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Mastering HR Management with SAP

SAP PRESS

Contents

Invitation

Dear Reader,

You may expect a "Preface" here, but we'd rather extend an invitation.

More precisely, the authors issue three different invitations to each reader:

1. mySAP HCM is a huge topic, and every day there is something new to learn. The authors of this book are co-authoring a free e-mail newsletter about mySAP HCM, which keeps its readers up-to-date with six issues per year. To learn more about this newsletter and subscribe online, have a look at *http://www.admanus.de/english-newsletter*, or subscribe via e-mail by sending a message with "subscribe book" in the subject line to *newsletter@iprocon.com. We invite you to keep in touch!*
2. Throughout the book, you will find many process models, mostly in the form of event-driven process chains. If you are interested in getting these process models in an electronic form, we offer you a free download via *http://www.iprocon.com/book-process* (Password *innovation*). They are available in the original form as an ARIS database and as a PowerPoint file. *We invite you to download!*
3. This book shows many ways to use the potential of the system to support processes in ways other than those for which they were originally designed. The enormous flexibility of mySAP HCM provides many more opportunities than could be described in one book. So, don't stick to the straightforward solutions, but rather think out of the box! If you really understand the underlying structure and functionality of the system, you will often find an efficient way to cope with your requirements. *We invite you to innovate!*

To learn more about the authors and other people involved, have a look at Appendix E, *About the Authors*.

We recommend you read Chapter 1, *Goal of this Book*, which will help you get the best value from this book. We wish you interesting reading and many ideas that help you succeed in your project or day-to-day job with mySAP HR.

7 E-Recruiting

The E-Recruiting solution within mySAP ERP HCM is completely new and doesn't have much in common with the recruitment solution described in the previous chapter. The new design built on a new technological basis takes into account the new labor market where it takes a proactive approach to capture the best talents.

7.1 Business Principles

Most of what is said in Section 6.1 is also true for E-Recruiting, as we are talking primarily about a different technical approach. However, the new technology allows some major changes to the business processes, which have to be discussed here.

7.1.1 War for Talent

Even in countries with high unemployment it is more and more difficult for companies to attract specialized or high-potential candidates, as you can see in several European countries these days. Most organizations expect this problem to grow, given the aging population in many parts of the industrialized world and ever-increasing skill requirements for the top technical and managerial positions.

On the other hand, most organizations see a sharp increase of applications from candidates with only average or low skills. The challenge to the HR department will be to manage this workload efficiently while still finding the best candidates to ensure their companies' competitiveness.

7.1.2 Sourcing and Retention

Considering that the highly talented tend to behave as self-confident business partners in the labor market today, the traditional recruitment process is just not enough. What you need is a comprehensive talent-relationship management.

Research shows that the majority of employees are neither 100% loyal to their employers nor actively looking for a new job. More than 50% are generally interested in a good opportunity but may not even read the help-wanted section of the newspaper. A company that attracts talent and builds relationships with talented people even before they are urgently looking for a new job has a considerable advantage. That's the idea behind the concept of the talent pool. Employees who are screening the job market without an immediate wish to change their employers are invited to an uncommitted registration. They can look around and get acquainted with the company. When a promising opening arises, they are available without the need for much advertising. Moreover, the talent pool allows for a reasonable segmentation of candidates so that you can concentrate on your target groups.

Thus, you can apply well-known principals of customer-relationship management to your recruiting processes. It is more efficient and more effective to build and maintain long-term relationships than to search for short-term contacts every time you need them and then lose them again.

What is true for external candidates is also true for internal talent. After all, your best employees are potential candidates for your competitors, and it would be naïve to assume that they do not watch the job market. So, since they are watching anyway, why not make sure that the internal job market of your company is at the top of their list? Allow your employees what you allow external candidates. When change is due, it is better they choose a new job in your company than leave for the competition.

7.1.3 Controlling Recruitment Processes

Measurement of the recruitment performance is becoming more and more important. There are well known key figures such as

- **Cost per hire**
  All internal (e.g., time spent by recruiters) and external (e.g., cost of a job advert) costs that are spent to fill a position
- **Time to fill**
  Time that passes from the opening of a position to the hiring of a new employee
- **Cost of staff turnover**
  All costs caused by the leaving of an employee (including hiring and training costs as well as the costs caused by the vacancy, to name but the most important components)

With E-Recruiting, it is often more difficult to assign the costs to a specific hiring, because the costs for the talent pool must be shared by all hiring activities in some way. Moreover, there are often requirements for more detailed information. One way of dividing the time to fill a vacancy is as follows:

- The time from the moment the vacancy is known to the moment when a job advertisement is published (online or in print)
- The time between the publishing of the advertisement and the invitations to first interviews
- The time between the interviews and the hiring decision
- Other

With a specialized e-recruitment system, the expectations in this area are particularly high.

7.1.4 Processes and Organization

This new world of recruitment can be quite a challenge for the HR department. It differs from the traditional process in a number of ways.

- The candidates can contact the company in many different ways, and they want to decide how to go about it.
- Working with a talent pool requires completely new processes, because, after the initial registration, the initiative often must come from the employer.
- Besides the processes surrounding applications and job openings, something must be done for the retention of talent in the pool.
- Line managers expect to be involved more actively in the selection process and get quicker results so they can respond to changing market requirements
- "Cost per hire" is an important key figure, and budgets for HR are often limited.
- Recruitment, staff retention, succession planning, and career development are interacting strongly. They even can be seen as parts of the same complex process.

All this requires significant changes to the old organization and processes.

7.1.5 Recruitment Service Providing

In recent years, more and more companies have outsourced parts of their recruitment processes or built corporate service centers to act as service providers. The pressure to reduce costs, together with the increasing complexity of the processes, may be major reasons for this.

However, with this step, the processes often get even more complex because of increased coordination requirements. So, it is even more important to have well defined and sensible processes and a clear organization with an appropriate IT-support.

7.1.6 Technology

Most organizations seriously working with E-Recruiting have to face technological challenges. These include the following.

- Candidates send in information in many different forms. Not only must paper-based applications be processed but also electronic documents in a variety of formats such as Microsoft Word, PDF, TIF, and JPG. One possibility is to have all applicants fill in an online form with the most important information.
- Data security is always an issue, and it has two sides:
  - Candidates who register and enter confidential data want to be sure that no unauthorized access of this data is possible.
  - It makes sense that the recruiting system interacts with the operative HR system. Because this interaction opens up a connection between the HR system and the outside world via the Internet, technology must guarantee that data of the operative HR system cannot be accessed from outside the organization.
- International recruitment is often a reason for changing from traditional recruitment processes to E-Recruiting. However, this means that the system has to
  - Comply with legislation of different countries regarding data security, accessibility, etc.
  - Be multilingual
  - Deal with different formats for addresses, names, etc.
  - Take into account the different education systems and grading systems

7.2 The Process in mySAP ERP HCM

7.2.1 Overview

Figure 7.1 shows the main functional areas of the solution. In the center of the whole process stands the **Talent pool**, where candidates can maintain their data. How much data they enter can be decided by the candidates within the restrictions that the employer sets in the Customizing.

Registration is the first step. At this point, it is generally not required that the candidate enters all the data. We can expect, rather, that many candidates will enter more and more data with time and only offer the full set of data when they find an attractive vacancy.

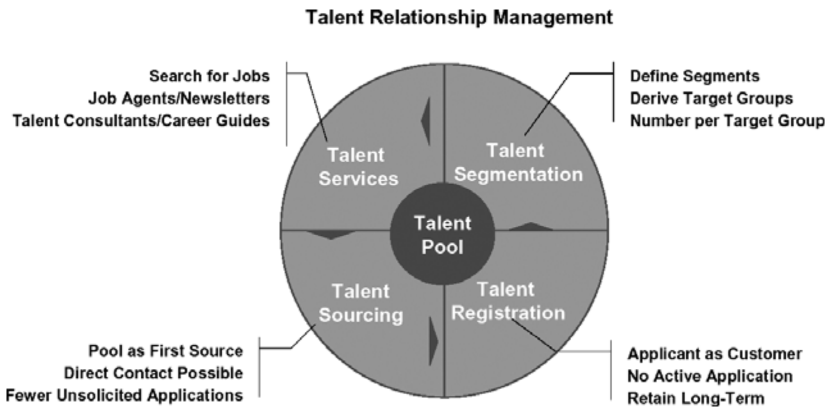

Figure 7.1 Functional Overview of mySAP E-Recruiting

The data maintained in the talent pool usually includes:

- Personal data
- Communication data (address, e-mail, phone, etc.)
- Employment preferences (such as functional area and salary expectations)
- Work experience
- Education
- Skills profile (qualifications)
- A range of attachments such as certificates and reference letters
- A cover letter

Although it is possible at this stage to see active applications for a particular vacancy, and although in most cases this is encouraged, the employer's main aim in registration is developing a long-term relationship.

How much effort is invested in this relationship and whether a candidate receives invitations to apply for specific jobs can be decided in the talent **segmentation** process. It allows the employer to assign candidates to a talent group (see Section 7.2.6) and to assess candidates in a detailed appraisal form (questionnaire) (see Section 7.2.5) that can be fully customized.

To retain candidates in the pool, several services can be offered to them (as shown in Figure 7.1). Whatever the value-added services may be, the most important points for the candidate are:

- Searching for interesting job postings
- Getting qualified job offers or invitations to apply from a recruiter, based on the candidate profile.

From the employer's point of view, the three functional areas described so far build the basis for the real purpose of the system: **talent sourcing**. With a broad pool of talent and substantial information about candidates at hand, many vacancies can be filled from this pool. So, the pool is the first place to look for new employees before any other expensive and time-consuming measures such as placing job advertisements or hiring head-hunters are necessary. To fulfill this purpose, requisition management (see Section 7.2.3) is a very important feature of the solution. Recruiters define the requisitions and related job postings that are requested by the managers who are looking for new employees. These requisitions hold the data about the job requirements that will be matched with the candidates' data.

Note that the whole system works for internal candidates as well as for external ones. With Version 6.0, succession planning is included as an explicit component represented by its own role, the Succession Planner. This shows an important development within mySAP HCM: Recruiting and personnel development get more and more integrated in the **Talent Management** solution. With this development, the software is ahead of many HR departments, where these two functions are still much too separated from each other. As a matter of fact, recruitment and personnel development are often alternative or even hybrid solutions to the same problem. So, they should be dealt with together as mySAP HCM suggests.

7.2.2 Process and Roles

The application is based on several roles, which are described in detail in Section 7.3. A role is not merely a set of authorizations, as it is sometimes understood. In the context of E-Recruiting, a role represents a set of functions together with the corresponding user interface tailored to the requirements of the role. The most important roles and their interactions are represented in Figure 7.2. This figure shows the main process, starting with a candidate's interest in the company and the creation of a vacancy, up to the application. Of course, this process as shown is rather simplified as it does not take into account the various outcomes each step could have. It merely concentrates on "the most interesting" outcomes that keep the process going.

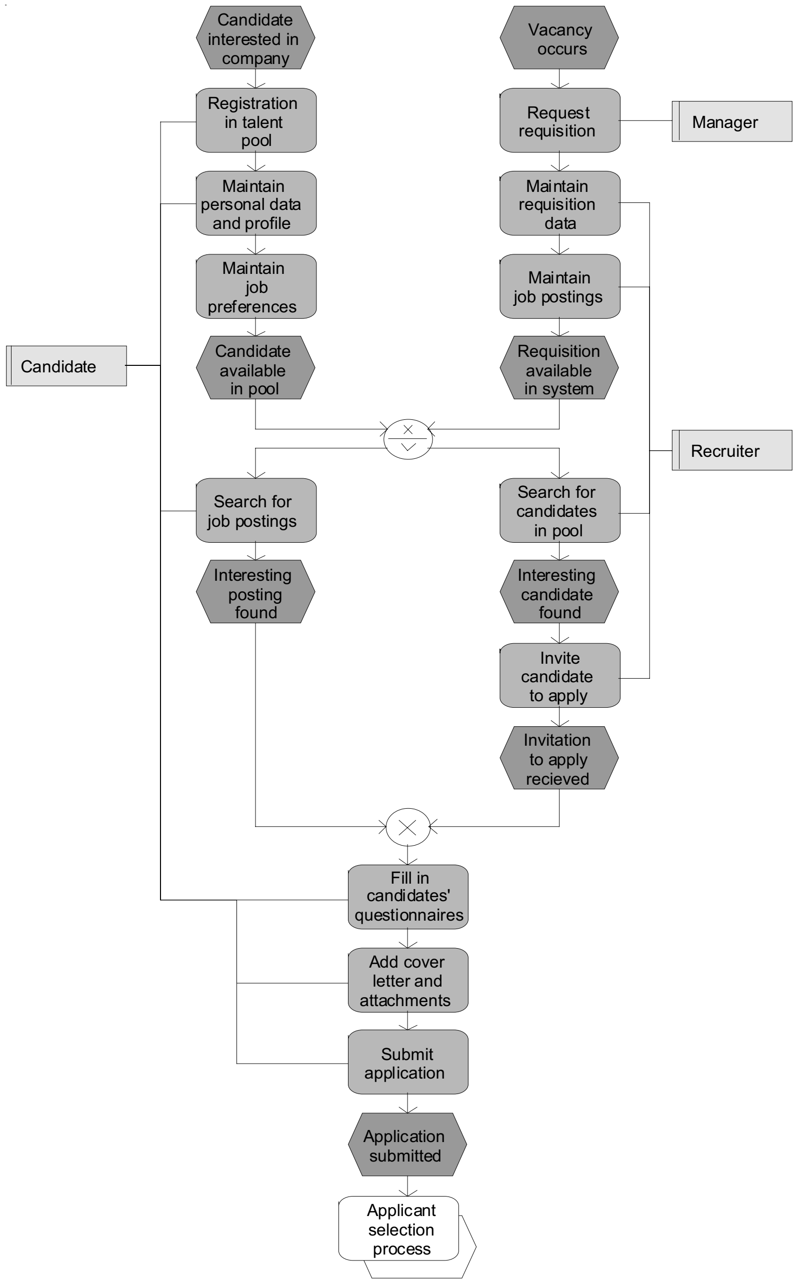

Figure 7.2 Process Overview: Candidate, Manager, and Recruiter

The first part of the process shows two independent branches:

- ▶ The candidate registers in the talent pool and maintains some data.
- ▶ A manager needs a new employee and requests a requisition, which is created by the recruiter along with one or more postings.

The second part of the process shows, how the candidate and the requisition—or rather a job posting contained in the requisition—can get together. There are two ways for this to happen:

- ▶ The candidate searches for interesting positions and finds a match.
- ▶ The recruiter searches for candidates matching his requisition and finds one. In this case, he would invite the candidate to apply for the position in question and provide all necessary data.

In both cases, the candidate will complete his or her data. Usually he or she will upload a cover letter and other attachments and may have to fill in one or several questionnaires. This done, he or she can submit the application.

Of course the process doesn't stop there, but will go the usual course of a selection process with correspondence, interviews, etc., and further roles are likely to be involved. The process flow is controlled by so called process templates (see Section 7.2.4) together with SAP Workflow.

In the following sections, we will discuss the most important concepts of the solution and then look at the different roles.

7.2.3 Requisitions

Together with the candidates themselves, requisitions are the central objects of the whole solution. Requisitions provide the means to get vacancies communicated to the users of the talent warehouse as well as to all other persons involved.

Each requisition contains one or more job postings that are dealt with together and have similar requirements. Each job posting can be published via one or more publications (see Figure 7.3).

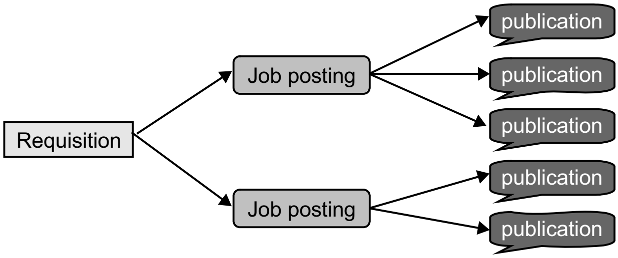

Figure 7.3 Structure of a Requisition

A requisition is maintained in nine steps, which do not all have to occur in every organization.

1. Maintain general job information, which contains administrative data about the requisition process and the basic job details such as description, function, and salary (see Figure 7.4).

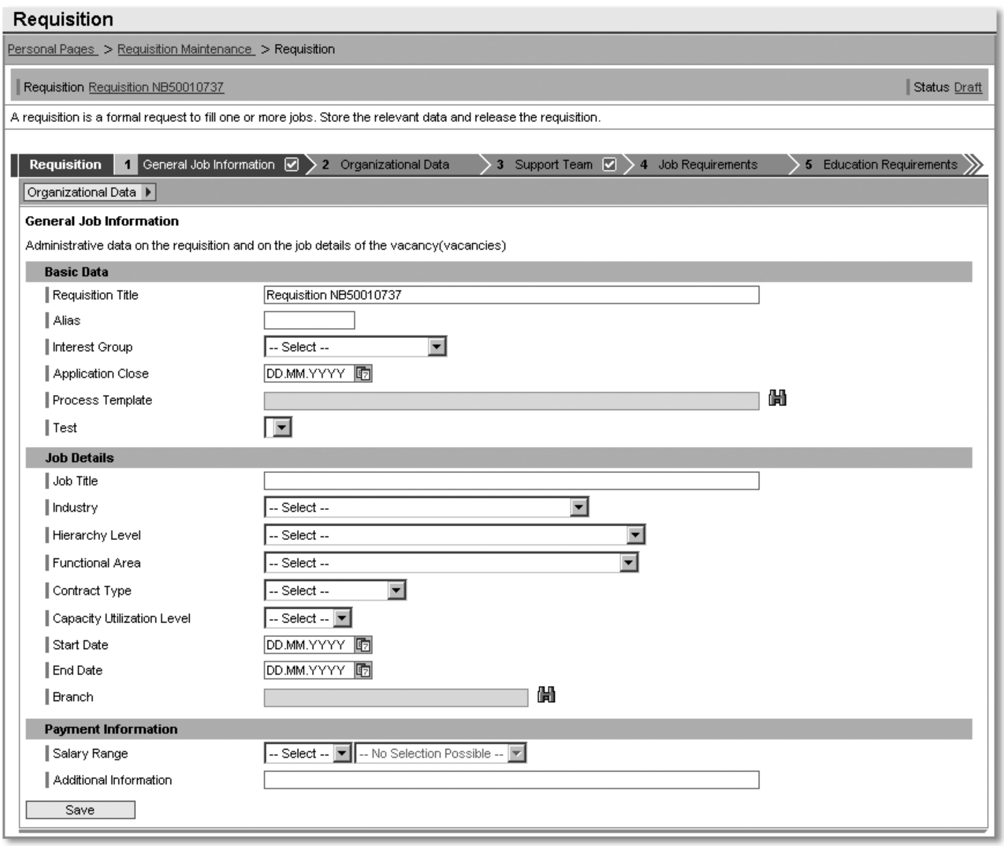

Figure 7.4 Creating a Requisition

2. Maintain organizational data.
3. Define the support team: This is the team working with the requisition in several roles (see Figure 7.5). You needn't define all possible roles for a requisition. The extent to which you define them depends on your process. Generally a recruiter and a requesting manager are involved at least. Other roles that could be involved include a decision maker to approve the postings, an administrator, or a data-entry assistant.

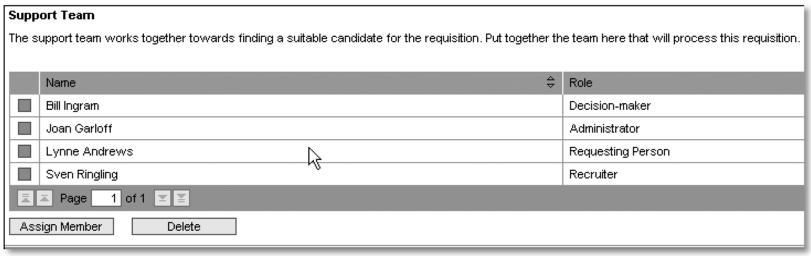

Figure 7.5 Defining the Support Team

4. Maintain job requirements relating to the employment experience of the future position holder.
5. Maintain education requirements.
6. Add attachments (such as a detailed job description in the form of a PDF file).
7. Set the status of the requisition; only if the requisition is released can the included postings can be published for the talent pool.
8. The data overview shows the recruiter, what data has been maintained so that he can easily identify any missing data.
9. In the last step, the job postings are included in the requisition.

Figure 7.4 shows the design of a step-by-step procedure typical for the E-Recruiting solution. A step that is often included in such procedures is the data overview, though this is not shown in the figure. Step nine leads to another step-by-step procedure as shown in Figure 7.6. While the requisition is an object for merely internal use (though the data assigned, such as salary and requirements, has important external effects), the job posting is meant for the outside world. This is clear particularly when you note the multilingual descriptions that can be seen on the lower tabs in Figure 7.6. After all, it is not the requisition but the job (posting), a candidate is looking for.

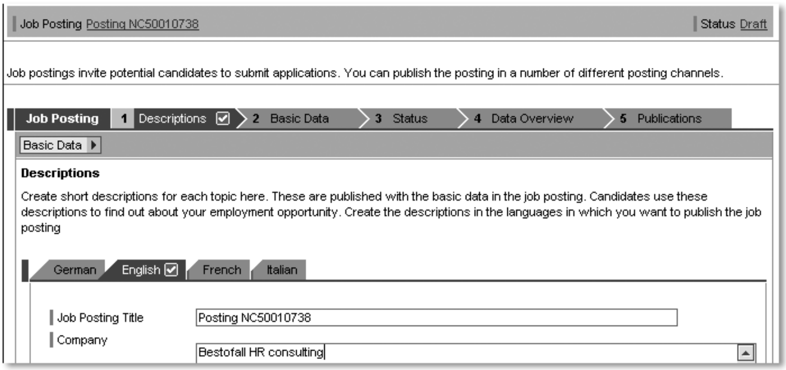

Figure 7.6 Creating a Job Posting

Most of the data a job posting needs is already maintained on the level of the requisition, so there are only five steps involved in creating the posting:

1. The general description
2. Some basic data of administrative character
3. The status, which has a similar meaning as the status of the requisition
4. The data overview mentioned above
5. The publications of the posting (see Figure 7.7).

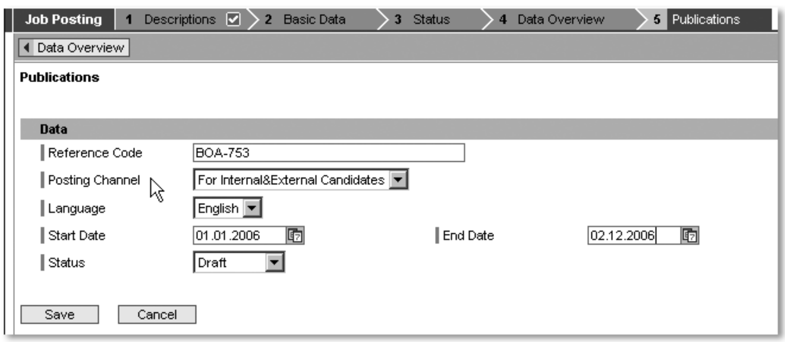

Figure 7.7 Maintaining a Publication

Readers who are familiar with the traditional solution described in Chapter 6, *Recruitment*, will be pleased to see that it is not necessary to create a new posting for each publication. Instead, it is possible to assign several publications to one posting. In this regard, the data structure of the E-Recruiting solution does represent the real world much better than the traditional solution. The publication gets most of its data from the posting and the requisition, so that most important information is the posting channel and the time period through which the publication is continued. As with requisitions and postings, the publication has a status. The status shown in Figure 7.7 is "draft," which means, that it cannot be seen by candidates. A publication can only be "released," when both the posting and the requisition are released.

7.2.4 Process Templates

The tracking process of an application for a particular posting is defined by a so-called process template. It consists of an ordered set of process steps and activities and is assigned to a requisition. Through the template, the recruiter is guided through the process, but he is not forced to perform all steps or to perform them in a predefined order.

Although the process template does more or less take the role of actions, activities and the feature PACTV of the traditional recruitment solution, there are some significant differences.

- A process template is defined by the end-user (e.g., the recruiter) in the normal application, while the feature PACTV must be maintained in customizing.
- The concept of the process template is more flexible. It is much easier to establish different processes for different target groups.
- To achieve the same level of guidance, workflow must be included.

The concept of the process template has four levels:

1. The process template itself (e.g., "High potentials North America")
2. A set of process steps or sub-processes (e.g., "Application-Entry" or "Prescreening") is assigned to the template. They are called just "process" in the system.
3. A set of activities (e.g., "first interview" or "rejection after interview") is assigned to each process. Note, that the types of activities as well as the processes available are defined in customizing (see Section 7.4.5 for this and for the categories of activities). Only the assignment can be done by the recruiter.
4. Special content such as letters or questionnaires (see Section 7.2.5) can be assigned to each activity.

The recruiter can create a new process template via the path **Process Templates · Create Process Template**. At first, some header data as shown in Figure 7.8 must be entered. The most important data is the status. The template can only be assigned to a requisition when it has the status "released." You should only release it, when it is definitely ready, as later changes can be difficult, when the template is already included in a requisition.

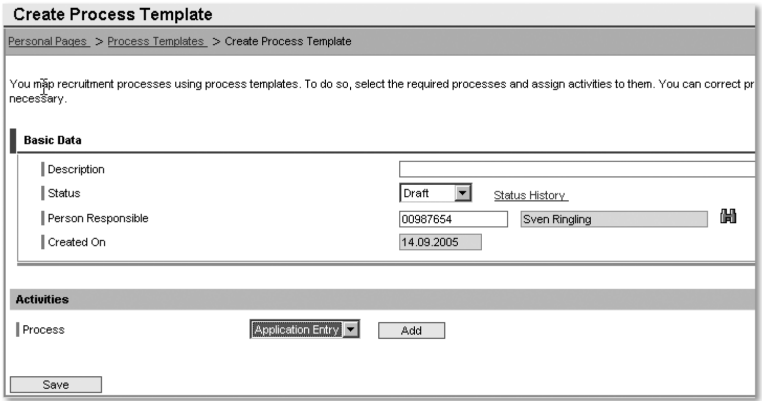

Figure 7.8 Header Data of a Process Template

Figure 7.9 shows a complete process template in which the processes "Application Entry," "Prequalification," "Selection," "Offer Phase" and "Rejection" are represented by the five tabs. Eight activities are assigned to the process "Offer Phase," and three of them have a letter form assigned.

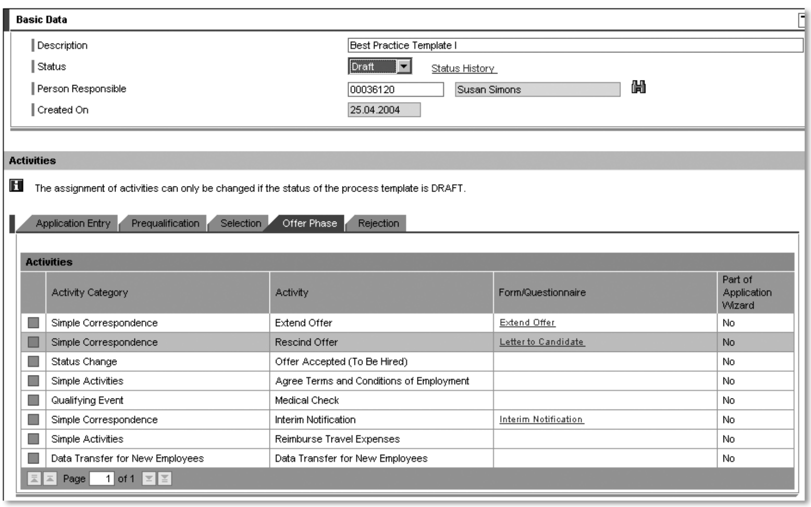

Figure 7.9 Process Template with Five Processes

7.2.5 Questionnaires

Questionnaires are a very flexible tool that allows to get almost every information from or about a candidate in a well structured way. There are two types of questionnaires:

- General questionnaires, that can be used to get additional information from the candidate or to enter the impression that the manager or decision-maker got from the candidate in an interview.
- EEO questionnaires are designed for the specific purpose of obtaining data necessary to comply with the U.S. EEO (Equal Employment Opportunities) regulations. EEO questionnaires are based on the same concept as general questionnaires but contain a special type of questions.

Each questionnaire is composed of a set of questions from a pool of available questions. Both questions and questionnaires can be maintained by the end-user, usually the recruiter or an administrator. Each question can be assigned to several questionnaires.

As with process templates, the status field is important fro questionnaires and questions. Both can only be used, when the status is "released." Keep the status set on "draft" as long as the question or questionnaire is not completed.

The questions for general questionnaires can be of five different types.

- Single selection: a field where an answer from a given choice of predefined answers can be selected.
- Input field: a field where a short text can be maintained freely.
- Multiple selections: more than one answer can be selected from a given choice of answers.
- Predefined scale: the answer can be chosen from a scale defined in customizing.
- Input area: an area to maintain a text; similar to the input field, but with more space.

Figure 7.10 shows one example for each of these types and Figure 7.11 shows them included in a questionnaire in the preview mode. This is exactly how a questionnaire would look to the candidate or anybody else asked to fill it in online.

■	Have you ever bought a product from our company?	Single Selection
■	Describe your experience in intercultural management	Input Field
■	Which of these countries have you ever worked in?	Multiple Selection
■	How would you rate your coffee brewing skills?	Predefined Scale
■	Describe you prblem solving approach!	Input Area

Figure 7.10 Questions of Five Different Types

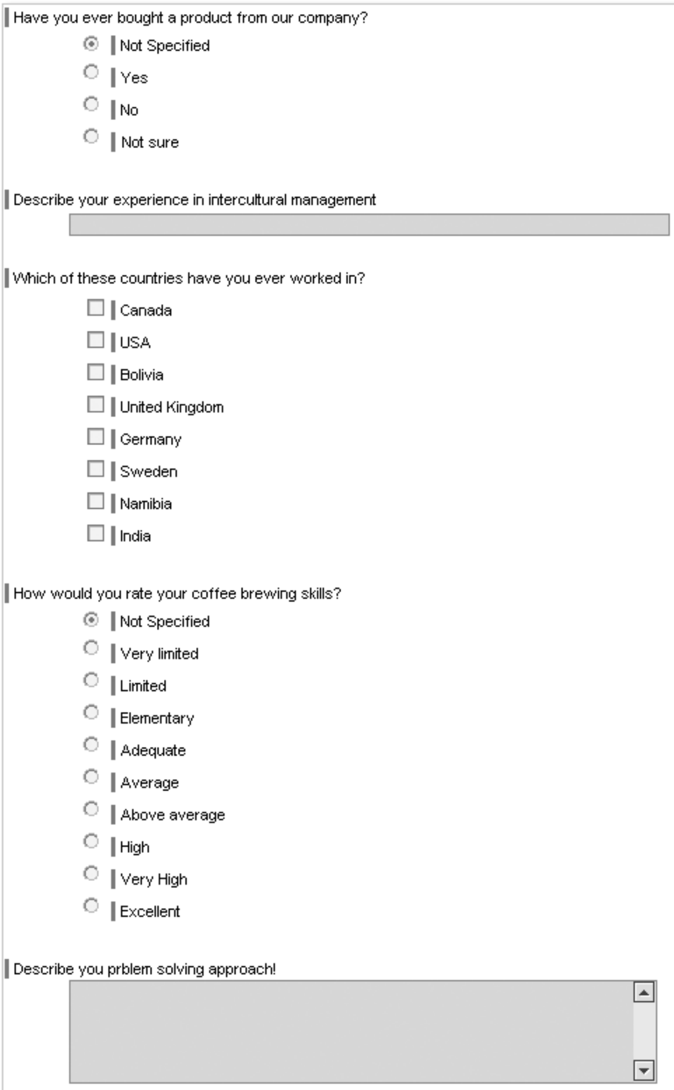

Figure 7.11 The Five Question Types in Preview

The maintenance of questions can be accessed by the recruiter via the activity **Question Maintenance** in the box **Administration**. Then he receives an overview, as shown in Figure 7.12, where he can display, change or create new questions. The questions are assigned to one of four tabs for structuring purposes:

- Other
- Candidate related
- Decision-maker related
- Job related

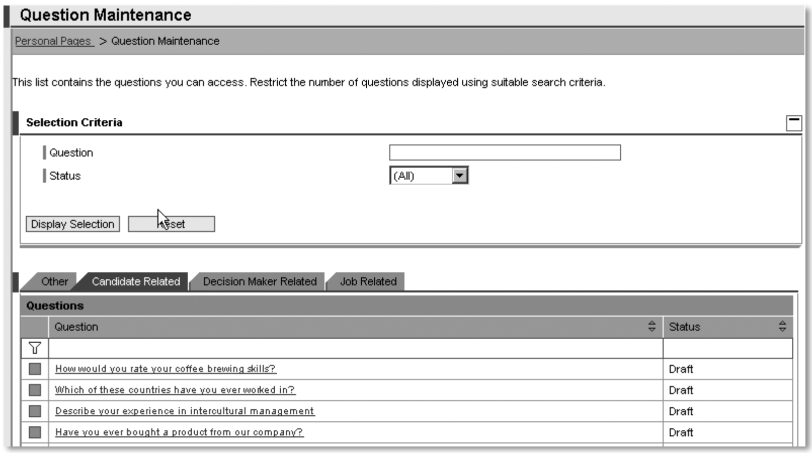

Figure 7.12 Question Maintenance—Overview

Figure 7.13 shows, how an input field question is created. Just maintain the text of the question as it shall presented on the questionnaire and choose **Input field** as the response type. When the question is ready for use in questionnaires, change the status to "released." As there are no predefined answers, the lower part of the screen containing the responses is empty.

In Figure 7.14, a question with a multiple selection is maintained. Here, you have to assign all the possible responses. These are taken from a catalogue of responses that can be maintained by the recruiter. Make sure that responses are re-used whenever possible. Especially common answers like "Yes" or "No," will occur very often in the catalogue, when you do not check whether a response you need is already available before you create a new one.

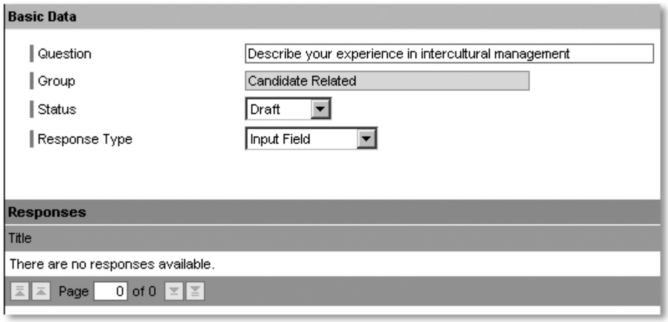

Figure 7.13 Maintain a Question with an Input Field

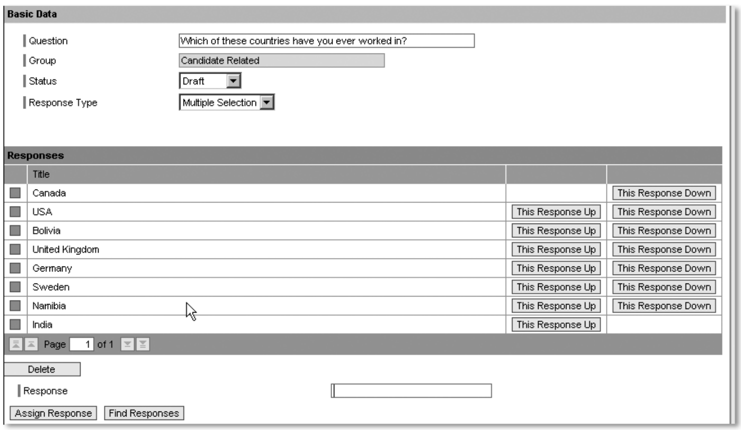

Figure 7.14 Maintain a Question with Multiple Selection

EEO questions are very similar to other questions. However, there are the additional fields **Reporting Area** and **Field** to make sure the data complies with the requirements of EEO reporting (see Figure 7.15). The options for these fields are maintained in customizing and come with a default setting from SAP.

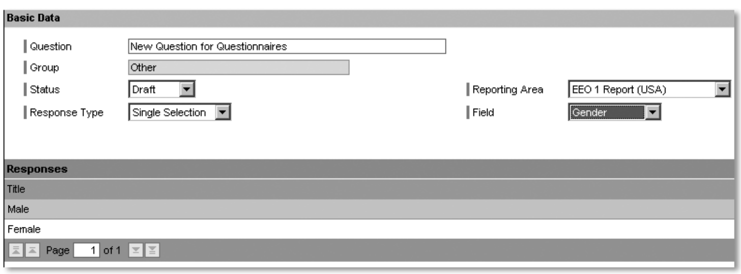

Figure 7.15 Maintain EEO Question

Once the necessary questions are available, the recruiter can start building questionnaires using the item **Questionnaire Maintenance** in the box **Administration**. Because it is possible to create new questions right out of the questionnaire-maintenance screen, you can proceed to this step right away. However, if there are several questions to be maintained, it is more convenient to stick to the sequence described here.

The first screen of the questionnaire maintenance looks exactly as for the question maintenance (see Figure 7.16) and has the same purpose.

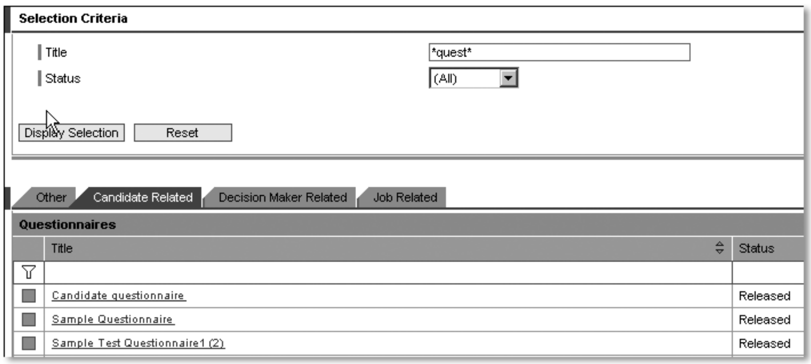

Figure 7.16 Questionnaire Maintenance—Overview

The maintenance of questionnaires involves three steps:

- Maintain a title
- Assign questions and define their sequence (see Figure 7.17)
- Rate responses. Besides the rating of the responses (that is giving marks to each possible answer), some responses can also be declared to be the "expected response." A candidate who does not select an expected response is deemed unsuitable. For example, when a specific job requires that the candidate has worked in Sweden before, then your questionnaire could include the question "In which of these countries have you worked before?" with the answer "Sweden" an expected response within the multiple selection. Note, that the rating of the responses does not happen in question maintenance but always in the context of the questionnaire.

While maintaining the questionnaire, you can get a preview with the "attributes," showing the whole questionnaire with the rating of each answer and the expected-response flags (see Figure 7.18).

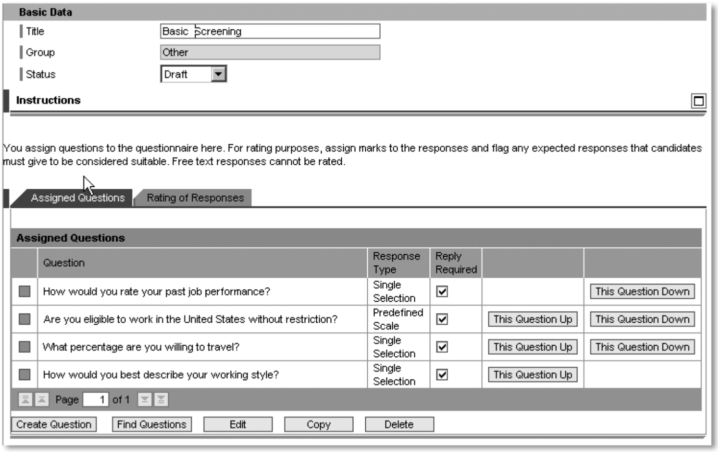

Figure 7.17 Assign Questions to a Questionnaire

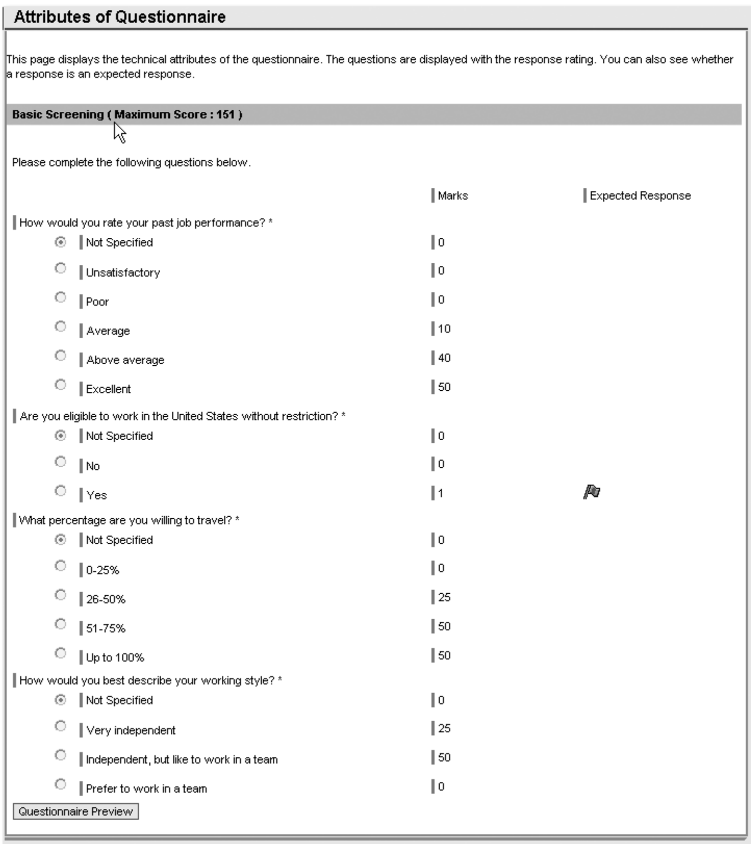

Figure 7.18 Preview of Questionnaire with Attributes

When the questionnaires are ready, they can be included in the process via the process template. An applicant can be asked to fill in a questionnaire, either as one step of the application wizard when applying for a job or via an e-mail sent by the recruiter. This e-mail contains a link to the questionnaire within the E-Recruiting platform and requires the candidate to log in before answering the questions online.

7.2.6 Further Important Terms

Talent Pool

The talent pool comprises all candidates registered in the platform, including internal candidates.

Talent Groups

Via the respective item in the **Talent Relationship Management** box, the recruiter can assign candidates to talent groups as a measure of talent segmentation.

Object types

There are five types of objects used in the e-recruitment solution:

- Candidates (NA)
- Requisition (NB)
- Posting (NC)
- Application (ND)
- Candidacy (NE)—a candidacy occurs only when a candidate is assigned to a job posting. When this has not (yet) happened, it is an application.

Technically, these objects are used much like object types of organizational management, and the data is stored in infotypes 5100 to 5199. However, this structure is hidden from the end-user. In Customizing, it is important to know the object types, as they are sometimes used to assign any items such as activities.

Statuses and Status Reasons

As in the traditional recruitment solution, statuses are used in E-Recruiting as well. However, different statuses are available per object type. The statuses for an application or a candidacy are:

- Draft
- In process
- Withdrawn
- Rejected
- To be hired

The statuses for a posting are:

- Draft
- Released
- Closed (meaning "do not use anymore")
- To be deleted (but it can only be deleted when it is no longer used in active processes)

The same statuses can apply to requisitions, but for those there is a fifth status called "on hold."

A candidate can have only two statuses:

- Locked (meaning that this user is not considered for vacancies)
- Released (meaning that this candidate can work on the platform and can be found by the recruiter for openings)

This is an important difference to the traditional recruitment solution: The status of a candidate does not correspond to the status of his of her application. This difference results from the completely different concept of E-Recruiting. The candidate is considered to be interesting not simply because one or more applications are pending. The long-term relationship E-Recruiting is aiming at can begin long before the first application and can go on afterwards.

Status reasons can be maintained in Customizing and assigned when the status of an object is changed through an activity.

7.3 Looking at the Different Roles in E-Recruiting

As noted earlier, the E-Recruiting solution is completely role-based. Each role is characterized by a set of functions. These are displayed on the start page, the so called **Personal Pages**, in several boxes representing a kind of functional areas (see Figure 7.21).

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