manager has provided feedback to the recruiter on Frank Jenkins, the process then moves on to the interview.
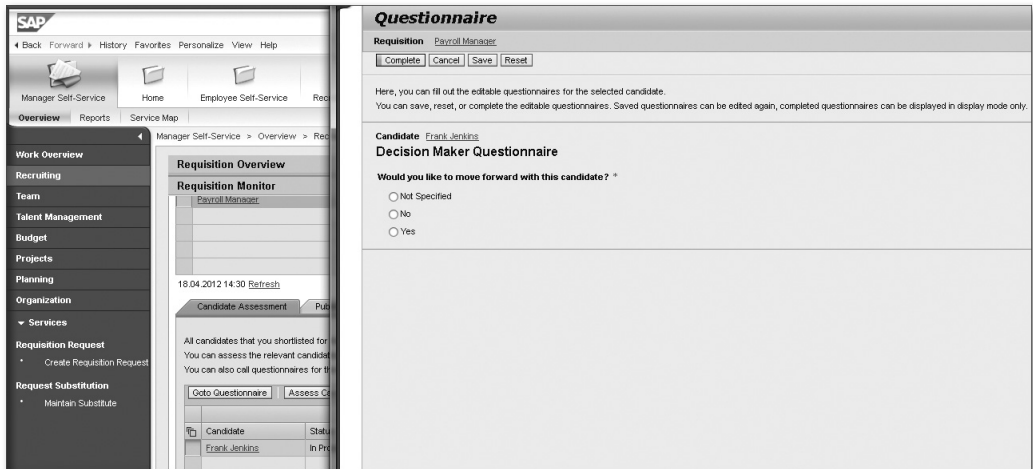
Figure 5.28 Manager Completes Questionnaire

5.3.4 Interview

Most of the interview process typically takes place outside of E-Recruiting and consists of the following steps:

1. Schedule the interview.
2. Conduct the interview.
3. Select the candidate.

The interview process begins with the recruiter scheduling interviews with the candidates that have passed the screening process. The logistics of the interview need to be coordinated and communicated to the appropriate individuals that will be involved in the interview. To this end, a Job Interview (correspondence) activity (shown in Figure 5.29) is executed in E-Recruiting and sent to the candidate, Frank Jenkins.

After the interview has been conducted, the interview team provides feedback about all candidates (including Frank Jenkins) to the recruiter and hiring manager, who choose a candidate to hire. For our purposes, let's assume that this lucky candidate is Frank Jenkins. To let the other candidates down nicely, the recruiter multi-selects the shortlisted candidates *not* selected for hire and organizes them in the system using the status-changing Rejection of Application activity (see Figure 5.30).
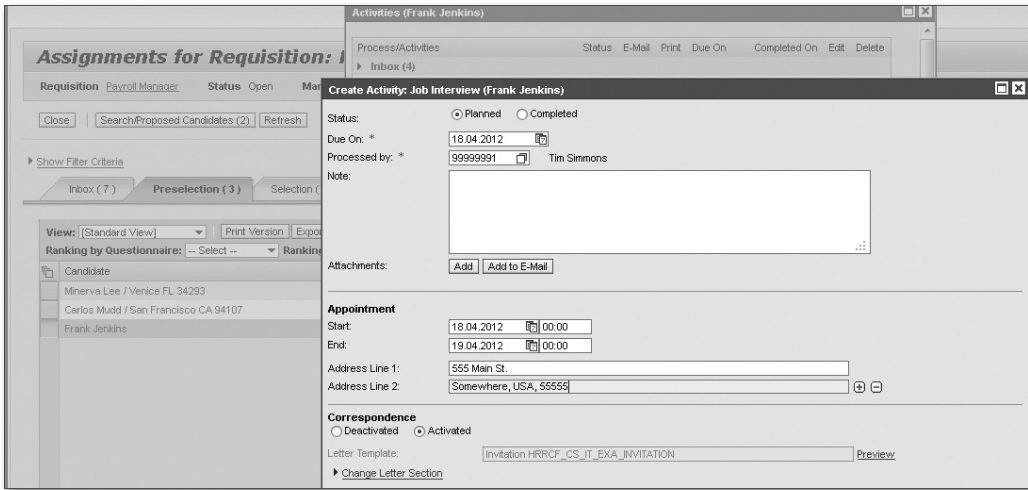
Figure 5.29   Interview Correspondence Activity for Frank Jenkins

Figure 5.30   Rejection of Application Activity

We'll now move on to the hire process with Frank Jenkins.

5.3.5   Hire

There are typically three main steps in the hiring process:

▶ Extend the offer.

▶ Perform pre-employment checks (also known as background checks).

▶ Hire the candidate.

The recruiter first extends an offer to the candidate that was selected during the Interview process (in this case, Frank Jenkins). In our scenario, we'll generate an offer letter (using a Smart Form correspondence activity) and send it to Frank Jenkins through the E-Recruiting application shown in Figure 5.31.
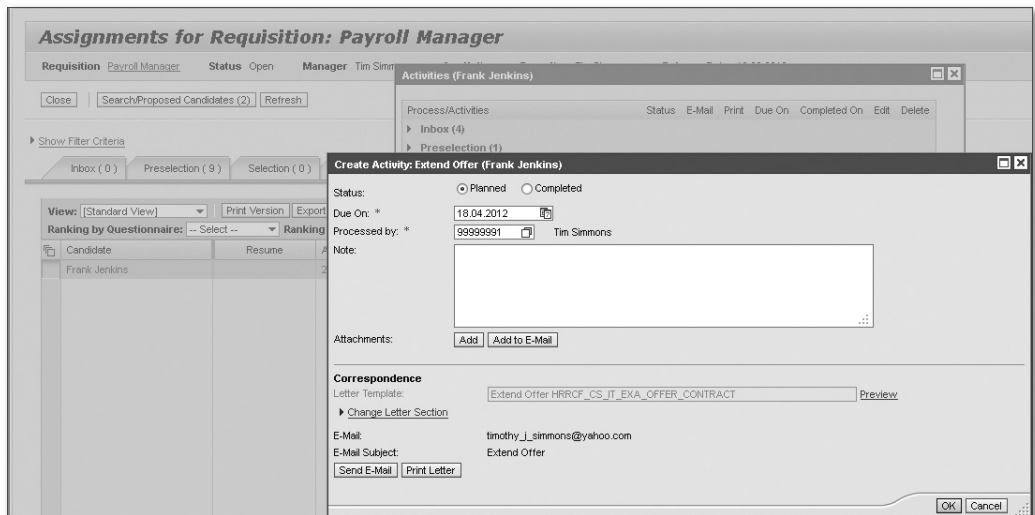
Figure 5.31   Extend Offer Activity

> **Key Point**
>
> Many organizations want to design several offer letter templates, each of them containing tremendous amounts of complex logic and approval workflow. Be careful! This could potentially add significant time and cost to your implementation. Also be sure you have skilled personnel within your project/development team that are familiar with how to build Smart Forms. Refer to Chapter 10, Section 10.2, for additional information on resource considerations.

After the offer is accepted by the candidate, the recruiter then coordinates pre-employment checks. This involves submitting the new hire information to a pre-employment check vendor via a Background Check activity (shown in Figure 5.32). When the results are returned and determined to be favorable, the candidate is then officially hired, and his data is officially transferred into the core SAP ERP HCM system.

Figure 5.32 Background Check Activity

Key Point

As of EhP 4, E-Recruiting has enhanced the application to allow background checks to be sent directly to third-party vendors as part of a pre-built interface; SAP has a vendor that has been certified on the background check interface.

Some examples of information validated in a pre-employment check include (but aren't limited to) the following:

▶ Education verification

▶ References

▶ Substance abuse screening

▶ Criminal checks

- ▸ Driver's license history

- ▸ Credit report

- ▸ Homeland Security check

- ▸ Employment verification

- ▸ Federal criminal court searches

- ▸ Sex offender registry

- ▸ Workers' compensation checks

- ▸ I-9 eligibility

- ▸ IQ screening

- ▸ Professional licenses/certifications

The vendor processes the information for Frank Jenkins and sends the results back to the recruiter for review. After the pre-employment checks have been reviewed to the satisfaction of the hiring organization, the recruiter then creates the Data Transfer For New Employees activity to eventually transfer the information for Frank Jenkins to the core HR (SAP ERP HCM) system. Figure 5.33 shows the Data Transfer for New Employees activity.

Figure 5.33 Data Transfer for New Employees Activity

As you recall from Section 5.3.1, HCMPF is being used in this process in the SAP NetWeaver PI framework. As a result, the recruiter can take advantage of the enhanced hiring integration with E-Recruiting when hiring Frank Jenkins, especially in relation to talent management and talent development processes. In addition to Frank's basic data such as personal data, position, and organizational unit, an EhP 5 business function (HCM_ERC_CI_4) also enables information about Frank's work experience, education, and qualifications (along with customer-specific fields) to be transferred from E-Recruiting into SAP ERP HCM.

> **Key Point**
>
> Some configuration is required to take advantage of the SAP NetWeaver PI interface because the standard system uses Transaction PA48 as part of the Data Transfer for New Employees activity. System parameters need to be changed in Table T77SO, and periodical service HIRE_REQUEST_VIA_XI needs to be activated and scheduled. For additional information on this new functionality, refer to the HCM_ERC_CI_4 business function documentation.

From a process perspective, the form carrying the new hire information for Frank Jenkins then gets sent to the HR administrator, who verifies that all of the information is correct and passes it to the core HR system (SAP ERP HCM). Frank Jenkins has officially been hired.

Now that Frank Jenkins fills the once-vacant position, the recruiter can begin the process of dispositioning any remaining candidates that weren't invited to interviews and therefore didn't receive the rejection letter.

To close the requisition, you must first withdraw all open publications.

> **Key Point**
>
> If you don't disposition (reject) the other candidates and withdraw open publications, the system will throw an error message, and you won't be able to close the requisition. Note that requisitions where candidates have applied can't be deleted but can be closed.

5.4   Talent Profile

Now that Frank Jenkins has been hired into the organization, he has to create his talent profile in ESS. As mentioned in Chapter 4, Section 4.5.1, the talent profile

is where employees can maintain talent-related information that is used in Talent Management processes. If employees can't maintain this information themselves, for whatever reason, then either their manager can maintain this information through MSS, or a Talent Management specialist can maintain this information through the Talent Management Specialist portal role. After Frank has maintained his data, his manager can then review and validate this information. At any stage, a Talent Management specialist can review this information in the same way that Frank's manager can.

5.4.1 Talent Profile for Employees

Frank accesses the Talent Profile for Employees by navigating to CAREER AND JOB in ESS and selecting TALENT PROFILE. Upon launching the Talent Profile application, Frank will immediately see a brief summary of his personal and organizational assignment data in the header section of the application. This information includes his name, personnel ID, age, date of birth, organizational unit, manager, job and position.

Below this are the six tabs where Frank will enter the information about himself:

► INTERNAL WORK EXPERIENCE

► EXTERNAL WORK EXPERIENCE

► EDUCATION

► ACCOMPLISHMENTS

► CAREER GOAL

► MOBILITY

In each tab, Frank can maintain different attributes about that particular area. When maintaining data, Frank can either enter this via a free-text box, or he can select the value from a predefined list of values. In most cases, the latter is the option available to Frank.

The first tab, INTERNAL WORK EXPERIENCE, is open by default and displays a list of organizational assignments within the company. Because Frank is a new employee, he will only see one entry for the PAYROLL MANAGER position that he has just filled. For this assignment, he can view the date period, job, organizational unit, personnel area, and personnel subarea.

Frank can also maintain details of any projects he has been involved in within the organization. This won't be relevant now, but Frank can return later to enter data should he become part of an internal project. When he does, he will have the option to maintain details such as the project title, date period, his role, span of control, project contact, location, and description; he can also upload any relevant attachments.

The second tab, EXTERNAL WORK EXPERIENCE, gives Frank the opportunity to validate the work experience that was brought over from E-Recruiting, which summarizes each of his previous positions outside of the company. With each entry, Frank must validate the name of the employer and the period of employment. Frank can then validate the job title, industry, functional area, hierarchy level, span of control, contract type, working time, location, and description; he can also upload files that support the entries. Frank reviews the details of his previous positions so that the full scope of his experience is accurate.

Figure 5.34 shows Frank's previous employer in the EXTERNAL WORK EXPERIENCE tab of the talent profile for employees.

Figure 5.34 The External Work Experience Tab in the Talent Profile for Employees

The next tab, EDUCATION, gives Frank the opportunity to validate the education information that was brought over from E-Recruiting, which summarizes the details about his education and any training he has received. Because so many candidates are high-performing and high-potential individuals with degree-level education,

it's no surprise that the EDUCATION tab is focused around this level of education, and most of the entry options reflect this.

Frank can validate institution, period of education, field of study description, education type, field, degree title, grade, degree level, whether this is the highest level of degree, location, descriptions, and any relevant documents that were uploaded to support the entries.

Key Point

Traditionally, education data has been maintained by HR in Infotype 0022. In some countries, this has a legal foundation or is used as the basis for pay grading and salary calculations. SAP introduced Infotype 7404 with EhP 4 to store education data that is maintained by the employee. It's important to note that there is no integration between these infotypes, and no reports exist that allow data to be transferred between the two infotypes. There are various advantages and disadvantages of this data model; whether having two different and separate infotypes is valuable varies from organization to organization.

Figure 5.35 shows the education details that Frank validated in the EDUCATION tab of the talent profile for employees. Note that it's identical to the data entered into E-Recruiting.

Figure 5.35 Education Tab of the Talent Profile for Employees

In the ACCOMPLISHMENTS tab, Frank can enter details about his personal accomplishments and achievements outside of work and education. For each accomplishment, the accomplishment and period in which it was accomplished must be entered, with optional entries for the type of accomplishment, a contact name for verification of

the accomplishment, and a description. As with entries on the other tabs, Frank can also upload any relevant documents to support the entry.
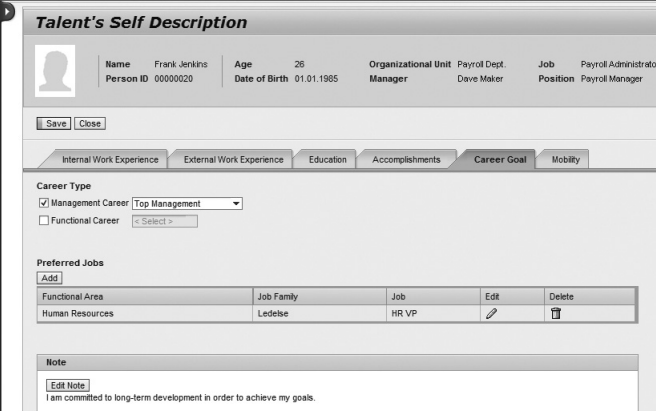
As an example, let's say that Frank has been offering financial advice on an informal basis to friends and family, and he is very proud of helping these individuals increase their personal wealth and well-being. He decides to enter this information into his talent profile.

Frank now enters his career goals and job preferences in the CAREER GOAL tab. Frank can select a career type and level, choose his preferred jobs, and enter a note about his career goals. Frank is ambitious and selects a career type of MANAGEMENT CAREER with level TOP MANAGEMENT. He also adds a preferred job, HR VP, which he selects through a series of drop-down boxes based on the following job architecture: FUNCTIONAL AREA, JOB FAMILY, and JOB. Last, Frank enters a note that he is committed to long-term development to meet his goals.

> **Key Point**
>
> A career type is used to identify an employee's career aspiration and also used to define the projected career path of a job or position. Career types also have levels defined so that the career path can be more accurately defined.

Figure 5.36 shows Frank's career goal and job preferences.

Figure 5.36 Career Goal Tab of the Talent Profile for Employees

The final tab is the MOBILITY tab, as shown in Figure 5.37.

Figure 5.37 Mobility Tab of the Talent Profile for Employees

Here Frank enters his preferences for relocating to other parts of the country or even to other countries, should this be applicable to his organization. First, Frank can specify whether he is willing to relocate, followed by the locations that he would and would not like to relocate to. The level of granularity is such that Frank can select countries, areas of countries, and regions of countries. Frank also has the option to enter a note.

Frank enters that he is willing to relocate and, because he has always liked the idea of living in Europe, enters the European Union as encompassing the countries that he would consider. Frank also enters a note that he needs a notice of six months for relocation.

Now that Frank has completed his talent profile, he reviews all of the information before selecting the Save option.

5.4.2   Talent Profile for Managers and Talent Management Specialists

Now that Frank has completed the process of maintaining his talent profile, the data needs to be reviewed and validated by his manager in the talent profile for managers and Talent Management specialists. This is accessed in MSS via Talent Management • Talent Information • Talent Profile. Frank's talent profile can also be reviewed by a Talent Management specialist through the TMS portal role via Talent Information • Talent Profile.

Upon opening the talent profile for managers and Talent Management specialists, Frank's manager will be taken to the Overview tab. On the left side, he will see a brief summary of Frank's personal Talent Data and Organizational Assignment

data, in much the same way as the header in the Talent Profile for Employees. This information includes his name, talent group memberships and status (nominated or approved), mobility, risks, career goal, manager, position, level of position (career level), location, organizational unit, job, functional area, job family, and successor nominations.

In a similar way to the Talent Profile for Employees, the Talent Profile for Managers and Talent Management Specialists has six tabs that contain different information: Overview, Résumé, Talent Assessment, Mobility, Career Goal, and Development Plan.

> **Key Point**
>
> EhP 5 includes an integration switch for the Talent Profile for Managers and Talent Management Specialists to display the qualifications assigned to the skills profile, rather than just those that are assigned as core competencies. This provides a seventh tab on the talent profile that contains all of the qualifications assigned to the individual.

The following are the category boxes contained in the Overview tab that provide Frank's manager with a detailed overview of Frank's profile:

- Performance
- Potential
- Core Competencies
- Derailers
- Mobility
- Languages
- Internal Work Experience
- Future Development
- Accomplishments
- Career Goals
- Mobility

The Performance and Potential categories both contain the last three performance and potential ratings of the employee so that the manager can track and review the employee's progress over the previous three years. Frank won't have any data at this stage, so the categories will display the text "No Data Available."

Beginning with EhP 6, it will be possible to display the appraisal documents from the Performance Management appraisal process in the talent profile.

The CORE COMPETENCIES category displays the employee's ratings for those competencies that have been assigned as core competencies. By default, these ratings come from the competency assessment of the talent assessment, although from EhP 5, it's possible to display the ratings directly from the employee's skills profile. With this setting, Frank's manager is able to validate Frank's qualifications without needing to request a list from HR. The LANGUAGES category displays the languages that are assessed in the competency assessment.

The DERAILERS category, like the CORE COMPETENCIES category, displays data from the derailers assessment of the talent assessment. The competency assessment and derailers assessment are covered in more detail in Chapter 6, Section 6.2.

The MOBILITY and INTERNAL WORK EXPERIENCE categories display a summary of this data from the talent profile for employees. The last category, FUTURE DEVELOPMENT, displays a summary of the development plan.

The OVERVIEW tab of Frank's talent profile is displayed in Figure 5.38.
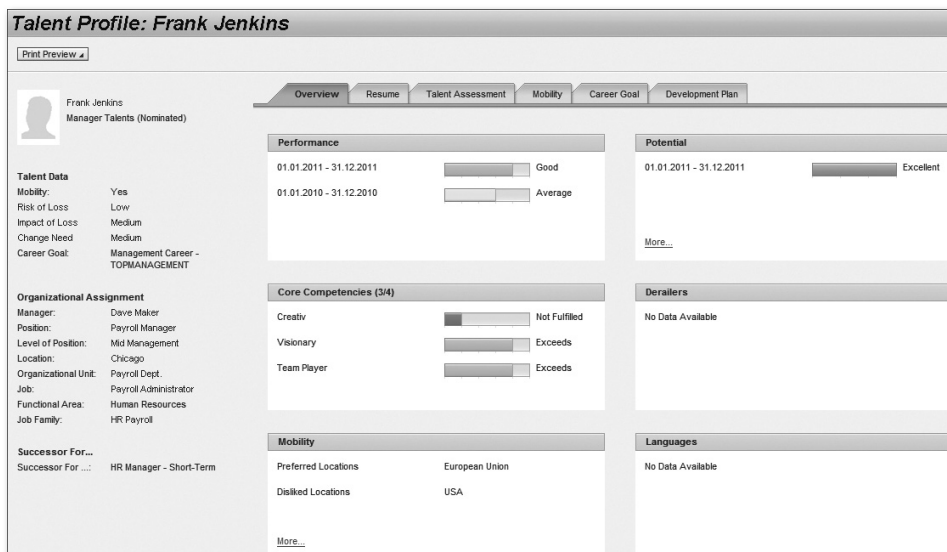
Figure 5.38 Overview Tab of the Talent Profile for Managers and Talent Management Specialists

The RÉSUMÉ tab enables Frank's manager to get a graphical representation of Frank's entire work history, education, and accomplishments. This is Frank's organizational assignment data, plus the data he entered in the INTERNAL WORK EXPERIENCE, EXTERNAL WORK EXPERIENCE, EDUCATION, and ACCOMPLISHMENTS tabs in the talent profile for employees. These tabs are also available for display inside the RÉSUMÉ tab, as shown in Figure 5.39.
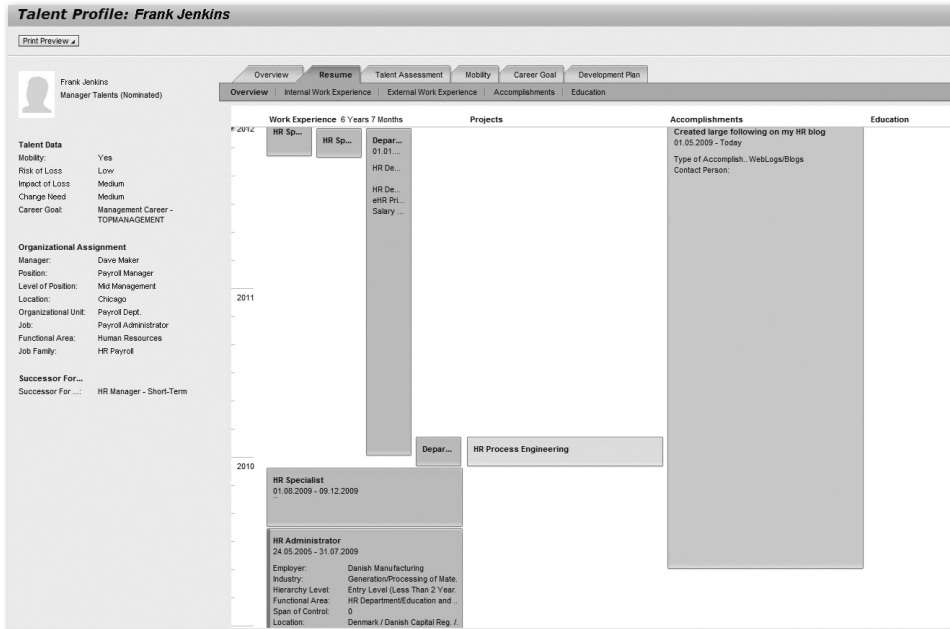
Figure 5.39   Résumé Tab of the Talent Profile for Managers and Talent Management Specialists

In the TALENT ASSESSMENT tab, Frank's manager can display each of the completed talent assessment forms so that he can review Frank's assessment. If an assessment was performed by a different manager during the period, then Frank's current manager can display the assessments performed by that manager. These forms display as they are seen within the talent assessment process, and more information can be found in Chapter 6, Section 6.2.

From EhP 5, the QUALIFICATIONS tab gives a comprehensive view of Frank's qualifications that are assigned to his skills profile. This can be used to verify the qualifications that were assigned from the E-Recruiting system.

Both the MOBILITY and CAREER GOAL tabs display Frank's information in the exact same way as in the Talent Profile for Employees.

The final tab, DEVELOPMENT PLAN, displays Frank's development plan. At this stage, the DEVELOPMENT PLAN tab is likely to be empty, but after the development plan has been created, it can be monitored from here. The information in the tab is displayed in the same way as in the development plan process (more information can be found in Chapter 8).

> **Key Point**
>
> If an employee has been assessed by more than one manager for the talent assessment appraisals, then the talent profile OVERVIEW tab will display the mean value of the assessment values for the potential, risks, derailers, and competencies assessments.

To assist with review or correction, or for assisting talent calibration or succession activities, EhP 5 provides the option to print the Talent Profile for Managers and Talent Management Specialists. Beginning with EhP 6, it will also be possible to get an overview of the learning activities of the employee in their talent profile.

Now that the Frank's manager has reviewed the talent profile, he can pass on any comments to Frank or HR, and the process can continue to the next phase.

5.5   Summary

It's vitally important to have a workforce plan in place that aligns with the strategic goals of the organization because it puts the right number of people with the right skills, experiences, and competencies in the right jobs at the right time, creating a foundation for making strategic business decisions.

After the workforce plan is complete, position management can help determine the number of positions needed, the skill and knowledge requirements of those positions, and the organizational grouping of positions to carry out the work done during the workforce planning process. If used in a disciplined way, position management also provides tools that can be used to improve methods and processes. Finally, numerous costs are associated with an unfilled position within any organization. Many of these costs are difficult to quantify but are very real, nonetheless. Be diligent in your efforts to quantify what the true costs of unfilled positions are for your organization.

SAP position management allows relationships to be built between positions and jobs, which allows those same positions to inherit the qualifications that have already been assigned to the job they are being relationally aligned with. Using the key position indicator enables additional succession planning functionality later in the process. This can be accomplished for individual positions via Transaction HRTMC_PPOM as well as in STVN SuccessionPlanning. It's also possible for organizations to set a number of key positions in a single transaction by using Transaction SE38 and running Report RPTMC_SET_KEY_INDICATION.

The E-Recruiting process always begins with the assumptions that the position being recruited for has already been approved and created in the SAP ERP HCM system, and the position is available in E-Recruiting via ALE from the SAP ERP HCM system. If qualifications are assigned to a position, they are subsequently defaulted in when the recruiter creates, reviews, or maintains the requisition.

As of EhP 5, candidates can use their email address as their user name within the source process, and recruiters can perform side-by-side comparisons as part of the screen process. Most of the interview process takes place outside of E-Recruiting. As part of the hire process, E-Recruiting has enhanced the application to allow background checks to be sent directly to third-party vendors as part of a pre-built interface.

Finally, after an individual has been hired into the company, he maintains his own talent profile. This provides his manager and the Talent Management specialists with a detailed summary of all talent-related information about the individual.

Now that Frank Jenkins has been hired and his manager has reviewed the talent profile, the process can continue. In the next chapter, we'll look at how to set up performance objectives, do a talent assessment, and conduct a mid-year review for Frank Jenkins.

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