

SAP ERP – Human Capital Management (HCM)

THE SAP ERP HUMAN CAPITAL MANAGEMENT IS AN INTEGRATED PERSONNEL MANAGEMENT SYSTEM THAT CAN BE USED E.G. FOR MANAGING PERSONNEL DATA AND FOR DEPICTING THE HIERARCHIC STRUCTURE OF A BUSINESS AND THE UNDERLYING RELATIONSHIPS



+ The HCM differentiates between company structure, organizational structure and personnel structure. The company structure includes all legal and financial structures of an enterprise. The organizational structure is defined by the dynamic model of the operational structure of an enterprise. The person-

nel structure is designed more rationally than hierarchically and assigns the staff to groups. The classification of employees within the structures of an enterprise is the first step in HCM for the collection of personnel data. The module with its numerous components maps all personnel management processes.

Part 3

Economic journals often only associate SAP, the world's leading provider of business software, with large businesses. However, SAP is already offering a specific solution for the baking industry. In a small series of features, *baking+biscuit international* will highlight the philosophy and implementation of this SAP solution. *baking+biscuit international*, issue 5/2009 introduced in part 1, "Good Pedigree", the general structure of the ERP system and Part 2, "Bookkeeping was just the beginning" in *baking+biscuit international* issue 6/2009 explained the concept of real-time data processing and the modules belonging to financial accounting within the ERP system. This issue will deal with personnel management. +++

Personnel administration

Seminar management

Recruitment

Travel management

Payroll accounting

Organization

Cost planning

Personnel development

It consists of the following components:

- + Personnel administration – HR master data management
- + Organization management – Map of the organizational structure of the enterprise and workforce deployment
- + Recruitment – Management of open positions and job advertisements, selection of applicants and correspondence with candidates
- + Personnel time management – Planning, collection and assessment of time data of internal and external workforce
- + Payroll accounting – Calculation of gross and net remuneration, salaries and wages according to the applicable laws and regulations
- + Travel management – Planning of travel activities including associated actions such as the purchasing of travel funds or the payment and booking of travel expenses
- + Personnel development – Skill management, talent review and succession management, development plans and potentials
- + Seminar and convention management – Planning, organization and management of events
- + Personnel cost planning – Planning and extrapolation of personnel costs
- + Short-term manpower planning – Quantitative and qualitative planning of personnel placement on a tactical and operational level

Basically, all these components and their integration into other processes are available with SAP ERP without the need to install additional components.

In personnel administration, the basis for all other fields is defined with the help of the organization management. The collection of HR master data is the first step which results in a company-spanning data base. Based on this structure, comprehensive personnel reporting is possible which delivers several evaluation and statistics options for personnel data. Recruitment is integrated into the SAP organizational structure and allows the overall utilization of vacant positions. This allows the linkage of requirements of the position and the qualification of the applicant and supports the staffing based on profile comparisons for example. The personnel time management documents the working hours of the employees and applies inner-company regula-

tions such as working hours and flextime models as well as regulations on overtime bonuses. The main item in the SAP concept is the definition of individual work schedules. Set-up and version are rather complex but they offer comprehensive opportunities for the use of the time management tool and linking to other modules.

With help from common customizing, numerous adjustments can be made in the payroll accounting tool of the SAP ERP HCM system. Via schemes and rules, even complex regulations from collective pay agreements and company agreements can be implemented.

Summarizing, the top task of the human resources department is to supply the right number of staff with the right qualification at the right time and at the right location for the required time span. However, the HR processes cannot be viewed in isolation from the others. They have to be integrated into the other processes of the SAP ERP system.

The main integration aspects are:

- + Booking of results from payroll calculation and travel expenses to financial accounting and cost accounting
- + Integration into the payment program of financial accounting
- + Allocation of cost centers and other cost objects from cost accounting to HR master data
- + Integration of the organizational structure of the organization management into the accounting structures +++

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